

**Introductory statement by Mr. Petko Draganov,
Deputy Secretary-General of UNCTAD**

**Working Party on the Strategic Framework and the
Programme Budget, 62nd session**

3 September 2012

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**Agenda item 3:
Review of the technical cooperation activities
of UNCTAD and their financing**

Madam Chair,

Distinguished delegates,

In 2011, the scope and the focus of UNCTAD's technical cooperation activities continued to be marked by the two-track approach that was put in place in 2005 in response to the system-wide reform of the United Nations. On the one hand, UNCTAD has continued to provide technical assistance services in its traditional way, via interregional, regional and country-specific projects, and on the other, it has provided support services at the country level within the One UN/Delivering as One framework.

Let me start by highlighting some of the key features and figures regarding UNCTAD's technical cooperation activities in 2011. Overall expenditures in 2011 remained stable, as compared to 2010, at \$39.1 million. UNCTAD's technical cooperation activities are financed from

four main sources: (a) bilateral trust funds; (b) the UN regular budget and development account; (c) UNDP; and (d) One UN funds and other multi-donor trust funds. The first source of funds, namely trust funds, accounts for more than 90 per cent of total expenditures. I would like to take this opportunity of thanking the donors to UNCTAD's technical cooperation programmes, and particularly those who provide multi-year contributions to multi-donor trust funds in the spirit of the Paris Declaration on Aid Effectiveness.

Extrabudgetary contributions in 2011 reached their highest level ever, with an amount of \$44.4 million; this represents an increase of about 44 per cent over the previous year. Contributions by developing countries increased from \$9.4 million in 2010 to \$15.1 million in 2011, accounting for 34 per cent of the total contributions to trust funds. Contributions from developed countries increased slightly – compared to the previous year – to \$14.4 million, and accounted for 32 per cent of total contributions. Contributions from the European Commission almost doubled in 2011, compared to 2010, to reach \$6.6 million. Let me stress that almost all developing countries' contributions are self-sustained for activities in their own countries, and are financed from the proceeds of loans or grants from international financial institutions, mainly to support the implementation of the Automated System for Customs Data (ASYCUDA) and the Debt Management and Financial Analysis System (DMFAS).

The United Nations regular programme budget, specifically sections 22 and 34 of the budget, is an important source of funding for UNCTAD's technical cooperation activities. Since its establishment in 1999, the Development Account – section 34 – has become an increasingly reliable

and stable source of funding for UNCTAD's technical cooperation activities. Fifteen Development Account projects were active in 2011. Eight additional project proposals from UNCTAD, for a total amount of \$4.1 million, have been approved under the eighth tranche, and are starting.

The structure of UNCTAD's technical cooperation projects remains more or less unchanged, with interregional thematic projects benefiting all regions accounting for 48 per cent of the delivery, regional projects accounting for 19 per cent, and country projects accounting for 33 per cent. The majority of expenditures on country projects implemented by UNCTAD relate to customs modernization and reform (ASYCUDA) and to debt management (DMFAS). These two programmes account for about 50 per cent of total annual expenditures. Expenditures on regional projects amounted to \$7.5 million in 2011 – an increase of about \$2 million over the previous year.

UNCTAD continues to assign priority to the least developed countries (LDCs). In 2011, technical cooperation in support of LDCs amounted to \$14.2 million – an increase of about \$1 million compared to 2010. As a result, in 2011, the delivery in support of LDCs amounted to 36 per cent of the total delivery. Expenditures on regional projects amounted to \$5.7 million – an increase of about \$1 million compared to the previous year.

At the internal level, actions have continued and progress has been made in support of the implementation of relevant Trade and Development Board decisions on technical cooperation:

UNCTAD technical assistance continues to revolve around policy advice and human and institutional capacity-building. In accordance with paragraph 178 of the Accra Accord and with paragraph 6 of Trade and Development Board decision 510 (LVIII) of September 2011, efforts continued to ensure coherence between the three pillars of UNCTAD's work.-

Regarding improvements in the management of technical cooperation and the need for more coherence in the planning and implementation of programmes, our efforts continued, particularly via rationalization of the activities carried out within each of the 17 thematic clusters, and the consolidation of projects under thematic multi-donor, multi-year trust funds. The document that sets out UNCTAD's 17 thematic clusters for technical cooperation, which is available as an informal working document of the Working Party, provides updated information on the ongoing operations under each cluster and on the proposals to consolidate funds.

Just to highlight some numbers: The number of operational trust funds with expenditures in 2011 was 240. The secretariat managed to close 63 projects, 24 of which were interregional and 4 of which were regional. Of the 46 new projects opened in 2011, 30 were country projects.

I would like to take this opportunity to thank those donors who have provided instructions regarding the consolidation of their resources into thematic trust funds. Although progress is being made, further efforts are required. The Working Party will have an opportunity to discuss these issues in detail. I would like to emphasize once more that donors in a position to do so are strongly encouraged to provide specific instructions

to the secretariat regarding the commingling of their funds into thematic multi-year, multi-donor trust funds.

As mandated by member States in paragraph 10 of Trade and Development Board decision 510 (LVIII), UNCTAD has provided information about requests received for technical assistance. This information has been updated, and is being circulated informally in the room. The information is a very useful basis for discussion among beneficiary countries, donors and the secretariat on possible ways to translate requests into action, and provides a clear indication in defining UNCTAD's areas of focus for the technical cooperation activities within its mandate. This information is also an important tool for ensuring coherence and transparency in the allocation and utilization of donors' resources.

The Project Portal provides online access to comprehensive information about all UNCTAD technical assistance projects, and allows information to be selected by project, donor, geographical coverage and thematic cluster.

The Project Review Committee has continued to perform its central role as the internal mechanism to ensure coherence and interdivisional cooperation on technical cooperation-related issues.

At the external level, activities in support of United Nations reform and system-wide coherence have continued to be pursued vigorously:

UNCTAD's efforts to participate in the United Nations country assistance plans is increasingly seen as an example for other UN entities –

particularly the other non-resident entities. UNCTAD leads the UN-wide machinery on non-resident agencies, and participates in the high-level group that is preparing the new Delivering as One structure to be implemented starting from next year, in accordance with the decisions to be taken by the General Assembly at its forthcoming session.

UNCTAD has continued to strengthen its role in the UN reform process, fully complying with General Assembly resolutions on operational activities for development, and in consonance with paragraph 218 of the Accra Accord and with subsequent Trade and Development Board decisions. UNCTAD's participation in the Delivering as One process has particularly been facilitated by the Organization's role as coordinator of the United Nations Inter-Agency Cluster on Trade and Productive Capacity. Through the various initiatives of this Cluster, UNCTAD and the agencies of the Cluster have been able to strongly advocate trade and development issues at the level of the UN system. The joint programmes designed within the Cluster in the One UN pilot countries, and in countries that have adopted a Delivering as One approach when formulating their United Nations Development Assistance Framework, aim at ensuring coherence and complementarities on issues related to trade and productive capacity.

As indicated in this year's review of technical cooperation activities, UNCTAD received funds in 2011 from the multi-donor funding mechanisms, such as the multi-partner trust funds, and from One UN funds designed to support inter-agency operations at the country level. In 2011, UNCTAD received allocations totalling \$0.7 million from several sources, such as the MDG Achievement Fund for activities in Panama and Viet Nam, the Bhutan United Nations Country Fund, the Cape Verde

Transition Fund, the One UN Mozambique Fund, and the One UN Rwanda Fund. These new funding mechanisms are becoming increasingly important instruments for the coordination of voluntary contributions to the UN system.

This information is particularly important for future donors' involvement at the country level. As stressed in this year's report, the Delivering as One approach provides donors with two main channels for supporting UNCTAD technical cooperation activities: the thematic multi-donor trust funds, and the multi-partner trust funds set up at the country level, which UNCTAD and the Cluster are entitled to access in order to complement their own resources, but not as a substitute for their own resources. I would like to remind member States that the ability of UNCTAD to fully participate in the Delivering as One exercise in the future will depend on its ability to finance country-specific operations. Hence the need, on the one hand, to consolidate UNCTAD's internal financial structure and its management of resources for technical cooperation, and, on the other hand, to access resources at the country level for trade-related activities.

In 2011, the Cluster organized and participated in a number of events at the country, regional and global level that increased its visibility and provided opportunities to explain its approach and its role in delivering Aid for Trade.

I would also like to draw your attention to the Cluster's February 2012 brochure entitled *Delivering Aid for Trade*. This brochure provides information on the goals of the Cluster, and on its members, objectives and main activities.

**Agenda item 4:
Evaluation of UNCTAD activities**

- (a) Evaluation of UNCTAD activities: Overview**
- (b) Evaluation report of UNCTAD's programme on science and technology for development**
- (c) Progress report on the implementation of recommendations from the evaluation of UNCTAD's technical cooperation activities dedicated to least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies**

Madam Chair,

Distinguished delegates,

With regard to agenda item 4, there are three related topics for your information and consideration:

- (a) An overview of the evaluations that were undertaken in 2011;
- (b) The report on the in-depth evaluation of UNCTAD's programme on science and technology for development; and
- (c) The follow-up on the implementation of recommendations from the in-depth evaluation of UNCTAD's technical cooperation activities dedicated to least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies.

UNCTAD believes in a strong evaluation function, and has been taking measures to strengthen this so that we can all be better served by UNCTAD's products. The overview on the evaluations of UNCTAD

activities gives useful additional insights into the work that we are doing, which can be helpful in informing the assessments, design, and future implementation of UNCTAD's projects and programmes. For instance, while it is heartening that for the projects and programmes that have been evaluated, our stakeholders have generally reported their satisfaction with the relevance and usefulness of our outputs, the evaluations have revealed that there are also many lessons to be learned, and we will be reflecting on these lessons carefully in order to enhance delivery of our mandates.

With regard to agenda item 4 (b), you will recall that, in accordance with established practice, the report was prepared by an independent external evaluation team consisting of a professional evaluator and delegates from member States. In this regard, I would like to take the opportunity to express our gratitude to Ms. Judith Arrieta Munguía and Mr. Hugo Rodríguez Nicolat of the Permanent Mission of Mexico; to Mr. Marc Thunus of the Permanent Mission of Belgium; and to Mr. Arto Valjas, the professional evaluator; all of whom put a considerable amount of time and effort into conducting the evaluation. I would also like to take this opportunity to thank the Government of Norway for its financial support of the evaluation. During consideration of this agenda item, Mr. Hugo Rodríguez Nicolat, representing the evaluation team, will refresh our memories on the key messages and the recommendations from the report, and will also answer any questions that you may have.

The management response from the secretariat, contained in document TD/B/WP(59)/CRP.1, addresses some of the evaluation team's findings and recommendations. Ms. Anne Miroux, Director of the Division on Technology and Logistics, will speak on some of these points. Ms.

Miroux and her team will be present to discuss the report and the management response with you.

Let us make use of this opportunity to consider how our work in the area of science and technology is performing, and how we can engender better results from the activities we undertake. I would like to once again convey my appreciation to the evaluation team for their well-considered and constructive report. We will be guided by your discussions and decision regarding the recommendations from this evaluation, and we stand ready to give our full attention to their implementation.

The final part of the agenda item on evaluation pertains to progress made in implementing the recommendations from the 2010 evaluation of UNCTAD's technical cooperation activities in support of the least developed countries (LDCs), landlocked developing countries (LLDCs), small island developing States (SIDS) and other structurally weak, vulnerable and small economies (SWVSEs). At its fifty-ninth session, the Working Party requested the secretariat to report back at the current session on further progress in implementing the recommendations.

UNCTAD has never wavered in its support for LDCs, LLDCs, SIDS and other SWVSEs. With the appointment last year of a new director for the Division for Africa, Least Developed Countries and Special Programmes, special efforts have been made to consider how the impact of the Division's work can be enhanced. In this regard, the Division is taking initiatives to strengthen its work, including by promoting enhanced interdivisional cooperation. A representative from the Division will elaborate on this subject during the consideration of this agenda item.

Madam Chair,
Distinguished delegates,

These evaluations, and their follow-ups, are one of the main ways in which UNCTAD ensures that it continues to deliver better results. Evaluations enable the secretariat and member States to engage in systematic reflection on the work undertaken, with a view to increasing the effectiveness of the work of the Organization. Through such reflections, together, we contribute towards enhanced accountability, transparency, learning, and performance improvements.

Your discussions at this Working Party session will be an important step in strengthening our technical cooperation activities and programmes. I am confident that, together, we will make the most of this opportunity.

I wish you a very fruitful meeting.

Thank you.