

**Working Party on the Strategic Framework
and the Programme Budget**
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UNCTAD

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Working Party on the Strategic Framework and the Program Budget

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Statement by

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on behalf of the European Union and its Member States

Mr. President,
Excellencies,
Distinguished Delegates,
Dear Colleagues,

I have the honor and the pleasure to address the Working Party at its 62nd Session, on behalf of the European Union and its Member States.

First of all, we wish to congratulate you, Mr Chairman /Mme Chair, upon your election. We are convinced that having you as a Chair will help us get through our work in a productive and timely manner.

We would like to express our acknowledgements for the detailed material prepared by the UNCTAD Secretariat and by the external evaluation teams.

Allow us, Mr/Mme Chair, to proceed with some substantive comments.

Concerning the **Report of UNCTAD's technical cooperation activities**, we note the importance of - its twofold approach with a synthesis of evaluation results and a system for dissemination of lessons learned.

We also welcome UNCTAD's efforts for actions undertaken with a view of improving, at the internal and the external levels, its' functioning by

- reducing the fragmentation of its technical cooperation programs' structure , as well as through efforts for the consolidation of activities under **thematic multi-year and multi-donor trust fund clusters**, and
- by seeking coherence, transparency, impact, sustainability and strengthening of Results Based Management.

The European Union and its Member States are of the firm opinion that, implementing policies supportive to development, is primarily the responsibility of the countries themselves. We note the great importance of the fact that in 2011, developing countries increased the self-financing of programs - mainly ASYCUDA and DMFAS - with about 60 per cent compared to 2010. These two programs combined account for more than 50 per cent of total UNCTAD's expenditures for annual technical cooperation activities.

The EU and its Member States reiterate the importance of the ASYCUDA programme and the need for UNCTAD to continue providing technical assistance and support for developing countries, within its existing resources, in building national debt management capacities through the DMFAS Programme, in cooperation, where appropriate, with the International Monetary Fund, the World Bank, and other stakeholders.

Furthermore, we strongly encourage the implementation of the recommendations for **sustainability through Policy Advice** as well as for **upgrading of institutions** supportive to an enabling environment for economic development, and their Training for enforcing laws and managing implementation of policies.

We also highlight the importance of **performance indicators** which would allow the measurement of the results of UNCTAD's technical cooperation activities.

We appreciate that the scope and focus of UNCTAD's technical cooperation activities in 2011 continued to follow a process, in the context of the system-wide reform of the United Nations providing for a two-track action through :

- (a) Interregional, regional and country projects trust funds ; and
 - (b) Support services at the country level within the framework of the United Nations reform and the "**Delivering as one**" approach,
- both addressed and proved with valuable results through the **Inter-Agency Cluster on Trade and Productive Capacity**, which consolidated its role as one of the most dynamic inter-agency mechanisms within the United Nations system.

We recognize that : "Delivering as one" is a major challenge which needs greater consonance among all partners, and further strengthening of coordination and cooperation with the other relevant international organizations, through synergies and complementarities.

At this occasion, we wish to reiterate the great importance that EU and its Member States attach to international cooperation and trade for development. This continues to be evidenced by the fact that, as reflected also in the UNCTAD's analytical Report, 8 out of the top 10 developed countries that mostly contributed to UNCTAD's **Bilateral funding** , in the period of 2008 - 2011, were European Union Member States, namely the UK, Sweden, Finland, Germany, the Netherlands, Luxembourg, Spain and France.

In the same Review Report, we find that, in 2011, " among the **multilateral donors**, the European Commission continued to be the single largest contributor to UNCTAD's operational activities representing an increase of 80 % compared with 2010 ", channeling its contributions towards projects such as :

TRAINFORTRADE, The Automated System for Customs Data (**ASYCUDA**), which continued successfully to be UNCTAD's largest technical assistance activity, **DMFAS**, as well as multi-agency projects on agricultural commodity, interregional projects in support of enterprise development (EMPRETEC programme) and of trade facilitation negotiations at the World Trade Organization (WTO).

Related to other financing sources, we encourage the continuation of activities funded by the **UN Regular Programme of Technical Cooperation and Development Account**, established by the General Assembly in 1999, with special focus on Training programmes and which has become an important contribution for enhancing capacities in priority UN Development areas.

Furthermore, we think that, taking advantage of the **UNDP** presence on the field, the joint work started on the coordination of LDC matters with particular reference to the **Enhanced Integrated Framework (EIF)**, should be reinforced, within existing resources. This should include working with other implied partners for mainstreaming trade in LDCs' national development plans - and contributing to the effective implementation of **Aid for Trade** through UNCTAD's leading role in the United Nations **Inter-Agency Cluster on Trade and Productive Capacity**.

Turning to the comprehensive report of the **In-depth evaluation of UNCTAD's programme on Science and Technology for Development**, on activities initiated or under implementation since 2008, we wish to learn more about the **impact resulting** from the implementation of the recommendations on the identified areas for improvement of the Science and Technology for Development Branch with regard to :

- (a) the intergovernmental machinery framework
- (b) the role of UNCTAD in Science and Technology for development.
- (c) the inter-divisional and inter-agency coordination and cooperation on the work on Science Technology and Innovation - STI; and
- (d) the planning and reporting framework of the work undertaken in that regard.

It is also essential to learn more about the developments on the **WP agreements of September 2011** and the Trade and Development Board's recommendations that :

- (a) more attention should be given to **transferring skills** and knowledge to developing countries by closer engagement of UNCTAD's staff at the country level and increased participation by local experts.
- (b) UNCTAD should improve its **planning, monitoring and reporting** practices; and
- (c) the necessity of improving coordination within UNCTAD and with other agencies in order to ensure complementarities and better coherence, notably in the area of STI.

We wish also to learn more on the state of the implementation of the relevant recommendations and the developments related to **STIP Review implementation guidelines** and the conceptual framework .

With relation to the recommendation on the importance of UNCTAD **clarifying its role "in particular on "science" for development** and vis-à-vis other United Nations organizations", *we would propose that UNCTAD studies the possibilities of working in synergy with other structures which could provide assistance on technical-engineering aspects of Technology as recommended through advise by UNCTAD on economic development implications of those policies in the area of STIP.* This would avoid policy advice duplication and help focus UNCTAD's work and resources.

Mr. Chair/Mme Chair,

Let us now turn to the **Evaluation report, the Secretariat's Response and the Progress report on technical cooperation activities undertaken in 2010 for Least Developed Countries (LDCs), Landlocked Developing Countries (LLDCs), Small Island Developing States (SIDS) and Other Structurally Weak, Vulnerable and Small Economies (SWVSEs)**

We agree with and support the recommendations for:

- a) A clearer strategy and definition of priorities to be established for each category of countries explaining the focus of UNCTAD's activities in line with the beneficiary countries' national priorities and requests.

In this regard, answering to the specific needs of the different groups of countries, we encourage and support the evaluation's recommendation for technical cooperation initiatives related to :

- institutional difficulties, links between trade and poverty and graduation to non-LDC status, for **LDCs**,
- regional integration and transport for **Landlocked Developing Countries (LLDCs)**
- limited resources and isolation from trade flows for **Small Island Developing States (SIDS)** and
- vulnerability to shocks/natural disasters for "**Other Structurally Weak, Vulnerable and Small Economies (SWVSEs)**")

b) Enhancing UNCTAD's efficiency in delivering its technical cooperation activities through

- a better inter-divisional cooperation at the institutional level,
- adequacy of interventions matching the specific needs and characteristics of each one of the four categories of countries,
- a longer -term and more predictable funding, with multi-year, multi-donor approach, and
- an improved monitoring and reporting mechanism

UNCTAD and more particularly the **Division for Africa, Least Developed Countries and Special Programmes (ALDC)**, having the mandate and the expertise and a " niche " in supporting these categories of countries should be reinforced, within existing resources.

We would like to also reiterate that we will continue supporting policies aiming to assist developing countries -particularly **Least Developed Countries** and countries most in need, including those in situations of fragility - especially in Africa, in implementing strategies for their economic integration and towards meeting their development goals in terms of economic growth and social inclusion.

Mr Chair/ Mme Chair,

The European Union and its Member States, recall their support and invite UNCTAD to continue its work and activities on the basis of its **three main pillars**, within **existing resources** and in consistency with the **Doha Mandate**.

Furthermore, we encourage UNCTAD to focus on research and technical cooperation particularly in the following areas :

- improving good governance, in order to enhance the institutional capacity of developing countries in the fields of trade and investment,
- strengthening women economic empowerment and enjoyment of human rights,
- supporting structural transformation and transition to green economy, including through agriculture , contributing to food security and environmental protection,
- promoting private sector and regional and global trade integration, through an enabling business environment, as well as public policies supportive of private investments, competition, trade facilitation, economic diversification, research and innovation,

- ensuring legislation is in place and an enabling environment is maintained to attract regional and international foreign direct investment (FDI); and that legislation is enforced to safeguard FDI,
- supporting commodities' production and trade, in order to promote diversification and good natural resources policies and revenue management,
- increasing domestic revenue mobilization through the reinforcement of the national tax system, designing measures to record remittances through formal channels and improving data on these inflows,
- mobilizing public and private funds to accelerate the development of infrastructures conducive to growth
- reinforcing resilience to shocks, especially in conducting stability oriented macroeconomic policies and prudent debt management
- working towards regional economic integration.

Finally, during our EU Coordination meetings on UNCTAD, some Member States expressed their concerns and wished to reflect on the effects of the global financial crisis on donors' contributions. The EU and its Member States would like to highlight that, because of this crisis, many Member States might not be in a position to increase or maintain their contributions to UNCTAD. The need to justify contributions to taxpayers and Parliaments is drastically increasing. We therefore, further encourage UNCTAD to carry out technical assistance in an effective and transparent manner. In this context, **monitoring and evaluating** technical cooperation activities through **RBM** is fundamental. Therefore, the EU and its Member States recall UNCTAD that it is also crucial to develop a policy on **savings and efficiency gains**. Savings and efficiency gains safeguard value for money and contribute further to government justification of funding and to the **efficiency and effectiveness** of UNCTAD work.

We look forward to our interesting and constructive deliberations during this session of the working party, with the objective of helping UNCTAD and its partners to deliver technical assistance more effectively and efficiently for the benefit of all.

Thank you very much for your attention