

**Working Party on the Strategic Framework and the
Programme Budget, 65th session**

2 September 2013

Opening Statement by the Deputy Secretary-General of UNCTAD

PLEASE CHECK AGAINST DELIVERY

Mr. Chairman,
Excellencies,
Distinguished delegates,
Ladies and Gentlemen,

It is a great pleasure for me to welcome all of you back from the summer break and to open this sixty-fifth session of the Working Party.

The agenda of this meeting contains two main substantive items. The first of these is the review of UNCTAD's technical cooperation activities and their financing over the course of last year. In this context, this meeting will also be an opportunity to consider UNCTAD's draft fundraising strategy, which was circulated back in March. The other main item on the agenda is a discussion of the findings of recent evaluations of UNCTAD activities and their follow-up. Allow me to say a few words about each of these items.

Let me start by highlighting some of the key features and figures regarding UNCTAD's technical cooperation activities in 2012. Overall expenditures on technical cooperation in 2012 remained stable, as compared to 2011, at \$36.3 million. UNCTAD's technical cooperation activities are financed from three main sources: (a) bilateral trust funds; (b) the UN Regular Programme, including the Development Account; and

(c) One UN funds and other multi-donor UN trust funds. The first source of funds, namely trust funds, accounts for more than 91 per cent of total expenditures. I would like to take this opportunity to thank the donors to UNCTAD's technical cooperation programmes.

Extrabudgetary contributions in 2012 amounted to \$ 32.8, a decrease over 2011 mainly due to reduced country based funding to the Debt Management and Financial Analysis System (DMFAS) Programme. The Automated System for Customs Data (ASYCUDA) continued to be UNCTAD's largest technical assistance activity, followed by the DMFAS. These two programmes alone accounted for 57% of UNCTAD's total expenditures and up to 60% of total contributions in 2012. As a consequence, fluctuations in expenditures and contributions to these two programmes have a great impact on the overall annual technical cooperation statistics.

Looking at the distribution of the donor base, we saw a continuation of the trend towards greater funding by beneficiary countries. Contributions by developing countries continued to increase to \$14.5 million, representing 42.7% of total contributions. However, these contributions are to a great extent devoted to financing ASYCUDA and DMFAS projects in their own countries. Contributions from developed countries amounted to \$9.7 million, a decrease by about 35% as compared with 2011, and accounted for 30% of total contributions. Among the multilateral donors, the European Commission continued to be the single largest contributor to UNCTAD operational activities. In 2012, it contributed \$3.1 million, accounting for 9.5% of total contributions to trust funds.

The United Nations regular programme budget, specifically the Development Account – section 34, has also become an increasingly reliable and stable source of funding for UNCTAD’s technical cooperation activities. Twenty Development Account projects were active in 2012. Eight additional project proposals from UNCTAD, for a total amount of \$4.8 million, have been approved for implementation between 2014 and 2016.

The shares of national, regional and inter-regional projects also remain more or less unchanged, although in 2012 country projects accounted for the largest share of expenditures for the first time, equivalent to 48%, followed by interregional projects (39%) and regional projects (13%). Indeed, expenditures on regional projects amounted to \$4.8 million – a decrease of about \$2.5 million compared to the previous year.

With regard to the beneficiaries, UNCTAD continues to assign priority to the least developed countries (LDCs). In 2012, technical cooperation in support of LDCs amounted to \$15.2 million, or 42% of total expenditures – an increase of about \$1 million compared to 2011.

At the internal level, the Secretariat has maintained its efforts to improve coherence in the planning, management and implementation of programmes, particularly through the rationalization of activities within each of the 17 thematic clusters, and the consolidation of projects under thematic multi-donor, multi-year trust funds. A document with updated information on the operations under each of the 17 clusters and on the proposals to consolidate funds is available in this room. In addition, the Project Review Committee has continued to perform its central role as the

internal mechanism to ensure coherence and interdivisional cooperation on technical cooperation issues.

A lot has been achieved in streamlining our activities. Just to highlight some numbers: The number of operational trust funds with expenditures in 2012 was 187, while the corresponding figure in 2011 was 240. In 2012, the secretariat managed to close 45 projects (18 national, 6 regional and 21 interregional). Of the 29 new projects opened in 2012, 20 were country projects.

I would like to thank those donors who 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 strongly encourage donors in a position to do so to look at commingling their funds into thematic multi-year, multi-donor trust funds, as well as providing instructions regarding the use of unspent funds in projects which are operationally completed.

As mandated by member States in paragraph 8 of Trade and Development Board decision 515 (LIX), the secretariat is also pleased to provide updated information about requests received for technical assistance, which is available in the room. This information is being circulated informally as a useful basis for discussion among beneficiary countries, donors and the secretariat on possible ways to translate requests into action. I would like to see it as a tool for coherence and transparency in the allocation and utilization of donors' resources.

In addition, our Projects Portal provides online access to specific information about all UNCTAD technical assistance projects, allowing for information to be selected by project, donor, geographical coverage and thematic cluster.

We are also taking new steps to strengthen the management of our technical cooperation projects. Our key goal is the more stringent use of Results-Based Management methodologies in all stages of project management. In this context, the secretariat prepared a document entitled "Guidelines for the implementation of Result-Based Management regarding technical cooperation projects". The document was circulated to member States in December 2012. It is a tool available to all project managers of UNCTAD projects that will guide them in the design and implementation of operational activities. Our Project Review Committee will also use these Guidelines when reviewing new project documents. The Guidelines are a compilation of the methodology and best practices most used within the UN system. While these Guidelines are an important step forward, their full implementation will require a learning process. For this purpose a process of dissemination and training has begun.

As part of the wider process to enhance the management and administration of UNCTAD, the TDB also requested the UNCTAD secretariat to draft a Fund Raising Strategy. A draft of this Strategy was circulated to member States in March. This meeting provides an opportunity to hear your views on the draft. We look forward to this discussion and the inputs from member States, so as to be able to finalize the strategy and begin its implementation.

In this context, allow me to also update you on progress achieved on the request by member States for UNCTAD to establish a non-earmarked general trust fund to support UNCTAD substantive operations, in particular its research and analysis work and technical cooperation activities. The proposal for a non-earmarked trust fund was transmitted for the information of member States in July this year, and in parallel, the proposal was sent to the Controller to ensure proper coordination and compliance with the relevant rules and regulations of the United Nations. I am pleased to inform you that we have recently received the approval from the Controller for the operationalization of this trust fund from 1 September 2013.

We now count on your support to get this trust fund off the ground. The purpose of the trust fund is to finance activities under the three pillars of UNCTAD work namely: (1) research and policy analysis; (2) consensus building; and (3) technical cooperation - for which there are funding gaps. The objectives, expected results, and activities are in accordance with UNCTAD's strategic framework for the period concerned. The trust fund will be managed by the Office of the Secretary-General of UNCTAD and administered in accordance with the applicable United Nations regulations, rules, directives and policies. I hope that we can count on your support in this new endeavour.

Mr. Chairman,
Ladies and Gentlemen,

Let me now move on to the second substantive item on the agenda, covering the evaluation of UNCTAD activities. Evaluations play a key

role as a source of evidence on the achievement of results and on institutional performance, as a tool to strengthen accountability, and also to support organizational learning. In 2012, evaluations of UNCTAD's programmes and projects continued to provide valuable information on programme and project performance, which has been useful in helping to identify what has been working, what results have been attained through our work, and what enhancements are needed, in order for us to deliver better results.

Indeed, the overview of key findings from evaluations conducted in 2012 carries several notable messages and lessons. In particular, lessons have been extracted that we can all draw upon in moving forward in our work. These have been grouped into 3 main areas: a) Lessons learned in project design; b) Lessons learned on implementation approaches; and c) Lessons learned on monitoring and evaluation. Broad dissemination of these lessons learned will help UNCTAD's stakeholders to ensure continuous improvement of UNCTAD's performance.

This meeting will also consider the report of the External Evaluation of UNCTAD subprogramme 1: Globalization, interdependence and development. Following established practise, this report has been prepared by an independent external evaluation team comprising a professional evaluator and two representatives of member States who participate in this evaluation in a personal capacity. I would like to express our gratitude to the members of the evaluation team, namely Dr. Ralf Maurer, Ms. Mihoko Saito, and Mr. Leulseged Tadesse Abebe.

The evaluation has provided us with a timely opportunity to review the relevance, efficiency, impact and sustainability of our work under the subprogramme on Globalization, Interdependence and Development. We are encouraged by the positive findings, such as the think tank role played by the subprogramme on globalization and development, the synergies exploited by the subprogramme between the three pillars of its work to effectively achieve its goals, and the quality of its reports. On the other hand, we will reflect carefully on areas we need to strengthen as identified by this evaluation, such as the capacity of the subprogramme to reach out to policy makers, and the collaborations across divisional and organizational boundaries.

The secretariat has prepared a management response contained in TD/B/WP/(65)/CRP.1. The management response first addresses the recommendations presented by the evaluation team, and presents a set of proposed implementation steps for your consideration if there is agreement on the recommendations. The second section of the management response presents clarifications on some paragraphs of the report that could benefit from further reflection. Our team will be present to discuss the report and our response with you. Interactive discussions with our core evaluation stakeholders are essential for effective uptake of evaluation lessons, and we look forward to this opportunity to have a constructive dialogue on how the subprogramme's performance can be strengthened, and how the work of the subprogramme can be facilitated.

Let me once again convey my appreciation to the evaluation team for their well-considered and constructive report. We will be guided by your discussion and decision on the recommendations from this

evaluation, and stand ready to give full attention to the implementation of relevant recommendations.

The second part of the agenda item on evaluation covers the follow-up to evaluations that have been considered by the Working Party in preceding years. Regular and systematic follow-up to evaluations is crucial to ensure that the organization is capitalizing on the knowledge created, and contributing to development effectiveness. We look forward to hearing your views and stand ready to follow your guidance on the follow-up to the evaluations.

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.

Thank you very much.