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## External evaluation of UNCTAD subprogramme 1: Globalization, interdependence and development, 2008–2012\*

### *Executive summary*

The fifty-sixth executive session of the Trade and Development Board requested an independent evaluation of the United Nations Conference on Trade and Development (UNCTAD) subprogramme on globalization, interdependence and development (SP1) with the objective of assessing the relevance, effectiveness (including impact) and efficiency of work of the subprogramme during the period 2008–2012 in relation to its mandates and to propose enhancements as appropriate. The evaluation was performed from March to June 2013, and involved a review of documents, online surveys and interviews with key stakeholders.

Broadly, on relevance, the evaluation finds that SP1 has played its role as a think tank on globalization and development for the United Nations system. Its messages have worked their way through United Nations intergovernmental processes, but assessing their impact on globalization policies remains difficult. On efficiency, the evaluation observes that SP1 has exploited synergies between the three pillars of its work to effectively achieve its goals. However, synergies across divisional and organizational boundaries need further improvement. The subprogramme produces a remarkable body of research with limited staff resources. Already operating at the minimum necessary capacity, the forthcoming budget cuts are bound to curtail effectiveness of the subprogramme. On effectiveness, the evaluation concludes that the products of SP1 were generally of high quality and appreciated by member States. However, SP1 was not always able to reach out effectively to member States and to successfully serve consensus-building. The results-based management framework of the subprogramme does not provide a satisfactory road map to improved effectiveness. The evaluation's recommendations relate to (a) enhancing the

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\* This evaluation was prepared by an independent evaluation team: Dr. Ralf Maurer, Ms. Mihoko Saito, and Mr. Leulseged Tadese Abebe.

results-based management framework of the subprogramme; (b) establishing an integrated UNCTAD research agenda around development-centred globalization; and (c) promoting increased capacity-building for development-centred globalization within the United Nations development pillar.

## **Introduction**

### **A. About the evaluation**

1. The Trade and Development Board, at its fifty-sixth executive session, requested the UNCTAD secretariat to conduct an independent evaluation of its subprogramme on globalization, interdependence and development. The evaluation aims to inform the planning and conduct of UNCTAD's future work on globalization, interdependence and development as input into the UNCTAD biennial programme plan for the next strategic planning cycle and thus to contribute to more effective delivery on its mandates. It is also an instrument of the UNCTAD secretariat's accountability function to member States.

2. The objective of the evaluation is to assess the relevance, effectiveness (including impact) and efficiency of work implemented by the subprogramme in relation to its mandates, and to propose enhancements if and when appropriate. The terms of reference for the evaluation are included in the supporting materials to this report (see TD/B/WP(65)/CRP.2, annex III).

### **B. Methodology**

3. The evaluation was performed from March to June 2013 by a senior evaluator with the support of two UNCTAD delegates acting in their personal capacity. The findings and conclusions of this report are based on an in-depth review of documents, online surveys and an extensive interview process involving a broad selection of stakeholders, including regional coordinators, United Nations and other multilateral counterparts, civil society representatives, the press, academia and current and former UNCTAD staff. The evaluation employed a results-based analytical framework linking policy-level outcomes to UNCTAD outputs, internal processes and resources.

### **C. Scope of the evaluation**

4. The assessment reviews the period from 2008 to 2012 thus covering the implementation of the UNCTAD XII Accra Accord and the first year of the UNCTAD XIII Doha Mandate and the corresponding biennial programmes. The evaluation aims to evaluate the subprogramme on globalization, interdependence and development by focusing on those parts of the work programme of the Division on Globalization and Development Strategies that are targeted directly at the specific goal of the subprogramme. As a result, the work of the Development Statistics and Information Branch serving other UNCTAD subprogrammes and the broader United Nations system, the bulk of activities by the Virtual Institute and the Assistance to the Palestinian People Unit (APPU) were outside the scope of this evaluation. Implementation of UNCTAD's gender strategy within the subprogramme is still in its early days and could not yet be evaluated (see TD/B/WP(65)/CRP.2).

## II. UNCTAD subprogramme on globalization, interdependence and development

5. UNCTAD's global objective is "to assist developing countries, especially least developed countries, and countries with economies in transition to integrate beneficially into the global economy".<sup>1</sup> Biennial strategic frameworks<sup>2</sup> translate the overall mandate by dividing it into five interrelated specialized subprogrammes: globalization, interdependence and development (SP1), investment and enterprise (SP2), international trade (SP3), technology and logistics (SP4) and Africa, least developed countries and special programmes (SP5).

6. The specific goal of SP1 within this overall framework is to promote economic policies and strategies at the national, regional and international levels that are supportive of sustained growth, inclusive and sustainable development, full employment and decent work for all, and hunger and poverty eradication in developing countries, especially least developed countries.

7. The strategy of SP1 is built on three pillars – research and analysis, consensus-building and technical cooperation – with a view to:

(a) Identifying specific needs and measures arising from the interdependence between trade, finance, investment, technology and macroeconomic policies from the point of view of their effect on development;

(b) Contributing to a better understanding of coherence between international economic rules, practices and processes on the one hand and national policies and development strategies on the other;

(c) Supporting developing countries, especially least developed countries, in their efforts to formulate development strategies adapted to the challenges of globalization including, since 2010, economic cooperation among developing countries.

8. The main operational activities for achieving the goals of SP1, as delineated by the successive strategic frameworks, include:

(a) Timely and forward-looking research and analysis regarding macroeconomic and development policies as well as debt and finance, taking into account the outcomes of relevant major international conferences;

(b) Formulation of practical policy recommendations for appropriate development strategies at the national, regional and international levels to take advantage of the opportunities and meet the challenges of globalization;

(c) Furtherance of consensus-building with regard to macroeconomic and development policies suited to the specific conditions of developing countries;

(d) Capacity-building in support of such policies, including measures related to external financing and debt, which has been narrowed down to training and capacity-building related to effective debt management.

9. The work programme for SP1, proposed in the United Nations strategic framework, is that of the Division on Globalization and Development Strategies, which is primarily responsible for managing the subprogramme. As such, it includes the operation of the

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<sup>1</sup> A/63/6/Rev.1, para.10.1.

<sup>2</sup> Strategic frameworks for the period 2008–2009 (A/61/6/Rev.1), 2010–2011 (A/63/6/Rev.1), 2012–2013 (A/65/6/Rev.1).

global network of development think tanks;<sup>3</sup> statistical and information services as tools for policymakers and in support of the UNCTAD work programme; the provision of economic policy analysis and technical assistance to the Palestinian people; and research and analysis addressing the development challenges of South–South integration and cooperation, including triangular cooperation.<sup>4</sup>

### III. Findings and conclusions

#### A. Relevance

10. Economic growth in developing countries depends, to a large extent, on their ability to integrate into the global economy. National and global policies are required to help them overcome structural constraints and informational asymmetries and thus to realize their development aspirations.

11. UNCTAD's institutional model is built on an intergovernmental process with universal membership where issues related to globalization and interdependence are discussed. The particular relevance and indeed uniqueness of UNCTAD derives from endowing the intergovernmental forum with a dedicated analytical capacity focused on globalization and development, which advises member States on policy options to ensure closer compatibility of globalization with countries' development efforts. Governance of UNCTAD's programme by the Trade and Development Board guarantees the impartiality necessary to be listened to and respected by all parties and provides legitimacy to guide policymakers at the global and national levels.

12. The evaluation team noted that it is the particular mandate given by the United Nations General Assembly calling for an integrated treatment of globalization and development issues surrounding trade, finance, investment and technology that makes UNCTAD unique. While the details of the mandate have evolved from the 1964 General Assembly resolution which initially set up UNCTAD, to the most recent Conference, UNCTAD XIII, the cross-cutting and integrative thrust of the organization remains the critical element for its value added contribution.<sup>5</sup>

13. Reaching a common understanding on the mandate of UNCTAD and specifically on the work and results of the subprogramme has become more challenging. Differing expectations concerning the role of UNCTAD came to the fore at UNCTAD XIII. The ailment of the intergovernmental process, due mainly to divergent economic interests, has previously been identified as a root cause of the organization's underperformance as it affects the relevance and impact of the consensus-building pillar. It is noted that poor attendance and subdued participation have further undermined the intergovernmental process and affected the organization's influencing potential. Repetitive and at times polemical discussions led to reduced expectations as to what may come out of a difficult consensus-building process.<sup>6</sup>

14. UNCTAD's value creation is based on three functional pillars, with research and analysis as the foundation for both consensus-building and technical cooperation activities.<sup>7</sup>

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<sup>3</sup> A/63/6/Rev.1.

<sup>4</sup> A/65/6/Rev.1.

<sup>5</sup> A/RES/66/185.

<sup>6</sup> TD/B/EX(40)/2, paragraph 51ff.

<sup>7</sup> JIU 2012, paragraph 45.

For this reason, UNCTAD, and particularly its SP1, is widely considered a think tank<sup>8</sup> applying its knowledge resources to provide intellectual guidance, advocacy and advice on policy options to support developing countries' policymaking capacity. Research and analysis founded on monitoring the global economic environment and identifying long-term trends from a development perspective have contributed to a better understanding of globalization and to alerting member States to policy challenges. Policy recommendations, derived from the analysis, could be devised and targeted to both global and national-level policymakers. This would allow global and national policymakers to carefully balance the development impact of policies affecting trade, finance, investment and technology. Capacity-building measures were intended to accompany developing countries' efforts to implement these policies.

15. A holistic view on globalization combining trade and interrelated issues has been the trademark of UNCTAD. This particular perspective set it apart from other multilateral bodies dealing with global economic issues. The *Trade and Development Report (TDR)*, launched in 1981, became the main outlet for disseminating its messages. Next to the *TDR*, the subprogramme supported advisory activities for the Group of 20 and Group of 24, analytical reports dealing with particular issues (United Nations Secretary-General's annual report on external debt sustainability and development) and special dissemination channels (expert meetings).<sup>9</sup>

16. The subprogramme's broad analytical focus allowed UNCTAD to identify emerging trends in the global economic environment for developing countries. The subprogramme also took to applying an alternative economic model which guarded against excessive market optimism while promoting the role of the developmental state.

17. The alternative narrative could appear to be provocative at times. Yet it stimulates debate by challenging conventional wisdom. It enabled UNCTAD to gain allies with the group of developing countries, but it also led to opposition of developed countries as their policies in the global economic policy framework were criticized. Taking heterodox positions, UNCTAD assured that research and analysis on globalization and interdependence was on solid ground.

18. Policy recommendations coming out of UNCTAD research do not address specific country situations as there is no "one-size-fits-all" approach to respond to diverse country situations. To some member States, this research appeared abstract, not sufficiently pragmatic and not adequately focused on country experience as it concentrated on macroeconomic variables and delivered policy recommendations at the macro level. Countries were left to adapt this general policy advice to their unique situations.

19. UNCTAD's SP1 identified trends in the global macroeconomic environment to guide developing countries' policy measures. However, the distance between the analysis of macroeconomic policy and more specialized topics proved to be a weakness in UNCTAD's research. It led to the rise of separate identities within UNCTAD with each subprogramme/division having its own independent research and flagship publication, sending out sometimes unsynchronized<sup>10</sup> and at times discordant<sup>11</sup> policy messages. The resulting confusion was seen by some as undermining UNCTAD's core message. Efforts to overcome those dissonances by bringing UNCTAD's research into a more integrated framework have not yet come to fruition.

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<sup>8</sup> See UNCTAD/OSG/2006/1, para. 23.

<sup>9</sup> See separate discussion in subsequent sections.

<sup>10</sup> The evaluators see little convergence on the topics of the major research outputs published by different divisions.

<sup>11</sup> One example is the assessment of the effects of foreign direct investments on development.

20. SP1 carried out its research without interference in a spirit of intellectual independence. It was free to choose its research topics guided by the analysis of basic data,<sup>12</sup> trends in the international economic environment and discussions in the Trade and Development Board.<sup>13</sup> Since *TDR* and other research outputs were not negotiated texts of member States, they reflected only the views of the secretariat. Still, at times *TDR* perspectives on global economic and financial architecture sparked controversy in the Board.

21. In general, developing countries appreciated SP1 for carrying out research on global systemic and structural issues and for sharing global experience to inform their own policymaking. The value of UNCTAD's research and analysis and its function as a think tank on globalization, interdependence and development is widely recognized by member States from developing and developed countries.

22. Policy advocacy on sustainable integration of developing countries into the interdependent global economic system needed to be addressed to national, regional and global levels. At a formal level and in substantive terms, the globalization, interdependence and development subprogramme responded to the mandate it was given.

23. The advocacy approach taken by the subprogramme is structured primarily around the *TDR*. Debt aspects of globalization are also dealt with separately through the report on external debt sustainability and development. UNCTAD's policy advocacy was to work its way into country and global-level policymaking through the wider intergovernmental processes of the United Nations system. Its research and analysis on globalization challenges would be an input into the broader consensus-building on global socioeconomic development. It would also be supported by advocacy of the United Nations system in countries. To a certain extent, this system is working. The United Nations Second Committee discusses the *TDR*<sup>14</sup> and the General Assembly adopts a resolution<sup>15</sup> based on its recommendations, advocating for greater cohesion of global systems for supporting development in integrating developing countries into the global economic system.

24. UNCTAD's development policy advocacy is also implicitly reflected in the United Nations Economic and Social Council discussions on the Council's annual *World Economic Situation and Prospects* report, to which UNCTAD contributes.<sup>16</sup> UNCTAD's views would thus find their way into the economic and social development agenda of the United Nations funds, programmes and specialized agencies. Yet, unclear and sometimes overlapping mandates and the complex transmission channels dilute messages and follow-up by various actors, notably in terms of development advocacy and cooperation at the country level.<sup>17</sup>

25. SP1 also tendered its research outputs through alternative influencing channels, such as the Group of 20 mechanism for global economic and financial cooperation. Similarly, UNCTAD took to supporting the Group of 24 in achieving policy coherence and as a voice of developing countries on enhancing global economic governance. The policy messages of the *TDR* were disseminated to the general public to potentially find their way back into policymaking.

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<sup>12</sup> For example, cross-market correlation on currencies and commodities.

<sup>13</sup> UNCTAD/GDS/2012/1, p.63.

<sup>14</sup> See e.g., A/67/435/Add.1.

<sup>15</sup> Resolutions adopted by the General Assembly on international trade and development (A/RES/67/196) and on the international financial system and development (A/RES/67/197).

<sup>16</sup> Inputs primarily for chapters 1 to 2 on the "Global economic outlook" and "International trade" are provided by SP1 and on "International finance for development" by SP2.

<sup>17</sup> See E/AC.51/2011/2, para. 52.

26. Regarding country-level capacity-building, with no staff in countries and no significant grant-making resources, UNCTAD was at a disadvantage relative to other actors. It had to address demand from member States through the United Nations operational programmes in countries in the context of their shared United Nations Development Assistance Framework. However, unwieldy inter-agency coordination has limited the extent to which issues on globalization, interdependence and development are addressed.

27. Regarding macroeconomic development strategies, UNCTAD does not have a regular technical cooperation programme supporting design and implementation capacities. Advisory services, policy advice and technical support provided by SP1 are more closely related to policy advocacy rather than capacity-building. Other activities pulling in technical cooperation funds, especially in the debt area, are extensions of the subprogramme's research and analysis, allowing a more region- or country-specific focus or broader dissemination of analytical results.<sup>18</sup> APPU also has projects falling into this category. The organization has been able to use existing analytical capacities within SP1 to support global training efforts and academic networks through the Virtual Institute and paragraph 166 course facilities.

28. Recent strategic frameworks have narrowed the technical cooperation mandate for globalization, interdependence and development to "training and capacity-building related to effective debt management", referring essentially to the Debt Management and Financial Analysis System (DMFAS) initiative as the main technical cooperation activity of UNCTAD's work on globalization, interdependence and development. DMFAS is one of the main technical cooperation programmes, combining installation and updates of a debt data recording and reporting software package in debt offices and central banks with training; it can thus be effectively implemented from a global hub. While the project could also be implemented by other agencies, UNCTAD has gained a competitive advantage through its expertise and a good track record in the field. Consecutive extensions of the project with mandates confirm continued demand for its services.

### Conclusions

29. Globalization is a major driving force of growth and development. Times are thus favourable for UNCTAD's work to be more influential by helping developing countries to sustainably integrate into the globalized economic system. Indeed, UNCTAD's SP1 has continued to provide developing countries with analysis on global trends and prospects. It has also offered policy advice to countries on how to respond to the global economic environment and how to make global economic structures more supportive of developing country concerns, thus complying with the Accra Accord and the Doha Mandate.

30. With its own United Nations intergovernmental process caught up in protracted and difficult debates and power struggles on economic governance, and affected by a broader crisis of multilateralism, UNCTAD's ability to reach out to policymakers is challenged. The subprogramme itself, and more particularly the *TDR*, has become a bone of contention as it is challenging the international economic order with its analysis. Consensus on the scope of SP1's work has de facto diminished.

31. The continued relevance of UNCTAD and its SP1 to the sustainable globalization agenda depends, to a large degree, on SP1's ability to contribute to consensus-building. The research programme surrounding the *TDR* holds the key to unlocking the situation. The

<sup>18</sup> Including work for the Group of 24 and the project on promoting responsible sovereign lending and borrowing, a \$3.2 million project financed by Norway.

*TDR* has to play a positive role to reignite substantive discussions on globalization and development concerns in the intergovernmental process. To this end, the *TDR* has to become more relevant to all member States. The independence that is granted to research work and broad guidance from the mandate allow the subprogramme to adapt its research outputs to achieve greater country buy-in.

32. Globalization, interdependence and development research contributed to bringing about greater coherence of national and global policies. The alternative narrative of the *TDR* has provided countries with a choice of a menu of policies based on a line of economic thinking opposing the economic mainstream, which countries have been free to adopt. A more differentiated discussion is needed to support their policymaking. With the recent strong focus on global financial architecture, the developing country perspective has been less visible.

33. SP1 has played its role as a think tank on globalization and development for the United Nations system. Its messages have worked their way through United Nations intergovernmental processes on economic and social development, but their ultimate impact on globalization policies is uncertain.

## **B. Efficiency**

34. Substantive responsibility for the SP1 is vested in the Division on Globalization and Development Strategies. Yet from a subprogramme management angle, the Division appears clustered together, as several parts of the division perform organization-wide functions that contribute to all UNCTAD subprogrammes and not only SP1.

35. The Macroeconomic and Development Policies Branch (MDPB) is the anchor of the Division's subprogramme work. The Debt and Development Finance Branch and Unit on Economic Cooperation and Integration among Developing Countries build upon the work of MDPB. There is a fair amount of cross-support between those branches and unit, including Debt and Development Finance Branch staff contributing to the *TDR*, MDPB staff giving inputs on the debt report and the Unit on Economic Cooperation and Integration among Developing Countries getting support from MDPB. APPU, the Virtual Institute and the paragraph 166 course draw on information and expertise available in the Division. The Virtual Institute and paragraph 166 course use, inter alia, the *TDR* as part of their teaching materials and count MDPB economists among their trainers. In return, MDPB gets a channel for disseminating its interdependence research and analysis to universities and research institutions and policymakers in developing countries.<sup>19</sup>

36. The DMFAS technical cooperation programme benefits from research work on debt issues. In turn, DMFAS provides the research unit of the Debt and Development Finance Branch with information on country debt situations and supports the research and analytical work of the Branch. A salient example of this synergistic relationship of the Branch is the biennial debt management conference. Interviews with staff confirmed a good balance between staff working on the DMFAS programme and on research and analysis. DMFAS's visibility provides positive externalities to rest of the subprogramme.

37. SP1-related activities can also be found in other UNCTAD divisions, but synergies are not systematically exploited as divisions work quite independently of one another.<sup>20</sup> Attempts to improve interdivisional coordination have not brought much closer cooperation

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<sup>19</sup> UNCTAD/WEB/OSG/2011/4.

<sup>20</sup> Interviews conducted by the evaluation team reflect a pattern of only very superficial collaboration. See also JIU/REP/2012/1, paras. 96, 105 ff and 164 ff.



among divisions. Divisions commonly exchange outlines, provide comments on drafts and keep each other informed of what they are doing, but there is less coordination in terms of their publications. Requests for inputs into the *TDR* often prompt only fairly passive participation and responses, but no real substantive engagement. Research collaboration is not more deeply articulated at the working level where it matters. Therefore, other divisions are not truly involved in the actual production of the *TDR*, including the selection of topics.

38. *TDR* research did not appear to be meaningfully factored into the work of other divisions. A glance at the themes of various divisional flagship reports does not show strong thematic cross-fertilization between the *TDR* and other reports. Though a clearance process ensures that there are no conflicting messages and no inconsistency between the publications, there are examples where reports have presented different views, for example the perspective on foreign direct investment and more recently global value chains by the *TDR* and the *World Investment Report*. With several other publications such as the *World Investment Report* and the *Least Developed Countries Report* vying for visibility, the *TDR* is no longer the only flagship of UNCTAD.<sup>21</sup> Yet it remains the only report that carries the organization's core policy message of the need for integrated treatment of globalization, interdependence and development.

39. The *TDR*'s strong focus on macroeconomics limits collaboration with other divisions, which focus on specific issues. The choice of topics in recent years has further highlighted the different levels between the *TDR* and the work of other divisions. The upshot is that over the past few years, the *TDR* has become effectively a product of MDPB. Beyond the Division, there is no strong sense of ownership of the report in UNCTAD. The lack of coherence among divisions points to uncertainty as to the precise nature of SP1.

40. Synergistic collaboration across organizational boundaries has not been easy as broad mandates leave much room for overlap and duplication.<sup>22</sup> UNCTAD is one of four entities<sup>23</sup> within the wider United Nations system to research global economic trends and forecast. Its collaboration with the United Nations Department of Economic and Social Affairs on the *World Economic Situation and Prospects* was complex as it needed to bring together different perspectives and different messages.

41. On debt and development finance, these entities have been able to define their respective roles more clearly as UNCTAD is focusing only on developing country debt issues and on debt data collection and recording, whereas the World Bank and IMF focus on global systemic issues and overall debt management.<sup>24</sup> Within the United Nations Secretariat structure, UNCTAD is the focal point for debt while the Department of Economic and Social Affairs is the coordinator for work on finance for development.

42. UNCTAD's SP1 is largely dependent on other United Nations bodies for technical cooperation. With no presence in countries, UNCTAD has limited impact on how developing countries incorporate globalization concerns into their development programmes. In spite of being widely engaged in partnerships and coordination mechanisms across the United Nations system, including the Chief Executives Board for Coordination Inter-Agency Cluster on Trade and Productive Capacity led by UNCTAD, the organization fights an uphill battle in getting United Nations programmes at the country level to give greater importance to capacities related to globalization, interdependence and

<sup>21</sup> <http://unctad.org/en/Pages/Publications.aspx>.

<sup>22</sup> E/AC.51/2011/2, para. 40 ff.

<sup>23</sup> World Bank, International Monetary Fund (IMF) and the United Nations Department of Economic and Social Affairs and regional commissions.

<sup>24</sup> Office of Internal Oversight Services audit of DMFAS, para. 25 (assignment no. AE2012/340/01, 19 December 2012).

development.<sup>25</sup> Broad mandates, institutional inertia and turf disputes make coordination around globalization and development capacity difficult.

43. The achievement framework, as set out in the United Nations Secretariat biennial programme plan and budget, is not strictly speaking the framework for the substantive subprogramme. Rather it is the framework for the Division and its component branches and units. The framework aligns expected accomplishments for three (MDPB, Debt and Development Finance Branch, Development Statistics and Information Branch) of the current four branches of the Division. There is no separate achievement for the fourth and most recent work programme (Unit on Economic Cooperation and Integration among Developing Countries), which is instead reflected as a simple performance indicator within the overall expected accomplishment of MDPB. APPU, which is part of MDPB, retains its own expected accomplishment.

44. The framework is not a standard logical framework with a hierarchy of interrelated activities and outputs that together would contribute to the achievement of the objective of the subprogramme. Instead, the various accomplishments are in effect branch “mandates” referring to passages in the Accra Accord or Doha Mandate and hence fairly general. They do not specifically link the contributions of the various branches to the substantive subprogramme objective.

45. The indicators of achievement and the associated performance measures do not satisfactorily measure the achievements they are supposed to gauge. For example, how many member States make positive statements on the quality of the *TDR* at the Trade and Development Board and other intergovernmental meetings is not the best indicator of the actual quality of the *TDR*, let alone the impact of UNCTAD’s interdependence research and analysis. It has been difficult to find meaningful and measurable indicators at the right level of aggregation. MDPB uses qualitative information to complement the numerical indicators requested in the biennial programme plan.

46. The Division regularly reports its performance against the planning framework in its biennial programme plan in the Integrated Monitoring and Documentation Information System (IMDIS). IMDIS reports suggest that the Division is working efficiently both in the implementation of its regular work programme and of its technical cooperation activities, as it generally achieves the quantitative targets for the respective bienniums. At the end of 2012, Division activities were by and large on track to achieve the target indicators for the biennium, and thus presumably the overall SP1 goal. Implementation rates for the 2008–2009 and 2010–2011 bienniums hovered at around 90 per cent of legislated outputs, and were thus close to the organizational average.

47. Still, the strategic framework does not truly support planning, managing, monitoring and reporting of the subprogramme.<sup>26</sup> Inasmuch as monitoring of results is not contributing to improved management of outputs, the work is considered by staff as an unnecessary distraction from their real work. The present indicators do not truly capture the contribution and value of globalization, interdependence and development work on shaping intellectual and policy discourse. The strategic framework is used, in turn, as a tool for reporting on the formal subprogramme (divisional) work to the governing Board. It is considered by the Working Party of the Trade and Development Board on a biennial basis. However, this performance information cannot actually be used to evaluate and improve programme direction for the following biennium. Measurement of subprogramme performance is

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<sup>25</sup> Under the Millennium Development Goals, globalization and development concerns fell to a certain extent by the wayside even though they were part of the global partnership for development goal.

<sup>26</sup> JIU/REP/2012/1, para. 105 ff.

therefore more of a bureaucratic exercise than a practical performance planning and management tool.<sup>27</sup>

48. In practice, this means that SP1 outcomes have not been actively managed, reflecting in part the difficulty of measuring the contribution of UNCTAD interdependence research and analysis to the globalization, interdependence and development agenda. Management effectively occurs at the branch/unit level without a strong link to higher-level objectives. Workplans at the branch level are not goal focused but a simple and mostly static list of activities reflecting the statutory nature of many tasks. Management at the divisional level has been based on a significant degree of delegation of authority, giving branches and units a high degree of autonomy in their work.

49. Strategic direction for the work of subprogramme 1 was formalized in the biennial programme plans coming out of the Trade and Development Board and its Working Party. These biennial programme plans have not provided specific guidance to the UNCTAD subprogramme. Nor have they truly changed since 2008. Discussions at the Working Party have not produced much further guidance. The lack of apparent coherence between goals of the subprogramme and accomplishments has not been a concern. Due to limitations in effective governance of the subprogramme, the work of the subprogramme is essentially self-directed. The units and branches within the subprogramme anchor their work on passages in the Accra Accord or Doha Mandate.

50. In terms of monitoring the work of the subprogramme, the situation is equally complex. The Working Party assesses the work of the subprogramme; however intergovernmental debate often focuses on achieving the interests of groups rather than critically assessing subprogramme work. Monitoring of the subprogramme basically relies on self-assessments of the Division within the IMDIS management system, which are accepted as is. The difficulties of measuring the subprogramme's contribution to policymaking at national, regional and national international levels make monitoring even more challenging.

51. SP1 produces a remarkable body of research with very limited staff resources. Between 2008 and 2012, the subprogramme's research output included – next to the *TDR* and the report on external debt sustainability and development – 13 policy briefs,<sup>28</sup> 24 discussion papers,<sup>29</sup> 10 Group of 24 discussion papers and other UNCTAD conference papers. Inputs into the intergovernmental process include annual board documents on the *TDR*, annual contributions to the *World Economic Situation and Prospects*, conference papers for the Accra and Doha meetings and special General Assembly reports. The subprogramme also organizes UNCTAD intergovernmental and other meetings and contributes to annual Trade and Development Board meetings. It provides substantive support to the Second Committee of the General Assembly and organized a number of special General Assembly events on debt issues. It participated in numerous seminars on macroeconomics and debt, and managed several research projects and the DMFAS programme. It set up and/or substantively supported seminars and workshops, including the biennial UNCTAD debt management conference.

52. As of the end of 2012, the Division had 58 regular budget staff, some 15 per cent of total UNCTAD staff, 31 in the professional and 27 in the general services categories. Twenty-eight staff work on extrabudgetary project posts, all but one (in APPU) under DMFAS and responsible sovereign financing project.

<sup>27</sup> JIU/REP/2012/1, para. 96 and 105 ff.

<sup>28</sup> <http://unctad.org/en/Pages/Publications/Policy-Brief.aspx>.

<sup>29</sup> [http://unctad.org/en/pages/publications/Discussion-Papers-\(Series\).aspx](http://unctad.org/en/pages/publications/Discussion-Papers-(Series).aspx).

53. MDPB (excluding APPU)<sup>30</sup> with a total of nine professional staff and the Debt and Development Finance Branch (excluding DMFAS and the sovereign financing project) with five professional and two general service staff, financed under the regular budget, are each responsible for a major publication requiring labour-intensive research and in-depth analysis. About half of the work of MDPB is directly related to the production of this report. The *TDR* is put together by a small regular team of some six to seven economists with minimal external consultancy inputs (equivalent to around six months of professional support annually), notably on more specialized issues (e.g. experts on climate change, international exchange and the monetary system and Asian experts on inequality).

54. The small team involved in producing a major report on an annual basis has its drawbacks. Everybody is mobilized in writing the report and there is no taking turns on the report. Staff put in significant overtime work. Resources are overstretched. In spite of its highly qualified and motivated staff, the subprogramme is hard-pressed to keep up the current level of outputs with its stretched resources. Efforts to preserve research and analysis capacity notwithstanding, budget cuts are reportedly starting to affect the volume of outputs and dissemination that can be sustained.

55. Financial accounting and reporting on the subprogramme are based on divisional budgets and expenditures. Figures therefore include certain costs that are not specific to the achievement of the subprogramme objective, whereas other relevant budgetary items are not included. With this proviso, the budget table (TD/B/WP(65)/CRP.2, annex II) provides an overview of the financial envelope that is engaged for subprogramme/divisional work.

56. The budget framework includes DMFAS, by far the largest source (some 80 per cent) of extrabudgetary financing, for the subprogramme with its \$7.3 million annual budget. The Virtual Institute and the Division's debt branch each receive contributions from the United Nations Development Account for projects supporting their core activities.<sup>31</sup> Various projects, especially in the debt area, pull in technical cooperation resources from outside funding sources. These funds essentially support extensions of research and analysis, allowing a more region- or country-specific focus or broader dissemination or advocacy of analytical results.

## Conclusions

57. To effectively achieve its target, the subprogramme exploits synergies between the three pillars of its work. Synergies between research and analysis and technical cooperation worked rather well within the narrow confines of global projects reaching out to the country level. The DMFAS project benefited from the analytical work on debt done by the subprogramme; in turn, the analytical work had direct exposure to debt management experience and access to country debt offices that were useful for its research.

58. Synergies across divisional and organizational boundaries need further improvement. The research outputs on globalization, interdependence and development were not systematically reflected in the technical cooperation work of other divisions as macro research was not intrinsically connected to their specialized concerns. Getting the globalization, interdependence and development perspective translated into the technical cooperation work of the United Nations development pillar at the country level proved

<sup>30</sup> APPU has two professional staff spending about 60 per cent of their time on tasks related to research and analysis. A recent evaluation of APPU considers the staffing commensurate to the recurrent work programme (see TD/B/58/6, para. 47).

<sup>31</sup> The projects on "Strengthening capacities for policy-oriented analysis of key global development challenges at developing country universities" and "Strengthening capacity for effective asset and liability management in national debt management offices".

challenging as the link between UNCTAD as a globalization think tank for the United Nations system and United Nations country-level capacity-building was not sufficiently defined. Country capacities to make globalization a positive force for their development would benefit from closer integration.

59. Integration advantages between research and analysis and consensus-building work face challenges due to insufficient engagement in UNCTAD's intergovernmental process. Research outputs did not get the level of debate and attention they deserved. Critical synergies, from endowing an intergovernmental process with its own research capacity that were central to UNCTAD's institutional model, are not realized.

60. The strategic framework is not suitable as a management tool for the subprogramme. Fixing this flaw should help the subprogramme with its lean capacities become more effective in its consensus-building support.

### C. Effectiveness

61. In line with its strategic framework, the subprogramme targeted its efforts at increasing understanding of the global economic environment and of policy choices at national and international levels<sup>32</sup> and focused on research and analysis that would guide developing countries in their policymaking. It also contributed to greater coherence of global policymaking and national development requirements, notably by informing consensus-building processes through its research and analysis.

62. The *TDR* is broadly appreciated by member States as well as the media for its capacity to capture and synthesize the globalized environment. Annual readership surveys show positive overall assessments of substantive policy contributions and analytical quality of the *TDR*, albeit with somewhat lower ratings for its policy conclusions.<sup>33</sup> Available feedback on research on globalization, interdependence and development and the *TDR* from academia, civil society and the media, as reflected in the division's self-assessments, also tends to be extremely positive. A small survey on specific qualities of the *TDR* undertaken by the evaluation team confirms the positive overall assessment.<sup>34</sup>

63. However, interviews with member States make it plain that few actually read the entire *TDR*. Most limit themselves to going through the executive summary of the report to pick up on important issues and messages. For some countries, the report's line of thinking is close to their governments' own positions and is therefore welcomed and used to support government policymaking. Others do not share the views of the report and simply do not react to it. While many delegates mentioned that it was largely due to the time constraints, some mentioned that the length and complexity of the report, the difficulty of applying the broad macroeconomic policy recommendations emerging from the *TDR*, as well as the absence of specific discussions on topics and regions/countries also became a disincentive for reading the report in detail. Policy briefs have improved transmission of research

<sup>32</sup> This corresponds to expected accomplishment A of the strategic framework for the subprogramme, and the narrower expected accomplishment B concerning policies surrounding debt and development finance.

<sup>33</sup> Report on the readership survey of main publications of UNCTAD in 2011, based on 110 responses, and 2012, based on 48 responses (TD/B/WP(61)/CRP.1, TD/B/WP(64)/CRP.1).

<sup>34</sup> A survey carried out by the evaluation team confirmed the timeliness and usefulness of the *TDR* for understanding pressing issues in regard to global macroeconomic issues and development strategies. Owing to a low response rate (32 responses, of which 16 were from governments), survey results may not be representative of the range of views on the full *TDR* readership.

messages on globalization, interdependence and development and are widely appreciated by member States and media.

64. The debate on the *TDR* in the Trade and Development Board is very limited due to the scarce time allocated to the agenda regarding the *TDR*. Furthermore, the nonconformist policy messages put forward by the *TDR* have stirred up existing disagreement between member States.

65. While the *TDR* is not primarily addressed to the general public, its messages are shared with a larger audience. Discussion of the issues raised by the *TDR* through the media can influence public opinion and ultimately work its way into policymaking through the political process. For the press, the forceful message on changing realities in the world economy and early warning on global imbalances leading to the crisis that came out of UNCTAD in recent years was interesting as it provided a contrarian view in the debate on globalization. Yet, despite targeted campaigns involving press conferences and message briefs, press coverage has not always been on central messages of the report, as specific concerns of the home country had priority over abstract policy messages.

66. Visibility of the *TDR* and the influence of its policy messages are also affected by other reports of multilateral institutions competing for public attention and policy influence with their own takes on the globalization and development theme.

67. UNCTAD, like many other organizations, has been unable to track the use of the *TDR*. It remains unclear therefore to what degree the *TDR*'s analysis and messages are assimilated by national policymaking institutions. Interviews with member States hinted at the difficulty of receiving government attention and a variable pattern of utilization of the *TDR* amongst ministries contingent on their respective interests and concerns.

68. As the United Nations focal point on debt issues, UNCTAD and its subprogramme raised debt sustainability aspects in the international discourse. The analysis and policy recommendations in the report on external debt sustainability and development are discussed at the annual sessions of the General Assembly. In 2012, a special session of the Second Committee of the General Assembly was devoted to lessons learned from debt crises and to ongoing work on sovereign debt restructuring and debt resolution mechanisms. It involved all relevant stakeholders, including multilateral financial institutions.

69. With the elaboration of the principles on responsible sovereign lending and borrowing, the subprogramme aimed at promoting international agreement ("soft law") on standards that would help prevent irresponsible sovereign financing and ultimately contribute to greater debt sustainability. The initiative gets a fairly positive review from its multilateral partners. The principles have now been endorsed by 13 countries. If adhered to, the principles will contribute to reducing the prevalence of debt crises and fostering economic development.

70. As the United Nations focal point on the Palestinian economy, APPU produces two research/policy papers every biennium and contributes to a number of United Nations reports. For political reasons, its ability to influence intergovernmental processes at the UNCTAD level remains limited. The Unit on Economic Cooperation and Integration among Developing Countries is producing analysis on South-South issues. Set up in 2010, it is still too early to evaluate its effectiveness (see TD/B/WP(65)/CRP.2, annex I).

71. Multi-year expert meetings have had a mixed reception. The meetings provide a forum for sharing knowledge and exchanging experiences on new and emerging topics between national and international experts. Even though early meetings managed by the subprogramme reportedly enjoyed good participation of experts from developing countries and also generated good discussions, today there is increasing difficulty in getting

significant participation from capital-based experts. The overall number of people attending expert meetings supported by the subprogramme has steadily declined.<sup>35</sup> In addition to practical limitations, lack of funding to finance the participation of experts, the somewhat theoretical nature of presentations by some panellists, the limited sharing of real country experiences, but also for some a perceived bias in the selection of panellists have reduced the interest of these meetings.

72. Interviews showed that many countries value the information that is presented to them in the expert meetings as input into national-level policy discussions. They often call on their Geneva-based delegates to represent them, even though the latter are not always able to follow the specialized discussions. But many countries simply pass up on the expert meetings altogether or only send interns for taking notes. Several meetings lack interactive discussions. There is a need to revitalize this potentially useful platform.

73. SPI's advisory services to international policy coordination mechanisms advocated in favour of a global framework supportive of developing countries' globalization concerns. The finance track of the Group of 20 has repeatedly called on the organization to provide advisory services on macroeconomic and development policies, including employment, global economic governance and commodity price volatility. Division on Globalization and Development Strategies staff were also invited recently to participate in debt-related work of the Group of 20. SPI has thus been able to feed its research and analysis into the global debate. UNCTAD's inputs are valued especially by developing country members of the Group of 20 as a second opinion alongside the mainstream views of the IMF, World Bank and Organization for Economic Cooperation and Development and as a voice speaking up for systemic coherence in international monetary, financial and trade affairs.

74. Between 2008 and 2010, UNCTAD was also involved with the Intergovernmental Group of Twenty-Four on International Monetary Affairs and Development. It sponsored preparation of 10 academic discussion papers and presented its analytical work related to the *TDR* and external debt sustainability and development to the technical group. Feedback reported by the Division indicates that its inputs were appreciated for supporting the Group of 24 analytical capacity and negotiating strength of developing countries in discussions and negotiations with the World Bank and IMF.

75. In the context of Paris Club debt rescheduling, the Debt and Development Finance Branch prepared reports on the economic situation and prospects of countries requesting debt rescheduling. As an advocate of debt sustainability, it also advised countries on request in their renegotiations of official debt at the Paris Club, including through the analysis of Paris Club rescheduling terms. Between 2009 and 2012 UNCTAD has been involved in 15 such negotiations.

76. Biennial debt management conferences bring together policymakers, debt managers and senior representatives of international financial institutions, regional organizations, academia, civil society and the private sector to debate various topical debt-related issues with counterparts. The Eighth UNCTAD Debt Management Conference, held in Geneva in November 2011, attracted some 380 participants from 107 countries. The conference is appreciated as a forum for sharing experiences in debt management strategies and practices.<sup>36</sup>

<sup>35</sup> The Multi-year Expert Meeting on International Cooperation drew 165 participants in 2009. The 2013 successor meeting on promoting economic integration and cooperation had a total of only 69 participants. The number of countries represented declined from 68 (2009) to 24 (2013).

<sup>36</sup> Debt and Development Finance Branch reporting.

77. Using the *TDR* and SP1 research in their training materials and course modules, the Virtual Institute and paragraph 166 course disseminate the *TDR* and SP1 messages to academic teachers, researchers and mid-level managers in finance, economic planning, trade and investment ministries and central banks. The networks of the Institute and the course provide a support structure for sustaining the globalization and interdependence perspective. The impact of the Virtual Institute and paragraph 166 course on policymaking was not examined by the evaluation team.

78. In spite of the quality of individual outputs produced by SP1, it is difficult to determine their direct impact. In particular, it is difficult to assess to what extent and how UNCTAD policy advocacy has influenced priorities and policies at global and national levels as countries are free to take or leave the advice for their economic policies.

79. As regards SP1 technical cooperation, DMFAS has supported developing country debt reporting and analysis capacities for many years. The debt data collection and reporting system is currently in use in 58 countries by 90 institutions related to debt management; at this point in time capacity-building activities are being pursued in 35 countries. DMFAS has been highly appreciated by its beneficiaries and has attracted significant extrabudgetary resources, approximately US\$6 million per year, including 15 per cent of contributions from beneficiary countries funded through international financial institution loans.<sup>37</sup> DMFAS also continues to receive strong support from donors.<sup>38</sup> A separate evaluation of the DMFAS programme started in April 2013 and is expected to detail its capacity-building achievements.

80. Two capacity-building projects link research and advisory activities of the Debt and Development Finance Branch for specific country groups; they are funded from the United Nations Development Account (i.e. “Building Capacities to address financial implications of external shock and climate change mitigation through innovative risk-management instruments” and “Strengthening Capacity for Effective Asset and Liability Management in National Debt Management Offices”). External evaluations of these projects are due at their completion which will provide detailed assessments of this work.

## Conclusions

81. The multiple activities and products of the subprogramme were generally of high quality and appreciated for that by member States. However, due to a difficult overall operating environment, the subprogramme was not always able to reach out effectively to member States and to successfully serve consensus-building within the intergovernmental process. The results-based management framework, within which the subprogramme operates, does not provide a satisfactory road map to improved effectiveness.

82. SP1 was able to identify frictions and imbalances of the global economic system and their potential negative repercussions on developing countries. Its early warnings and policy recommendations were no doubt heard, but they have not necessarily been acted upon by developing countries in a significant manner. Still, the recent crises that showed the limits and risks of markets have brought SP1’s approach closer to the economic mainstream. Within UNCTAD there is a growing sense that its heterodox messages have started to be taken more seriously by many countries.

83. The consensus-building potential of SP1 is not fully exploited. In an intergovernmental mechanism with different interests, the *TDR*’s non-conformist policy messages are not stimulating substantive discussions. Multi-year expert meetings that were

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<sup>37</sup> JIU/REP/2012/1, para. 61 ff.

<sup>38</sup> Donors’ statement to the Eighth DMFAS Advisory Group Meeting, November 2011.



to invigorate the intergovernmental machinery need to be reactivated to attract more interest from member States.

84. Within the limited confines of its added value for capacity-building, SPI has done rather well. DMFAS is an integral part of global debt management structure. Its effectiveness in delivering capacities has been confirmed. Debt sustainability analysis may also show a path towards more productive input into the consensus-building process.

85. Through the desk review and interviews of this evaluation, the evaluation team sensed that UNCTAD's institutional effectiveness has diminished. Yet the reasons are not clear-cut. Some blame resource constraints, others hold unclear focus responsible. The evaluation team believes that, to enhance subprogramme effectiveness, UNCTAD needs to stay closely focused on its core competencies. It is evident that the subprogramme already works at the minimum necessary capacity. Further cutting this capacity under the present circumstances needs to be guarded against as it is bound to curtail effectiveness of the subprogramme.

#### IV. Recommendations

86. Develop a meaningful results-based management approach to guide SPI's work. This approach needs to be anchored on a logical framework structured around substantive goals and achievements that would provide guideposts for managing its activities and a platform for substantive programme dialogue with its governing body. The Working Party should revisit the present framework of expected accomplishments for SPI by focusing on the quality and usefulness of outputs rather than their eventual uptake, including in their review processes. Towards more coherent operational management of SPI, substantive concerns need to become an integral part of interdivisional management processes.

87. Establish an integrated UNCTAD research agenda around development-centred globalization. Research and analysis on the interrelationship between trade, debt and finance, investment, technology and sustainable development require a research agenda cutting across UNCTAD and bridging the gap between global macro-trends and microeconomic policy adjustments. Development and implementation of the shared research agenda could be coordinated by the proposed steering committee or by a special coordination/editorial panel.

88. The *TDR* needs to reflect this rebalancing in research focus. Future *TDRs* could have two parts:

*Monitoring trends and issues in the global economic environment*

(a) This analysis could also extend to underlying phenomena, such as increasing market volatility and uncertainty, persistence of crises, changes in developmental paradigm or the crisis of multilateralism.

*Comparative analysis of the influence of trade and interrelated issues on sustainable development from a developing country perspective*

(b) The more deeply articulated research would be a boon to overcoming UNCTAD's internal division and creating an interdivisional process for the *TDR*.

(c) The *TDR's* broad cross-cutting coverage and enhanced responsiveness to member States concerns would help the *TDR* to once again become the flagship of a less fragmented UNCTAD.

89. Reinforce UNCTAD's participation in work on the future United Nations development agenda and its institutional links with the rest of the United Nations system to

promote increased capacity-building for development-centred globalization within the United Nations development pillar. SP1 could support this effort by monitoring and guiding global efforts on development-centred globalization.

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1: Globalization, interdependence and  
development, 2008–2012\***

**Corrigendum**

**Footnote 6**

*For TD/B/EX(40)/2, paragraph 51 ff read UNCTAD/OSG/2006/1, para. 51 ff*

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\* This evaluation was prepared by an independent evaluation team: Dr. Ralf Maurer, Ms. Mihoko Saito, and Mr. Leulseged Tadese Abebe.