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Working Party on the Strategic Framework and the Programme Budget

Sixty-fifth session

Geneva, 2–4 September 2013

Report of the Working Party on the Strategic Framework and the Programme Budget on its sixty-fifth session

Held at the Palais des Nations, Geneva, on 2–4 September 2013

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I. Agreed conclusions adopted by the Working Party at its sixty-fifth session

External evaluation of UNCTAD's subprogramme 1: Globalization, interdependence and development

(Agenda item 4(b))

The Working Party on the Strategic Framework and the Programme Budget,

Having considered the external evaluation of UNCTAD's subprogramme 1: Globalization, interdependence and development, 2008–2012, as contained in document TD/B/WP/252, the supporting materials for the evaluation, as contained in document TD/B/WP(65)/CRP.2, and the management response to the evaluation, as contained in document TD/B/WP(65)/CRP.1,

1. *Stresses* the importance of the work of subprogramme 1 and highlights its relevance in promoting economic policies and strategies for the sustainable and beneficial integration of developing countries into the interdependent global economy;

2. *Expresses its appreciation* to the independent evaluation team for the evaluation report, to the secretariat for the support provided to the evaluation process and to the Government of Norway for its financial support of the evaluation;

3. *Emphasizes* the importance of the independent evaluation process in UNCTAD in contributing to sharing of information, learning and improvement of programme effectiveness and accountability;

4. *Takes note* of the evaluation report, the management response and their presentation during the Working Party;

5. *Takes special note* of the conclusions and recommendations included in the evaluation report and requests the Regional Coordinators to conduct informal consultations on them and the management response of the evaluation in order for the sixty-sixth session of the Working Party to provide guidance to the secretariat on the actions to be taken subsequently;

6. *Requests* the secretariat to implement the evaluation plan for 2014 as follows:

- External evaluation of UNCTAD subprogramme 2: Investment and enterprise

7. *Takes note* of the evaluation plan proposed for 2015, which will be reconsidered at the sixty-eighth session of the Working Party as follows:

- External evaluation of UNCTAD subprogramme 3: International trade.

Follow-up on evaluations: Third 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

(Agenda item 4(c)(ii))

The Working Party on the Strategic Framework and the Programme Budget,

Having taken note of the report and discussions on the follow-up to the external evaluation of UNCTAD's technical cooperation activities dedicated to the least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies,

1. *Expresses its appreciation* for UNCTAD's technical cooperation activities dedicated to the least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies;

2. *Encourages* the secretariat to further strengthen its technical cooperation activities for these groups of countries.

II. Chair's summary

A. Proceedings

1. The sixty-fifth session of the Working Party on the Strategic Framework and the Programme Budget was held in Geneva, Switzerland, from 2 to 4 September 2013.

B. Opening statements

2. The Deputy Secretary-General of UNCTAD made the opening statement, followed by statements by the representative of Ecuador on behalf of the Group of 77 and China; the representative of Iraq on behalf of the Asian Group; the representative of the Dominican Republic on behalf of the Group of Latin American and Caribbean Countries; the representative of Ethiopia on behalf of the African Group; the representative of Lithuania on behalf of the European Union; the representative of Benin on behalf of the Group of Least Developed Countries; the representative of Egypt; and the representative of China.

3. The Deputy Secretary-General of UNCTAD gave a broad overview of UNCTAD technical cooperation activities in 2012, pointing out that overall expenditures had remained stable during the year. Contributions to trust funds amounted to \$32.8 million, a decrease over 2011 due mainly to reduced country-based funding for the Debt Management and Financial Analysis System (DMFAS) programme. The Automated System for Customs Data (ASYCUDA) continued to be the largest technical assistance activity of UNCTAD, followed by DMFAS. The two programmes accounted for 57 per cent of total expenditures. Contributions made by developing countries continued to increase, representing 42.7 per cent of total contributions that amounted to \$14.5 million. These contributions were however to a great extent devoted to financing ASYCUDA and DMFAS projects in the developing countries making the contributions. Contributions by developed countries, amounting to \$9.7 million, decreased by about 35 per cent as compared with 2011 and accounted for 30 per cent of total contributions. For the first time country projects accounted for the larger share of project expenditures, equivalent to 48 per cent, followed by interregional projects and regional projects which accounted for 39 and 13 per cent, respectively. The share of total expenditures for least developed countries at 42 per cent continued to grow, following a decade-long trend.

4. Actions with a view to enhancing the impact and efficiency of UNCTAD assistance continued. Results-based management methodologies were strengthened in 2012 and a draft fundraising strategy was presented to member States for their review and discussion. UNCTAD continued its involvement in support of coherence across the United Nations system, in particular through its activities as coordinator of the United Nations Inter-Agency Cluster on Trade and Productive Capacity.

5. Regarding the evaluation of UNCTAD activities, the Deputy Secretary-General emphasized that evaluations had a role as a source of evidence on the achievement of results and on institutional performance and served as a tool to strengthen accountability and to support organizational learning. The reports to be considered by the Working Party under agenda item 4 would help UNCTAD and its stakeholders to ensure continuous improvement in UNCTAD performance for better delivery of results.
6. The Deputy Secretary-General thanked the evaluation team for its report on the evaluation of UNCTAD subprogramme 1 and assured member States that the UNCTAD secretariat would be ready to be guided by the decisions of the Working Party to improve and strengthen the performance of the subprogramme.
7. In the statements made by delegations, all speakers stressed the importance of technical cooperation as an essential pillar of the work of UNCTAD. A number of delegates emphasized the importance of ensuring synergies between technical cooperation and the other two pillars of UNCTAD work. Most delegates expressed concern at the decrease in contributions from developed countries and urged donors in a position to do so to maintain their support to UNCTAD technical cooperation activities. Many delegates noted the importance of predictable multi-year funding in order to allow sustainable delivery of activities. Several delegates also noted their support for the secretariat's efforts to improve the effective delivery of technical cooperation activities. Several delegates emphasized the importance of simplifying the financial structure, reducing fragmentation and consolidating activities through the establishment of multi-year, multi-donor thematic trust funds.
8. Many delegates expressed their appreciation of efforts made by the secretariat to establish a results-based management approach and enhance the quality control of projects and encouraged the secretariat to further continue efforts in this regard.
9. Several delegates underscored that UNCTAD technical cooperation should continue to respond to the varying needs of its beneficiaries in accordance with their national development priorities. In this regard, they noted that the list of requests for technical assistance should constitute an essential tool for donors to allocate their contributions with a view to ensuring transparency and ownership.
10. Many delegates noted their satisfaction with the continued trend of growth in expenditures in support of the least developed countries and requested the secretariat to make every effort to ensure that least developed countries were given the highest priority in UNCTAD technical cooperation programmes. Many delegates also welcomed the growing involvement of UNCTAD in activities linked to the implementation of the Enhanced Integrated Framework and encouraged UNCTAD to give priority to allocating resources to these activities.
11. Several delegates noted UNCTAD's participation in country-level activities through the "Delivering as one" initiative and through its role as the coordinating agency of the United Nations Inter-Agency Cluster on Trade and Productive Capacity.
12. The representative of one regional group stressed the importance of consistency in UNCTAD technical assistance with the work of other international organizations, such as the World Trade Organization, the Organization for Economic Cooperation and Development, the International Trade Centre, the United Nations Development Programme and the United Nations Environment Programme, and the need for a clearer UNCTAD partnership strategy.
13. Many delegates took note of the draft UNCTAD fundraising strategy for UNCTAD technical cooperation and the road map provided in the recommendations of the strategy. The representative of one regional group stressed the need for UNCTAD to look beyond traditional donors and to find ways to widen the donor base.

14. Many delegates recognized the important contribution made by the two main technical cooperation programmes of UNCTAD, namely ASYCUDA and DMFAS. A number of delegates also recognized the contributions of projects in support of trade facilitation, international investment agreements, activities related to investment promotion, enterprise development, competition policies, support to accession to the World Trade Organization, Train for Trade, regional courses on key issues on the international economic agenda and the Virtual Institute. The representative of one regional group stressed the importance of the continuous support of UNCTAD to the Palestinian people and looked forward to the strengthening of this programme in light of the pressing needs of the region.

15. The representative of one regional group stressed that it was important that UNCTAD continue its efforts to closely cooperate with national and regional partners in the implementation of technical cooperation projects.

16. Regarding the agenda item on evaluation, several delegates commended the overall positive findings of the evaluation of programmes and projects assessed in 2012. One delegate further highlighted the need to envisage follow-up actions in project design in order to promote a project's sustainability, and welcomed the secretariat's report entitled "Evaluation of UNCTAD activities: Overview" as it pointed out that project managers should consider having an explicit strategy to work with Governments on defining prospective partners for any planned follow-up activities.

17. Many delegates expressed their appreciation for the report of the external evaluators entitled "External evaluation of UNCTAD subprogramme 1: Globalization, interdependence and development, 2008–2012". Many delegates recalled the report's observations that, broadly, the subprogramme had performed well and had produced high quality products. One delegate praised the publications produced by the subprogramme. The representatives of two regional groups recognized that subprogramme 1 delivered a high level of outputs with limited resources.

18. One delegate requested that UNCTAD continue to perform systematic analysis of the risks in the world economy and the effect of exiting current policies used temporarily to deal with the economic crisis, as well as assess their impact on developing countries. The delegate called on UNCTAD to continue to help developing countries and least developed countries to identify policies to develop their economies in a sustainable and inclusive manner.

19. One delegate agreed with the evaluation team that subprogramme 1 needed to improve its results-based management framework and should promote greater capacity-building for development-centred globalization. Another delegate urged UNCTAD to use the recommendations to enhance the effectiveness, efficiency and impact of the work of the subprogramme.

20. The representative of one regional group underscored the need to advance consideration of the recommendations arising from the evaluation entitled "In-depth evaluation of UNCTAD's programme on science and technology for development", with a view to their approval.

C. Informal meetings

21. The Working Party pursued its deliberations in an informal setting.

D. Review of the technical cooperation activities of UNCTAD and their financing

(Agenda item 3)

22. During discussions under this agenda item, two delegates noted that there had not been an opportunity to fully discuss the draft UNCTAD fundraising strategy (UNCTAD/OSG/MISC/2013/1) during the sixty-fifth session of the Working Party. One delegate further noted that a group of member States had therefore held internal discussions on the draft fundraising strategy. While these member States broadly agreed with the main goals envisaged for the draft fundraising strategy, they would welcome a more in-depth dialogue to ensure that questions and concerns of member States were fully addressed. Further consideration of the draft fundraising strategy was needed, as indicated in the draft decision for consideration by the Trade and Development Board agreed during the present session of the Working Party.

E. Action by the Working Party

1. Draft decision for consideration by the Trade and Development Board: Review of the technical cooperation activities of UNCTAD and their financing

(Agenda item 3)

23. The Working Party agreed upon a draft decision on the review of the technical cooperation activities of UNCTAD and their financing to be presented to the sixtieth session of the Trade and Development Board from 16 to 27 September 2013 (see annex I).

2. Agreed conclusions

(Agenda items 4(b) and (c)(ii))

24. The Working Party prepared agreed conclusions on the external evaluation of UNCTAD subprogramme 1: Globalization, interdependence and development (agenda item 4(b)) and on the follow-up on evaluations (specifically, agenda item 4(c)(ii)).

3. Follow-up on recommendations from the evaluation of UNCTAD's programme on science and technology for development

(Agenda item 4(c)(i))

25. Following deliberations under this agenda item, the Working Party decided that this issue would be discussed further by the Regional Coordinators, who would report the outcome of these discussions at the sixty-sixth session of the Working Party.

III. Organizational matters

A. Election of officers

(Agenda item 1)

26. At the opening plenary meeting, on 2 September 2013, the Working Party elected Mr. Mikhail Khvostov (Belarus) as its Chair and Mr. Moshe Kao (Lesotho) as its Vice-Chair-cum-Rapporteur.

B. Adoption of the agenda and organization of work

(Agenda item 2)

27. At the same meeting, the Working Party adopted its provisional agenda (TD/B/WP/251). The agenda was thus as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Review of the technical cooperation activities of UNCTAD and their financing
4. Evaluation of UNCTAD activities
 - (a) Evaluation of UNCTAD activities: Overview
 - (b) External evaluation of UNCTAD subprogramme 1: Globalization, interdependence and development
 - (c) Follow-up on evaluations:
 - (i) Follow-up on recommendations from the evaluation of UNCTAD's programme on science and technology for development
 - (ii) Third 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
5. Provisional agenda for the sixty-sixth session of the Working Party
6. Other business
7. Adoption of the report of the Working Party to the Trade and Development Board

C. Provisional agenda for the sixty-sixth session of the Working Party

(Agenda item 5)

28. At its closing plenary meeting, on 4 September 2013, the Working Party approved the provisional agenda for its sixty-sixth session (see annex II).

D. Adoption of the report of the Working Party to the Trade and Development Board

(Agenda item 7)

29. At the same meeting, the Working Party authorized the Rapporteur to finalize the report on its sixty-fifth session.

Annex I

Draft decision for consideration by the Trade and Development Board

Review of the technical cooperation activities of UNCTAD and their financing

(Agenda item 3)

The Trade and Development Board

1. *Takes note* of the technical cooperation activities carried out by the UNCTAD secretariat in cooperation with the beneficiaries, development partners and other international organizations and further notes that expenditures for UNCTAD technical cooperation remained stable in 2012 as compared to 2011;

2. *Expresses concern* about the decrease in contributions as reflected in chapter I of document TD/B/WP/253 taking into consideration the constraints caused by the global financial and economic crisis;

3. *Encourages* development partners in a position to do so to make multi-year contributions to UNCTAD technical cooperation in order to increase transparency and predictability in the planning and sustainability in the implementation of the relevant technical assistance programmes, and underlines the relevance of non-earmarked trust funds;

4. *Appreciates* that expenditures in support of the least developed countries continued to grow and urges the secretariat to continue to ensure that priority is assigned to the least developed countries;

5. *Takes note* of the increased involvement of UNCTAD in activities linked to the implementation of the Enhanced Integrated Framework and calls on the secretariat to continue to strengthen its contribution to the Enhanced Integrated Framework;

6. *Takes note* of the secretariat's efforts to consolidate UNCTAD technical cooperation activities into multi-donor, multi-year thematic trust funds, with a view to promoting greater coherence in the planning and implementation of those activities while ensuring country ownership, and requests the secretariat to ensure effective monitoring and accountability mechanisms for these funds as well as to continue to guarantee effective synergies among the three pillars of UNCTAD work;

7. *Also takes notes* of the secretariat's continued efforts to ensure and expand results-based management approaches, emphasizes the importance of this process in the delivery of technical assistance, including the utilization of standard United Nations performance indicators that measure impact, during planning, implementation, monitoring and evaluation and carrying out technical assistance in an effective and transparent manner, contributing to the efficiency and effectiveness of UNCTAD's work and requests the secretariat to further pursue these efforts;

8. *Encourages* all donors to use the compilation of requests prepared by the secretariat as a relevant tool to allocate their contributions according to the needs and priorities of beneficiary countries with a view to ensuring transparency and ownership in UNCTAD technical cooperation;

9. *Notes* with appreciation the lead role of UNCTAD in the United Nations Inter-Agency Cluster on Trade and Productive Capacity;

10. *Takes note* of the draft UNCTAD fundraising strategy for technical cooperation, recognizes its importance and looks forward to its further consideration and improvement in a formal setting to ensure that fundraising efforts lead to the necessary levels of resources to meet the increasing demand for technical cooperation.

Annex II

Provisional agenda for the sixty-sixth session of the Working Party

1. Election of officers
2. Adoption of the agenda and organization of work
3. Review of the proposed UNCTAD Biennial Programme Plan for the period 2016–2017
4. Follow-up on evaluations:
 - (a) Follow-up on recommendations from the external evaluation of UNCTAD subprogramme 1: Globalization, interdependence and development
 - (b) Follow-up on recommendations from the evaluation of UNCTAD's programme on science and technology for development
5. Provisional agenda for the sixty-seventh session of the Working Party
6. Other business
7. Adoption of the report of the Working Party to the Trade and Development Board

Annex III

Attendance*

1. Representatives of the following States members of the Working Party attended the session:

Algeria	Lesotho
Belarus	Mexico
China	Peru
Iran (Islamic Republic of)	Switzerland

2. Representatives of the following States members of UNCTAD but not members of the Working Party attended the session:

Angola	Japan
Austria	Jordan
Barbados	Kuwait
Benin	Lithuania
Brazil	Madagascar
Burkina Faso	Pakistan
Chile	Panama
Cuba	Philippines
Democratic People's Republic of Korea	Poland
Finland	Singapore
France	Spain
Guatemala	Sudan
Guinea	Trinidad and Tobago
Indonesia	Turkey
Iraq	United Arab Emirates
Jamaica	Venezuela (Bolivarian Republic of)
	Zimbabwe

3. The following observer was represented at the session:

State of Palestine

4. The following intergovernmental organization was represented at the session:

European Union

* This attendance list contains registered participants. For the list of participants, see TD/B/WP(65)/Inf.1.