Executive summary

The need for UNCTAD to develop a coherent, systematic and efficient fundraising strategy was identified as part of ongoing efforts to strengthen UNCTAD’s management and administration. This note provides information, as well as the secretariat’s views on two specific areas:

- The current situation and the mechanisms of UNCTAD relations with donors in the context of the technical cooperation strategy adopted by the Trade and Development Board in 2003
- Actions that could be undertaken by member States (donors and beneficiaries) and by the secretariat to improve UNCTAD capacity to fundraise for its technical cooperation activities

The main goals of a fundraising strategy should include (i) ensuring efficiency in the secretariat’s management and delivery of technical cooperation; (ii) strengthening support from traditional donors; (iii) broadening the donor base; (iv) raising awareness by improving advocacy and outreach; and (v) mobilizing resources through inter-agency operations in the context of United Nations reform and system-wide coherence.

The main recommendations addressed to the secretariat and member States are as follows:

(a) The secretariat and member States (donors and beneficiaries) should give priority to projects and programmes that focus on more long-term impact. To the extent possible donors should consider multi-year funding of specific activities;

(b) The secretariat should continue to ensure synergies between technical assistance operations and the research and analytical work of UNCTAD;
(c) The secretariat should establish an annual work plan of technical cooperation based on the consolidation of the individual work plans of UNCTAD substantive divisions in which coordination and interdivisional activities are identified. The annual work plan of technical cooperation should be based on UNCTAD mandated activities and specific requests received from member States. It should identify activities by areas and by beneficiary country, provide information on origin of funds as well as on delivery status as compared to requests and provide information on financial gaps. Fundraising activities and the allocation of voluntary contributions should be based on the information provided in the work plan. The annual work plan should be discussed and endorsed at a session of the Working Party devoted to technical cooperation;

(d) The secretariat should ensure that all project proposals contain a results-based management framework. Annual progress activity reports should be analytical and results oriented;

(e) Decisions by donors on the allocation of voluntary contributions should be based on requests for technical assistance received by the secretariat in view of ensuring ownership and demand-driven activities;

(f) Donors are invited to continue providing resources to address the specific and special needs of least developed countries (LDCs), and countries with particular needs and weaknesses and to provide funding to the LDC Trust Fund;

(g) Donors, for the sake of inter-agency coordination and coherence, should give consideration to providing support to joint programmes of the United Nations Inter-Agency Cluster on Trade and Productive Capacity led by UNCTAD, as well as support to the overall coordination and leading role of UNCTAD in this area of assistance;

(h) Donors, to the extent possible, are requested to contribute to multi-donor thematic trust funds with minimum earmarking of funds and a view to reducing the number of small projects on specific short-term operations financed by one donor only. They are also invited to provide administrative instructions to the secretariat to close existing individual donor trust funds with indications on the use of unspent amounts;

(i) Donors are invited to implement the provisions of General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system.
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Background

The purpose of this note is to provide basic principles and objectives for UNCTAD fundraising and to contribute to the development of a consistent, systematic and efficient fundraising strategy. This note also provides information on actions that have already been taken by the secretariat in recent years which have an impact on resource mobilization.

Technical cooperation is one of the three pillars of UNCTAD work. It is almost exclusively financed by voluntary contributions. UNCTAD provides technical assistance tailored to the needs of developing countries in all its areas of work. In order to be able to respond to the short- and medium-term needs of developing countries and their increasing requests for technical assistance in its fields of competence, UNCTAD requires predictable and sustainable extrabudgetary funds. While relations with traditional donors need to be strengthened, new and innovative ways to access bilateral and multilateral funds have to be explored.

With the global economic downturn and financial crisis, shrinking official development assistance, public deficits in many donor countries and shifting donor priorities that are having an impact on donor country contributions to United Nations development activities, there is a need for proactive action to develop a dynamic and effective resource mobilization strategy in order for UNCTAD to be able to fully respond to demands from member States.
I. Funding sources for UNCTAD technical cooperation over the period 2007–2012

1. UNCTAD technical cooperation activities are financed from the following main sources:

   (a) Bilateral funds are the major source of funding. Bilateral funds are provided by individual governments, the United Nations system and other international organizations, the European Commission and private and public sector donors. More than 100 bilateral donors and a score of multilateral and other organizations contribute to UNCTAD extrabudgetary resources. Contributions under this source of funds totalled $207.4 million over the period 2007–2012 and fund about 90.5 per cent of UNCTAD assistance activities. Developing country contributions steadily increased over the past six years. Contributions from developing countries account for about 35 per cent of total funding under this source of funds, mainly for “self-financed” arrangements involving the provision of UNCTAD-specified services (e.g. in customs modernization or debt management) in their own countries;

   (b) The United Nations regular programme on technical cooperation and the United Nations Development Account are reflected, respectively, in sections 22 and 34 of the United Nations programme budget. Expenditures under this source of funds totalled $12 million over the period 2007–2012, funding about 6.8 per cent of activities;

   (c) One United Nations Funds and other multi-donor trust funds. Since 2009 UNCTAD has been accessing a number of multi-partner trust funds (MPTFs) to support joint operations carried out at the country level within the United Nations Inter-Agency Cluster on Trade and Productive Capacity, for a total amount of about $3.7 million over the period 2009–2012, funding about 1.7 per cent of activities;

   (d) United Nations Development Programme (UNDP) remains a strategic partner for joint work in the field. UNDP contributions to UNCTAD technical cooperation activities have been declining over the years and now represent only about 1 per cent of total extrabudgetary resources.

2. The resources provided under the four main sources of funds above lack predictability and are often earmarked for specific activities. They are therefore often inadequate to allow UNCTAD to respond effectively to an increasing number of demands from beneficiaries.

Chart 1
UNCTAD trust fund contribution by source of funds
(Percentage of total)
II. Framework for the design and delivery of UNCTAD technical cooperation and actions taken to ensure sustainable resources since 2003

Technical Cooperation Strategy for UNCTAD

3. The current technical cooperation strategy of UNCTAD was adopted in 2003 and is annexed to the Trade and Development Board’s decision 478 (L) of October 2003. The strategy sets the scope, guiding principles and objectives of UNCTAD technical cooperation activities. It emphasizes the importance of finding ways to improve the predictability of resources and to deal with the question of fragmentation of projects and earmarking of funds for UNCTAD operational activities.

4. The 2003 strategy will continue to be the framework for delivering UNCTAD technical assistance. Actions that have already been taken to ensure predictable and sustainable funding should however be reinforced, as proposed in chapter III of this note.

5. Six key principles characterize the 2003 strategy:
   (a) Focus on long-term, sustainable capacity development;
   (b) Strengthened links between analytical work and technical cooperation activities;
   (c) Emphasis on ownership by beneficiaries and demand-driven operations;
   (d) Priority for activities in favour of LDCs and countries with particular needs and weaknesses;
   (e) Increased cooperation with other international organizations;
   (f) Strengthened governance and coordination, including improved monitoring and evaluation of projects.

6. Since 2003, particular efforts have been undertaken by the secretariat to strengthen these six principles and find ways to increase predictability of resources and improve the structure and funding of UNCTAD technical cooperation.

7. The Working Party on the Strategic Framework and the Programme Budget is the mechanism for consultations among member States on all issues regarding technical cooperation and for interactive debate among the secretariat, potential beneficiaries and donors. It meets every year in September to discuss technical cooperation matters and submits a draft decision for adoption by the Trade and Development Board. The deliberations of the Working Party are based on information prepared by the secretariat every year and contained in three documents: (a) the review of the technical cooperation activities of UNCTAD; (b) summary of activities undertaken in a given year and (c) statistical tables. In addition, the secretariat provides donors with individual yearly financial and progress activity reports regarding each project.

A. Focus on long-term, sustainable capacity development

8. Through policy advice, most UNCTAD operations target training and institutional support to develop the endogenous capacity of beneficiaries.

1 These documents are available on the UNCTAD website. See http://unctad.org/en/Pages/Meetings/working-party.aspx.
9. The Debt Management and Financial Analysis System (DMFAS) and Automated System for Customs Data (ASYCUDA) programmes, which together account for about 50 per cent of total delivery of UNCTAD technical cooperation, are good examples of operations focused at long-term human and institutional capacity development. Both programmes provide specialized computer-based systems in debt management and customs automation that are designed to meet the operational, statistical and analytical needs of debt and customs managers and institutions.

10. Other examples that demonstrate a focus on capacity development are the UNCTAD Virtual Institute on Trade and Development, the Train for Trade programme and the regional courses on key issues on the international economic agenda (courses mandated by paragraph 166 of the Bangkok Plan of Action).

11. This capacity development focus is also seen in activities aimed at enhancing negotiating capacities in respect of trade and investment issues, operations undertaken in the areas of competition law and policies, trade and environment, support to investment promotion agencies, transport and trade facilitation, enterprise development, business facilitation and accounting. In all these instances, training of individual government officials is being combined with support to local institution-building, which requires a long-term focus. Lack of predictable and stable resources can hinder the impact of a given project in a country.

12. Implications for the fundraising strategy: Projects and programmes, as well as donors’ resources, should focus on more long-term impact. To the extent possible donors should consider multi-year funding of specific activities.

B. Links between analytical work and technical cooperation activities

13. The research and analytical work carried out by UNCTAD, and in particular the findings and recommendations contained in annual flagship reports, are systematically injected into, and disseminated through, technical cooperation activities. The link between UNCTAD analytical work and its technical cooperation is two-way: research feeds the design and implementation of operations, while the experience gained in the field leads to further analysis and verification of results. This is illustrated, inter alia, by the work undertaken on the relationship between trade, development and poverty reduction policies. Other examples are provided by analyses on exit strategies prepared for LDCs that are close to graduating from LDC status, the Investment Policy Framework for Sustainable Development and the Entrepreneurship Policy Framework. Increased interdivisional operations further enhance the interface, integrating analytical and operational knowledge of UNCTAD in more thematic areas of expertise.

14. Implications for the fundraising strategy: Continued attention should be given to ensure synergies between operational activities and UNCTAD research and analytical work.

C. Ownership and demand-driven operations

15. UNCTAD technical cooperation has become increasingly customized through the years. National and regional needs, as identified by beneficiaries, are put at the centre of project design and implementation.

16. Responses to specific requests from beneficiaries are delivered through country projects, which are designed for activities to be undertaken exclusively in a given country or through regional and interregional projects designed to respond to needs through a thematic approach. The driving force behind increased ownership is the pivotal role given to nationally owned trade, development and poverty reduction policies. UNCTAD assistance aims at being effectively integrated into national plans and ensuring ownership.
of domestic stakeholders. This trend has been reinforced by activities since 2007 in support of system-wide coherence of the United Nations system.

17. Other examples of increasing customization, ownership and demand-driven operations are found in the area of trade negotiations, where by definition the goal is to enhance national capacity in accordance with a country’s trade policy. This is particularly true in the case of assistance provided by UNCTAD to countries acceding to the World Trade Organization (WTO), where projects are tailored to countries’ needs and designed and implemented in close consultation with national authorities.

18. Since 2007, further to paragraph 14 of Trade and Development Board decision 492 (LIV) of 2007 and with a view to identifying in a transparent manner the needs of beneficiaries and guiding donors in the allocation of their contributions, the secretariat compiles an indicative list of formal requests for technical cooperation received for UNCTAD assistance. The list is circulated as an informal document to member States at the September session of the Working Party and is posted on the UNCTAD website.

19. Implications for the fundraising strategy: Donors are requested to take decisions on the allocation of voluntary contributions based on requests received by the secretariat with a view to ensuring ownership and demand-driven activities.

D. Priority given to least developed countries and countries with greatest needs

20. The secretariat has been responding to this principle of the strategy consistently. In all annual decisions regarding the technical cooperation activities of UNCTAD, the Trade and Development Board reiterates the importance of ensuring the equitable distribution of resources and responding to the specific and special needs of LDCs, and countries with particular needs and weaknesses. The share of LDCs in total annual delivery has been gradually increasing, and reached 41 per cent in 2010.

21. Implications for the fundraising strategy: Donors are invited to continue to provide resources to address the specific and special needs of LDCs and countries with particular needs and weaknesses, and to provide funding to the LDC Trust Fund.

E. Increased cooperation with other international organizations

22. The One United Nations reform process was launched in 2007 at the level of the United Nations Development Group (UNDG) and the United Nations Chief Executives Board for Coordination (CEB). The process is intended to achieve more cohesiveness and efficiency in the development assistance operations of the United Nations at the country level.

23. In 2007, following consultations among United Nations agencies involved in trade-related assistance, it was agreed to establish an inter-agency thematic cluster in this area. The United Nations Inter-Agency Cluster on Trade and Productive Capacity, formally launched by the United Nations Secretary-General in April 2008 on the occasion of UNCTAD XII, has become a dynamic mechanism for ensuring the inclusion of trade and related matters in United Nations assistance operations at the country level and for contributing to United Nations system-wide coherence. The current membership of the Cluster, which is led by UNCTAD, consists of 15 agencies and entities.2

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2 The United Nations Inter-Agency Cluster on Trade and Productive Capacity is an inter-agency mechanism consisting of resident and non-resident agencies from the United Nations system with mandates and expertise in international trade and productive sectors. The Cluster’s current members are the United Nations Industrial Development Organization, the Food and Agriculture Organization
24. Concretely the Cluster prepares joint proposals and initiatives regarding programmes and development operations for submission to member States, donors and United Nations Resident Coordinators, as appropriate. It contributes to complementarities and coherence between the assistance provided by all members of the Cluster through the Enhanced Integrated Framework (EIF) and the Aid for Trade Initiative for Arab States.

25. The joint programmes and activities of the Cluster are open to cooperation with other international or regional organizations. Since 2007, the Cluster has been involved, with different levels of intensity and flexible modalities, in the eight One United Nations pilot countries. Joint programmes were designed and/or implemented by the Cluster in Albania, Cape Verde, Mozambique, Pakistan, Rwanda, the United Republic of Tanzania, Uruguay and Viet Nam. In addition to the One United Nations pilot countries, the number of countries having adopted the “Delivering as one” approach when formulating new United Nations Development Assistance Frameworks (UNDAFs) is increasing. Coordinated initiatives are ongoing in 30 countries, in addition to joint statements or positions of the United Nations General Assembly, Economic and Social Council, UNDG and other United Nations entities and the EIF Board. Many United Nations Resident Coordinators are requesting the Cluster’s assistance to address government priorities on trade-related and productive capacity issues at the country level.

26. Special attention has also been given to increasing partnerships with the World Bank, regional development banks and regional organizations.

27. Implications for the fundraising strategy: It would be highly desirable, in the interest of inter-agency coordination and coherence, that donors give consideration to providing support to joint programmes of the United Nations Inter-agency Cluster on Trade and Productive Capacity, as well as support to the overall coordination and leading role of UNCTAD in this area of assistance.

F. Strengthened governance and coordination

28. The 2003 strategy specifies that, in order to achieve its goals, “priority will be given to longer-term sustainable activities, particularly through multi-year funding mechanisms and inter-divisional operations based on the thematic priorities set by the UNCTAD work programme”.

29. In the period 2003–2008, with few exceptions, short-term funding of operations continued to be the case for the majority of UNCTAD projects. Efforts were made by the secretariat to reduce the fragmentation of UNCTAD technical cooperation and to ensure a more coherent and integrated structure for UNCTAD technical cooperation.

30. The report of the UNCTAD Panel of Eminent Persons entitled “Enhancing the Development Role and Impact of UNCTAD” recommended in 2006 that UNCTAD should “consolidate its 400-plus projects into four-to-five major technical cooperation programmes centred on overarching themes, with a view to maximizing impact and increasing efficiency and coherence” (recommendation 19). In 2007, the Trade and Development Board adopted decision 492 (LIV), which requested the secretariat to initiate the process of consolidation aiming at the establishment of thematic trust funds within and among divisions in consultations with member States. Consultations with member States, including briefings to regional groups and donors took place on various occasions in 2008 and 2009. They aimed of the United Nations, the International Labour Organization (ILO), the International Trade Centre (ITC), WTO, UNDP, the United Nations Commission on International Trade Law, the five regional commissions, the United Nations Environment Programme and the United Nations Office for Project Services. See http://www.unctad.org/en/Pages/TC/TC_United-Nations-Inter-Agency-Cluster.aspx.
at explaining the consolidation process and various financing options and modalities, and at inviting donors in a position to do so to provide multi-year contributions to the new thematic trust funds to increase predictability in the planning and implementation of technical cooperation programmes.\(^3\)

31. Decision 492 (LIV) also noted with satisfaction improved arrangements adopted regarding the management of technical cooperation, including the establishment of a Project Review Committee (PRC)\(^4\) as the interdivisional mechanism that takes collegial decisions on UNCTAD technical assistance operations and fundraising. Divisional focal points members of the PRC and the Technical Cooperation Service (TCS) communicate regularly on all issues related to the delivery of technical cooperation. The goals and scope of the Committee include sharing and reporting information, reviewing planned activities, donor and beneficiary feedback with a view to maximizing synergies across divisions, improving administrative procedures, supporting resource mobilization efforts, ensuring overall coherence and enhancing the role of UNCTAD at the country level. The PRC holds regular meetings convened by TCS which proposes the agenda in light of its responsibility of overall monitoring of UNCTAD technical cooperation activities and policy. TCS prepares the documentation needed for meetings, chairs the meetings and ensures follow-up. Regarding fundraising efforts, directors have been requested by senior management to ensure strong supervision of fundraising activities in their respective divisions and to systematically report to the PRC and TCS. Discussions within the PRC aim at establishing priorities based on UNCTAD mandates and requests from beneficiaries. The objective is to improve the targeting and success of resource mobilization efforts. The overarching goal is to ensure coherence and consistency in UNCTAD requests to donors.

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\(^3\) See document TD/B/WP/195 of 2007 for details on the financing options proposed to member States.

\(^4\) See Annex 1 of this document for the terms of reference of this Committee.
Box 1. Fundraising at UNCTAD today

More than 91 per cent of UNCTAD technical cooperation activities are financed from extrabudgetary voluntary contributions. The two major programmes of UNCTAD, namely ASYCUDA and DMFAS which account for about 50 per cent of total expenditures, are financed mainly by beneficiary countries from proceeds of loans or grants from international financial institutions. Only a few donors provide predictable annual contributions regulated by a cooperation agreement signed between the donor and UNCTAD. In 2011 this was the case only for Finland and Norway. A number of donors such as Germany, the Netherlands and Switzerland provide annual contributions to the Central DMFAS Trust Fund. In some cases, the distribution of these contributions is discussed between the donor and TCS in consultation with PRC. Other contributions are received further to discussions between substantive divisions and potential donors and are often earmarked for specific activities. The match between requests for technical assistance from beneficiaries and available funds is sometimes difficult. The secretariat circulates an informal working document to the Working Party which provides information on UNCTAD’s 17 thematic clusters. The document contains the list of ongoing interregional, regional and country projects under each cluster. It also includes information on proposed new activities, which are devised in response to UNCTAD mandates and to demands from beneficiaries with an indication of the resources required. Substantive divisions’ individual work plans reflect technical assistance operations. There is no annual plan of technical cooperation activities.

32. At UNCTAD XII in 2008, member States confirmed this approach. Paragraphs 215(c), 216 and 217 of the Accra Accord requested the secretariat to ensure more coherence in the planning and implementation of technical cooperation programmes and more interdivisional coordination, including streamlining through the use of thematic clusters and programmes. Trade and Development Board decision 495 (LV) of September 2008, welcomed the establishment of the 17 thematic clusters – including existing and proposed multi-year, multi-donor trust funds and invited the secretariat, in consultation with member States, to continue the consolidation process. Once again donor and potential donors in a position to do so were invited to provide multi-year contributions to the newly established thematic trust funds.

33. The secretariat will continue its efforts towards the reduction of the number of trust funds. A particular effort involves projects closed operationally but not financially, which include many projects with residual amounts and some dormant projects. Unless UNCTAD receives specific instructions from the donor(s) on the closure/reimbursement or transfer of residual amounts to other activities, these projects cannot be closed and remain on UNCTAD’s books. Hence the proposals to reduce fragmentation mentioned above.

34. Implications for the fundraising strategy: Donors, to the extent possible, are requested to contribute to multi-donor thematic trust funds with minimum earmarking of funds. They are also invited to provide administrative instructions to the secretariat to close existing individual donor trust funds with indications on the use of unspent amounts.

35. In addition in 2012, the Trade and Development Board adopted decision 515 (LIX) which emphasizes the importance of results-based management 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 of carrying out technical assistance in an effective and transparent manner, contributing to the efficiency and effectiveness of UNCTAD’s work.
36. **Implications for governance:** The secretariat should ensure that all project proposals contain a results-based management framework. Annual progress activity reports should be more analytical and results oriented.

**Chart 2**

**UNCTAD trust fund contribution by thematic cluster, 2012**

(Percentage)

* There are 17 thematic clusters and 1 cluster for cross-cutting issues.

**Notes:** Cluster 1, Capacity-building on trade negotiations and commercial diplomacy; Cluster 2, Trade analysis capacities and information systems; Cluster 3, Trade, environment and development; Cluster 4, Competition policy and consumer protection; Cluster 5, Commodity sector development and poverty reduction; Cluster 6, Foreign direct investment trends and issues; Cluster 7, Investment policies; Cluster 8, Investment facilitation; Cluster 9, Enterprise development; Cluster 10, Globalization and development strategies; Cluster 11, Strengthening the debt management capacity of developing countries; Cluster 12, Transport and trade facilitation; Cluster 13, Information and communication technology policies and applications for development; Cluster 14, Cross-divisional training and capacity-building; Cluster 15, Science, technology and innovation; Cluster 16, Productive capacities in landlocked developing countries, small island developing States and structurally weak, vulnerable and small economies; Cluster 17, Strengthening support for trade mainstreaming into national development plans and/or poverty reduction strategy papers in LDCs in the context of the EIF; Cluster 18, Executive direction and management and support services.
Box 2. Different ways to finance technical cooperation of UNCTAD

Funds can be made available at the thematic cluster, programme or project level and within a project they can be earmarked for specific activities at the country level. The secretariat strongly encourages donors to support multi-donor/multi-year trust funds within a thematic cluster. The co-mingling of contributions in a multi-donor trust fund does not preclude the possibility of earmarking contributions within each trust fund, insofar as this earmarking is required by a donor. Financial reporting on individual contributions provided to a multi-donor trust fund is, however, not possible. Financial reports can only be provided at the trust fund level. Progress activity reports will indicate to each donor how its individual contribution was used.

III. The way ahead: Main goals for the UNCTAD fundraising strategy

Ultimate goal

37. Uppermost in the development of a resource mobilization strategy is the need to respond to developing countries’ requests and priorities and to align technical cooperation activities with UNCTAD mandates, as provided for by the work programme agreed at the UNCTAD ministerial conferences and by the Trade and Development Board.

38. The strategy adopted in 2003 is the current framework for the delivering of UNCTAD technical cooperation. Actions taken to ensure predictable and sustainable funding as described above will continue and be reinforced.

39. The systematic compilation of requests received from beneficiaries will continue. The presentation of this compilation will be improved and include information on the division(s)/branch(es) responsible and their possible contributions. This will ensure that funding needs are identified, which is crucial to developing a coherent fundraising strategy and will also allow the assessment of the funding gap between the total amount of resources required and the resources available. This in turn will determine the amount of resources to be mobilized and serve as the basis for the fundraising strategy. In this regard, paragraph 8 of Trade and Development Board decision 515 (LIX) of September 2012 “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”.

A. Strengthening support from traditional donors

40. UNCTAD has been fortunate over the years to count on the continued and sustained support of a number of bilateral donors. Despite the financial crisis affecting the majority of donors, bilateral contributions by individual governments, multilateral donors, non-governmental organizations, the enterprise sector and foundations have been increasing over the past five years and totalled $44.4 million in 2011, an increase of 44 per cent over the previous year. Bilateral contributions account for about 91 per cent of total annual funding sources. Notably, however, this increase was mainly directed towards activities in support of the ASYCUDA and DMFAS programmes (mainly contributions made by developing countries for activities in their own countries) and for activities in the area of investment analysis and facilitation.
41. For successful and sustained resources mobilization, it is critical to ensure that UNCTAD meets donors’ expectations and can show results regarding the needs of beneficiaries.

42. Strengthening trust among its traditional donors will also help to direct funds where they are most needed. Currently most UNCTAD funds are earmarked for a thematic area, or even for a specific project and country.

43. An important aspect of building trust is maintained through regular consultations. In addition to the annual September meeting of the Working Party on the Strategic Framework and the Programme Budget, dedicated to technical cooperation issues, the secretariat is used to organizing regular briefs for donors, and will continue to do so, to keep them informed about activities carried out and results obtained illustrated by success stories. The secretariat will also make efforts to further develop partnerships which are based on annual contributions involving cooperation agreements with bilateral donors, the European Commission and other public and private donors.

B. Broadening the donor base

44. While the primary donors for UNCTAD technical cooperation are governments, there is scope to explore additional funding sources at the national, regional and global levels with a view to, inter alia, reducing dependency on a few major donors.

45. Opportunities to increase cost-sharing arrangements between donors and beneficiaries from their own budgets have significant potential as a funding source and should be explored.

46. It is vital to keep abreast of shifts in donors’ funding and resource allocation approaches and to increase knowledge of donors’ perspectives in order to adapt UNCTAD funding requests. Multilateral development institutions, such as the World Bank and bilateral donor agencies, have developed policies on resource allocation reflecting current policy approaches in development cooperation. Their priorities should be taken into account, aligning project proposals or funding requests with these policy approaches. As an example these approaches, the World Bank and the International Monetary Fund can finance UNCTAD technical cooperation only through loans or grants given to recipient countries, as in the case of projects implemented under the UNCTAD ASYCUDA and DMFAS programmes. It is worth noting, however, that the World Bank also provides funds for partnership activities (e.g. DMFAS support to the Debt Management Facility.)

47. National development agencies of countries in the Organization for Economic Cooperation and Development, global, regional, national and local financial institutions, foundations, private and public research and development funds, and the private sector all constitute potential donors to UNCTAD technical cooperation and should be systematically approached. A variety of ways to improve communication with these potential sources of funds are proposed below.

48. It is worth mentioning that UNCTAD capacity to receive funding from private entities is regulated by United Nations financial regulation 3.11 and the financial rule 103.4 (ST/SGB/2003/7). In addition, the Secretary-General’s bulletin on the acceptance of pro bono goods and services (ST/SGB/2006/5) specifies the process of accepting pro bono goods and services and the Guidelines on Cooperation between the United Nations and the Business Sector (20 November 2009) facilitate the formulation and implementation of partnerships between UNCTAD and the business sector.

49. UNCTAD may accept voluntary contributions, gifts or donations from a private entity, provided that the independence, impartiality and reputation of UNCTAD are not affected. Thus, in accordance with United Nations financial regulation 3.11, a contribution
may be accepted, provided that the purposes of the contribution are consistent with the policies, aims and activities of the United Nations, and that the contribution does not create an additional direct or indirect financial liability for the United Nations. Any conditions attached by the donor on the basis of the funds offered that are in conflict with the policies, aims and activities of the United Nations will not be accepted.

50. Voluntary financial contributions are deposited into trust fund(s) that are administered by UNCTAD in accordance with the financial and accounting procedures of the United Nations. Trust fund agreements set out the purposes of a trust fund and the modalities for the payment, receipt and expenditure of funds.

51. Increasing resource mobilization efforts would require a consistent effort with adequate human resources devoted to this purpose which do not currently exist at UNCTAD.\(^5\) In this context it is important to rethink governance standards regarding fundraising at UNCTAD to make it more effective and to clearly identify roles and responsibilities.

C. **Raising awareness: Advocacy and outreach**

52. Communications tools to reach out to donors should be improved.

53. In order to strengthen the fundraising capabilities of UNCTAD, greater awareness is needed among the donor community of the organization’s relevance, goals and programmes. Ways need to be found to improve dialogue with donors with a view to giving them a compelling reason to finance UNCTAD assistance activities. Elements included in the new UNCTAD communication strategy recently adopted by the Trade and Development Board will help in this endeavour. There is a need to have a flexible outreach approach that is sufficiently diverse to cover all different funding sources, including field offices of donors, development banks and regional organizations.

54. Clear and coherent messages are vital for sustaining any fundraising activity and must be communicated in a coordinated manner in order to convey a unified message. Management of fundraising activities should be balanced between a centralized coordination approach by TCS in close consultations with divisions through the PRC and individual programme/project management contacts with donors and clients at the division level. Both approaches are fundamental to a successful fundraising strategy and will maximize the comparative advantages of TCS’ overall knowledge, contacts and advice and divisions’ expertise on specific subject matter and client/donor relationships. The PRC is the central body through which respective responsibilities are distributed and information is shared. Divisions should be represented in the PRC by members with decision-making power to facilitate processes that require quick and direct action and ensure transparency, cohesion and coordination. In some cases strategic decisions, including setting priorities based on UNCTAD mandates, will need to involve senior management.

55. As indicated above, currently fundraising and contacts with donors are conducted noticeably more on an ad hoc basis than through centralized contacts with donors. Only in the case of annual contributions are contacts with donors centralized through TCS.\(^6\)

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\(^5\) Currently, TCS is headed by a D1 staff member. In addition there are two professionals (one P5 and one P4) and two General Service posts (G6).

\(^6\) TCS is responsible for ensuring interdivisional coordination in the implementation of technical cooperation activities. Responsibility for project delivery lies with the substantive divisions. In addition, TCS prepares annual reports to the Trade and Development Board on technical cooperation and ensures coordination of the Inter-agency Cluster on Trade and Productive Capacity. TCS oversees project information contained in the Technical Cooperation Portal and coordinates the preparation of
56. Well-targeted communications tools such as face-to-face presentations, circular letters and booklets to inform donors on specific technical cooperation programmes of UNCTAD are regularly organized with the support of the Communication, Information and Outreach Unit. When communicating with donors, strong arguments should be provided to show the quality and uniqueness of UNCTAD products, UNCTAD’s comparative advantage and value added as well as the impact of these products.

57. In order to build donor trust and better compete for international funding, UNCTAD must meet the growing demand from donors for accountable, specific and measurable projects. The presentation and content of project documents need to be improved starting in 2013. It will be mandatory for all projects documents to contain a sound logical framework based on results-based management guidelines. The PRC will contribute to help define these guidelines and monitor their implementation.

58. In this respect UNCTAD prepared results-based guidelines for technical cooperation and is conducting training on the guidelines for project managers.

59. In order to ensure ownership and comply with the principles of the Paris Declaration on Aid Effectiveness, technical cooperation operations should be aligned with the UNCTAD work programme and the requests received. Extrabudgetary contributions should be distributed taking into consideration available resources and requests for assistance.

60. Efforts to consolidate projects under thematic trust funds will continue, but only in so far as donors are willing to contribute to multi-donor trust funds without earmarking or with minimum earmarking. Consequently, the number of thematic clusters, which currently stands at 17, and the number of projects need to be reduced with a view to increasing coherence, transparency and efficiency.

61. The quality and presentation of annual progress reports to donors, prepared by project managers under the supervision of directors/chief of units, need to be improved. Final reports should systematically contain an impact assessment and results should be clearly identified and described. Accurate and timely financial reporting will be maintained to ensure transparency.

62. Results and recommendations contained in evaluation reports of the technical cooperation programme will be systematically disseminated to member States.

63. The UNCTAD Technical Cooperation Portal\(^7\) provides online access to comprehensive information on all UNCTAD technical assistance projects and a feature that allows the selection of information by project, donor, geographical coverage and thematic cluster. In line with decision 504 (LVII) of September 2010, the secretariat will explore the feasibility of adding functionalities to the Portal. In addition, as part of its continuing effort to improve the visibility of its technical assistance work and ensure the availability of related information to all stakeholders, the new UNCTAD website contains updated information regarding technical cooperation and will continue to be regularly updated.

64. Fundraising requires skills and particular knowledge. A number of organizations are recruiting professional fundraisers. UNCTAD will consider organizing trainings for staff in fundraising.

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\(^7\)http://www.unctad.info/en/TC/?mode=AllProjects.
D. Mobilizing resources through inter-agency operations in the context of United Nations reform and system-wide coherence

65. Main donors are increasingly decentralizing allocation of their official development assistance resources at the country level. In its decision 515 (LIX) of September 2012 the Trade and Development Board “notes with interest the information regarding new funding mechanisms, such as the multi-donor trust funds funding joint programmes at the country level, and their contribution to system-wide coherence, and invites donors in a position to do so to provide adequate resources to these mechanisms”.

66. The establishment, since 2007, of country-based One United Nations funding mechanisms, constitutes an efficient modality for mobilizing resources and providing predictable funding to achieve national and global priorities.

67. Under the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, these resources can only be accessed in line with a number of binding requirements: alignment with national priorities; harmonization and coordination through inter-agency cooperation; effective and inclusive partnerships; achievement of development results; and mutual accountability.

68. UNCTAD successfully positioned itself to access resources, at the country level, in the eight “Delivering as one” United Nations pilot countries thanks to the design and implementation of joint programmes carried out within the United Nations Inter-Agency Cluster on Trade and Productivity Capacity. To access these resources, one of the main requirements is to design and implement joint programmes included in the One United Nations programme and involve at least two United Nations agencies. As mentioned above, during the period 2009–2012 UNCTAD successfully accessed a number of MPTFs.8 UNCTAD accessed the One United Nations Funds of Albania, Cape Verde, Mozambique, Rwanda and the United Republic of Tanzania as well as two MPTFs in Panama and Viet Nam, both called “MDG Achievement Fund”, for a total of US$3,200,000. As of December 2012, the Cluster has been involved in the design and implementation of joint programmes of varying scales and different configurations in approximately 30 countries.9

69. The One United Nations Funds aim at supporting United Nations Development Assistance Frameworks (UNDAs) which have cycles of four to five years. When an UNDAF cycle is over, a new cycle begins with One United Nations Fund resources allocated on a yearly basis by a national steering committee.

(a) At the country level

70. At the country level, UNCTAD is now positioning itself to ensure a smooth transition from accomplishing activities under current UNDAF cycles, to formulating renewed assistance under new UNDAF cycles, and expects to access funds from a number of MPTFs.

71. Each of the One United Nations pilot countries and countries that have adopted a “Delivering as one” approach is currently engaged in a resource mobilization strategy carried out at the national and regional levels. The resource mobilization strategy, led by the United Nations Resident Coordinator of each country and with the participation of all United Nations agencies involved in the UNDAF (resident and non-resident agencies), requires an intensive dialogue with the Government and donors present at the country/regional level. The resource mobilization strategy aims at targeting two entry

8 See http://mptf.undp.org/factsheet/agency/001975 on UNCTAD participation in MPTFs.
points for agencies. The first entry point consists of establishing a MPTF with non-
earmarked resources to support the entire UNDAF or softly earmarked resources to support
identified UNDAF outcomes in line with the standards and rules set by UNDG. The second
entry point is the possibility of the Government and donors at the country level directly
financing agencies involved in the implementation of the UNDAF.

72. UNCTAD could greatly benefit from resource mobilization strategies led by United
Nations Resident Coordinators in support of UNDAFs as they provide privileged access to
donors at the country/regional level. UNCTAD could also benefit from the two entry points
mentioned above: access to MPTFs established at the country level and access to direct
contributions from Governments and donors to finance UNCTAD activities requested by a
Government as part of a national development strategy.

73. These two entry points aim at complementing UNCTAD resources allocated to the
17 thematic clusters and to mechanisms such as the EIF. In countries where UNCTAD has
been unable to properly respond to official requests from a Government due to lack of
resources, the possibility of accessing funds mobilized at the country level through these
entry points could be decisive.

74. For example, through the Swiss State Secretariat for Economic Affairs the Swiss
Government selected the Lao People’s Democratic Republic as a pilot country for the
implementation of a trade-related technical assistance programme with the United Nations
Inter-Agency Cluster on Trade and Productive Capacity. The Swiss State Secretariat for
Economic Affairs is funding this three-year programme, entitled “Enhancing sustainable
tourism, clean production and export capacity in the Lao People’s Democratic Republic”
for the amount of US$4,040,000. ILO, ITC, UNCTAD and the United Nations Industrial
Development Organization, all members of the Cluster, are implementing the programme.
The United Nations Office for Project Services manages the programme’s trust fund. The
same type of programme should start soon in the United Republic of Tanzania.

(b) At the regional level

75. At the regional level, UNCTAD could greatly benefit from resource mobilization
strategies led by United Nations agencies in support of regional initiatives. These regional
initiatives are developed in coordination with national teams and aim at creating synergies
between existing UNDAFs from the same region.

76. UNCTAD has positioned itself to participate in regional initiatives initiated by
agency partners in the United Nations Inter-Agency Cluster on Trade and Productive
Capacity.

77. For the African region, UNCTAD currently participates in the Industry Trade and
Market Access initiative led by the Economic Commission for Africa and the United
Nations Industrial Development Organization. This participation includes UNCTAD
contributions towards the implementation of the Action Plan for Boosting Intra-African
Trade adopted by the 2012 African Union Summit of Heads of State and Government and
subregional initiatives such as the Subregional Coordination Mechanism in Eastern and
Southern Africa and coordination with UNDAFs in the region. The Cluster’s intervention
includes the Economic Commission for Africa, UNDP, UNCTAD, ILO and WTO, as well
as participation from the African Development Bank, the International Fund for
Agricultural Development, the World Food Programme, the United Nations Educational,
Scientific and Cultural Organization and the Office of the High Representative for the Least
Developed Countries, Landlocked Developing Countries and Small Island Developing
States. A common fundraising process is currently being implemented. UNCTAD could
benefit from this process by accessing resources made available at the regional level.
78. UNCTAD would benefit from similar initiatives developed at regional levels such as the Aid for Trade Initiative for Arab States carried out by the Cluster with the participation of UNDP, UNCTAD, the United Nations Industrial Development Organization, ILO and ITC or the United Nations Special Programme for the Economies of Central Asia led by the Economic Commission for Europe and the Economic and Social Commission for Asia and the Pacific.

(c) Global thematic funds established in the context of United Nations reform and system-wide coherence

79. Various projects supported by MPTFs are currently being developed to address global challenges with impacts at the national level through enhanced coordination among UNDAFs developed at the same time.

80. UNCTAD, together with partner agencies of the Inter-Agency Cluster, is positioning itself in the context of the United Nations Conference on Sustainable Development (Rio+20) and the post-2015 development agenda to possibly participate in already funded MPTFs in the area of development.

81. Leading the Cluster has tremendously increased UNCTAD interaction and coordination with other international organizations. As the Cluster leader, UNCTAD will continue to participate actively in preparatory phases of UNDAFs at the country level and to formulate and implement joint programmes and activities.

82. In its decision 515 (LIX) of September 2012, the Trade and Development Board “commends the secretariat on its activities in support of the United Nations system-wide reform; notes with appreciation the leading role of UNCTAD in the United Nations Inter-Agency Cluster on Trade and Productive Capacity and the effective contribution of the Cluster to the implementation of the Aid for Trade initiative”.

83. Regarding resource mobilization for the Cluster’s operations, Trade and Development Board decision 492 (LIV) of October 2007 urged “donors and beneficiaries of the United Nations country-based development assistance plans to provide support, including adequate financial resources, in view of the inclusion of UNCTAD’s operations in the national development plans”.

84. In this regard, it is worth noting that paragraph 135 of General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, adopted in December 2012, “recognizes that the pooled funding mechanisms are important tools in advancing ‘Delivering as one’ and calls upon Member States and United Nations funds and programmes, as appropriate, to contribute financially to assure the extension of these mechanisms in ‘Delivering as one’ countries”.

IV. Concluding remarks and recommended actions

85. Improving the capacity of UNCTAD to attract donor resources for the financing of its technical cooperation requires joint efforts from donors, beneficiaries and the secretariat. Improvements can (and should) certainly be introduced in the design and monitoring of projects and programmes by strengthening, as appropriate in each case, the implementation of results-based management methodology. Other measures that would have broader and deeper impact, however, would require changes in the following areas:

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10 A/Res/67/226. Extracts of this resolution are provided in annex III of this note.
(a) The structure of technical cooperation activities (i.e. a reduction in the number of thematic clusters and receiving more contributions at the thematic cluster level with multi-donor trust funds);

(b) The alignment of such activities with the UNCTAD work programme and requests for assistance (i.e. by adopting an annual or biennial plan of the assistance that is to be delivered with predictable resources);

(c) The capacity of UNCTAD to access more national/regional financial mechanisms, in view of the increasing decentralization of many donors and multi-donor resources;

(d) The introduction of concrete, practical mechanisms for the implementation of the principles, which is indispensable, as is setting clear agreed principles for resource mobilization, such as ownership, clear definition of responsibilities, transparency, efficiency and coordination so that all efforts move towards common goals.

86. In view of achieving the above, the following actions should be implemented:

(a) The secretariat and member States (donors and beneficiaries) should give priority to projects and programmes that focus on more long-term impact. To the extent possible donors should consider the multi-year funding of specific activities;

(b) The secretariat should continue to ensure synergies between technical assistance operations and the research and analytical work of UNCTAD;

(c) The secretariat should establish an annual work plan of technical cooperation, based on the consolidation of the individual work plans of UNCTAD substantive divisions, in which coordination and interdivisional activities will be identified. The annual work plan of technical cooperation should be based on UNCTAD mandated activities and specific requests received from member States. The work plan should identify activities by areas and by beneficiary country, and provide information on the origin of funds as well as the delivery status as compared to requests and financial gaps. Fundraising activities and the allocation of voluntary contributions should be based on the information provided in the work plan. The annual work plan should be discussed and endorsed at a session of the Working Party devoted to technical cooperation;

(d) The secretariat should ensure that all project proposals contain a results-based management framework. Annual progress activity reports should be analytical and results oriented;

(e) Decisions by donors on the allocation of voluntary contributions should be based on the requests for technical assistance received by the secretariat in view of ensuring ownership and demand-driven activities;

(f) Donors are invited to continue providing resources to address the specific and special needs of LDCs and countries with particular needs and weaknesses, and provide funding to the LDC Trust Fund;

(g) Donors, for the sake of interagency coordination and coherence, should give consideration to providing support to joint programmes of the United Nations Inter-Agency Cluster on Trade and Productive Capacity led by UNCTAD, as well as support to the overall coordination and leading role of UNCTAD in this area of assistance;

(h) Donors, to the extent possible, are requested to contribute to multi-donor thematic trust funds with minimum earmarking of funds with a view to reducing the number of small projects on specific short-term operations financed by one donor only. They are also invited to provide administrative instructions to the secretariat to close existing individual donor trust funds with indications on the use of unspent amounts;
(i) Donors are invited to implement the provisions of General Assembly resolution 67/226 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system. Relevant extracts of this resolution are provided in annex III.
Annex I.

Terms of reference

UNCTAD Project Review Committee

In view of implementing the mandates contained in Part C of sub-theme 4 of the Accra Accord (in particular paragraphs 215, 217 and 218), Trade and Development Board (TDB) decisions 492 (LIV) of 2007 and 478 (L) of 2003, and the conclusions of the Mid-Term Review of 2006, and under the overall guidance of the Secretary-General, the Project Review Committee (PRC) is the interdivisional mechanism that takes collegial decisions on UNCTAD technical assistance operations and fundraising. The focal points nominated to the Committee by each division have been fully endorsed by their directors/officers-in-charge and are responsible for sharing the decisions, issues and follow-up within their respective divisions.

The goals and the scope of the Committee are as follows:

Information sharing and reporting

(a) To serve as a forum for sharing technical cooperation-related information among Divisions and provide comprehensive, timely information on technical cooperation activities, including to the Working Party on the Medium Term Plan and Programme Budget for its deliberations on technical cooperation;

(b) To coordinate multi-divisional technical cooperation efforts (e.g. within the Enhanced Integrated Framework (EIF) and the United Nations country assistance plans, or in the context of the Aid for Trade initiative);

(c) To review proposals for innovative new projects with a view to ensuring cross-divisional input and coherence with UNCTAD’s overall mandate and technical cooperation strategy, including the thematic cluster approach.

Analysing UNCTAD’s technical cooperation programme

(a) To analyse the current patterns of UNCTAD’s technical cooperation programme (e.g. major beneficiary countries, frequent activities, etc.) and review planned TC projects with a view to maximizing synergies across divisions and ensuring a geographical and needs-based distribution of assistance; and

(b) To review donor and beneficiary feedback on technical cooperation activities and develop suggestions for strategic responses in future technical cooperation programming, particularly in light of contacts undertaken by the Technical Cooperation Service (TCS) with beneficiary and donor countries or entities.

Improving procedures

(a) To identify common difficulties experienced at the level of divisions or the administration in carrying out technical cooperation projects and to develop suggestions for solutions, e.g. streamlined administrative procedures (such as the development of project documents templates, improved indicators of achievement, better progress reports and better final reports, and more training of staff on administrative procedures).
Supporting resource mobilization efforts

(a) To review trends in donor preferences and share related experiences and contacts, so as to improve the targeting and success of resource mobilization efforts;

(b) To ensure interdivisional coordination of project proposals to donor countries, so as to reduce fragmentation and competition in fundraising;

(c) To develop guidelines on fund-raising and interaction with donors;

(d) To share information on, and coordinate, fundraising initiatives undertaken by the TCS and/or divisions;

(e) To monitor and assess the utilization of the thematic clustering table in all contacts undertaken by TCS and the divisions in view of fundraising with member States and stakeholders;

(f) To coordinate with and support TCS in preparing consultations with donors and beneficiaries on resource mobilization.

Ensuring overall coherence

(a) To work closely with the Strategy and Policy Coordination Unit to ensure that technical cooperation operations are coherent with the overall technical cooperation strategy of UNCTAD, as formulated by the Secretary-General of UNCTAD, and in compliance with Part C of sub-theme 4 of the Accra Accord (in particular paragraphs 215, 217 and 218), TDB decisions 492 (LIV) of 2007 and 478 (L) of 2003, and the conclusions of the Mid-Term Review of 2006;

(b) To monitor implementation of the interdivisional operations provided by the thematic clustering table, and identify new interdivisional operations;

(c) To provide inputs to the Office of the Secretary-General and TCS in view of missions and meetings of the Secretary-General, the Deputy Secretary-General, directors or senior advisers related to technical cooperation and fundraising.

Enhancing the role of UNCTAD at the country level

(a) On the basis of information provided by the TCS, to set priorities, prepare inputs, and monitor the role of UNCTAD in the United Nations development assistance country plans (e.g. One United Nations programmes and common country assessments/UNDAFs), including the interface with the EIF, as appropriate and in coordination with the Division for Africa, Least Developed Countries and Special Programmes;

(b) On the basis of information provided by the TCS, to prepare inputs for interagency programmes, initiatives and missions within the UNCTAD-led Inter-Agency Cluster on Trade and Productive Capacity;

(c) To share and discuss information on, and coordinate the role of, UNCTAD operations at the country level, in light of regular contacts held by TCS with the United Nations Resident Coordinators and the United Nations country teams on behalf of the Secretary-General.

Interface with the Accra Accord Steering Committee

(a) The PRC will report to the Accra Accord Steering Committee and/or the directors’ meetings, as appropriate, and in consultation with the Strategy and Policy Coordination Unit.
**Organizational arrangements of the PRC**

(a) The PRC will hold monthly meetings convened by TCS; additional meetings may be convened at any time by TCS or by the focal points of the Divisions, as required. In light of its overall monitoring and knowledge of UNCTAD’s technical cooperation activities and policy, TCS will propose the agenda of each meeting to the focal points, prepare the required information, and coordinate the meetings and their follow-up;

(b) TCS will continue to be responsible for the preparation of annual reports to the Working Party, as well as other documents and positions on UNCTAD-wide technical cooperation issues, including those related to the United Nations General Assembly, the Economic and Social Council, the United Nations System Chief Executives Board for Coordination and United Nations Development Group meetings and bodies, and for the overall monitoring of all UNCTAD technical assistance operations. TCS will inform the PRC about these documents and meetings, as appropriate;

(c) The online Technical Cooperation Portal will be used by the PRC and TCS as a tool for assessing the implementation of technical assistance activities and for identifying actions needed to keep the portal up-to-date.

87. In light of the above, the PRC has agreed the following procedure for the approval of project documents referring to interregional and regional operations:

(a) The project manager prepares the project document that includes a standard cover page with: (i) the signature of the director or the head of the branch or, in their absence, the division’s focal point for technical cooperation; (ii) the signature of the head of the financial services; (iii) the signature of the legal adviser; and (iv) the signature of the head of technical cooperation service;

(b) **SCENARIO A**: If the project document will be included in one of the thematic clusters of the table submitted to the Working Party, and if the donor(s) expressly indicate that resources will be available for the project and included in a multi-donor trust fund provided by the clustering, TCS automatically approves the project document as proposed by the division. The operations provided by the project document will be included in the thematic cluster and the contribution will be merged within a multi-donor trust fund;

(c) **SCENARIO B**: If the project document cannot be included in a thematic cluster because it deals with a new topic, TCS submits this project document to the PRC. The PRC will discuss the pros and cons of the project document, taking into account criteria such as: compliance of the operation with UNCTAD’s mandates, demands and priorities; the quality of the project and its logical framework; donors’ and beneficiaries’ demands; the interdivisional content. If the PRC supports the project document as a stand-alone operation outside existing thematic clusters, the project document will be approved. If the PRC cannot agree on a common position, TCS will submit the project document to the meeting of directors on behalf of the PRC;

(d) **SCENARIO C**: If the project document will be included in one of the thematic clusters but the donor(s) expressly indicated that resources will be specifically earmarked and not fungible in a multi donor trust fund, TCS will consult the project manager (and if needed the director and/or the PRC) before approving the project document, to confirm that all possible efforts were made to avoid this stand-alone project.
Annex II.

**Top 20 donors to UNCTAD trust funds, 2012**

*(in dollars)*

<table>
<thead>
<tr>
<th>Ranking of Donors</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Developed countries</strong></td>
<td></td>
</tr>
<tr>
<td>European Commission</td>
<td>3,104,852</td>
</tr>
<tr>
<td>Switzerland</td>
<td>1,718,783</td>
</tr>
<tr>
<td>Sweden</td>
<td>1,585,381</td>
</tr>
<tr>
<td>Germany</td>
<td>1,482,654</td>
</tr>
<tr>
<td>Finland</td>
<td>1,276,024</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>1,251,180</td>
</tr>
<tr>
<td>Norway</td>
<td>1,029,708</td>
</tr>
<tr>
<td>Canada</td>
<td>611,215</td>
</tr>
<tr>
<td>Netherlands</td>
<td>600,000</td>
</tr>
<tr>
<td>Ireland</td>
<td>122,549</td>
</tr>
<tr>
<td><strong>Developing countries</strong></td>
<td></td>
</tr>
<tr>
<td>Bangladesh</td>
<td>1,491,366</td>
</tr>
<tr>
<td>Uganda</td>
<td>1,023,592</td>
</tr>
<tr>
<td>Rwanda</td>
<td>899,950</td>
</tr>
<tr>
<td>Liberia</td>
<td>835,498</td>
</tr>
<tr>
<td>Lao People’'s Democratic Republic</td>
<td>684,767</td>
</tr>
<tr>
<td>Aruba</td>
<td>620,000</td>
</tr>
<tr>
<td>Suriname</td>
<td>599,910</td>
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<tr>
<td>Lesotho</td>
<td>588,155</td>
</tr>
<tr>
<td>Namibia</td>
<td>573,550</td>
</tr>
<tr>
<td>Pakistan</td>
<td>554,000</td>
</tr>
</tbody>
</table>

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*a* Exclusive of cost-sharing contributions through UNDP and Associate Experts. The major part of contributions from developing countries are self-financed projects, financed from the proceeds of loans, credits or grants from international financial institutions.

*b* Self-financing for DMFAS.

*c* Self-financing for ASYCUDA.

*d* World Bank.
Annex III.

Extracts from General Assembly resolution 67/226 of December 2012 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system

Paragraph 24

Stresses the need for adequate quantity and quality of funding for operational activities as well as the need to make funding more predictable, effective and efficient;

Paragraph 26

Stresses that core resources, because of their untied nature, continue to be the bedrock of the operational activities for development of the United Nations system, in this regard notes with concern that the share of core contributions to United Nations funds and programmes has declined in recent years, and recognizes the need for organizations to address, on a continuous basis, the imbalance between core and non-core resources;

Paragraph 28

Recognizes that non-core resources pose challenges, in particular restricted earmarking funding such as single-donor project-specific funding, through potentially increasing transaction costs, fragmentation, competition and overlap among entities and providing disincentives for pursuing a United Nations-wide focus, strategic positioning and coherence, and may also potentially distort programme priorities regulated by intergovernmental bodies and processes;

Paragraph 31

Affirms the importance of accountability, transparency and improved results-based management and further harmonized results-based reporting on the work of the United Nations funds, programmes and specialized agencies, and in nationally owned outcomes, for increased quantity and quality of funding for operational activities;

Paragraph 33

Urges donor countries and other countries in a position to do so to maintain and substantially increase their voluntary contributions, in a manner consistent with their capacities, to the core/regular budgets of the United Nations development system, in particular its funds, programmes and specialized agencies and to contribute on a multi-year basis, in a sustained and predictable manner;

Paragraph 35

Requests the United Nations funds and programmes, and encourages the specialized agencies, to report to their governing bodies at the first regular session of 2014 on concrete measures taken to emphasize the importance of broadening the donor base and increasing the number of countries and other partners making financial contributions to the United Nations development system in order to reduce the reliance of the system on a limited number of donors, as well as on progress made in increasing the donor base;
Paragraph 44

*Encourages* Member States making non-core contributions to reduce transaction costs, assign resources, as much as possible, at the beginning of the annual planning period, while encouraging multi-year duration of implementation of development-related activities, streamline and harmonize requirements related to reporting, monitoring and evaluation and give priority to pooled, thematic and joint funding mechanisms applied at the global, regional and country levels;

Paragraph 135

*Also recognizes* that the pooled funding mechanisms are important tools in advancing “Delivering as one”, and calls upon Member States and United Nations funds and programmes, as appropriate, to contribute financially to assure the extension of these mechanisms in “Delivering as one” countries.