

Working Party on the Strategic Framework and the Programme Budget, 68th session

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Presentation of item 3 - Review of the technical cooperation activities of UNCTAD and their financing

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The report by the Secretary-General of UNCTAD – Review of the technical cooperation activities of UNCTAD and their financing - has been prepared to facilitate the annual policy review of UNCTAD technical cooperation activities by the Trade and Development Board and also for the Working Party to review UNCTAD technical assistance, with a view to improving its effectiveness, enhancing transparency, sharing successful experiences and encouraging outreach towards potential recipients, as stated in the Working Party's Terms of Reference.

The report provides you with an overview of three main points:

1. The composition of funding sources and contributions for UNCTAD technical cooperation in 2013 and their evolution in time;
2. Expenditures in 2013 and the allocation of technical cooperation resources;
3. The structure and functioning of UNCTAD's technical cooperation pillar.

The two annexes to the report provide more detailed information and statistics on UNCTAD's technical cooperation activities.

I. Funding sources for UNCTAD technical cooperation

UNCTAD technical cooperation activities are funded from three main sources:

- (a) Bilateral funding, including individual governments, the United Nations system and other international organizations, the European Commission and private and public-sector donors;
- (b) United Nations regular programme of technical cooperation;
- (c) One United Nations funds and other multi-donor trust funds.

In general, overall voluntary contributions remain rather unpredictable, usually earmarked to specific activities and with important fluctuations from one year to another. In 2013, the overall voluntary contributions amounted to \$31.2 million, a decrease of 5 per cent over the previous year.

The contributions from developed countries in 2013 decreased about 20 per cent as compared with 2012. Their share of total contributions decreased from 30 per cent in 2012 to about 25 per cent in 2013. It is worth noting that contributions from developed countries had already dropped significantly from 2011 to 2012. A number of traditional donors reduced their contributions or in

some cases stopped contributing in 2012, in most cases because of the overall reduction in their official development assistance.

Developing countries contributed the larger share (40.7 per cent of total contributions) to UNCTAD trust funds. It has to be said that almost all contributions by developing countries are allocated to activities in their own countries, and are financed from loans or grants of international financial institutions, mainly to implement ASYCUDA and DMFAS programmes.

B. United Nations regular budget

UNCTAD also receives funds through the United Nations regular programme of technical cooperation and the Development Account, sections 23 and 36, respectively, of the United Nations programme budget.

The Development Account continues to be an important source of funding, with an overall funding envelope of \$ 28.4 million distributed in 2013 under the new 9th tranche, of which \$ 4.8 million or about 16 per cent of the total envelope correspond to UNCTAD. These funds have already been attributed to eight UNCTAD projects which are being or will be implemented between 2014 and 2017.

Resources under the United Nations regular programme of technical cooperation – section 23 – are provided for advisory services and training. In 2013, expenditures under section 23 remained stable as compared with 2012. As in the past, the training component of regular programme of technical cooperation resources was used mainly to finance training activities related to the training courses on key international economic issues.

C. Specific partner contributions and multi-donor trust funds to support joint programmes of the UN Inter-Agency Cluster on Trade and Productive Capacity

The “Delivering as One” (DaO) initiative - an effort to bring together partner countries, donors and UN country teams to increase coherence and effectiveness of operations in the field - is at the origin of a funding framework to support joint programmes implemented through the United Nations Development Assistance Frameworks (UNDAFs) and similar inter-agency modalities organized at the country and regional levels.

In 2013, UNCTAD managed to access a number of Multi-Donors Trust Funds (MDTFs) under the common United Nations budgetary framework and “specific partner contributions” (SPCs) with increased allocations as compared to 2012.

The funds raised through these channels are complementary resources and are an effective tool in resource mobilization at the country level.

II. Expenditures and allocation of technical cooperation resources

In terms of overall expenditures for UNCTAD technical cooperation activities, there was an increase of 11.4 per cent in 2013 as compared to the previous year reaching \$40.4 million, the highest level for the past ten years.

If we look at the regional distribution, there are only slight variations as compared to 2012.

The share for Africa in total delivery of UNCTAD technical cooperation in 2013 was 23 per cent, as compared with 25.8 per cent in 2012, whereas the share of Asia and the Pacific was 23.5 per cent, up from 20 per cent in 2012.

The share of Latin America and the Caribbean slightly decreased at 10.1 per cent, as compared to 12.9 per cent in 2012.

As part of its strategy for delivering technical cooperation services, UNCTAD continues to assign priority to LDCs. In 2013, technical cooperation expenditures in support of LDCs amounted to \$16.2 million, an increase of about 1 million over the previous year, accounting for 40 per cent of total expenditures. Over the past eight years expenditures in support of LDCs averaged around \$14 million a year. They have been steadily increasing since 2010. There were no contributions to the LDC Trust Fund in 2013. Contributions have been steadily declining since 2009. Since its establishment in 2000, the Fund has received a total of \$10 million from 20 different donors. As emphasized in paragraph 9 of Trade and Development Board decision 515 (LIX) of September 2012, development partners in a position to do so are called upon to continue to contribute to the LDC Trust Fund.

III. Structure and functioning

UNCTAD's technical cooperation projects are organized around 17 thematic clusters. A list of the clusters and their objectives, outputs, results and impacts can be found in annex I to the report and an additional document is being circulated as an informal working document of the Working Party to reflect ongoing and proposed activities in response to requests received from beneficiaries. The document includes proposals to merge interregional and regional projects into multi-donor and multi-year trust funds. The objective is to continue reducing the number of trust funds, consolidate activities, simplify and streamline the structure of UNCTAD technical cooperation.

The Accra Accord recognizes the Enhanced Integrated Framework as a key mechanism for the provision of trade-related technical assistance to the LDCs and calls on UNCTAD to intensify and strengthen its contribution to it. In this context, UNCTAD continues to take part actively in the Framework. In addition, UNCTAD assists LDCs both in terms of capacity-building for ownership of the Framework through its support activities before and after conducting Diagnostic Trade Integration Studies and by providing trade policy and strategy advisory services.

In 2013 UNCTAD carried out the update of the Diagnostic Trade Integration Study of Senegal and has started to work on the updates for Mozambique and Djibouti. UNCTAD has been requested by the Governments of Mali and Niger to carry out their respective Studies. Funding for these updating Studies has been provided by the Enhanced Integrated Framework trust fund.

In preparation for the 9th World Trade Organization (WTO) Ministerial Conference of 3-6 December 2013 in Bali, Indonesia, UNCTAD organized an expert group meeting for the Least Developed Countries in November 2013, whose goal was to offer a platform where the LDC, experts and participants could meet to share views, concerns, and reinforce the LDC joint proposal. In this regard, a WTO Ministerial decision on preferential rules of origin was included in the Bali negotiated package.

I would also like to draw your attention to the indicative list of formal requests for UNCTAD assistance received in 2013–2014 that is circulated as an informal working document of the Working Party. This list continues to increase. It is a useful tool for identifying in a transparent manner the needs and priorities of beneficiaries. Previous Trade and Development Board decisions have recommended that donors use this as a guide in their decisions to allocate their contributions. UNCTAD to the extent possible tries to respond to the large majority of the demands for assistance.

Regarding results-based management: The “Guidelines for the implementation of results-based management regarding technical cooperation projects” circulated to member States in December 2012 has become a mandatory tool to all project managers. It guides them in the design and implementation of operational activities. All new UNCTAD project document now include results-based management log frames whose quality are checked during the clearance process. Efforts towards training and awareness of project officers on this important topic will continue.

A draft fundraising strategy was circulated to member States on 22 March 2013 (UNCTAD/OSG/Misc/2013/1) and was discussed in March 2014 at the 67th session of the Working Party. In its agreed conclusions the Working Party recognized this document as a useful basis for further discussion on the strategy and requested “the regional coordinators to meet informally, on a regular basis, to agree on a set of common goals and principles for the fundraising strategy in order to respond to the needs of developing countries as the ultimate goal of the strategy, taking into account the proposals of the regional groups, to be presented for consideration at the next session of the Working Party in September 2014”.

Contribution to United Nations system-wide coherence

Since its establishment in April 2007 the Inter-Agency Cluster on Trade and Productive Capacity has successfully strengthened the role of trade and productive capacities in the integrated technical assistance delivered by the United Nations; it has ensured inter-agency coordination; and it has increased the links between non-resident agencies and United Nations country offices.

The Cluster, led by UNCTAD and functioning at the secretariat’s level, is an inter-agency mechanism composed of resident and non-resident agencies of the United Nations system with mandates and expertise in the area of international trade and productive sectors. The Cluster is currently composed of the following agencies, UNCTAD, UNIDO, FAO, ILO, ITC, the WTO, UNDP, UNCITRAL, the five regional commissions, UNEP and UNOPS.

In 2013, the Cluster further consolidated its role and continued to be one of the most dynamic inter-agency mechanisms within the United Nations system. With its 15 members, the Inter-Agency Cluster was able to participate actively in the preparatory phases of a number of UNDAFs at the

country level and formulated and delivered joint programmes and activities within the framework of the “Delivering as one” initiative.