



Establishment of a global multi-donor trust fund on trade and productive capacity

From 2008 to 2015, the United Nations Inter-Agency Cluster on Trade and Productive Capacity proved to be an effective mechanism for more coherence within the United Nations system. In order to scale up the Cluster's activities at the global and country levels, the Cluster agreed at its sixteenth meeting, to explore, with the help of the agencies' New York offices, the possibilities of establishing a thematic multi-donor trust fund on trade and productive capacity.

The fund

The multi-donor trust fund is expected to build a more holistic vision of trade and productive capacity with the development of joint policy initiatives on key thematic areas and their effective materialization through selected joint programmes. In the context of United Nations system-wide coherence in "Delivering as one", the fund is expected to allow the Cluster's participating agencies to reach beyond coordination and achieve effective collaboration.

The 2030 Agenda for Sustainable Development will be the driving force to support the building of a more coherent vision of trade within the Cluster in accordance with the different mandates and expertise of participating agencies. Developed within the overall Aid for Trade Initiative, the proposed multi-donor trust fund on trade and productive capacity will be a concrete implementation of a United Nations system that is fit for purpose.¹

The multi-donor trust fund will aim to accomplish the following objectives:

- a) Support the development of the Cluster's inclusive policy initiatives on trade and trade-related issues. With trade at the core, themes such as trade and value chains, trade facilitation, and trade and employment² will be developed using a more integrated approach for better coherence and visibility at the global level;
- b) Support the effective materialization of the above-mentioned joint policy orientations in identified joint programmes carried out by the Cluster at the regional and country levels.

¹ Regarding the Sustainable Development Goals set out in the 2030 Agenda for Sustainable Development and a United Nations system that is fit for purpose, Goal 8, aimed at promoting "sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all", is particularly relevant.

² The proposed list of thematic areas is not intended to be exhaustive and will be completed to reflect the responses of the Cluster, Member States and donors.

The approach towards donors

In September 2015, the Trade and Development Board of UNCTAD in decision 526 (LXII) welcomed the idea of establishing a “multi-donor trust fund on trade and productive capacity” and called upon member States to consult each other on the issue.³ In this context, UNCTAD, the coordinating agency of the Cluster, was encouraged to enter into dialogue with member States to set up such a fund.

As a complement to the Cluster’s concept note on the establishment of the fund, the Cluster agreed to work on the development of thematic notes, initially on the following topics: trade and value chains, trade facilitation, and trade and employment.

The development of the thematic notes will help identify potential donors and to build a detailed mapping of donors, including non-traditional ones, for each theme. The notes will be flexible working documents that will be reviewed and updated regularly to best integrate donor aspirations.

The list of topics of the thematic notes is not intended to be exhaustive; it provides a basis to continue building collaboration in areas that are already being pursued within the Cluster.

- Trade and value chains: The Cluster will build upon the existing work developed by the United Nations Industrial Development Organization in collaboration with member agencies of the Cluster;
- Trade facilitation: The Cluster will build upon the existing work developed by member agencies of the Cluster, including on the implementation of the Bali Ministerial Declaration and accompanying ministerial decisions of 2013 and 2014 known as the Bali Package;
- Trade and employment: The Cluster will build upon the work developed in the context of the memorandum of understanding concluded between the International Labour Organization and UNCTAD in December 2014.

The way forward

An information session on the establishment of a global multi-donor trust fund on trade and productive capacity will take place during UNCTAD 14. The session, which will be held on 19 July 2016 (1–2 p.m.), will be devoted to introducing the fund to beneficiary and donor countries.

In view of the above session, an interim information session for member States will be held on 24 May 2016 (1.15–2.45 p.m.).

³ TD/B/62/11.