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External evaluation of UNCTAD subprogramme 3: International trade

**Management response to the external evaluation of UNCTAD
subprogramme 3: International trade¹**

Executive summary

The UNCTAD secretariat wishes to express its sincere appreciation for the external evaluation of subprogramme 3 (SP3), conducted at the request of the Trade and Development Board at its sixty-first session, in agreement with the conclusions of its subsidiary organ, the Working Party on the Strategic Framework and the Programme Budget. The secretariat commends the efforts and dedication of the evaluation team for their independent, objective and professional evaluation, given the complex nature of mandates under SP3 and the work of the Division on International Trade in Goods and Services, and Commodities (DITC).

The secretariat notes that the evaluation team found that SP3 was relevant and responsive to the needs of its stakeholders and that its implementation made significant contributions to strengthening understanding, analysis and policy formulation capacities in a large number of developing countries. At the same time, the secretariat recognizes that more effective communications of its products and messages, as well as closer collaborations within UNCTAD on certain research and technical cooperation activities, could contribute to enhancing results. A more robust results framework will allow for better tracking of evidence of specific country-level impacts linked to programmatic interventions under the three pillars.

This note contains three sections, as follows: a brief summary of the key findings of the evaluation; general observations and comments from the secretariat on the evaluation; and specific comments on each recommendation made in the evaluation report.

¹ This evaluation was prepared by an independent evaluation team: Mr. SV Divvaakar, with Ms. Jaime Moody and Mr. Juan Carlos Sanchez Troya. The related main report can be found in document TD/B/WP/274 and supporting materials are presented in document TD/B/WP(71)/CRP.2.



I. Summary of key findings

1. SP3 is implemented by DITC through its four branches – Trade Negotiations and Commercial Diplomacy; Trade Analysis; Competition Policy and Consumer Protection; and Trade, Environment, Climate Change and Sustainable Development (TED) – and the Trade and Gender Section.

2. The principal target beneficiaries of SP3 are trade and trade-related policymakers and stakeholders from all developing countries and countries with economies in transition, including countries in Africa, least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies, as well as middle-income countries.

3. The evaluation showed the relevance of the outputs and activities under SP3, and acknowledged its responsiveness and significant contributions to developing countries. In this regard, the evaluation report stated that member States note that SP3 “helps strengthen analytical, technical and negotiating capacities and helps countries implement a complex array of trade agreements; and supports building awareness of the linkages between trade policy and development, reviewing national policies, regulations and institutions to respond and adjust to opportunities and challenges, and establishing competitive, inclusive, consumer-friendly and environmentally sustainable economies” (para. 12).

4. With regard to effectiveness, the report stated that SP3 “makes specific contributions to enhancing human, regulatory and institutional capacities in developing countries across all regions, particularly in Africa, least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies, as well as middle-income countries and transition economies, to engage more effectively with the international trading system; to undertaking policy formulation and implementation, as well as comprehensive services work balancing national priorities and international treaty obligations; to formulating or strengthening policies and human and institutional capacities towards competitive and consumer-friendly marketplaces; and to improving understanding of the linkages and trade-offs between growth, environmental impacts, climate change and sustainable development in formulating policies” (para. 22).

5. With regard to efficiency, the report noted that SP3 “completed its work outputs on time, with the exception of a few postponed publications. In 2010–2013, SP3 posted an 89 per cent utilization rate for extrabudgetary funds, spending \$15.65 million against a budgeted \$17.60 million. In the competition policy area, delivery expanded significantly, with supplementary funding for voluntary peer reviews (12 reviews against the initial target of four). Similarly, SP3 used expert meetings and regional events efficiently to promote the experiences and results of Services Policy Reviews, resulting in increased demand for Reviews or adaptation of existing policies without commissioning a full-fledged Review” (para. 68).

6. With regard to inter-agency cooperation, the report noted that SP3 “demonstrates a culture of collaboration with a number of regional and technical agencies. Notable among these are partnerships in trade statistics, tariffs and non-tariff measures with the African Development Bank, International Trade Centre, World Bank and World Trade Organization (WTO); partnerships with United Nations Regional Commissions in Africa, Asia and the Pacific and Latin America; and thematic partnerships with the Convention on International Trade in Endangered Species of Wild Fauna and Flora on biodiversity and regional competition networks in Africa, Asia and Latin America under the technical assistance programme on competition and consumer protection policies for Latin America. There are also positive examples of cooperation, in the Lao People’s Democratic Republic and the United Republic of Tanzania, under the United Nations Inter-Agency Cluster on Trade and

Productive Capacity and United Nations “Delivering as one” initiative. However, there are opportunities to deepen collaboration under this initiative, with UNCTAD taking the role of an internal mentor and expertise provider to resident agencies on trade issues. Again, this requires closer cooperation between DITC, the Division for Africa, Least Developed Countries and Special Programmes (ALDC), donors and United Nations agencies with a field presence” (para. 75).

II. General observations and comments

7. The report included a list of organizations conducting work related to the various UNCTAD work programmes under SP3 (para. 14). It should be noted that for UNCTAD, the mandate and delivery on WTO accession is broader and more comprehensive than for other institutions. With regard to competition policy, UNCTAD is the only responsible organization for updating the United Nations Set of Multilaterally Agreed Principles and Rules for the Control of Restrictive Business Practices, and services the annual meetings of two intergovernmental bodies with broad participation.

8. With regard to UNCTAD support towards WTO accession (paras. 27 and 28), related technical cooperation activities cover all stages of accession, including the most advanced and post-accession stages, and activities are tailored to a country's specific needs. The activities of SP3 accordingly encompass the following: preparation of economic and sectoral impact assessments; formulation and implementation of trade policy and services policy; conduct of training activities, including study tours and national sensitization, including for parliamentarians, as well as multi-stakeholder consultations; provision of analytical, technical and strategic advice; provision of hands-on support in the preparation of key documentation; and provision of evidence-based hands-on support with options and alternatives in strategizing engagement in multilateral and bilateral negotiations. Technical cooperation activities under SP3 also address post-accession, including analytical support in matters affecting countries that have recently acceded and quantitative and qualitative impact assessments. SP3 provides a variety of options and best-fit policies, including pro-development solutions. SP3 has consistently promoted a multi-stakeholder approach and the coherence of national policies (i.e. development and trade policy).

9. The report provided examples of the extensive networks that SP3 has built in conducting its work (para. 60). Other examples that may be noted are the Arab Coalition of Services Industries and the Global Network of Export-Import Banks and Development Finance Institutions.

10. The report raised the issue of clarity with regard to the mandate of SP3 (para. 63). The UNCTAD mandate on the related issues is provided in the Doha Mandate (paras. 18 and 56), the Accra Accord (para. 90), the Sao Paulo Consensus (paras. 95–99) and the Bangkok Plan of Action (paras. 130 and 131).

11. The report provided examples of synergies with other UNCTAD subprogrammes (para. 70). It may be noted that DITC and the Division on Technology and Logistics have more joint activities than those discussed in the report. For example, at the seventh session of the Trade and Development Commission, in May 2015, the two Divisions presented the outcome of a joint project on maritime connectivity, namely the Liner Shipping Bilateral Connectivity Index. This index is expected to offer member States a precise view of their strengths and weaknesses in terms of maritime connectivity, to allow them to identify pro-development transport policy orientations. Another joint activity is a project on trade facilitation and non-tariff measures in regional value chains.

12. The report observed that DITC only cooperated with the Division on Globalization and Development Strategies (DGDS) on statistics (para. 72). In this regard, it may be noted

that DITC, in particular the Trade Analysis Branch, has been cooperating on several capacity-building projects with the Virtual Institute of DGDS for the last eight years. Three face-to-face courses on trade analysis have been established and proposed to more than 15 Virtual Institute members. An annual online course on non-tariff measures was launched in 2014, and a similar course on the analysis of non-tariff measures is expected to be launched in 2016.

13. The report provided examples of inter-agency cooperation undertaken by SP3 (para. 75). It may be noted that DITC also embarked on a number of inter-agency collaborations on new and emerging issues in trade, which now form part of the proposed post-2015 sustainable development goals and targets, including trade, migration and development, remittances and other work with the Global Migration Group and Global Forum on Migration and Development, as well as financial inclusion and access to financial services. DITC further enhanced inter-agency collaboration with the Focus Group on Digital Financial Services of the International Telecommunication Union, and with the International Labour Organization and the inter-agency International Collaborative Initiative on Trade and Employment, on trade and employment, resulting in joint publications and conferences.

III. Specific comments

14. Responses to each recommendation made in the evaluation report are provided in the following table.

Recommendation	Management response: Accepted, partially accepted or rejected
1. To respond to sustainable development goals and improve resource allocation efficiency and interdisciplinary synergies, consider formulating an integrated divisional programme or at least branch-wide programmes with appropriate change-language indicators to show contributions, synergies and impacts of activities.	Accepted. This is already being done in the context of the UNCTAD-wide implementation of results-based management. DITC is actively participating in the coordination group for results-based management and working towards mainstreaming a results focus across all activities and deliverables, in line with this recommendation. DITC has also been contributing to promoting broader understanding of the role of international trade in the post-2015 agenda and sustainable development goals, and is thus ready to internalize intergovernmental outcomes from the fourteenth session of the United Nations Conference on Trade and Development and various major conferences in 2015.
2. Review and optimize the number of publications and e-publications through member State and interdivisional consultations, and initiate a few joint publications with ALDC and DGDS, under divisional compacts.	Accepted. Streamlining of publications is already being done, in line with the new results and resources framework. The merits of further reducing the number of publications will need to be assessed, with a view to ensuring the sustained relevance, effectiveness and efficiency of the work of SP3. This recommendation will be considered by the UNCTAD Publications Committee, which includes UNCTAD senior management.

3. Broaden, as necessary, the policy alternatives for development in the elaboration of policy advice, publications, technical cooperation, parliamentary documents and other activities related to the subprogramme. Accepted.
This may be done in conjunction with the new mandate from the fourteenth session of the United Nations Conference on Trade and Development, guided by the post-2015 agenda and sustainable development goals, as well as outcomes of the following events in 2015: Conference on Financing for Development; WTO Ministerial Conference; United Nations Climate Change Conference.
4. Link the trade and gender work programme more directly and enhance the advocacy function of the Trade and Gender Section in trade policy formulation initiatives, while retaining the specific identity of the Trade and Gender Section as the UNCTAD-wide lead on gender mainstreaming. Accepted.
This is already being done, as the gender aspect is a core feature of all DITC activities. However, every effort will be made to enhance the advocacy function of the trade and gender practice in trade policy. The Trade and Gender Section will be further strengthened, supported and integrated in SP3.
5. Explore to the extent possible potential cost efficiencies in hosting arrangements, logistics and schedules of regional courses of UNCTAD and WTO. Accepted.
This will be implemented as much as practicable within the secretariat, in the context of the nature and timing of such activities.
6. Evolve methodologies for capturing environmental goods and services trade flows and explore, through the consensus building pillar, member State consultations on potential tariff classifications for environmental goods and services; analyse environmental regulations in the context of non-tariff measures; and explore design of a policy tracker for all countries across key domains, using the same sources and tools as for data collection on non-tariff measures. Partially accepted.
This must be evaluated under resources related to the greening of international trade, generally, and work related to WTO negotiations on environmental goods and services, specifically. DITC will review the feasibility of a workshop exploring the design of a policy tracker.
7. Add the dimension of climate change, environment and sustainable development in all trade policy advice through joint workplans with TED. Accepted.
This is already under way, including planned collaboration between the Trade Analysis Branch and TED on the collection of data on non-tariff measures related to biodiversity-based goods.
8. Consider a pilot for joint programming with ALDC covering needs assessments, marketing and communications, mission coordination and planning, resource mobilization and implementation of trade-related capacity development projects, including the Enhanced Integrated Framework. Accepted.
DITC is already collaborating with ALDC on projects under the Enhanced Integrated Framework, such as the Diagnostic Trade Integration Study of Ethiopia. Previously, DITC worked on the studies for Cabo Verde (on creative industries) and the Gambia. Further collaboration, including the possibility of joint programming, will be explored with ALDC.
9. Under donor-funded United Nations Inter-Agency Cluster on Trade and Productive Capacity projects, pilot Accepted.
The secretariat will review the feasibility of this recommendation, with implementation subject to

memorandums of understanding with front-line agencies and build in mentoring and trade-related capacity development of resident agency staff by UNCTAD.

10. Include offices of relevant and appropriate non-governmental organizations, aid institutions and bilateral aid agencies in invitations to relevant seminars and launch events.

11. Subsume all publications and dissemination-related activities under an integrated communications plan, jointly with the Communications, Information and Outreach Unit, for key outputs from the three pillars, integrating electronic and social media tools for outreach and stakeholder engagement.

12. Formulate, with external support if necessary, biennial work programmes using results-based management best practices, and select more concrete indicators corresponding to overarching economic, social and environmental goals and targets enshrined in sustainable development goals.

13. In the design and prioritization of technical assistance, consider country capacities and willingness to assume implementation commitments in regulatory, policy and institutional reforms and to report results to the Trade and Development Board.

the availability of projects and funding under the cluster.

Accepted.

Subject to general UNCTAD rules for such invitations.

Accepted.

DITC is already working with the Communications, Information and Outreach Unit to strengthen the dissemination of activities. The elaboration of an integrated communications plan needs careful review within DITC and in discussion with the Unit.

Accepted.

A review of the performance indicators contained in the UNCTAD Biennial Programme Plan is scheduled for the fourth quarter of 2015, in accordance with efforts by UNCTAD to mainstream results-based management. However, revisions to the plan must be considered in the context of the results-based budgeting framework of the United Nations. In addition, the final plan is subject to review and endorsement by appropriate intergovernmental bodies.

Accepted.

This will be kept in context while conducting country-level technical assistance activities and in discussion with country representatives, upon receipt of requests for technical assistance from UNCTAD.
