Report of the Working Party on the Strategic Framework and the Programme Budget on its seventy-third session


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I. Agreed conclusions adopted by the Working Party at its seventy-third session

Evaluation of UNCTAD activities
(Agenda item 4)

The Working Party on the Strategic Framework and the Programme Budget
1. Emphasizes the importance of the independent evaluation processes in UNCTAD in contributing to improving the implementation of programmes and projects, information sharing and learning, and commends the secretariat for its undertakings in this regard;
2. Underscores the value of engaging member States throughout evaluation processes as a unique participatory model bringing to evaluations member State expertise and insights on UNCTAD mandates;
3. Calls for contributions to fund evaluations at UNCTAD through a sustainable and systematic approach.

II. Chair’s summary

A. Proceedings
1. The seventy-third session of the Working Party on the Strategic Framework and the Programme Budget was held in Geneva, Switzerland, from 5 to 7 September 2016.

B. Opening statements
2. The Deputy Secretary-General of UNCTAD made the opening statement. Statements were then made by the representatives of the following delegations: Jamaica on behalf of the Group of 77 and China; the Bahamas on behalf of the Group of Latin American and Caribbean Countries; Namibia on behalf of the African Group; the European Union on behalf of the European Union and its member States; Japan on behalf of the JUSSCANNZ group; Barbados on behalf of the small island developing States; China; Morocco.
3. The Deputy Secretary-General introduced UNCTAD technical cooperation activities in 2015 and highlighted three aspects, namely, the allocation of technical cooperation resources, the functioning of technical cooperation and the issue of resource mobilization.
4. With regard to the allocation of technical cooperation resources, the Deputy Secretary-General noted that, in 2015, total expenditures had increased by 2 per cent to $39.6 million, of which 57 per cent had been allocated to the Automated System for Customs Data and the Debt Management and Financial Analysis System. The share of the least developed countries in total technical cooperation expenditures had risen from 40 per cent in 2014 to a record high of 48 per cent in 2015.
5. With regard to the functioning of technical cooperation, the Deputy Secretary-General highlighted a few instruments launched in 2015 and 2016 to enhance transparency, in particular the UNCTAD Toolbox – providing beneficiary countries and donors with a menu of the major UNCTAD products available – and the database of formal requests for technical cooperation. The Deputy Secretary-General emphasized the results-based
management practices put in place when formulating new technical cooperation projects and the leading role of UNCTAD in the United Nations Inter-Agency Cluster on Trade and Productive Capacity, noting the expected establishment of a multi-donor trust fund to enhance the role of the Cluster under the 2030 Agenda for Sustainable Development.

6. With regard to resource mobilization, the Deputy Secretary-General stressed that, in 2015, overall contributions to UNCTAD trust funds had fallen by 12 per cent, to $34.7 million, as a result of a decrease in contributions from the European Union and from developed countries. However, contributions from developing countries and countries with economies in transition – mainly used to fund activities in the contributing States and financed by loans or grants from international financial institutions – had increased by 9.5 per cent over 2014, to a record high of $17.6 million, thereby accounting for more than half of total trust fund contributions. The decline in contributions was a concern, particularly at a time when the level of demand for UNCTAD technical assistance was rising. Specifically, from 1 January 2013 to 30 April 2016, UNCTAD had received 707 requests for technical assistance, of which only 58 per cent had secure funds. To respond to the remaining 42 per cent, UNCTAD needed to mobilize an additional $40.3 million. With the implementation of the 2030 Agenda for Sustainable Development, the level of demand for UNCTAD technical assistance was expected to rise even further. The Deputy Secretary-General therefore invited all member States to support UNCTAD resource mobilization and make it effective through concrete donor support.

7. Finally, with regard to external evaluations, the Deputy Secretary-General noted that evaluations were fundamental to the 2030 Agenda for Sustainable Development. He emphasized that UNCTAD prioritized the evaluation function through the Evaluation and Monitoring Unit, which had recently standardized its procedures following the guidelines and standards of the United Nations Evaluation Group. With regard to the report of the Secretary-General of UNCTAD on the review of the technical cooperation activities of UNCTAD and their financing (covering April 2015–March 2016), the Deputy Secretary-General underscored the need for programme managers to follow up on implementing the recommendations in evaluation reports by developing systematic action plans and to make good use of the lessons learned from the annual synthesis report. He underlined the lack of funding for evaluation activities, noting that, following the pledge of $1.1 million by the Government of Norway, utilized primarily for funding activities in 2004–2014, no additional funding had been received for evaluations. He emphasized that, without such funding, the UNCTAD model of including member State delegates in the evaluation process might need to be discontinued. The Deputy Secretary-General concluded that the broad consensus on the benefits of subprogramme evaluations should be supported by extrabudgetary funding, in order that existing good practices for evaluations could continue.

8. In the statements made by delegations, all representatives stressed the importance of technical cooperation as an essential pillar of the work of UNCTAD and of its synergies with the other two pillars, as well as underlining UNCTAD capability, following the fourteenth session of the Conference in July 2016, to meet the objectives of the 2030 Agenda for Sustainable Development. With regard to the allocation of UNCTAD technical cooperation resources, the majority of delegations expressed concern about the decline in 2015 of trust fund contributions from developed countries. They requested developed countries and other development partners to increase financial support, in order for UNCTAD to fulfil its mandate as outlined in the Nairobi Maafikiano.

9. The representative of one regional group stated that the European Union, in combination with its member States, provided more official development assistance than all other donors combined. With regard to the specific allocations granted to UNCTAD by the European Union, the decline of resources had been due to the conclusion of project cycles,
and to challenges encountered under the financial and administrative framework agreement between the European Union and the United Nations.

10. With regard to the functioning of technical cooperation, one delegate raised the question of whether it was appropriate to include services purchased by beneficiary countries under UNCTAD technical assistance.

11. The representatives of two regional groups commended the role of UNCTAD in implementing results-based management practices. The representative of one regional group stressed that results-based management could only be applicable to the technical cooperation pillar of UNCTAD.

12. The representative of another regional group underlined the importance of addressing gender equality in UNCTAD technical cooperation activities.

13. The majority of delegations commended the secretariat’s work in establishing a new database of formal requests for technical cooperation. The representatives of some regional groups provided suggestions for its further improvement, including availability in all official languages, inclusion of basic information and objectives for each request and addition of a dashboard for conducting preliminary assessments prior to posting a request (including, for instance, on alignment with national development strategies and priorities, expected long-term outcomes or sustainability strategies and the type of technical assistance to be provided). The representative of one regional group noted the challenges in using the database, as many donors made technical assistance decisions at either a programme or country level. Potential beneficiaries needed to ensure that requests were up to date, in line with national development plans and that stakeholders at all levels were kept well informed.

14. All delegations agreed on the need for enhanced resource mobilization. One delegate recommended that UNCTAD expand the funding base, and the representative of one regional group emphasized that UNCTAD should continue to strengthen collaboration with other United Nations agencies, including through pooled funding mechanisms, to achieve greater impact at the country level. The representative expressed appreciation for UNCTAD having given priority to the least developed countries, and requested member States to strengthen contributions to the UNCTAD trust fund for the least developed countries.

15. The representative of one regional group emphasized that transparency and efficiency in the allocation and use of resources, together with sustainability and predictability, should be guiding principles for UNCTAD technical cooperation.

16. With regard to alternative funding mechanisms, the representatives of two regional groups noted that the Nairobi Maafikiano identified the role of South–South and triangular cooperation in development, including in the form of financing, and suggested that new characterizations should be used rather than the traditional designations of developed and developing countries, in order to reflect this possible alternative nature of development assistance. One delegate stressed that the rising level of contributions from developing countries in 2015 should be perceived as cyclical and not structural, and that any contribution quota imposed on developing countries would not be acceptable.

17. The representative of one regional group highlighted that although non-earmarked contributions would provide greater flexibility for UNCTAD, earmarked projects were the norm rather than the exception for many donor countries, as legislators required development funds to target priority development areas and aid for trade funding to be focused enough that its impacts and effectiveness could be immediately measurable.

18. One delegate considered that the Nairobi Maafikiano provided the secretariat with a strong political will and conceptual trend focused on sustainable development. As such, UNCTAD might consider technical cooperation not through the implementation of a
number of limited and fragmented projects but in an inclusive manner, including horizontal issues such as migration, human rights and climate change, among others.

19. The Deputy Secretary-General addressed a number of points in the statements made by delegations. With regard to the concern about the purchase of services by beneficiary countries, he noted that this should be included as part of technical cooperation, and highlighted that the demand for services was a positive situation for an international organization, showing interest from beneficiary countries due to the impacts and benefits of activities. With regard to gender issues, UNCTAD technical cooperation programmes were aimed at supporting women’s economic empowerment and enhancing their opportunities and ability to participate in trade. The database on technical cooperation requests would be refined based on the recommendations made at the meeting, and the secretariat would appreciate dialogue with donors at the capital level to determine areas of interest. In addition, the results-based management framework would be established across UNCTAD, to be applied in research work and the intergovernmental machinery, in line with recommendations in General Assembly resolutions and made by the United Nations Office of Internal Oversight Services. UNCTAD would be guided by member States in this matter.

20. The Deputy Secretary-General highlighted the efforts made by the secretariat to broaden the donor base and access innovative methods of funding. He supported the proposal for inter-agency cooperation and pooled funding mechanisms, and encouraged donors to deliver similar and consistent messages to all international organizations based in Geneva and elsewhere. With regard to the trust fund for the least developed countries, he encouraged donors to quickly respond to specific demands from these countries by supporting mechanisms that were currently underfunded. With regard to the predictability of funding, he noted the nature of UNCTAD technical assistance on policy issues, whereby sustained technical assistance was needed to view the impact of proposed policy recommendations by UNCTAD on institutional and regulatory frameworks in beneficiary countries. Predictable and sustained extrabudgetary funds were thus crucial for UNCTAD to plan its technical assistance activities. Finally, the Deputy Secretary-General noted that the earmarking of funds was not effective for UNCTAD, and would prevent developing countries from obtaining the required resources. As UNCTAD was a capital-based organization, fundraising activities could be held in Geneva, similar to those of the Enhanced Integrated Framework and other initiatives developed by Geneva-based agencies. In the context of the 2030 Agenda for Sustainable Development and to effectively transform ambitions into predictable actions, the Deputy Secretary-General requested member States to make UNCTAD resource mobilization more effective, notably through improved coordination between Geneva-based delegations and donors at the capital level.

21. Regarding the agenda item on evaluation, the representatives of two regional groups commended UNCTAD on its strong level of commitment to the evaluation of programmes, and underscored the importance of using evaluations and lessons learned to improve accountability and evidence-based decision-making and to inform future processes. In addition, they noted with appreciation the positive outcome of the evaluation of the United Nations Development Account project on gender policy.

22. The representative of one regional group observed three key areas from the report of the Secretary-General on the review of the technical cooperation activities of UNCTAD and their financing. First, several evaluations pointed out that project scopes had been relatively broad, indicating that a more focused approach might have had more impact. Second, some evaluations suggested the need to enhance partnerships with other international organizations, while one project had introduced a cost-effective public–private partnership with business school associations. Third, another evaluation had found that the impact of the work of UNCTAD could be expanded or even multiplied to more beneficiaries with the addition of online courses and distance learning.
23. The representative of another regional group underscored the importance of systematically mainstreaming gender equality into project design and implementation, and highlighted certain lessons learned from evaluation reports. First, the representative welcomed the approach taken by a United Nations Development Account project in its financial monitoring and reporting and, underscoring the importance of transparency and accountability, encouraged UNCTAD to improve the financial transparency of all projects and make this good practice a norm of project management. Second, with reference to other evaluation findings, the representative requested that UNCTAD consider the diversification of collaborative partners and donors by reaching out to the private sector, diversifying sources of funding and using other innovative approaches to fund projects. The representative noted with appreciation that two projects had been successful in their collaboration with other projects or organizations, and encouraged other UNCTAD programmes to strengthen collaboration and create synergy with other development partners, in line with the mandate from the fourteenth session of the Conference.

24. With regard to the follow-up of recommendations from the external evaluation of subprogramme 3, some delegates and representatives of regional groups expressed appreciation for the work of the subprogramme, and one delegate commended its responsiveness to the needs of beneficiaries.

25. The representative of one regional group acknowledged with satisfaction that the evaluation of subprogramme 3 confirmed that its work was relevant and responsive to the needs of stakeholders and had made material contributions across its work streams. The representative noted with appreciation that the methodologies, tools and approaches developed by subprogramme 3 had been recognized as public goods, and encouraged the subprogramme to make them standardized, reproduced and made known to the public. The representative further encouraged the continuation of the subprogramme’s work, particularly in the areas of non-tariff measures, competition policy, services policy, the Biotrade Initiative and trade and gender, and encouraged the subprogramme to expand its methodologies and tools to other sectors.

26. One delegate emphasized the need for sufficient and predictable resources to support the work of UNCTAD, which could help countries overcome obstacles in expanding international trade. Finally, another delegate encouraged the subprogramme to strengthen its communications mechanism.

C. Informal meetings


D. Action by the Working Party

1. Draft decision for consideration by the Trade and Development Board: Review of the technical cooperation activities of UNCTAD and their financing
   (Agenda item 3)

28. The Working Party agreed upon a draft decision on the review of the technical cooperation activities of UNCTAD and their financing, which would be presented to the sixty-third session of the Trade and Development Board, to be held from 5 to 9 December 2016 (see annex I).
2. **Agreed conclusions**  
   (Agenda item 4)

   29. The Working Party prepared agreed conclusions (see chapter I) on the evaluation of UNCTAD activities.

### III. Organizational matters

A. **Election of officers**  
   (Agenda item 1)

   30. At the opening plenary meeting, on 5 September 2016, the Working Party elected Mr. Uwe Petry (Germany) as its Chair. The Working Party subsequently elected Mr. Mostafa Abid Khan (Bangladesh) as its Vice-Chair-cum-Rapporteur.

B. **Adoption of the agenda and organization of work**  
   (Agenda item 2)

   31. At the same meeting, the Working Party adopted its provisional agenda (TD/B/WP/278). The agenda was thus as follows:

   1. Election of officers
   2. Adoption of the agenda and organization of work
   3. Review of the technical cooperation activities of UNCTAD and their financing
   4. Evaluation of UNCTAD activities:
      (a) Evaluation of UNCTAD activities: Overview
      (b) Follow-up on evaluations: Progress report on the implementation of recommendations from the external evaluation of UNCTAD subprogramme 3: International trade
   5. Provisional agenda for the seventy-fourth session of the Working Party
   6. Other business
   7. Adoption of the report of the Working Party to the Trade and Development Board.

C. **Provisional agenda for the seventy-fourth session of the Working Party**  
   (Agenda item 5)

   32. At its closing plenary meeting, on 7 September 2016, the Working Party approved the provisional agenda for its seventy-fourth session (see annex II).
D. **Adoption of the report of the Working Party to the Trade and Development Board**

(Agenda item 7)

33. At the same meeting, the Working Party authorized the Rapporteur to finalize the report on its seventy-third session.
Annex I

Draft decision for consideration by the Trade and Development Board

Review of the technical cooperation activities of UNCTAD and their financing
(Agenda item 3)

The Trade and Development Board

1. Reiterates the relevance of the technical cooperation pillar of UNCTAD, as reaffirmed in the Nairobi Maafikiano, in contributing to inclusive development in the context of the 2030 Agenda for Sustainable Development and in achieving the Sustainable Development Goals;

2. Takes note of the report of the Secretary-General of UNCTAD on the review of the technical cooperation activities of UNCTAD and their financing;

3. Notes with appreciation the tools provided by UNCTAD, such as the database of formal requests for technical assistance received from member States, while noting that more work needs to be done in order to render this an effective tool, in consultation with member States, especially regarding the inclusion of details of the proposals; and the UNCTAD Toolbox, which provides beneficiaries and donors with a comprehensive overview of the main products of UNCTAD;

4. Appreciates the implementation of results-based management by the secretariat in UNCTAD technical cooperation in line with United Nations guidelines;

5. Also appreciates the efforts to improve the quality of technical cooperation activities carried out by the secretariat in cooperation with beneficiaries, development partners and other international organizations, inter alia in the context of “Delivering as one”, and encourages the secretariat to enhance the design, management and evaluation of technical cooperation activities in order to maximize the development impact;

6. Takes note of the increased level of contributions from developing countries to UNCTAD trust funds, mainly to cover projects in their own countries;

7. Expresses concern about the decline in funding from some traditional sources to UNCTAD technical cooperation, resulting in a shortfall and unpredictability in the funding necessary to meet the increasing demand;

8. Encourages developed countries and development partners in a position to do so to make multi-year contributions to UNCTAD technical cooperation, in order to increase predictability in the planning and implementation of technical assistance programmes, and to enable the secretariat to meet demands for technical assistance;

9. Takes note that allocation of non-earmarked funds for technical cooperation should encompass the totality of technical cooperation products offered by UNCTAD;

10. Takes note of the efforts made by the secretariat to address the funding gap;

11. Encourages the secretariat to pursue its efforts to seek new funding partnerships, including through the pooled funding mechanisms in support of the UNCTAD-led United Nations Inter-Agency Cluster on Trade and Productive Capacity and other innovative mechanisms such as blended finance and public–private partnerships.
Annex II

Provisional agenda for the seventy-fourth session of the Working Party

1. Election of officers
2. Adoption of the agenda and organization of work
3. Discussion on a new funding mechanism for UNCTAD technical cooperation activities
4. Review of the UNCTAD section of the proposed United Nations strategic framework for the period 2018–2019, in light of the outcomes of the fourteenth session of the Conference
5. Review of the programme narrative component of the draft proposed UNCTAD programme budget for the biennium 2018–2019
7. Provisional agenda for the seventy-fifth session of the Working Party
8. Other business
Annex III

Attendance

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

   Austria   Guatemala
   Belarus   Senegal
   Brazil    Uganda
   Canada    United States of America
   China     Zimbabwe
   Germany

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

   Algeria   Iran (Islamic Republic of)
   Argentina Jamaica
   Bahamas   Japan
   Bangladesh Kuwait
   Barbados  Mexico
   Belgium   Morocco
   Benin      Namibia
   Bhutan    Nepal
   Bosnia and Herzegovina Nigeria
   Chad      Pakistan
   Chile     Paraguay
   Comoros   Peru
   Congo     Poland
   Cuba      Slovakia
   Djibouti  South Africa
   Ecuador   Spain
   Egypt     Sudan
   Ethiopia  Switzerland
   Finland   Tunisia
   Greece    United Republic of Tanzania
   India

3. Representatives of the following non-member observer State attended the session:

   State of Palestine

4. The following intergovernmental organizations were represented at the session:

   European Union
   Organization of Islamic Cooperation
   South Centre

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1 This attendance list contains registered participants. For the list of participants, see TD/B/WP(73)/INF.1.