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on Trade and Development**

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**Special session of the United Nations Inter-Agency
Cluster on Trade and Productive Capacity**

UNCTAD XIII special event

Held at the Qatar National Convention Centre, Doha, on 21 April 2012

Summary prepared by the UNCTAD secretariat

Special session of the United Nations Inter-Agency Cluster on Trade and Productive Capacity

1. The Deputy Secretary-General of the United Nations and the Deputy Secretary-General of UNCTAD chaired this special session of the United Nations Inter-Agency Cluster on Trade and Productive Capacity, which was attended by high-level officials from 11 agencies members of the Cluster, namely the United Nations Development Programme (UNDP), United Nations Industrial Development Organization (UNIDO), International Trade Centre (ITC), Food and Agriculture Organization (FAO), World Trade Organization (WTO), International Labour Organization (ILO), Economic Commission for Africa (ECA), Economic Commission for Europe (ECE), Economic and Social Commission for Asia and the Pacific (ESCAP), United Nations Commission on International Trade Law (UNCITRAL) and United Nations Conference on Trade and Development (UNCTAD). In addition, Lesotho, Nepal, Switzerland, and the Secretariat of the Enhanced Integrated Framework contributed to the debate.
2. The session was an occasion to take stock of the work carried out since 2008, when the Cluster was established, and to provide agencies' perspectives on the theme of the Conference. It was also the occasion to announce the Aid for Trade project of the Islamic Development Bank for Arab countries, to be implemented by some agencies of the Cluster.
3. Many speakers highlighted the three main goals of the Cluster as (a) strengthening the role of trade and productive capacities in the integrated technical assistance delivered by the United Nations; (b) ensuring inter-agency coordination within Delivering as One; and (c) increasing the links between non-resident agencies and the United Nations country offices.
4. The Cluster had managed to develop tailored partnerships with governments by strengthening national ownership and leadership. It was stressed that, in the future, other thematic areas would benefit from the experience of this inter-agency mechanism. The Deputy Secretary-General of the United Nations made an appeal to donors for greater coherence in the financing of United Nations operations, in particular by increasing financing to multi-donor trust funds.
5. Some of the major achievements of the Cluster included (a) increased interventions by the Cluster in the United Nations Development Assistance Frameworks, as requested by national authorities and United Nations resident coordinators; (b) improved policy coherence regarding supply-side needs, in view of complementarities between the various mandates of the partners' agencies; and (c) alignment of the United Nations operations in national and regional development plans.
6. The contribution of the Cluster to ensuring complementarities and coordinated approaches with the Aid for Trade Initiative and with the Enhanced Integrated Framework – particularly in the One UN pilot countries and in countries that had adopted a Delivering as One approach – was outlined. Those two approaches were tools that could help build a fairer and more inclusive globalization that expanded opportunities for all.
7. One representative indicated that the value added of the Cluster was its ability to provide systemic development solutions to sector-wide challenges. The Cluster's interventions in Iraq and in the United Republic of Tanzania were cited as examples where the Cluster, through its multi-dimensional approach, was helping to meet the different requirements of strategic, institutional and operational support.
8. From a donor's perspective, it was noted that tailor-made technical assistance in areas such as export promotion, standards and quality management, trade policy formulation, and labour and environmental standards compliance was key to the development of productive capacities and to the strengthening of international

competitiveness in the least developed countries (LDCs). Examples were mentioned of the Cluster's joint programmes in the Lao People's Democratic Republic and in the United Republic of Tanzania, which were currently being financed by Switzerland. Both operations concerned sustainable tourism, clean production and export capacity. The lessons learned had shown that coordinated delivery required initial investments in project formulation and operational modalities. Commitment to joint implementation was considered crucial for future success.

9. The United Nations Special Programme for the Economies of Central Asia (SPECA) was also mentioned as a good example of joint interventions by the Cluster.

10. Regarding the future, a number of speakers noted the contribution that the Cluster should make towards more coordinated interventions at regional and subregional levels. In particular, the Cluster was well equipped to provide valuable support to the African Union's Action Plan for Boosting Intra-African Trade.

11. Strong support was expressed for the Cluster's approach and its work on the ground to mainstream trade in national development policies and plans. For example, the regional workshop being run by the Cluster in Nepal, in the week following the current meeting, was considered to be a very useful means of highlighting the importance of trade in development strategies. In that regard, most speakers stressed the importance of trade as a key tool to ensure that globalization led to development.

12. One representative stressed that the Cluster was expected to lead United Nations efforts in trade-related areas in the post-2015 development agenda.

13. With regard to policy issues relevant to the theme of the Conference, one representative emphasized that given the complex challenges facing development strategies, no single organization could provide effective assistance individually. Working together in a mechanism such as the Cluster provided a unique and efficient approach. The role of the Cluster in supply value chains in a global environment was mentioned as an example.

14. A number of speakers expressed their appreciation of the Cluster as a forum for working jointly towards sustainable and inclusive development paths in the context of globalization. One speaker emphasized the role played by education and the development of professional skills in ensuring that workers benefited from globalization. In that context, the International Labour Organization's Skills for Trade and Economic Diversification methodology was mentioned as an approach that had been designed for easy integration into trade-related technical assistance projects in the context of Cluster collaboration.

15. Attention was drawn to the new 2010 edition of the *Trade Capacity-Building Resource Guide* prepared by UNIDO, which represented the most comprehensive mapping currently available of the expertise and services offered by both multilateral and bilateral agencies in the area of trade and productive capacity.

16. At the end of the session, the representative of the International Islamic Trade Finance Corporation provided information on the Aid for Trade project for the Arab States involving UNDP, UNCTAD, UNIDO, ITC and ILO. The aim of that operation was to assist Arab countries in their trade reforms and to enhance their competitiveness in global and regional markets, while addressing the challenges of unemployment. The Islamic Development Bank would contribute \$2 million to that initiative, which would be implemented as soon as other donor resources were mobilized.