

**Trade and Development Board
Working Party on the Medium-term Plan
and the Programme Budget**

Forty-ninth session

Geneva, 10–14 September 2007

Item 3 of the provisional agenda

**Review of the technical cooperation activities
of UNCTAD and their financing**

**Progress report on the implementation of recommendations by
the independent external evaluation of UNCTAD's trade-
related technical assistance and capacity-building on accession
to the World Trade Organization**

Note by the secretariat*

Executive summary

At its forty-seventh session in September 2006, the Working Party on the Medium-term Plan and the Programme Budget considered the in-depth evaluation of UNCTAD trade-related technical assistance and capacity-building on accession to the World Trade Organization (WTO), and requested the secretariat to report, at the forty-ninth session of the Working Party on technical cooperation, on progress in carrying out those activities.

This note reports on the implementation of each of the nine recommendations contained in document TD/B/WP/190, entitled "Evaluation of UNCTAD's trade-related technical assistance and capacity-building on accession to the WTO", between October 2006 and August 2007.

I. Introduction

1. At its forty-seventh session in September 2006, the Working Party on the Medium-term Plan and the Programme Budget considered the in-depth evaluation of UNCTAD trade-related technical assistance and capacity-building on accession to the World Trade Organization (WTO) (TD/B/WP/190). After discussing and examining the evaluation, it adopted agreed conclusions in which it expressed appreciation for the timely, comprehensive, demand-driven and development-focused assistance provided by the UNCTAD technical cooperation programme on accession to WTO and welcomed the recommendations contained in the report. The Working Party requested the Secretary-General of UNCTAD to take concrete steps to ensure that integral support, including post-accession assistance, is provided, the internal resource base of the technical assistance programme is strengthened, and close collaboration with WTO and other relevant organizations is continued and enhanced. It also requested the Secretary-General of UNCTAD to implement the

* This document was submitted on the above-mentioned date as a result of processing delays.

recommendations within UNCTAD's mandate and to report, at the forty-ninth session of the Working Party, on technical cooperation, on progress in implementing them. This note was prepared in response to that request.

II. Implementation of the recommendations of the evaluation report

Recommendation (a): Donors should provide UNCTAD with continuous and predictable multi-year funding to provide sustained, broader and deeper technical assistance and capacity-building support that spans the entire range of pre-accession, accession and post-accession negotiations and implementation.

2. Both the evaluation report and the Working Party at its forty-seventh session called for continuous and predictable funding for the technical assistance and capacity-building support on pre-accession, accession and post-accession that would make it possible to provide sustained technical assistance and capacity-building and accompany acceding countries continuously during the whole process of accession and the post-accession phase. At the present time, the donors provide funding for a period of two years, which spans the whole period of pre-accession, accession and post-accession. In response to this recommendation, UNCTAD has made concrete efforts to mobilize donors' support for its technical assistance and capacity-building activities, and regular contacts are maintained with donors for funding on a predictable basis. However, new funds have so far not materialized. Beneficiary countries attach great importance to the technical assistance and capacity-building support for pre-accession, accession and post-accession. For example, at the eleventh session of the Commission on Trade in Goods and Services, and Commodities and the fifty-third session of the Trade and Development Board, many delegations highly commended UNCTAD's continued and valuable work on WTO accession, and requested that UNCTAD continue that work and further strengthen it. To enable UNCTAD to do that, concrete action by donors is needed, including in the context of the Aid for Trade initiative.

Recommendation (b): Enhanced budget resources should be provided to DITC in the area of trade negotiations to make it possible to accompany acceding countries continuously during the whole process of accession, including the post-accession phase, and ensure that they implement their obligations, adjust to the new regime and benefit from opportunities in the multilateral trading system; in this context, WTO accession should be a core activity of UNCTAD.

3. The number of requests for technical assistance and capacity-building on trade negotiations and accession has increased substantially over the last few years. However, the current limited resources (human and financial) have constrained the provision of technical assistance and capacity-building. As indicated in the recommendation, enhanced budget resources are needed for the Trade Negotiations and Commercial Diplomacy Branch of the Division on International Trade in Goods and Services, and Commodities (DITC) in order to make it possible to accompany acceding countries continuously during the whole process of accession, including the post-accession phase, and ensure that they discharge their obligations, adjust to the new regime and benefit from opportunities in the multilateral trading system. It will be remembered that paragraph 56 (b) of the "Evaluation of UNCTAD trade-related technical assistance and capacity-building on accession to the WTO" recommended that

WTO accession be a core activity of UNCTAD. That recommendation remains to be implemented.

Recommendation (c): Acceding countries should be provided with a structured package of assistance on trade and development that spans key UNCTAD programmes, using the diverse in-house expertise through enhanced inter-divisional cooperation.

4. In implementing this recommendation, both inter-divisional and intra-divisional cooperation has been pursued in order to facilitate the provision of integrated assistance on trade and development. Examples of integrated assistance combining accession-related technical assistance and other specific areas include the following: advice on trade facilitation, accession and other trade-related issues to the Government of Afghanistan (with the Division on Investment, Technology and Enterprise Development); advice on accession and international investment agreements to the Government of the Lao People's Democratic Republic (with the Division on Investment, Technology and Enterprise Development); advice on accession and investment and competition-related issues to the Government of the Syrian Arab Republic (with the Division on Investment, Technology and Enterprise Development, and the Competition Branch of DITC); training support on accession-related issues for media officers of the Government of Sudan (with the Intergovernmental Affairs and Outreach Service); and advice on accession and sanitary and phytosanitary measures to the Government of Sudan (with the Commodities Branch of DITC).

Recommendation (d): Flexibility should be maintained in programme planning and implementation to match the limited absorptive capacities of some countries, and also to respond to changing political situations – important factors to take into account in sustaining the provision of assistance and building of capacities.

5. This recommendation has been implemented. Regular needs assessment and the six-month indicative work programme prepared with inputs from the focal points of beneficiary countries are the instrument that enables UNCTAD and the beneficiary countries to provide for adjustments – in terms of both timing and substance – based on the needs and the capacity of the beneficiaries. Beneficiary countries systematically and regularly provide feedback on the quality and content of technical assistance and capacity-building programmes with a view to further enhancing the effectiveness and sustainability of those programmes. More flexibility in the way in which technical assistance and capacity-building programmes are structured allows potential technical assistance to be mobilized and implemented in accordance with the changing political and economic situations, priorities and limitations on human resources and institutional capacity in each beneficiary country.

Recommendation (e): UNCTAD administrative and financial procedures need to be made more flexible to ensure a rapid response to needs and concerns of acceding countries.

6. While the UNCTAD secretariat constantly tries to improve its internal administrative and financial procedures, it must abide by the relevant rules and regulations of the United Nations and the terms of agreements with the donor agencies on individual projects. There is, however, a further need to develop and consider new approaches to improve the efficiency of administrative and financial procedures. Moreover, the terms of agreements for individual projects could be drawn up in such a way as to allow more flexible and rapid responses. Currently, the norm is to define the project activities at the outset, often months or years before implementation. Sometimes this makes a rapid and flexible

response difficult. Further consideration needs to be given to the mechanics of implementing this recommendation.

Recommendation (f): Donor coherence in utilizing UNCTAD as the main institution for accession support is essential to avoid overlapping of programmes and competing efforts, minimize strain on the limited absorptive capacity of countries, and avoid confusing and conflicting advice.

7. Lack of donor coherence continues to be a serious problem for recipient Governments and results in reduced development effectiveness and in inefficiency. Donor policy coherence therefore needs to be effectively ensured. UNCTAD, as the focal point for dealing with trade and development issues within the United Nations system, has maintained contact with the donor community in order to promote the unique and specific characteristics of its technical assistance on WTO accession, including its assistance to countries in acceding to WTO on terms commensurate with their level of development and their ability to meet the obligations associated with WTO membership. UNCTAD has provided and continues to provide technical assistance to the following countries: Afghanistan, Algeria, Azerbaijan, Belarus, Bhutan, Bosnia and Herzegovina, Cambodia, Cape Verde, China, Ethiopia, Jordan, Iraq, the Islamic Republic of Iran, Kazakhstan, the Lao People's Democratic Republic, Lebanon, Montenegro, Nepal, the Russian Federation, Samoa, Sao Tome and Principe, Serbia, Sudan, the Syrian Arab Republic, Timor-Leste, Viet Nam and Yemen.

Recommendation (g): It is important to continue close collaboration with WTO and other relevant organizations such as the World Bank, UNDP, ESCAP, WCO and FAO, given the often multifaceted nature of assistance required by acceding countries for the accession process.

8. In response to this recommendation the network of cooperating partners with which UNCTAD collaborates in promoting development issues in accession-related activities has been expanded. In addition to the standing collaboration with WTO, regular contacts and cooperation are maintained with the United Nations Development Programme (UNDP), particularly through its involvement as a donor and a cooperating partner. Examples include jointly organized workshops on WTO accession issues and country projects on WTO accession (the Syrian Arab Republic and Algeria). The jointly organized workshop with the UNDP Bratislava Regional Centre on WTO accession for countries with economies in transition is also a case in point. Other examples of collaboration include capacity-building workshops on accession for Arab countries and countries with economies in transition conducted with the Islamic Development Bank. UNCTAD collaboration also includes national-level public awareness workshops organized with the German Agency for Technical Cooperation (GTZ) in Yemen. Joint training activities in the area of accession with the IDEAS Centre¹ for government officials from Nepal and Bhutan are yet another example of collaboration.

Recommendation (h): UNCTAD should strengthen and enhance its "outreach" programme to promote the active involvement of the private sector, parliamentarians, academia and civil society in the accession process, including the establishment of an accession-focused and interactive website.

¹ International Trade Development and Economic Governance Advisory Service Centre, Geneva, Switzerland.

9. In response to this recommendation UNCTAD has strengthened its outreach programme. Several public awareness meetings have been held in various beneficiary countries for parliamentarians, the private sector, academia and civil society. Examples include meetings in the Lao People's Democratic Republic, the Syrian Arab Republic, Sudan and Yemen. At all those meetings UNCTAD reiterated the importance of multi-stakeholders' involvement in the accession process. Outreach has also been improved through the dissemination of UNCTAD research and analytical papers on subjects related to trade negotiations at national- and regional-level training meetings. Furthermore, UNCTAD has collaborated with civil society and research institutions on accession-related assistance. It participated in a training workshop organized by Oxfam in Geneva on WTO accession-related issues. Within the framework of the WTO Public Forum 2006, UNCTAD participated in the discussions on improving the accession process in the twenty-first century, organized by Canada's International Development Research Centre. Information on technical assistance activities related to WTO accession is available on the UNCTAD website (www.unctad.org/tradenegotiations).

Recommendation (i): Wherever appropriate, beneficiary countries should be encouraged to contribute to meeting the cost of implementing technical assistance and capacity-building activities on accession to enhance ownership and commitment to the process.

10. In response to this recommendation every effort is being made to include the contribution of beneficiary countries to the cost of implementing technical assistance. In this context, some recent activities have been carried out through cooperative arrangements with countries. For example, Algeria and the Syrian Arab Republic, through a cost-sharing arrangement with the local UNDP offices, have been able to contribute to the costs involved in the training of their officials in Geneva.