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## Trade and Development Board

### Working Party on the Strategic Framework and the Programme Budget

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Item 3 of the provisional agenda

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

Report by the Secretary-General of UNCTAD

### *Executive summary*

In 2009, delivery of UNCTAD technical cooperation stayed high, amounting to \$38.8 million, the highest level ever. Overall contributions to trust funds contracted by 12 per cent. Contributions by developing countries accounted for 33 per cent of total contributions to trust funds. Expenditures on interregional projects accounted for 47 per cent of total delivery while expenditures on country projects accounted for 42 per cent of total delivery. The delivery in support of the least developed countries (LDCs) remained stable at 41 per cent. The Automated System for Customs Data (ASYCUDA) continued to be UNCTAD's largest technical assistance activity, followed by the Debt Management and Financial Analysis System (DMFAS). These two programmes account for 47 per cent of total UNCTAD's technical cooperation delivery. Actions in support of implementation of the Accra Accord and the decisions of the Trade and Development Board continued with a view to enhancing the impact of UNCTAD's operational activities. Activities in support of system-wide coherence increased. UNCTAD continued its leadership role in the United Nations Chief Executives Board (CEB) Inter-Agency Cluster on Trade and Productive Capacity. The cluster is now active in more than 20 countries, contributing to system-wide coherence at the country level as an instrument to enhance the trade and trade-related assistance of the United Nations system in line with national development strategies.

## Introduction

1. This report has been prepared to facilitate the Trade and Development Board's annual policy review of the technical cooperation activities of UNCTAD in 2009.

2. The report will also be submitted to the Working Party on the Strategic Framework and the Programme Budget for its review of UNCTAD technical cooperation activities, in accordance with, inter alia, paragraph 220 of the Accra Accord and with Trade and Development Board decisions 495 (LV) of September 2008 and 498 (LVI) of September 2009. Paragraph 220 of the Accra Accord and Board decisions mentioned above all recommend that a more structured interaction be carried out between the secretariat, potential beneficiaries and donors, within the framework of the Working Party, which is the main mechanism for consultations among member States on all issues regarding technical cooperation. The Working Party performs this task also in accordance with its recently agreed new terms of reference, which state that it "will review UNCTAD technical assistance, with a view, inter alia, to improving its effectiveness, enhancing transparency, sharing successful experiences and encouraging outreach towards potential recipients".

3. The scope and focus of UNCTAD's technical cooperation activities in 2009 continued to be influenced by the two-track approach put in place in the past few years in response to the system-wide reform of the United Nations. While the provision of technical cooperation services to beneficiary countries and regions continued in its traditional way, UNCTAD continued its efforts to provide support services at the national level in a more structured way within the framework and context of the United Nations reform and the "One United Nations" approach, including initiatives to enable UNCTAD participation in that process. This report contains information both on technical cooperation activities at UNCTAD level and on Delivering as One activities. Through 2009, UNCTAD, as lead agency of the CEB Cluster on Trade and Productive Capacity put particular efforts in ensuring coherence of joint initiatives and national ownership of the trade-related technical cooperation delivered by the Cluster at the country level in view of maximizing the effectiveness of United Nations expertise in this area.

### I. Sources of funding for UNCTAD technical cooperation

4. As in previous years, UNCTAD technical cooperation activities continued to be financed from three main sources: trust funds, the United Nations Development Programme (UNDP), and the United Nations programme budget.

**Table 1. UNCTAD's total expenditures on technical cooperation and source of funds, 2006-2009**  
(in millions of dollars and percentages)

	2006	2007	2008	2009		
				Amount	Percentage of total	Change over previous year (percentage)
United Nations Development Programme .....	1.4	1.2	1.6	1.4	3.6	-12.1
Trust Funds .....	32.2	27.8	34.9	35.0	90.3	0.4
Regular budget and development account .....	1.7	2.5	1.8	2.4	6.1	30.2
<b>Total .....</b>	<b>35.2</b>	<b>31.5</b>	<b>38.3</b>	<b>38.8</b>	<b>100</b>	

## A. Trust fund contributions

5. Trust fund contributions are provided on a voluntary basis by individual governments, multilateral donors, non-governmental organizations, the enterprise sector and foundations (see chart 1). More than 100 bilateral donors and a number of multilateral and other organizations contribute to UNCTAD trust funds. In 2009, contributions to trust funds amounted to \$29.8 million, reflecting, in nominal terms, about a 12 per cent decline compared with the previous year. This amount, which brings contributions back to about their 2006 level, should be assessed in the light of the current crisis, which has affected the official development assistance of a majority of donors. In 2009, contributions from developed countries, amounting to \$13.7 million, decreased by about 13 per cent as compared to 2008. Developed countries are an important source of financing of UNCTAD trust funds, accounting for 45.7 per cent of such contributions in 2009. The 2009 figure is the lowest since 2004. The 15 developed countries that contributed most to UNCTAD trust funds in the four-year period 2006–2009, by order of accumulated contributions are: Norway, the United Kingdom, Sweden, Switzerland, Spain, France, Germany, Finland, the United States of America, the Netherlands, Luxembourg, Italy, Ireland, Canada and Austria.

**Table 2. UNCTAD trust fund contributions, 2006–2009<sup>a</sup>**  
(in thousands of dollars)

	2006	2007	2008	2009
Developed countries' <sup>b</sup> .....	16 262	21 273	15 659	13 658
Developing and transition countries <sup>c</sup> .....	9 199	7 656	8 580	9 967
European Commission .....	2 343	5 330	5 179	2 596
United Nations system and other international organizations <sup>d</sup> .....	1 017	1 913	3 644	2 856
Private and public sectors .....	330	678	781	781
<b>Total</b> .....	<b>29 151</b>	<b>36 851</b>	<b>33 844</b>	<b>29 858</b>

<sup>a</sup> Exclusive of third-party cost-sharing contributions through UNDP.

<sup>b</sup> Exclusive of contributions to the Associate Expert Programme.

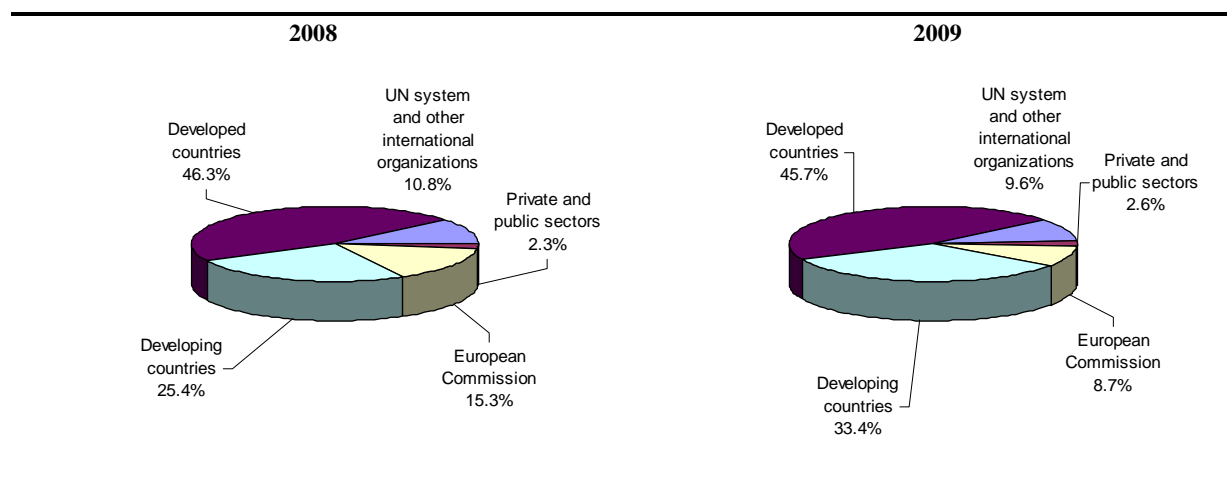
<sup>c</sup> A major part is self-sustained for activities in their own countries, financed from proceeds of loans or grants from international financial institutions.

<sup>d</sup> For details see table 9 of the statistical annex (TD/B/WP/222/Add.2).

6. In 2009, contributions from developing countries to UNCTAD trust funds increased by 16 per cent, amounting to almost \$10 million. These contributions accounted for 33.3 per cent of total contributions to trust funds. Almost all developing countries' contributions are self-sustained for activities in their own countries, financed from proceeds of loans or grants from international financial institutions, mainly in support of the implementation of ASYCUDA and DMFAS programmes. When considering this figure, it is important to keep in mind that the average amount of ASYCUDA and DMFAS projects is higher than other projects implemented by UNCTAD and that these two programmes account for 45 per cent of total expenditures of UNCTAD technical cooperation per year. Moreover, proceeds from international financial institutions are in principle not hit by the crisis in the same way as bilateral contributions. The arguments above can help explain why developing countries' contributions to UNCTAD technical cooperation have not suffered the same variations as developed countries' contributions in the past few years.

7. Among the multilateral donors, the European Commission continued to be the single largest contributor to UNCTAD operational activities. After two consecutive years of increase, contributions from the European Commission decreased in 2009 to \$2.6 million, accounting for 8.7 per cent of total contributions to trust funds. The contributions from the European Commission in 2009 were in support of two projects, namely a TrainForTrade project in Angola and an ASYCUDA project in Palestine.

**Chart 1. Origin of trust fund contributions, 2008–2009**  
(percentages of the total contribution)



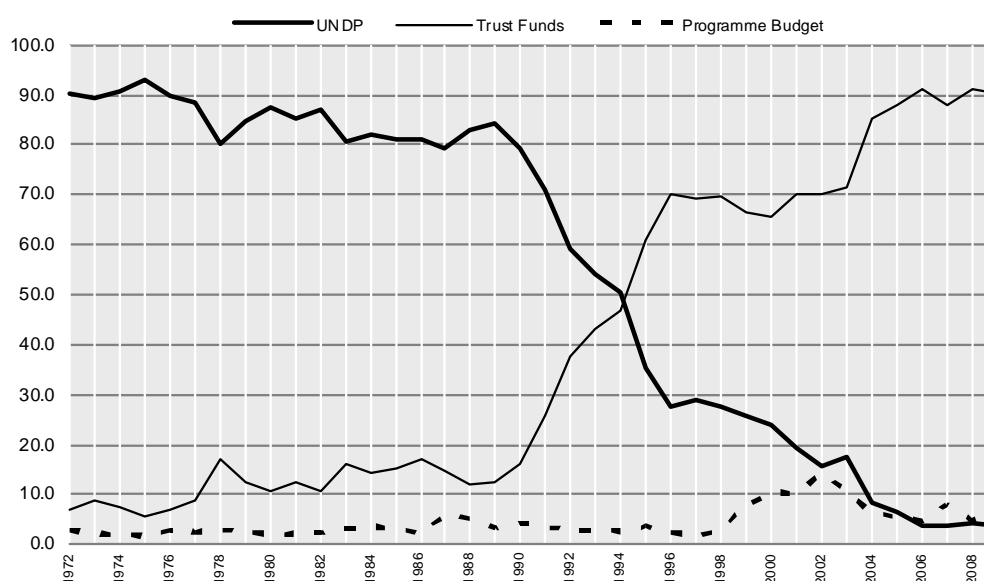
## B. Expenditures

8. Overall expenditures from all three sources that finance UNCTAD technical cooperation – trust funds, the United Nations regular budget and UNDP – remained stable, from \$38.3 million in 2008 to \$38.8 million in 2009. Trust fund contributions continue to be the major source of financing for UNCTAD technical cooperation, and in 2009 they accounted for 90 per cent total expenditures for UNCTAD’s operational activities (see chart 2).

## C. The United Nations Regular Programme of Technical Cooperation and the Development Account

9. Programme budget resources are provided under the United Nations Regular Programme of Technical Cooperation and under the Development Account – sections 22 and 34 respectively of the United Nations Programme Budget. In 2009, total UNCTAD expenditures on technical cooperation from the regular programme budget amounted to \$2.4 million, accounting for 6.1 per cent of overall expenditures. The 2009 figure reflects an increase of approximately 30 per cent over the previous year. The increase is due mainly to the fact that implementation of the five projects under the sixth tranche, for which UNCTAD is the responsible agency, entered into a very active phase through 2009. Particularly important increases in activities have taken place under projects L6, “Strengthening SMEs competitiveness in the tourism sector of six African developing countries of ECOWAS subregion” and P6, “Building productive capacities in developing countries to enhance their participation in global supply chains”, while activities started full speed under project N6, “Promoting subregional growth-oriented economic and trade policies towards achieving the Millennium Development Goals (MDGs) in Arab countries of West Asia and North Africa”. All projects under the fourth tranche closed early in

**Chart 2. Trends in mobilization of UNCTAD's technical cooperation, by source of funds, 1972-2009**  
(as a percentage of total project expenditures)



2009. All but one out of the four projects belonging to the fifth tranche completed their activities at the end of 2009. An extension until end of 2010 was approved for project N5, “Developing local capacities for the identification of growth opportunities through resource mobilization”.

10. Under an additional allocation of Development Account funds by the General Assembly in February 2008, two projects for implementation by UNCTAD were approved for a total amount of about \$1.1 million. These two projects – entitled respectively “Building capacities in Asia Pacific region to address financial implication of external shocks and climate change mitigation through innovative risk-management instruments” (\$621.000) and “Strengthening science, technology and innovation policies for development in Latin America” (\$480.000) – started implementation towards the end of 2009.

11. Five UNCTAD project proposals for implementation under the seventh tranche of the Development Account (biennium 2010–2011) were approved by the General Assembly for a total budget of about \$3 million, in the areas of competition policies, trade in services, mainstreaming of gender in trade policy, debt management and the inclusion of trade in the United Nations Development Assistance Framework (UNDAF). Activities under this tranche are set to start by mid-2010 for a period of three years.

12. Resources under the Regular Programme of Technical Cooperation – section 22 – are provided for advisory services and training. The training component of these resources was mainly used to finance training activities that are being conducted on key international economic issues in support of paragraph 166 of the UNCTAD X Plan of Action. In 2009, three regional training courses were organized: one in Cairo (Egypt) for countries in the African region (25 January–12 February); one in Medellin (Colombia) for the Latin American and Caribbean region (24 August–11 September) and one in Jakarta (Indonesia) for the Asia-Pacific region (2–20 November). A total of 60 participants attended the three

regional courses. Moreover, with a view to strengthening interrelations between the secretariat's analytical work and the intergovernmental deliberations, and in the context of the implementation of paragraph 166 of the UNCTAD X Plan of Action, six short courses on topical international economic issues was organized for the benefit of the staff of permanent missions in Geneva.

#### **D. Resources provided by UNDP**

13. Expenditures on UNDP-financed projects accounted for 3.6 per cent of total delivery and amounted to approximately \$1.4 million. These were mostly in support of ASYCUDA country projects in the Islamic Republic of Iran, Chad, the Maldives and Georgia, and in support of DMFAS country projects in Bangladesh and Panama.

14. In March 2009, UNCTAD and UNDP signed a Memorandum of Understanding (MOU), further strengthening relations between the two agencies and enhancing coordination at the national and regional levels. The MOU marks the beginning of a new phase in UNCTAD–UNDP relations. The two organizations have a long and fruitful history of collaboration. This new MOU, which replaces the previous one signed in 1998, seeks to enhance effectiveness, collaboration and coordination, and avoid duplication between the two agencies.

15. This agreement bears particular importance in the context of the United Nations system-wide coherence reforms. It is based on the General Assembly mandates regarding the United Nations development operations and coherence process. For the first time, specific mechanisms for broad and deep cooperative arrangements and joint operations between the two organizations are provided in the agreement. These mechanisms refer to both headquarters and country levels, taking into account the field presence of UNDP and its capacity to host administrative, financial and logistical support services at the country level.

16. The MOU seeks to enhance effectiveness, collaboration, coordination and avoidance of duplication between the two agencies. In this regard, the mandate and expertise of UNCTAD as the focal point of the United Nations for the integrated treatment of trade and development are fully recognized.

17. This MOU is an important contribution of UNDP and UNCTAD towards the common goals set forth under the CEB Inter-Agency Cluster on Trade and Productive Capacity, and system-wide coherence.

#### **E. Financing of associate experts**

18. In addition to the three main sources of financing referred to above, some donors supported UNCTAD's Associate Expert Programme, which functions under the Associate Expert Programme of the United Nations. In 2009, France, Germany and Italy contributed to six associate expert posts. Spain supported an expert to work in the technical cooperation service in support of the One United Nations reform and the United Nations system coherence process.

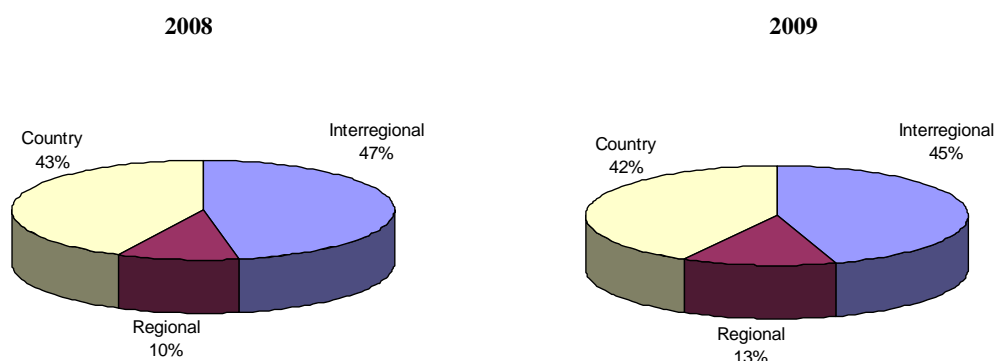
19. The secretariat is grateful to those donors who continue to support this programme on a regular basis and sincerely hope they will continue to do so. Other donors participating in the United Nations Associate Expert Programme may wish to consider including UNCTAD as one of the programme's beneficiary agencies. The programme offers a unique opportunity to young professionals to participate in the analytical and operational work of UNCTAD.

## II. Allocation of technical cooperation resources

### A. Structure of technical cooperation projects

20. UNCTAD technical cooperation projects continued to be provided on the basis of country, regional and interregional projects and programmes (see charts 3 and 4).

**Chart 3. Technical cooperation expenditures, by type of project, 2008-2009**  
(as a percentage of total project expenditures)



#### 1. Interregional projects

21. Interregional projects are thematic projects from whose activities all developing countries can benefit. In 2009, expenditures under these projects amounted to \$17.5 million, accounting for 45 per cent of total expenditures. In 2009, there were 107 active interregional projects. However, of these 107, 31 had expenditures of less than \$1,000, and only 20 had expenditures of more than \$200,000. Trust funds are the major source of financing for interregional projects, and in 2009 they accounted for 90 per cent of total expenditures under these projects. The remaining 10 per cent was financed by the United Nations regular programme budget.

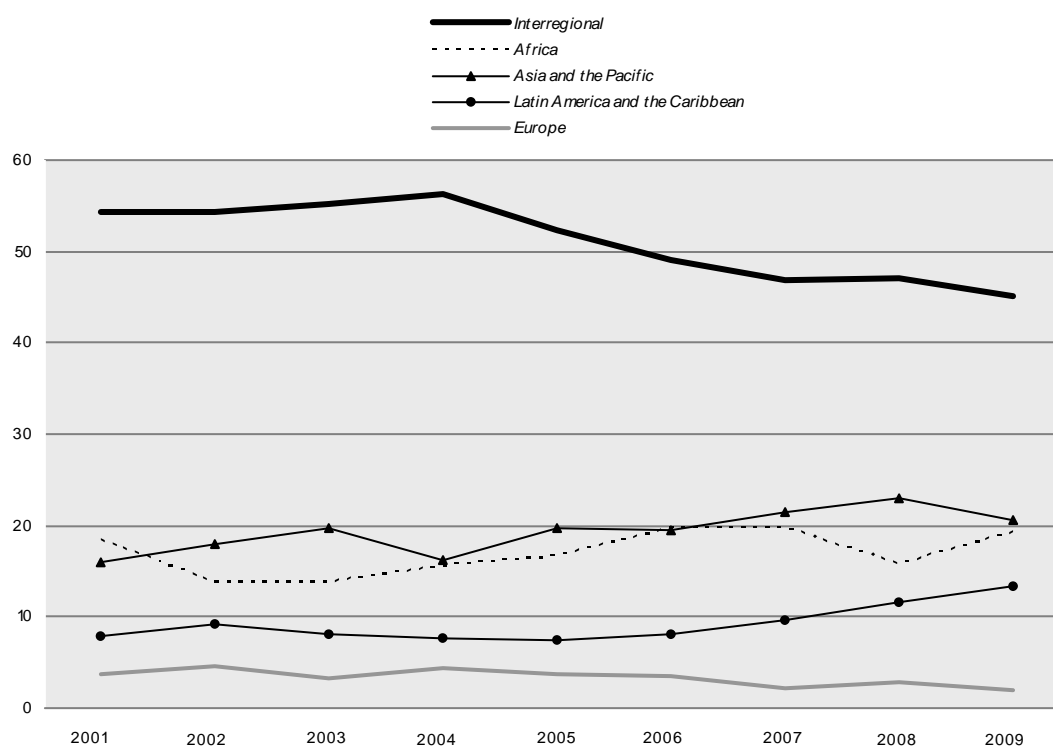
#### 2. Regional projects

22. Regional projects support regional activities. In 2009, expenditures on regional projects amounted to almost \$5 million, accounting for 13 per cent of total expenditures, an increase of about 25 per cent compared to the previous year. This increase is in line with the mandate included in paragraph 11 of decision 498 (LVI) of September 2009, which “requests the secretariat to enhance its activities at the regional and subregional level and ensure that the regional dimension is given adequate attention in the delivery of technical cooperation”. Major regional projects under implementation in 2009 included two subregional ASYCUDA projects in Africa, one ASYCUDA project, one TrainForTrade and one project on competition law and policy in Latin America, and one TrainForTrade project and one ASYCUDA support project for the Pacific in Asia.

#### 3. Country projects

23. In terms of volume, country projects are the second major form of UNCTAD technical cooperation. In 2009, total expenditures on country projects amounted to

**Chart 4. Technical cooperation expenditure, by region, 2001-2009**  
(as a percentage of total yearly expenditure)



\$16.3 million, a figure comparable to that of 2008. Country projects accounted for 43 per cent of total delivery in 2009. Most country projects are either self-financed or financed by resources made available to UNCTAD under the bilateral aid programmes of certain donors. As already mentioned, all UNDP-financed projects are country projects. The majority of expenditures of country projects implemented by UNCTAD relate to customs modernization and reform (ASYCUDA) and to debt management (DMFAS).

24. Expenditures on country projects in 2009 increased in Africa and in Latin America, while they slightly decreased in Asia and the Pacific, as well as in Europe.

25. The increased country expenditures in Africa were due to increased expenditures on a TrainForTrade project in Angola, on ASYCUDA World projects in Liberia, Libyan Arab Jamahiriya, Sao Tome and Principe and Sierra Leone as well as a new Delivering as One project in Rwanda. Country expenditures in Latin America and the Caribbean also increased, partly due to the launch of two new DMFAS projects in Argentina and Panama and to increased expenditures on ASYCUDA projects in Belize and Dominica. The decreased country expenditures in Asia and the Pacific were mainly due to a significant reduction in expenditures on the trade and globalization project in India financed by the United Kingdom's Department for International Development through its bilateral aid programme. This project is gradually drawing to its end.



## B. Thematic and geographical distribution

26. Almost three quarters of UNCTAD's technical cooperation activities are undertaken under five clusters of activities. Activities undertaken under cluster 12 (transport and trade facilitation) amounted to \$14.7 million and accounted for more than one third of UNCTAD's total delivery. Projects under this cluster provide technical assistance in the fields of trade logistics and of customs automation (through ASYCUDA). Activities carried out by the ASYCUDA programme account for 32 per cent of total UNCTAD technical cooperation expenditures. The second and third largest activities were undertaken under clusters 11 (debt management) and 1 (trade negotiations and commercial diplomacy), accounting for respectively 15 and 9 per cent of total delivery. Cluster 11 encompasses the activities of the DMFAS programme, consisting of (a) the core activities covering the development, maintenance and support of the products and services for enhancing the capacity of beneficiary countries to manage their public debt; and (b) the delivery of capacity-building products and services to countries through specific country projects. Projects and programmes implemented under cluster 1 are in support of (a) enhanced trade negotiations and trade policy formulation capacities; (b) accession to the World Trade Organization (WTO); (c) trade in services for development; and (d) market access, the Generalized System of Preferences, and other trade laws including support to Global System of Trade Preferences negotiations. One single country project (India's Globalization project) accounted for 43 per cent of expenditures under this cluster. Technical cooperation provided under cluster 14 (cross-divisional training and capacity-building) and cluster 7 (investment policies) accounted for 7 and 6 per cent, respectively, of total delivery in 2009. The rest of UNCTAD technical cooperation activities – representing only 27 per cent of total expenditures – is spread across the remaining clusters, each of which accounts for less than 5 per cent of total expenditures.

27. Overall expenditures in Africa increased by 19 per cent as compared to 2008, as both country and regional projects expenditures went up. Africa's share in the total delivery of UNCTAD technical cooperation was 18.9 per cent., as compared to 15.7 per cent in 2008. Expenditures in Asia and the Pacific decreased by approximately 10 per cent as compared to 2008. As a result, the share of Asia and the Pacific decreased from 22.9 per cent in 2008 to 20.5 per cent in 2009. Expenditures in Latin America and the Caribbean increased by 15 per cent, from \$4.5 million in 2008 to \$5.2 million in 2009. The share of Latin America and the Caribbean in total expenditures increased from 11.7 per cent in 2008 to 13.5 per cent in 2009. With respect to Europe, 13 national projects with total expenditures of \$700,000 were under implementation. These included in particular ASYCUDA projects in Albania and Gibraltar, and a project on enterprise development in Romania.

28. The data on geographical distribution should be read in conjunction with the information that has been provided in section A, in particular with the points made on regional and country projects. It is important to note that only expenditures on regional and country projects are taken into account for the calculation of regional shares. That is to say, only country-level and regional-level deliveries shape regional shares – as opposed to overall expenditures that also include interregional activities. In interpreting regional shares, one has to be aware – as mentioned earlier – that most country projects implemented by UNCTAD are either self-financed or financed through resources that are made available by donors in the context of their bilateral aid programmes.

**Table 3. Project expenditures by cluster, 2009**  
(in thousands of dollars)

Cluster	UNDP	Trust funds	Programme budget	Total	
				Amount	Percentage
<i>Cluster 1</i>					
Capacity building on trade negotiations and commercial diplomacy.....	28	3 046	283	3 357	8.7
<i>Cluster 2</i>					
Trade analysis capacities and information systems .....	-	236	87	323	0.8
<i>Cluster 3</i>					
Commodity sector development and poverty reduction .....	-	1 328	-	1 328	3.4
<i>Cluster 4</i>					
Competition policy and consumer protection.....	31	844	-	875	2.3
<i>Cluster 5</i>					
Trade, environment and development .....	-	889	12	901	2.3
<i>Cluster 6</i>					
FDI trends and issues .....	-	365	51	416	1.1
<i>Cluster 7</i>					
Investment policies .....	36	2 412	7	2 454	6.3
<i>Cluster 8</i>					
Investment policies.....	231	1 034	435	1 701	4.4
<i>Cluster 9</i>					
Enterprise development.....	-	848	-	848	2.2
<i>Cluster 10</i>					
Globalization and development strategies .....	-	426	-	426	1.1
<i>Cluster 11</i>					
Strengthening the debt management capacity of developing countries.....	293	4 732	-	5 025	13.0
<i>Cluster 12</i>					
Transport and trade facilitation.....	549	14 127	-	14 675	37.8
<i>Cluster 13</i>					
ICT policies and applications for development .....	76	217	119	411	1.1
<i>Cluster 14</i>					
Cross-divisional training and capacity building .....	-	2 388	143	2 530	6.5
<i>Cluster 15</i>					
Science, technology and innovation .....	7	128	130	265	0.7
<i>Cluster 16</i>					
Productive capacities in LLDCs, SIDS and structurally weak, vulnerable and small economies.....	-	634	76	710	1.8
<i>Cluster 17</i>					
Strengthening support for trade mainstreaming into national development plans and/or PRSPs in LDCs in the context of the EIF.....	83	229	-	313	0.8
<i>Cluster 18</i>					
Executive direction and management and support services	55	1 159	1 017	2 231	5.8
<b>Grand total .....</b>	<b>1 389</b>	<b>35 041</b>	<b>2 360</b>	<b>38 789</b>	<b>100.0</b>

29. As part of its strategy in delivering technical cooperation services, UNCTAD assigns priority to LDCs. In 2009, technical assistance in support of LDCs amounted to \$15.8 million. The share of LDCs in total delivery was 41 per cent.

### III. Structure and functioning

#### A. Follow-up to intergovernmental decisions

30. Through 2009, UNCTAD technical cooperation continued to revolve around policy analysis and human and institutional capacity-building. In accordance with

**Table 4. Technical cooperation expenditure, by region and by cluster, 2006-2009**  
(in thousands of dollars)

	2006	2007	2008	2009	
	Amount	Amount	Amount	Amount	Percentage
<b>Total</b> .....	<b>35 223</b>	<b>31 501</b>	<b>38 283</b>	<b>38 789</b>	<b>100.0</b>
<b>By region:</b>					
Africa .....	6 985	6 249	5 997	7 349	18.9
Asia and the Pacific .....	6 841	6 748	8 774	7 959	20.5
Latin America and the Caribbean .....	2 887	3 056	4 480	5 250	13.5
Europe .....	1 241	701	1 056	728	1.9
Interregional .....	17 269	14 747	17 976	17 504	45.1
<b>By cluster:</b>					
Capacity building on trade negotiations and commercial diplomacy .....			4 552	3 357	8.7
Trade analysis capacities and information systems .....			461	323	0.8
Commodity sector development and poverty reduction .....			1 472	1 328	3.4
Competition policy and consumer protection .....			750	875	2.3
Trade, environment and development .....			944	901	2.3
FDI trends and issues .....			542	416	1.1
Investment policies .....			3 143	2 454	6.3
Investment facilitation .....			590	1 701	4.4
Enterprise development .....			415	848	2.2
Globalization and development strategies .....			173	426	1.1
Strengthening the debt management capacity of developing countries .....			5 714	5 025	13.0
Transport and trade facilitation .....			13 473	14 675	37.8
ICT policies and applications for development .....			382	411	1.1
Cross-divisional training and capacity building .....			2 271	2 530	6.5
Science, technology and innovation .....			252	265	0.7
Productive capacities in LLDCs, SIDS and structurally weak, vulnerable and small economies (SWVSES) .....			1 167	710	1.8
Strengthening support for trade mainstreaming into national development plans and/or PRSPs in LDCs in the context of the EIF ...			336	313	0.8
Executive direction and management and support services .....			1 644	2 231	5.8
<i>Of which: LDCs</i> .....	<i>12 758</i>	<i>13 072</i>	<i>15 699</i>	<i>15 878</i>	<i>41.0</i>

paragraph 178 of the Accra Accord, particular attention is given to ensure that all new projects take into account synergies between the three pillars of UNCTAD's work so that research and analysis, technical cooperation and intergovernmental deliberations are closely interrelated and feed into each other.

31. Regarding improvements in the management of technical cooperation and the need for more coherence in the planning and implementation of technical cooperation programmes in consonance with paragraph 217 of the Accra Accord and Trade and Development Board decisions 492 (LIV) and 498 (LVI), efforts continued to enhance the effectiveness and impact of UNCTAD technical cooperation activities without compromising the scope, content, delivery and quality of reporting. This was done in particular through the rationalization of the activities carried out within each of the thematic clusters and the consolidation of projects under thematic trust funds.

32. Following on the recommendation included in paragraph 16 of Trade and Development Board decision 498 (LVI), the secretariat organized a retreat on 24 November 2009 with the participation of donors and beneficiaries to address the difficulties encountered in the establishment of thematic trust funds and in the financial consolidation of projects. The secretariat provided a general picture regarding the structure of UNCTAD technical cooperation and the way towards thematic clustering, and information to donors regarding the administrative

requirements to establish multi-donor trust funds on specific thematic areas, including the co-mingling of funds and the closure of existing trust funds. Information was also provided on how the secretariat works with a view to match requests from beneficiaries with available annual financial resources and the work plan proposed under the 17 thematic clusters. Most participating donors expressed support to the reform of the UNCTAD technical cooperation structure, the need to establish multi-year, multi-donor programmes and to continue reducing the number of thematic clusters. Donors also expressed appreciation for the efforts of the secretariat to ensure more transparency and coherence. A number of concrete proposals were made to reduce the fragmentation of UNCTAD technical cooperation: (a) establish a standard agreement between UNCTAD and donors to include, *inter alia*, specific indications on the use of unspent amounts and mechanisms to close the trust funds; (b) prepare and circulate to the Trade and Development Board a list of operationally closed projects which require action by donors to be financially closed; and (c) establish a trust fund to collect all unspent un-earmarked amounts that would then be used to finance new operations.

33. The secretariat has continued its efforts towards the reduction of the number of operational trust funds through 2009. In 2006, at the time of the Report and Recommendation of the Panel of Eminent Persons, approximately 550 projects (including UNDP-financed projects) were reflected in UNCTAD accounts. Since then, the secretariat was able to financially close<sup>1</sup> 222 and to operationally close<sup>2</sup> 160 projects (of which 116 are UNDP funded projects). However, 122 new projects were started during 2007–2009 – 47 in 2007, 38 in 2008 and 37 in 2009. These figures include interregional, regional and country projects. From the start and because of their country-specific nature, operations such as those implemented by the DMFAS and ASYCUDA programmes are excluded from the clustering process. The projects closed operationally but not financially include many projects with residual amounts and some dormant projects. Unless UNCTAD receives specific instructions from the donor(s) on the closure/reimbursement or transfer of the residual amounts to other activities, these projects cannot be closed and remain on UNCTAD's books. Hence the proposals to reduce fragmentation mentioned in the previous paragraphs.

34. Only bilateral interregional and regional trust funds are concerned by the clustering process. In terms of figures, this represents a total of 101 interregional projects and 27 regional projects with expenditures in 2009. UNDP-funded projects are not part of the clustering process as they are governed by different financial and administrative rules than trust fund projects. The secretariat managed to close a total of 24 regional and interregional trust funds in 2009, while 8 new regional and interregional projects were started. Currently about 20 projects are multi-donor projects with more than five donors.

35. Since 2008, the UNCTAD Project Review Committee has been holding meetings and regular contacts among the focal points of the divisions and technical cooperation service (TCS) to discuss issues relative to the management of technical cooperation, including fund-raising, distribution of funds, approval of project proposals, interdivisional operations, streamlining of procedures and overall coherence of UNCTAD technical cooperation programmes. More stringent internal clearance procedures have been introduced for the approval of new projects to comply with criteria such as compliance with UNCTAD mandates, demands/requests from beneficiaries, quality of the project and its logical

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<sup>1</sup> A project is financially closed when all the programmed project activities have been completed and there is no outstanding obligations (commitment) in the project accounts.

<sup>2</sup> A project is operationally closed when all the programmed project activities have been implemented/completed, but there are unliquidated obligations (commitments) in the project accounts.

framework, donor's interests in funding, interdivisional content and inclusion in a thematic cluster.

36. The 17 thematic clusters document, distributed as an informal working document of the Working Party, is frequently updated by the divisions responsible for the respective Clusters to reflect the mandates of the secretariat, and ongoing and proposed activities in response to requests received from beneficiaries. While all clusters pertain to UNCTAD mandates and contain large components of inter-divisional cooperation, the main responsibility within each cluster is determined according to the expertise of the five substantive divisions of the secretariat. The document includes proposals to merge interregional and regional projects into multi-donor and multi-year trust funds. The objective is to continue reducing the number of trust funds, consolidate activities, simplify and streamline the structure of UNCTAD technical cooperation.

37. The document shows concrete cases where the establishment of thematic multi-donor trust funds has been put in place or is in the process of being put in place: (a) Cluster 1 – WTO general trust fund and Services general trust fund; (b) Cluster 4 – Competition general trust fund; (c) Cluster 5 – Biotrade general trust fund; (d) Cluster 7 – Investment policy reviews trust fund; (e) Cluster 8 – Investment facilitation general trust fund; (f) Cluster 12 – Trade facilitation general trust fund; (g) Cluster 13 – ICT for development general trust fund; and (h) Cluster 14 – TrainForTrade general trust fund. Despite the difficulties associated with the financial consolidation of projects that were extensively discussed at the retreat with member States in November 2009, the process of consolidation should move forward. The secretariat will continue its efforts in this direction, and counts on the support of donors' governments in this regard. Without their authorization and clear instructions, only limited progress will be achieved. Progress in the thematic clustering of trust funds is needed, not only for the sake of transparency, development impact and efficient management, but also for the simplification of UNCTAD's financial structure that would facilitate its involvement at the country level and its participation in the system-wide coherence process.

## **B. Fundraising procedures**

38. UNCTAD continued to rely on those donors who provide a traditional annual contribution to the organization's technical cooperation programmes, e.g. Norway, France, Finland and Spain. The TCS, in close consultation with the Project Review Committee (PRC), monitors discussions and negotiations with those donors regarding the distribution of these annual contributions. Further action should be taken in order to maintain an open dialogue with all member States, with a view to ensure consistent resource mobilization for extrabudgetary resources. As it stands now, however, fundraising functions in UNCTAD are not sufficiently planned and prepared within the PRC mechanism and in many cases fundraising is still undertaken programme by programme or project by project by individual divisions or individual staff members. Directors have been requested by senior management to ensure strong supervision of fundraising activities in their respective divisions and to systematically report to the PRC and TCS, which should monitor and provide guidance so as to ensure overall UNCTAD coherence in fundraising. Official requests for funding are centralized and channelled through the PRC and TCS. The PRC reviews and discusses trends in donors' policies and shares relevant experiences and contacts so as to improve the targeting and success of resource mobilization efforts. The overarching goal is to ensure coherence and consistency in UNCTAD requests to donors and set clear priorities based on UNCTAD mandates. Partnership with the private sector in the implementation and funding of technical cooperation are being considered in conformity with United Nations rules and procedures.

**Box 1. Some key figures on UNCTAD technical cooperation**  
(number)

	2008	2009
• Projects with expenditures* .....	262	255
• Multi-donor projects with more than five donors .....	21	20
• New trust fund projects started .....	38	37
• New projects started with a budget of less than \$200,000 .....	18	11
• Interregional projects and programmes .....	121	116
• Regional projects and programmes .....	30	27
• Country-specific projects .....	110	128
• Country-specific projects for least developed countries only .....	48	56
• Projects financially closed .....	64	37
• Countries that made contributions.....	84	88
• Self-financing projects .....	58	65
• Projects financed by UNDP .....	15	18
• Projects financed solely by the European Community .....	10	10
• Financial reports sent to donors ** .....	462	458
• Regional and interregional projects by division: 2008 – 1: 16; 2: 10; 3: 8; 4: 5; 5: 12; 6: 4; 7: 20; 8: 4; 9: 2; 10: 3; 11: 2; 12: 21; 13: 5; 14: 10; 15: 3; 16: 5; 17: 2; 18: 19;.....	151	
• Regional and interregional projects by cluster: 2009 – 1: 14; 2: 7; 3: 8; 4: 3; 5: 12; 6: 3; 7: 18; 8: 5; 9: 2; 10: 3; 11: 2; 12: 14; 13: 4; 14: 10; 15: 5; 16: 3; 17: 2; 18: 27;.....		143
• Total extrabudgetary contributions received .....	\$33,843,834	\$29,858,738
• Total extrabudgetary contributions from the top 10 bilateral donors .....	\$14,595,476	\$13,156,520
• Asycuda resources as a percentage of total expenditures .....	32%	32%
• DMFAS resources as a percentage of total expenditures .....	15%	13%

\* Not all operational projects have expenditures in a given year.

\*\* For multi-donor trust funds, each donor receives an individual report.

**Note:** Projects listed in this box had expenditures. They also include projects that are operationally terminated but are not yet financially closed.

## C. Contribution to system-wide coherence

### 1. New framework for the delivery of technical cooperation at the country level

39. After three years of implementation of the reforms launched in 2007 within the United Nations system-wide coherence and “Delivering as One” process, the United Nations system has achieved significant results in the shape and content of its development operations. The main features of this reform process – all of them directly relevant for UNCTAD technical cooperation and for the implementation of the Accra Accord mandates – are the following:

- (a) Operational coordination and policy coherence among the various components of the United Nations development assistance are designed and implemented as Delivering as One;
- (b) Increasing role of the United Nations Resident Coordinator, who represents the United Nations system at the country level and is the main interlocutor of national authorities;
- (c) More clarity in the “firewall” between the United Nations Resident Coordinator and the UNDP Resident Representative when these two

functions are performed by the same officer (approximately 60 per cent of the UNDP Resident Representatives are also United Nations Resident Coordinators);

- (d) Alignment of the new United Nations Development Assistance Frameworks (UNDAFs) with national strategies, in view of ensuring ownership of United Nations operations by countries' authorities;
- (e) Better inclusion of non-resident agencies in the United Nations country teams;
- (f) Growing number of countries adopting, on a voluntary basis, the "One United Nations" approach (i.e. One Programme and One Budgetary Framework) or similar approaches (in addition to the eight One United Nations Pilot countries, 6 other countries adopted this scheme in 2009 and still others are envisaging the same approach in 2010); and
- (g) Increasing role of the Multi-Donor Trust Funds to finance, with commingled resources, inter-agency programmes at the global and national levels.

**(a) UNCTAD stronger role in advocating trade development issues at the system level**

40. In 2009, UNCTAD strengthened its participation to the United Nations reform process by fully complying with the General Assembly Resolutions 62/208 and 63/311 and implementing the UNCTAD XII and subsequent Trade and Development Boards decisions 492 (LIV) and 498 (LVI). Because of its coordinating role within the CEB Inter-agency Cluster on Trade and Productive Capacity,<sup>3</sup> UNCTAD was in a position to "voice" the concerns of member countries in the area of international trade for development. In 2009, UNCTAD demonstrated tangible results, both at the system-wide level and in effectively delivering aid for trade at the country level.

41. *Ensuring policy coherence:* The joint programmes designed within the Inter-Agency Cluster on Trade and Productive Capacity in the One United Nations Pilots and countries having adopted a Delivering as One approach when formulating their UNDAF aim at establishing and building on complementarities between the various mandates of the collaborating agencies. Coordinated activities in various sectors or areas of assistance (from macro to micro levels) were proposed to lead to greater effectiveness and a wider development impact than small, unconnected operations. Assistance that addresses supply-side needs and productive capacities has been formulated and integrated with policy advice and legislative instruments in all trade and trade-related issues.

42. National ownership, alignment with national development strategies and tight monitoring of the effectiveness and impact of United Nations aid (in accordance with the Paris Declaration on Aid Effectiveness of 2005 and following the Accra Accord of 2008) are all playing a growing role in the delivery of the United Nations' technical cooperation activities. One result is the increasing decentralization of the main donors' resources to the country level. The United Nations system-wide Multi-Donor Trust Funds (MDTFs), which are either thematic or country-specific, are becoming increasingly important instruments for the coordination of voluntary contributions to the United Nations system. Experiments with the One United Nations programmes and budgets (for One United Nations

<sup>3</sup> The CEB Inter-agency Cluster on Trade and Productive Capacity is an inter-agency mechanism composed of resident and non-resident agencies from the United Nations system with mandates and expertise in the area of international trade and productive sectors. Coordinated by UNCTAD, it is currently composed of UNIDO, FAO, ILO, ITC, WTO, UNDP, the five Regional Commissions, UNEP and UNOPS. See: <http://www.unctad.org>.

pilots and countries that have adopted a “Delivering as One” approach) have succeeded in a growing number of countries and are paving the way for the forthcoming United Nations country plans. The national evaluations carried out in July 2010 have been very positive, showing that in these countries there is no going back to previous United Nations operational processes. The general evaluation to be carried out by the forthcoming United Nations General Assembly in September 2010 will take into account the support by the governments to the One United Nations pilots and countries having adopted the Delivering as One approach. The UNDAFs are planning instruments but also funding instruments. Under the new UNDAF guidelines, these plans tend to be increasingly similar to the One UN model in terms of inter-agency coordination and alignment with national development strategies.

43. *Inclusiveness*: the role of UNCTAD in advocating the effective inclusion of the non-resident agencies (NRAs) in the United Nations assistance plans at the country level was decisive in participating to the United Nations Development Group (UNDG) Working Group on Programming Issues aimed at setting up the new guidelines for the UNDAF. The artificial distinction which once prevailed between the NRAs and resident agencies operating at the country level has been definitively taken out from the guidelines. Within the Cluster, for all the country process, UNCTAD is interacting with the resident agencies of the United Nations Country Teams on daily basis.

**(b) The new funding framework available at the country level**

44. Delivering as One at the country level consists in inter-agency joint programming including in the case of the One United Nations pilots and countries having adopted the Delivering as One approach, a common United Nations budgetary framework. These joint programmes are funded by core and extrabudgetary funds available in each agency and complemented by the following new funding mechanism in order to ensure full delivery and greater impact.

***The Multi-donors Trust Funds***

45. The United Nations system, national authorities and donors are increasingly using MDTFs and Joint Programmes to make Delivering as One operational. The use of MDTFs is an application of the 2005 Paris Declaration on Aid Effectiveness, in view of providing funding to support the achievement of national and global priorities such as the MDGs.

46. MDTFs and Joint Programmes are not “one-size-fits-all” instruments; they are designed to fit the realities of a specific country or global situations. Nevertheless, they are established on common core principles and strategies. For example, they involve a broad range of stakeholders, including national authorities, donors and participating agencies in the decision-making process, as appropriate.

47. The MDTFs are established to support specific country and/or global level strategic priorities. The objective is to ensure that MDTFs and JPs reflect and respond to the needs on the ground as defined by the relevant Governments and the United Nations Country Teams. An MDTF and/or Joint Programme and its strategic objectives are established only after consultations among United Nations agencies, national authorities, donors and other stakeholders. The objectives and scope of the MDTF are defined to ensure government’s ownership and alignment with established regional and national priorities and plans. Monitoring and evaluation and effective programme delivery modalities are included so that the planned results are achieved.



### ***The One United Nations Funds***

48. MDTFs were originally used in the context of the eight One United Nations Pilots. In order to access these “One United Nations Funds”, UNCTAD submits proposals for the allocation of resources on a yearly basis. These proposals are reviewed and approved by the One United Nations Steering Committee composed of the United Nations Resident Coordinator, the United Nations Country Team, the government and donors at the country level. In 2009, thanks to the compliance with the MDTFs rules of timely delivery and execution of the operations, UNCTAD accessed, for the second consecutive year, the resources for the One United Nations funds of Rwanda and received the first allocation for Cape Verde and Mozambique.

### ***Other MDTFs***

49. In addition to the One United Nations pilot funds, UNCTAD is involved in other MDTFs. These MDTF are:

- (a) *United Nations–Bhutan Country Fund*: UNCTAD submitted a request to access this fund (for activities on competition policies investment facilitation);
- (b) *The MDG-F Achievement fund*: This multi-donor fund supports innovative actions with the potential for wide replication and high impact in selected countries and sectors. The MDG-F finances United Nations activities that are coordinated among at least two United Nations agencies in all developing countries. The Fund supports specific thematic areas and its Steering Committee based at Headquarters launches calls for proposals on the thematic areas. For example, in Panama, a joint programme aimed at achieving the MDG on poverty reduction was formulated within the CEB Inter-agency Cluster. This allowed UNCTAD to benefit from the first allocation of the *MDTF-MDG-F Panama Achievement Fund*; and
- (c) *The expanded Delivering as One funding window*: UNCTAD and other agencies members of the Cluster have submit joint programmes for Comoros and Lesotho to this funding window. The first donors to this facility included the Netherlands, Norway, Spain and the United Kingdom.

## **2. UNCTAD and CEB Inter-agency Cluster increased participation at the country level**

### **(a) Participation in the One United Nations Pilots**

50. UNCTAD and the CEB Cluster are involved in the One United Nations pilots. At the time of the preparation of this report (June 2010), joint programmes<sup>4</sup> were being designed and/or implemented by the Cluster as follows;

- (a) In Cape Verde, UNCTAD is leading a joint programme carried out by the Cluster on the graduation and integration of Cape Verde into the world economy;
- (b) In Mozambique and Rwanda, UNCTAD ensured the coordination between the One United Nations process and the Enhanced Integrated Framework (EIF). This approach is also being adopted in the United Republic of Tanzania;
- (c) In Viet Nam, UNCTAD is participating in the One United Nations Joint Programme entitled “Green production and trade to increase income and employment opportunities for the rural poor” supported by the MDG-F;

<sup>4</sup> A table containing updated information on the CEB Inter-agency Cluster on Trade and Productive Capacity operations at the country level will be circulated to the Working Party during its meeting.

- (d) In Albania and Uruguay, UNCTAD and agencies of the Cluster are participating in the formulation of joint programmes in the framework of the new UNDAF;
- (e) In Pakistan, because of the country's current priorities focusing on conflict and humanitarian issues, the Cluster's assistance has been postponed.

**(b) Participation in Delivering as One countries involved in the formulation of their new UNDAFs**

51. The adoption in 2009 of new Guidelines for the United Nations country team on preparing common country assessments and UNDAFs provides flexibility to United Nations agencies to develop a coherent approach at country level in response to beneficiaries' needs and ensuring inclusiveness of all United Nations agencies, including non-resident agencies, in accordance with national priorities. Specific provisions also relate to the inclusion in the national development plans of issue related to poverty-reduction strategies, growth and productive capacity.

52. The number of countries having adopted the Delivering as One approach when formulating new UNDAFs based on the 2009 revised guidelines is increasing. Many United Nations Resident Coordinators requested the Cluster's assistance to address government priorities on trade-related and productive capacity issues at the country level. The Cluster initiated the design and implementation of joint programmes, with different intensity and configuration in the following economies: (a) *Asia and Pacific*: Afghanistan, Bhutan, the Lao People's Democratic Republic and Papua New Guinea; (b) *Arab*: Egypt, Iraq, Occupied Palestinian Territories and the Syrian Arab Republic; (c) *Latin America and Caribbean*: Ecuador, Haiti and Panama; (d) *Europe and the Commonwealth of Independent States*: Azerbaijan, Belarus, Georgia, Kyrgyzstan, Serbia and Ukraine; *Africa*: Comoros, Lesotho, Madagascar and Mali.

**(c) The Enhanced Integrated Framework**

53. When dealing with EIF countries, the activities included in the Joint Programmes are in conformity with the one proposed in the diagnostic trade integration study (DTIS). This approach is already operative in the Delivering as One United Nations pilots Cape Verde, Mozambique and Rwanda. There are currently being formulated in Delivering as One countries such as Bhutan, Comoros and Lesotho.

54. In the case of Bhutan, the Government, UNCTAD and the Cluster are giving specific attention to sequencing and complementarities among several components of the United Nations trade and related assistance provided to the country. A workshop for policymakers on the EIF was organized by the Cluster in March 2009. A second workshop with a broader agenda, will take place in the last quarter of 2010. It will aim at (a) ensuring coherence between ongoing UNDAF and EIF processes; (b) enhancing the coordination of the Cluster's operations at the country level in the areas of trade, investment and development; and (c) aligning the United Nations assistance to the national priorities set by the 10<sup>th</sup> Five Year Plan and the recent Economic Development Policy (2008-2012). UNCTAD, the United Nations Industrial Development Organization (UNIDO), the International Trade Centre (ITC) and UNDP are joining efforts in the design and organization of this event.

55. Regarding the funding aspects, the resources potentially accessible from the EIF Tier 1 and Tier 2 would be complemented by the MDTFs.

56. Because EIF funds were not yet operational in 2009, in the case of Mozambique and Rwanda, the MDTFs financed the activities proposed in the DTIS.

### **3. Organization and participation of the Cluster at the United Nations system level**

#### **(a) Country events**

57. In view of fundraising awareness on the role of the Delivering as One approach and on the role of the Cluster in delivering Aid for Trade, UNCTAD organized in Geneva on 15 July 2009 a Special Session dedicated to the One United Nations Processes in Rwanda. The Minister of Industry and Commerce of Rwanda and the United Nations Resident Coordinator in Rwanda participated in the session.

#### **(b) Regional events**

58. In view of facilitating its contacts with the United Nations country teams, the Cluster participated in two regional training workshops organized by the secretariat of the UNDG for the United Nations Country Teams (UNCTs) that started the formulation of new UNDAFs in 2009: (a) the regional training workshop for UNCTs of the Asian region in Bangkok (March 2009): a parallel training session was organized by UNCTAD, UNDP, UNIDO and the United Nations Economic and Social Commission for Asia and the Pacific (ESCAP), aiming at explaining the role and goals of the Cluster; (b) the regional training workshop for UNCTs of Europe/Commonwealth of Independent States countries in Bratislava (March 2009) where the Cluster was represented by the United Nations Economic Commission for Europe (ECE), UNDP, UNCTAD and UNIDO.

59. The Cluster was involved in the preparatory meeting on the Aid for Trade road map for the United Nations Special Programme for the Economies of Central Asia, which took place in Bishkek, Kyrgyzstan, in March 2009. In this case, the lead agencies of the Cluster were the two regional commissions involved in the region: ECE and ESCAP.

#### **(c) Global events**

60. Another special session entitled "Delivering Aid for Trade" was organized by the Cluster during the fifty-sixth session of the Trade and Development Board on 18 September 2009. The UNCTAD Secretary-General and the Director-General of UNIDO co-chaired this event with the participation of WTO. This event was an occasion to present the Cluster approach whereby the concept of supply-side weaknesses are placed at the core of trade-related assistance and making operational the Aid for Trade Initiative.

## **IV. Evaluation**

61. In 2009, the working party examined the independent in-depth evaluation of UNCTAD's commodities programme. The evaluation focused on assessing the relevance, effectiveness, impact and sustainability of work undertaken by the commodities programme based on their mandates from UNCTAD XI in 2004, and further reviewed the relevance of the existing areas of work in the light of the mandates from the Accra Accord that emerged from UNCTAD XII in April 2008. Based on their findings, the evaluators called on the commodities unit to adopt a more upstream orientation in research, to redefine its technical assistance thrust, intensify partnerships with domain leaders and restructure and re-motivate its human resources. The working party welcomed the independent evaluators' report as a very important contribution towards strengthening the programme, and endorsed the recommendations of the external evaluators.

62. These evaluations have been recognized as a very effective tool for member States to be well-informed about – and to provide substantive guidance to – the direction of the programmes, so that UNCTAD's assistance more effectively meets

the needs of its beneficiaries. For instance, in response to the evaluation recommendations (TD/B/WP/196), UNCTAD's advisory services on investment are now delivered in a more holistic manner; following the publication of its Investment Policy Review in May 2009, the Government of the Dominican Republic has further requested and benefited from training courses for its government officials on bilateral investment treaties and their negotiation, as well as support to national authorities in the drafting of a new Investment Code.

63. Also in 2009, external evaluations were conducted on three projects that are supported by the Development Account: (a) "Strengthening national capacities for home-grown economic policies through a network of the United Nations Conference on Trade and Development Virtual Institute"; (b) "Attracting and benefiting from foreign direct investment: Ensuring the realization of benefits through institutional capacity building and deepening linkages between small and medium-sized enterprises and foreign affiliates"; and (c) "Strengthening capacity in developing countries for meeting Millennium Development Goals through policies and actions in trade and trade-related areas". Broadly, these evaluations found that the projects met their stated objectives, and that the relevance of UNCTAD's work in these areas is undoubted. Recommendations from these evaluations include a call for more careful consideration of modalities to enhance the sustainability of these interventions, as well as stronger internal monitoring and reporting mechanisms to allow more evidence-based analyses of the projects.

64. UNCTAD has been able to contribute actively towards efforts to strengthen the evaluation function within the United Nations system, in particular through our participation in the United Nations Evaluation Group (UNEG). During 2009, UNCTAD continued to contribute to the Human Rights and Gender Equality Task Force within UNEG that is developing a UNEG Guidance Manual, and an accompanying user-friendly Handbook on How to Integrate Human Rights and Gender Equality in Evaluations. These publications will provide the UN system with practical support on how human rights and gender equality perspectives can be integrated in the various steps of the evaluation process. UNCTAD also participated in the development of performance indicators for the evaluation function, UNEG quality checklist for evaluation reports, and good practice guidelines for the follow-up to evaluations.

## V. Conclusions

65. The two-track approach for addressing technical cooperation-related issues in UNCTAD that was put in place in response to United Nations system-wide reform continued in 2009. While the provision of technical cooperation services to beneficiary countries and regions continued in its traditional way, important headway was made for the provision of such services to beneficiary countries in a more structured way in the context of Delivering as One. Actions were taken at the UNCTAD level in view of the implementation of General Assembly Resolution 63/311 on system-wide coherence of September 2009, UNCTAD XII mandates, and decisions of the Trade and Development Board. Important progress was made at all levels. At the level of UNCTAD, delivery of activities continued at a sustained pace and efforts continued to improve effectiveness, enhance transparency and strengthen internal management and organization of technical cooperation, with a view to increasing the impact and sustainability of projects' activities. Activities at the United Nations level were mainly in support of consolidating the functioning of the Cluster on Trade and Productive Capacity and its participation in the implementation of country projects within the framework of Delivering as One.

66. Progress with respect to the process of consolidation of projects and thematic trust funds continued. The retreat with member States that took place on 24 November 2010 in accordance with Trade and Development Board decision 498 (LVI) identified a number of concrete proposals to reduce the fragmentation of UNCTAD's technical cooperation structure. The retreat was particularly helpful in providing the opportunity for a clear and transparent exchange of information between the secretariat and the donors regarding the clustering process and the processes associated with the financial consolidation of projects. While most donors confirmed their support to the clustering of projects into thematic multi-year and multi-donor trust funds, some others indicated that the commingling of contributions could cause problems, as their internal regulations governing development aid programmes did not allow such commingling or simply contained geographical specific restrictions with respect to priority countries. The need for donor consent on any decision entailing the closure of existing trust funds and the commingling of funds into new thematic trust funds was further explained. Also, on the secretariat's side, cumbersome administrative requirements linked to the liquidations of all obligations prior to the closure of trust funds accounts added to the delays. All parties are now better aware of the difficulties and administrative delays attached to the consolidation process. This process is continuing although at a slow pace for reasons that are often beyond the control of both donors and the secretariat.

67. The important developments regarding the Delivering as One process, in particular regarding the effective and timely delivery through Joint Programmes, entail major implications for secretariat, beneficiaries and donors.

68. The secretariat is committed to continuing its efforts towards the establishment of multi-year, multi-donors thematic clusters. This will provide the organization with the flexibility and capacity to propose activities with corresponding funds and therefore allow UNCTAD to fully participate in the joint programming efforts in the context of Delivering as One.

69. Beneficiaries should ensure that their national priorities are fully reflected in the UNDAF processes being designed and launched in their countries to allow the United Nations system and in particular the CEB-Inter-Agency Cluster on Trade and Productive Capacity to best respond to their needs.

70. The Delivering as One approach provides donors with two main channels for supporting UNCTAD technical cooperation: (a) thematic multi-donor, multi-year trust funds; and (b) the MDTFs set up at the country level, which UNCTAD and the Cluster are entitled to access to complement (but not to substitute) their own resources. In addition to their contributions to UNCTAD, donors are therefore invited to provide adequate resources to the above mentioned trust funds in view of ensuring that the system-wide coherence reforms can be continued.