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Geneva, 3–5 September 2014

Report of the Working Party on the Strategic Framework and the Programme Budget on its sixty-eighth session

Held at the Palais des Nations, Geneva, on 3–5 September 2014

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I. Agreed conclusions adopted by the Working Party at its sixty-eighth session

A. External evaluation of UNCTAD subprogramme 2: Investment and enterprise

(Agenda item 4(b))

The Working Party on the Strategic Framework and the Programme Budget,

Having considered the external evaluation of UNCTAD subprogramme 2: Investment and enterprise as contained in document TD/B/WP/264, the supporting materials for the evaluation as contained in document TD/B/WP(68)/CRP.2 and the management response to the evaluation as contained in document TD/B/WP(68)/CRP.3,

1. *Emphasizes the importance* of the independent evaluation processes in UNCTAD in contributing to sharing of information, learning and improvement of programme effectiveness and accountability and commends the secretariat for its undertakings in this regard;

2. *Expresses its appreciation* to the independent evaluation team for the evaluation report, to the secretariat for the support provided to the evaluation process and to the Government of Norway for its financial support of the evaluation;

3. *Takes note of* the evaluation report, the management response and the presentations on them during the Working Party and, based on their consideration, underlines the importance of the work of subprogramme 2 of UNCTAD and the relevance of the organization, through the activities of the Division on Investment and Enterprise, as the focal point in the United Nations system for all matters related to investment for development;

4. *Notes with appreciation* the findings of strong relevance, significant impact, broad sustainability and effective and efficient delivery of work by the secretariat under subprogramme 2;

5. *Commends* the set of best management practices demonstrated by the Division on Investment and Enterprise, as identified by the evaluation team, and encourages dissemination and sharing of these best practices across UNCTAD, as relevant;

6. *Takes special note* of the proposals related to strengthening the sustainability of the subprogramme's activities and calls on developed countries and other development partners in a position to do so to further support subprogramme 2 in its fundraising efforts, including through initiatives such as Aid for Trade; such efforts should build on key and emerging opportunities for mobilizing investment for achieving sustainable development;

7. *Takes note* of the recommendations contained in the evaluation report and of the management response and requests the Chair of the Working Party to conduct informal consultations on the recommendations with the regional coordinators and to report to the Trade and Development Board in a timely manner;

8. *Requests* the secretariat to implement the evaluation plan for 2015 as follows:

– External evaluation of UNCTAD subprogramme 3: International trade.

B. Progress report on the implementation of recommendations from the external evaluation of UNCTAD subprogramme 1: Globalization, interdependence and development

(Agenda item 4 (c) (i))

Progress report on the implementation of recommendations from the evaluation of UNCTAD's programme on science and technology for development

(Agenda item 4 (c) (ii))

The Working Party on the Strategic Framework and the Programme Budget,

Having considered the progress report on the implementation of the recommendations from the external evaluation of UNCTAD subprogramme 1: Globalization, interdependence and development, and the progress report on the implementation of the recommendations from the evaluation of UNCTAD's programme on science and technology for development as contained in document TD/B/WP(68)/CRP.1,

1. *Takes note of* the progress made in the implementation of the recommendations from the respective evaluations and encourages the secretariat to continue *strengthening its efforts in these areas of work;*

2. *Encourages* the secretariat to continue its efforts to enhance research coordination and synergies within the secretariat on the preparation of flagship publications.

II. Chair's summary

A. Proceedings

1. The sixty-eighth session of the Working Party on the Strategic Framework and the Programme Budget was held in Geneva, Switzerland, from 3 to 5 September 2014.

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: the Philippines on behalf of the Group of 77 and China; the Philippines on behalf of the Asian Group; Uruguay on behalf of the Group of Latin American and Caribbean Countries; the United Republic of Tanzania on behalf of the African Group; the European Union on behalf of the European Union and its member States; Belarus on behalf of Group D; the United States of America on behalf of the JUSSCANNZ group; Barbados on behalf of the small island developing States; Benin on behalf of the least developed countries; China; Egypt; Algeria; Ecuador; Morocco; Switzerland; Canada; and the United Republic of Tanzania.

3. In a broad overview of UNCTAD technical cooperation activities in 2013, the Deputy Secretary-General pointed out that overall expenditures on technical cooperation projects reached US\$40 million – the highest level for the past 10 years and up from US\$36 million in 2012. As in previous years, bilateral trust funds were the main source of funding for UNCTAD technical cooperation activities, accounting for 90 per cent of total expenditure. The Deputy Secretary-General again thanked donors, particularly those who had provided multi-year contributions to multi-donor trust funds in the spirit of the Paris Declaration on Aid Effectiveness.

4. On bilateral funding, overall voluntary contributions in 2013 decreased by 5 per cent as compared to 2012. Most donors decreased their contributions to trust funds, with the exception of contributions from the United Nations system and other international organizations.

5. The Deputy Secretary-General highlighted that despite the decrease in funds, some features remained unchanged with respect to previous years. First, most donations from developing countries were devoted to financing the Automated System for Customs Data (ASYCUDA) and Debt Management and Financial Analysis System (DMFAS) projects in the same developing countries that made contributions. The two programmes accounted for nearly 56 per cent of UNCTAD technical cooperation expenditure. Second, the European Commission continued to be the single largest contributor to UNCTAD operational activities, representing 9 per cent of total contributions to trust funds. Third, the United Nations regular programme budget continued to be an important source for UNCTAD technical cooperation activities. Since its establishment in 1999, the Development Account had become an increasingly reliable source of funding.

6. The organization continued to give priority to least developed countries in allocating resources. On the structure and functioning of UNCTAD technical cooperation, the secretariat continued consolidating projects under thematic trust funds, without affecting the scope, content and delivery of technical cooperation programmes.

7. The Deputy Secretary-General thanked donors who had provided instructions on consolidating resources into thematic trust funds. Despite progress, further efforts were required. Donors in a position to do so were strongly encouraged to provide specific instructions to the secretariat on the commingling of funds into thematic multi-year, multi-donor trust funds and on the use of unspent funds in projects that had been operationally completed.

8. As mandated by member States, UNCTAD was providing information about requests received for technical assistance. This information was a useful basis for discussion among beneficiary countries, donors and the secretariat on possible ways to translate requests into action, define UNCTAD's areas of focus for the mandated technical cooperation activities and ensure coherence and transparency in the allocation and utilization of donor resources.

9. On UNCTAD project management, the Deputy Secretary-General noted that the guidelines on implementing results-based management in technical cooperation projects, circulated to member States in December 2012, were now a mandatory tool for all project managers.

10. The secretariat looked forward to receiving feedback and inputs from member States on the draft UNCTAD fundraising strategy for technical cooperation activities,¹ which had been circulated to member States in March 2013 and discussed at the sixty-fifth and sixty-seventh sessions of the Working Party, with a view to finalizing it.

11. The Deputy Secretary-General recalled the continued role of UNCTAD in leading the United Nations Inter-Agency Cluster on Trade and Productive Capacity. In a 2013 survey conducted by UNCTAD, Inter-Agency Cluster members stated that the coordination tasks carried out by the Cluster had been very important to furthering the impact of activities of the agencies involved. The survey also revealed that members saw the Inter-Agency Cluster as a recognized "label" within the United Nations system for effective inter-agency coordination.

¹ UNCTAD/OSG/MISC/2013/1.

12. Concerning the evaluation of UNCTAD activities, the Deputy Secretary-General emphasized that evaluation could be a powerful tool to support learning and promote greater accountability in development cooperation. Evaluations of UNCTAD programmes and projects continued to provide valuable information on programme and project performance, allowing the secretariat to be better informed about what results had been attained through its work and what enhancements were needed to deliver better results.

13. The Deputy Secretary-General thanked the evaluation team for its report on the evaluation of UNCTAD subprogramme 2: Investment and enterprise. The team had concurred on the relevance, efficiency, effectiveness and impact of the subprogramme. He looked forward to productive discussions during the Working Party on actions to be taken to further improve and strengthen the subprogramme's performance. He also expressed appreciation to the Government of Norway for its support in enabling the conduct of such evaluations.

14. The Deputy Secretary-General further brought to the attention of the Working Party that follow-up reports on previous evaluations would be presented during the meeting that demonstrated that progress had been made in enhancing the relevant areas of work.

15. In the statements made by delegations on technical cooperation, the majority of representatives stressed the importance of technical cooperation as an essential pillar of UNCTAD work and of ensuring synergies between technical cooperation and the other two pillars.

16. All delegations stressed the importance of UNCTAD technical cooperation activities being in line with the Accra Accord and Doha Mandate and meeting the challenges of the post-2015 development agenda.

17. Many delegations expressed concerns about the decrease in contributions from developed countries and urged donors in a position to do so to maintain their support to UNCTAD technical cooperation activities.

18. Several delegations expressed concerns about the reduction in funding under the LDC Trust Fund.

19. The majority of delegations noted the relevance of non-earmarked trust funds and importance of predictable multi-year funding in order to allow sustainable delivery of activities. They emphasized the importance of simplifying financial structures, reducing fragmentation and consolidating activities by establishing multi-year, multi-donor thematic trust funds.

20. Delegations also highlighted the need for UNCTAD to explore new approaches towards donors and of matching donor considerations with country priorities. They highlighted that transparency, efficiency and predictability should be the guiding principles for such approaches.

21. Delegations likewise appreciated UNCTAD participation in "Delivering as one" and the organization's role, as lead agency of the United Nations Inter-Agency Cluster on Trade and Productive Capacity, in accessing new funding mechanisms in the context of the post-2015 development agenda.

22. The majority of delegations expressed concern about the decrease in the overall contribution to UNCTAD trust funds and stressed the importance of UNCTAD establishing a fundraising strategy to ensure sustainability and predictability of funding for its technical assistance programmes. Delegations also expressed their willingness to further discuss the draft UNCTAD fundraising strategy as provided by the secretariat.

23. Some delegations stressed the importance in UNCTAD technical assistance of consistency with the work of other international organizations. The representative of one

regional group highlighted the need for enhanced inter-agency coordination when dealing with technical cooperation and requested more information on ongoing UNCTAD cooperation with the International Trade Centre.

24. Many delegations expressed appreciation for efforts made by the secretariat to establish a results-based management approach and enhance the quality control of projects and encouraged the secretariat to continue efforts in this regard.

25. Many delegations underscored that UNCTAD technical cooperation should continue to respond to the varied needs of its beneficiaries in accordance with national development priorities. In this regard, they noted that the list of technical assistance requests was an essential tool for donors to allocate their contributions with a view to ensuring transparency and ownership.

26. The majority of delegations underscored the need for enhanced interdivisional coordination and synergies within UNCTAD to allow the organization to speak with “one voice” when implementing technical cooperation projects.

27. Regarding the agenda item on evaluation, some delegations expressed appreciation for the secretariat’s efforts to enhance its results-based management approach and strengthen quality control of projects. The representative of one regional group observed that more systematic efforts were needed in this respect, in particular the adoption of a results-based management approach that relied on precise indicators. The representative further urged that the secretariat explore a more systematic and unified way of reporting on its results and impact, based on systematized results-based management practices.

28. The representatives of some regional groups further emphasized the need for UNCTAD to improve cooperation among its divisions and to enhance coordination with other international organizations. In particular, in the area of technical assistance and assessment of information and communications technology for development, the representative of one regional group urged UNCTAD to continue its cooperation with other development partners such as the Economic Commission for Latin America and the Caribbean. One delegate expressed appreciation for UNCTAD’s good cooperation with the World Trade Organization and the International Trade Centre in Geneva.

29. The representatives of several regional groups commended the secretariat’s overview report on the evaluation of UNCTAD activities.² One representative expressed support for the lessons learned, as identified in the report, and observed that they should apply not only to technical assistance projects but also to UNCTAD activities and programmes in general.

30. Many delegations expressed appreciation to the evaluation team for the external evaluation on subprogramme 2 and noted satisfaction with the evaluation’s positive findings concerning the subprogramme.

31. Many delegations commended the work of UNCTAD subprogramme 2: Investment and enterprise. The representative of one regional group noted her appreciation of the dynamism of the Division on Investment and Enterprise and the secretariat’s relevance as the focal point in the United Nations on investment for development. Many delegations expressed appreciation for the subprogramme’s technical cooperation activities and its work on international investment agreements, Investment Policy Reviews, foreign direct investment statistics, the World Investment Report and the World Investment Forum. The representatives of several regional groups also recognized the benefits and results of other work conducted by the subprogramme such as the Business Linkages Programme,

² TD/B/WP/263.

Entrepreneurship Policy Framework, investment guides and Accounting Development Tool and work on corporate social responsibility, green foreign direct investment and e-commerce legislation.

32. The representative of one regional group noted with appreciation that the Empretec programme provided significant and immediate results, including job creation, and urged the donor community to ensure such benefits could be sustainable over time.

33. The representative of some regional groups welcomed UNCTAD efforts to increase synergies among the three pillars of the organization's work on investment and enterprise. One representative underscored that UNCTAD's work and activities were in line with the post-2015 development agenda. The representative of another regional group agreed with the evaluation team that subprogramme 2 had a key role to play in the debate on the contribution of foreign direct investment and private sector investment in the context of the post-2015 development agenda. One delegate commended the subprogramme's contributions and alignment with multilateral processes that were taking place in New York. Some delegations welcomed the upcoming World Investment Forum to be held in October 2014, and one delegation noted that the Forum would play a key role in gathering the international community to discuss the role and contribution of foreign direct investment and private sector investment in the post-2015 development agenda.

34. The representative of one regional group stressed the importance of the work of UNCTAD subprogramme 1: Globalization, interdependence and development. The representative acknowledged with appreciation the positive findings from the previous year's evaluation on subprogramme 1 and expressed support for the recommendations. He also requested that sufficient time be set aside to analyse the progress made in implementing the recommendations raised by the evaluation.

35. The representative further reiterated support for the recommendation from the in-depth evaluation of UNCTAD's programme on science and technology for development on the need for a new institutional arrangement to ensure intergovernmental bodies working in science, technology and innovation could work more appropriately.

36. With regard to the evaluation plan for 2015, the representatives of some regional groups expressed support for an external evaluation of subprogramme 3 to be considered by the Working Party in 2015.

37. The representative of another regional group called on UNCTAD to take into consideration the specific circumstances of developing countries when using indicators in the evaluation of UNCTAD activities. The representative stressed that using indicators related to social media or other Internet-based sources might not be accurate in evaluating the effectiveness and relevance of the work of UNCTAD as the majority of people living in developing countries did not have access to the Internet and might not use Internet-related tools.

C. Informal meetings

38. The Working Party pursued its deliberations in an informal setting.

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)

39. 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-first session of the Trade and Development Board to be held from 15 to 26 September 2014 (see annex I).

2. Agreed conclusions (Agenda items 4 (b), 4 (c) (ii) and 4 (c) (ii))

40. The Working Party prepared agreed conclusions on the external evaluation of UNCTAD subprogramme 2: Investment and enterprise (agenda item 4(b)) and on the follow-up on evaluations (specifically, agenda items 4 (c) (ii) and 4 (c) (ii)).

III. Organizational matters

A. Election of officers (Agenda item 1)

41. At the opening plenary meeting, on 3 September 2014, the Working Party elected Mr. Thomas Fitschen (Germany) as its Chair. The Working Party subsequently elected Mr. Yaohua Sun (China) as its Vice-Chair-cum-Rapporteur.

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

42. At the same meeting, the Working Party adopted its provisional agenda (TD/B/WP/261). 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) External evaluation of UNCTAD subprogramme 2: Investment and enterprise
 - (c) Follow-up on evaluations:
 - (i) Progress report on the implementation of recommendations from the external evaluation of UNCTAD subprogramme 1: Globalization, interdependence and development
 - (ii) Progress report on the implementation of recommendations from the evaluation of UNCTAD's programme on science and technology for development

5. Provisional agenda for the sixty-ninth 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 sixty-ninth session of the Working Party

(Agenda item 5)

43. At its closing plenary meeting, on 5 September 2014, the Working Party approved the provisional agenda for its sixty-ninth session (see annex II).

D. Adoption of the report of the Working Party to the Trade and Development Board

(Agenda item 7)

44. At the same meeting, the Working Party authorized the Rapporteur to finalize the report on its sixty-eighth 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. *Reaffirms* the role of UNCTAD technical cooperation as a fundamental pillar of the organization and stresses the importance of coordination among the three pillars for better coherence and impact when providing technical assistance;
2. *Requests* the secretariat to ensure that technical cooperation activities are in line with the Accra Accord and the Doha Mandate and oriented towards meeting, in coordination with other international organizations, the challenges of the post-2015 development agenda;
3. *Appreciates* the quality of technical cooperation activities carried out by the UNCTAD secretariat in cooperation with beneficiaries, development partners and other international organizations and notes with appreciation that expenditures in 2013 increased as compared to previous years;
4. *Takes note with appreciation* of the report by the Secretary-General of UNCTAD on the review of the technical cooperation activities of UNCTAD and their financing;
5. *Commends* the continued commitment and the interest shown by developing countries in UNCTAD technical cooperation activities as manifested by their significant share of contributions to technical cooperation financing;
6. *Takes note with concern* of the decrease in the overall contribution, as indicated in chapter I of TD/B/WP/262, to UNCTAD trust funds, calls on developed countries and other 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 the relevant technical assistance programmes, and underlines the relevance of non-earmarked trust funds;
7. *Expresses concern* that the LDC Trust Fund is very low on resources, and that there were no contributions to the Fund in 2013, and calls on developed countries and other development partners in a position to do so to continue to contribute to the LDC Trust Fund and urges the secretariat to continue to ensure that priority is assigned to LDCs;
8. *Reaffirms* the importance of results-based management in the delivery of technical assistance, takes note of secretariat efforts to implement results-based management in line with United Nations guidelines and encourages the secretariat to further pursue these efforts in the context of systematic implementation of the results-based management framework adopted in 2013;
9. *Encourages* all donors to use, with the active support of the secretariat, the compilation of requests prepared by it as a relevant tool to allocate contributions according to the needs and priorities of beneficiary countries with a view to ensuring transparency and ownership in UNCTAD technical cooperation;

10. *Appreciates* the secretariat's activities in support of the United Nations system-wide reform and UNCTAD's lead role in the United Nations Inter-Agency Cluster on Trade and Productive Capacity and the effective contribution of the Inter-Agency Cluster to the implementation of the Aid for Trade initiative;

11. *Encourages* the role of UNCTAD in the Inter-Agency Cluster in accessing multi-year, multi-donors trust funds, bearing in mind the ongoing work on the post-2015 development agenda;

12. *Calls* on the regional coordinators and interested member States to continue informal consultations to agree on a set of common goals and principles for the fundraising strategy, to increase contributions and enhance sustainability and predictability in financing cooperation in order to respond to the needs of developing countries as the ultimate goal of the strategy, to be presented for consideration at the next session of the Working Party in December 2014.

Annex II

Provisional agenda for the sixty-ninth session of the Working Party

1. Election of officers
2. Adoption of the agenda and organization of work
3. Review of the programme narrative component of the draft proposed programme budget for the biennium 2016–2017
4. UNCTAD fundraising strategy for technical cooperation activities
5. Provisional agenda for the seventieth session of the Working Party
6. Other business
7. Adoption of the report of the Working Party to the Trade and Development Board

Annex III

Attendance³

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

Bangladesh	Japan
Barbados	Nigeria
Belarus	Senegal
Germany	Sudan
Guatemala	

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

Albania	France
Algeria	Gabon
Angola	Greece
Benin	Indonesia
Bolivia	Iran (Islamic
(Plurinational	Republic of)
State of)	Iraq
Brazil	Mongolia
Burkina Faso	Panama
Canada	Philippines
Central African	Poland
Republic	Republic of Moldova
Côte d'Ivoire	Saudi Arabia
Cuba	South Sudan
Dominican	Trinidad and Tobago
Republic	United Republic of Tanzania
Egypt	Zambia
Finland	

3. The following intergovernmental organization was represented at the session:
- European Union

³ This attendance list contains registered participants. For the list of participants, see TD/B/WP(68)/INF.1.