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TECHNICAL COOPERATION

(a) Strategy for UNCTAD

(b) 1997-1999 plan for technical cooperation

Part I

Note by the UNCTAD secretariat

1. UNCTAD IX, in paragraph 96 of the final document of the Conference, requested the Board to "set out a strategy for the coherence of regular and extra-budgetary programmes that seeks to strengthen the linkages between analytical work and technical cooperation".
2. The Conference also invited the Board to consider annually "an indicative rolling three-year plan for technical cooperation".
3. The Trade and Development Board, at its forty-third session in October 1996, agreed to "set out the strategy and to consider the plan for 1997 and the subsequent two years at the executive session of the Board early in 1997".
4. The text of the technical cooperation strategy of UNCTAD is attached as Part A of the present document, as discussed and agreed upon during informal consultations with the regional coordinators.

The Board is invited to adopt the text contained in Part A as the Technical Cooperation Strategy of UNCTAD.

5. UNCTAD's technical cooperation plan for 1997-1999 is contained in Part B of the present document.

The Board is invited to take note of UNCTAD's technical cooperation plan for 1997-1999 and of the explanations provided thereon in Part B.

Part A

TECHNICAL COOPERATION STRATEGY OF UNCTAD

"Analysis and conceptual explanation are not ends in themselves. They should always be viewed from the perspective of helping to promote development in a fair, sustainable and harmonious way. To that end, we need to concentrate on what is realistic and practical."

(Chapter IV of the report of the Secretary-General to UNCTAD IX)

I. INTRODUCTION

1. Pursuant to paragraph 96 of the Midrand final document, the Trade and Development Board adopts the following strategy for UNCTAD's technical cooperation for the period through UNCTAD X.

2. The strategy sets out the operational activities of UNCTAD that address the practical problems of trade and development in an era of globalization and liberalization. It is designed to strengthen the effectiveness and impact of these activities as an essential complement to the institutions's policy-oriented analytical and deliberative work. This strategy will be implemented through rolling three-year plans for technical cooperation that are updated annually.

II. POLICY GUIDELINES

Objectives

3. UNCTAD's technical cooperation will be demand-driven, with an emphasis on country-level activities. Its purpose is to enhance the human and institutional capacities of developing countries to promote their own development process as well as those of countries with economies in transition. The focus is:

- (a) to assist Governments to create and strengthen the necessary policy and institutional environment for development;
- (b) to improve the ability of countries to participate fully in the world economy, particularly in international trade, investment and production.

Priorities

4. UNCTAD's technical cooperation will be determined by its work programme priorities set out in the final document of UNCTAD IX, and as reflected in relevant decisions of the Trade and Development Board, in the Medium-Term Plan of the United

Nations, and in the biennial United Nations programme budget. In accordance with paragraph 97 of the outcome of UNCTAD IX, activities will focus, in a balanced manner, on the following programme areas:

- Globalization and development strategies;
- International trade in goods and services and commodities;
- Investment, technology and enterprise development;
- Services infrastructure for development and trade efficiency.

5. UNCTAD's technical cooperation will be directed towards developing countries with the greatest need. Least developed countries will have priority in the assistance provided by UNCTAD: the intention is to increase incrementally their share in absolute and relative terms. In addition to the Trust Fund established exclusively for them and to projects undertaken in individual LDCs, LDCs will also benefit from relevant regional and interregional projects.

Integration of technical cooperation with policy analysis

6. The integration of analytical work and technical cooperation will be intensified:

- by ensuring mutual feedback;
- by acting increasingly at the country level with an impact on national development; and
- by ensuring that regular budget activities contribute directly and indirectly to practical development needs.

Forms of technical cooperation

7. UNCTAD's technical cooperation will include, among others:

- (a) Exchanges of development experiences;
- (b) National case studies and thematic studies on particular development issues as part of the secretariat's work programme and as a contribution to intergovernmental and expert deliberations;
- (c) Policy reviews in the areas of investment and science, technology and innovation; and of assessments of the efficiency of trade supporting services;
- (d) Advisory services at the country, subregional and regional level;
- (e) UNCTAD-wide integrated country-level programmes for selected least developed countries, within the context of country-level coordination; these should also contribute to policy dialogues at World Bank consultative groups and UNDP round tables;
- (f) Support for human resources and institution-building, including the development of tool-kits (eg. software and manuals on best practices)

and advice and training on their application and utilization by beneficiary countries;

- (g) Training activities encompassing both structured HRD programmes that seek to strengthen local training capacities as well as ad hoc training workshops and familiarization seminars;
- (h) Dissemination of information on trade, investment and related matters from UNCTAD data bases to developing countries, for use by governments or the civil society.

Coordination

8. UNCTAD's technical co-operation will be conducted in a way that ensures coherence among programme areas, especially at the country level.

9. UNCTAD will seek to deepen its cooperation with UNDP, particularly in light of the link between trade and development and sustainable human development.

10. UNCTAD will also seek to intensify its cooperation and coordination with WTO, ITC, relevant institutions of the United Nations system including the World Bank and the IMF, other organizations and donor agencies, as well as with regional and subregional groupings. This cooperation will be sought through formal arrangements, including memoranda of understanding, and within existing mechanisms, as appropriate. These arrangements should be transparent, discussed with member States and address the possible establishment of inter-agency task forces. Cooperation and coordination will aim to utilize fully existing capacities, create more synergies and avoid duplication in order to optimize the impact of technical cooperation. It will also lead to a systematic exchange of information and best practices.

11. Cooperation with the private sector, NGOs and the academic community from all regions of the world will be strengthened: in part as beneficiaries, in accordance with national priorities, of UNCTAD's operational activities, and in part as sources of relevant experience and expertise for such activities.

12. Within the context of existing inter-agency coordination mechanisms, UNCTAD will contribute to system-wide initiatives, including those related to the development of Africa and to the integrated ITC/UNCTAD/WTO programme of technical cooperation for Africa.

III. METHODS OF IMPLEMENTATION

13. In carrying out technical cooperation, and in order to facilitate the exchange of the lessons of development experiences, UNCTAD will:

- (a) Make full use of national expertise and institutions, as both a source of experience and information and as a contribution to national capacity-building;
- (b) Promote networking, including twinning arrangements, among institutions working in similar or related fields, including with institutions in developed countries;

- (c) Draw upon institutions and expertise in other developing countries by using TCDC modalities.

14. Innovative and cost-effective modalities for the delivery of technical cooperation will continue to be explored and introduced. New information technologies for information dissemination and for training programmes will be deployed for this purpose.

15. In accordance with paragraph 93 (b) of the Midrand final document, the UNCTAD secretariat will continue its exploration of making selected programmes financially self-sustainable with a view to presenting its proposals in 1997.

16. Whenever appropriate, efforts should be made to build regional as well as national capacity in order to ensure follow-up support after the project or programme has ended.

IV. ARRANGEMENTS FOR MONITORING, EVALUATION AND REPORTING

17. **Monitoring.** Projects and programmes will be monitored on a continuous basis for their impact - particularly on national capacities - and for their cost-effectiveness. To facilitate this, measurable targets will be set up when projects begin.

18. **Evaluation.** Selected projects and programmes will be subject to independent evaluation in agreement with both the beneficiary country(ies) and the donor(s). Evaluations will examine the impact of activities against their objectives and will propose practical recommendations to deal with deficiencies. The Working Party on the Medium-Term Plan and Programme Budget will consider each year an in-depth study on a technical cooperation programme.

19. **Reporting to the Board.** The Board will review the technical cooperation activities of UNCTAD, including their cost-effectiveness, and consider the indicative rolling three-year plan. It will be assisted in this task by the Working Party, which will meet for this purpose immediately prior to the Board.

V. MANAGEMENT OF TECHNICAL COOPERATION

20. In order to ensure the effective integration of analytical work with technical cooperation, responsibility for project preparation and implementation will be entrusted to the corresponding secretariat entity responsible for the work programme.

21. Although the nature of work differs from one programme area to another, each secretariat Division will ensure the provision of adequate resources for both analytical work and the backstopping of technical cooperation.

22. The successful implementation of the strategy will require an integrated approach: at the country level; within and among programme areas; for the mobilization of resources; and for its overall monitoring and reporting. For this purpose, a single entity acting as focal point to ensure internal coordination is required.

23. Strict quality control will be exercised by the secretariat through adherence to commonly established quality standards at the project design, implementation, monitoring and evaluation stages.

24. The management of technical cooperation will be improved by streamlining administrative procedures. An appropriate share of the support costs received by UNCTAD for project execution will be allocated to the responsible substantive programme in a transparent and equitable manner.

VI. RESOURCES

25. The achievement of the objectives set out in the strategy is critically dependent on the availability of necessary resources. Beneficiary countries are invited, in accordance with their national policies, to consider placing high priority on trade and investment activities in their country and regional programmes, including those supported by UNDP and other donors. Contributors are invited to respond positively to requests for financing technical cooperation activities formulated by UNCTAD in accordance with the present strategy and plan, including contributions in kind. The strategy would also benefit from increased use by UNCTAD of triangular cooperation, involving the beneficiary country and another developing country providing know-how and expertise financed by a bilateral donor.

26. The Secretary-General of UNCTAD is requested to ensure widespread dissemination of information on UNCTAD's technical cooperation, using, *inter alia*, modern information technologies for this purpose.

Part B

UNCTAD'S TECHNICAL COOPERATION PLAN: 1997-1999

1. UNCTAD's Technical Cooperation Plan for 1997-1999 has two parts: the first part (I), set out below, presents summary tables. The second part (II) contains the working sheets on which the summary tables are based and is circulated to the Board in TD/B/EX(14)/3/Add.1 (English only).
2. The Plan has been prepared in accordance with the request of UNCTAD IX (para. 96 of the final document) and in light of discussions at the forty-third session of the Trade and Development Board (October 1996) during its review of technical cooperation.
3. The Plan should be read in the context of the Technical Cooperation Strategy of UNCTAD. It is intended to:
 - (a) inform delegations, cooperating organizations and other interested parties of the operational activities UNCTAD intends to undertake during 1997;
 - (b) facilitate discussions with potential donors on the mobilization of the necessary extra-budgetary resources to implement the plan; and
 - (c) serve as the secretariat's monitoring tool.
4. The focus of the current Plan is on 1997. It has not been possible at this stage to provide reliable information regarding activities planned for 1998 and 1999, although it is clear that many of the proposals made for 1997 will be implemented only in subsequent years (see also para. 8 below).
5. The information is divided into:
 - (a) Approved/ongoing activities, for which projects are being implemented in accordance with project documents agreed with donor(s); and
 - (b) New or proposed activities. Inclusion of such a proposal in the Plan is based on one or more of the following considerations:
 - (i) an explicit request from a developing country or country in transition and accepted by the secretariat subject to the mobilization of the necessary funds; or
 - (ii) implementation of action requested by UNCTAD IX, the Board or a Commission; or
 - (iii) implementation of the work programme set out in the programme narrative for the revised UNCTAD programme budget 1996-1997.
6. Since part of the Plan is contingent on the mobilization of additional resources, it follows that by no means all of the new proposals will in fact be

carried out. In addition, new requests will be received and existing proposals may be modified, thereby necessitating constant modifications to the Plan.

7. The Technical Cooperation Strategy for UNCTAD is based on the coherence of regular and extra-budgetary programmes that strengthen the linkages between analytical work and technical cooperation. Consequently, the information in the Plan is presented according to the structure of the secretariat in place as of 24 February 1997. Information on the regular programme of work for 1997 is available in the revised 1996-1997 programme budget.

8. This is the first time that the UNCTAD secretariat has prepared a plan for its technical cooperation. Improvements can be made to both the manner of its preparation and its presentation. It is suggested that the matter be considered, on the basis of experience, by the Working Party on the Medium-Term Plan and Programme Budget during its review of technical cooperation in September 1997.

I. Summary tables

9. Summary tables 1, 2, and 3 compare the 1997 Plan with the 1996 actual expenditures.

10. The figures in the column "1997 approved" reflect activities for which funding for on-going projects has been committed by the donor. The second column, "1997-1999 proposed", reflects estimates of expenditures which could be implemented should funding become available. In practice, only a very limited portion of the sums appearing in the second column will actually be used to implement projects in 1997. Most of these proposals will be carried over into 1998 and 1999.

11. Table 1 presents the data by Division/Programme. The budget of approved projects for 1997 amounts to almost \$30 million, which may be expected to lead to an overall delivery in the range of \$24-25 million.

12. Table 2 presents the same data by region.

13. Table 3 shows that the plan foresees an increase in UNCTAD's technical cooperation activities directed to least developed countries.

Table 1

UNCTAD Technical Cooperation, 1997

By Division/Programme

(in thousands of US dollars)

Division/Programme	1996	1997 *	1997/1999 *
	Expenditures	Approved	Proposed
<u>Division on Globalization and Development Strategies (GDS)</u>	<u>2,784</u>	<u>4,189</u>	<u>2,990</u>
Macroeconomic and Development Policies	306	585	280
Globalizational Financial Strategies	113	288	550
DMFAS	2,355	3,106	2,050
Information Management	10	210	0
<u>Division on International Trade in Goods and Services and Commodities (DITC)</u>	<u>2,951</u>	<u>5,072</u>	<u>9,151</u>
Trade Analysis	2,046	3,834	4,810
<i>of which: TRAINFORTRADE</i>	448	1680	2450
Commodities	410	380	1,829
Trade and Environment	400	245	1,045
Competition Law and Policy	95	173	1,192
<u>Division on Investment, Technology and Enterprise Development (DITE)</u>	<u>2,661</u>	<u>4,173</u>	<u>8,962</u>
International Investment, TNCs and Technology	812	678	2,380
Innovation and Investment Policies	1,261	1,307	3,177
Enterprise Development	588	1,741	3,185
<u>Division for Services Infrastructure for Development and Trade Efficiency (SITE)</u>	<u>12,279</u>	<u>15,934</u>	<u>14,771</u>
Trade Infrastructure	69	385	350
Trade Facilitation / ASYCUDA	7,297	9,745	6,755
Transport	3,647	3,796	3,520
<i>of which: Ports</i>	1,099	1083	975
<i>Shipping</i>	10	200	0
<i>ACIS</i>	1,764	1855	2180
<i>HRD</i>	773	658	365
New Financial Services	309	25	0
Cross-Sectoral Legal Issues	8	514	208
Trade Points	949	1,249	3,663
<u>Executive Direction and Management (EDM)</u>	<u>1,024</u>	<u>0</u>	<u>0</u>
<u>Least Developed, Landlocked and Island Developing Countries (LDC)</u>	<u>159</u>	<u>589</u>	<u>2,000</u>
TOTAL	<u>21,858</u>	<u>29,957</u>	<u>37,874</u>

* Divisional totals include allocations for associate experts not distributed by programme

Table 2
UNCTAD Technical Cooperation, 1997
By Region
(in thousands of US dollars)

Region	1996			1997		1997/1999	
	Expenditures	%		Approved	%	Proposed	%
Africa	Country	10					
	Regional	16					
	Total	26		<u>8,520</u>	28	<u>11,271</u>	30
Asia and the Pacific	Country	8					
	Regional	3					
	Total	12		<u>5,738</u>	19	<u>3,458</u>	9
Latin America and the Caribbean	Country	7					
	Regional	2					
	Total	9		<u>2,504</u>	8	<u>2,110</u>	6
Central and Eastern Europe	Country	11					
	Regional	4					
	Total	15		<u>3,538</u>	12	<u>2,585</u>	7
Interregional		39		<u>9,657</u>	32	<u>18,450</u>	49
TOTAL		100		<u>29,957</u>	100	<u>37,874</u>	100

Table 3

UNCTAD's Technical Cooperation, 1997

Least Developed Countries

(in thousands of US dollars)

	1996	1997	1997/1999
	Expenditure	Approved	Proposed
[1] Country projects in LDCs	1,817	4,690	3,646
[2] Estimate of intercountry project expenditures directed towards LDCs a/	4,733	6,254	11,608
[3] Total expenditures related to LDCs	6,550	10,944	15,254
[4] Total UNCTAD technical cooperation expenditures	21,859	29,957	37,874
[5] Share of LDCs in UNCTAD's technical cooperation, i.e. [3]/[4]	30%	37%	40%

a/ Secretariat estimate. This calculation was reached as follows: actual expenditures on inter-country projects concerning exclusively LDCs; plus for all other inter-country projects, 30% of interregional project expenditures; 60% of project expenditures in Africa; 20% of project expenditures in Asia and the Pacific; 0% of project expenditures in Latin America and the Caribbean; and 0% of project expenditures in Europe.