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Working Party on the Strategic Framework and the Programme Budget

Sixty-second session

Geneva, 3–5 September and 14 September 2012

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

Held at the Palais des Nations, Geneva, from 3 to 5 September and 14 September 2012

I. Proceedings

1. The sixty-second session of the Working Party on the Strategic Framework and the Programme Budget was held in Geneva, Switzerland, from 3 to 5 September and on 14 September 2012.

A. Statements

(Agenda item 3)

2. Opening statements were made by Mr. Heiner Flassbeck, Director of the Division on Globalization and Development Strategies, UNCTAD; Ms. Edi Yusup (Indonesia) on behalf of the Group of 77 and China; Mr. Abbas Bagherpour (Islamic Republic of Iran), on behalf of the Asian Group; Mr. Achyut Raj Sharma (Nepal), on behalf of the Group of Least Developed Countries; Ms. Dilshaad Uteem (Mauritius), on behalf of the African Group; Ms. Martha Moreno (Paraguay) on behalf of the Group of Latin American and Caribbean Countries; Mr. Marcial Espinola (Paraguay) on behalf of the Group of Landlocked Developing Countries; Mrs. Johanna Ifestou de Paredes (Cyprus) on behalf of the European Union and Ms. Ericka Koszegi (Hungary) on behalf of Group D.

3. The Director of the Division on Globalization and Development Strategies and Officer-in-Charge of UNCTAD gave a broad overview of UNCTAD technical cooperation activities in 2011, pointing out in particular that overall expenditures in 2011 had remained stable. Contributions from bilateral and multilateral donors had increased by 44 per cent over the previous year, thanks in particular to a substantial increase in contributions from

developing countries and the European Commission. The developing countries currently accounted for the largest share of contributions to UNCTAD trust funds.

4. Progress had been made in the rationalization of activities and the consolidation of the projects carried out within each of the 17 thematic clusters. However, further efforts were necessary, and donors in a position to do so were strongly encouraged to provide specific instructions to the secretariat regarding the commingling of their funds into thematic multi-year, multi-donor trust funds. UNCTAD had continued to strengthen its role in the United Nations reform process, in particular through its coordination of the United Nations Inter-Agency Cluster on Trade and Productive Capacity. UNCTAD continued to receive funds in 2011 from the multi-donor funding mechanisms, such as the multi-donor trust funds and the One UN Fund designed to support inter-agency operations at the country level.

5. The speaker emphasized the importance of a strong evaluation function, which could better serve UNCTAD, donors and beneficiaries in areas such as the assessment of projects and programmes that were under way and the design and implementation of future projects and programmes.

6. In the statements of delegations that followed, all speakers stressed the importance of technical cooperation as an essential pillar of the work of UNCTAD. A number of speakers stressed the importance of ensuring synergies between technical cooperation and the other two pillars of the Organization's work, namely research and analysis, and consensus-building. Many speakers said that technical cooperation should reflect the core concerns of developing countries, be transparent and coherent in its planning, with a view to making it more efficient and increasing its impact. In addition, increased contributions from developing countries were a strong indication of the importance that developing countries attached to UNCTAD technical cooperation. However, many developing countries lacked the means to fund technical cooperation in their own countries and needed therefore to continue to rely on the continued support from developed partners.

7. Several speakers called on developed partners to ensure predictable, sustainable and sound funding for technical cooperation and capacity-building activities, in particular for the least developed countries (LDCs), landlocked developing countries, small island developing States and structurally weak, vulnerable and small economies, commensurate to their needs.

8. Many speakers said that efforts to simplify the financial structure of extrabudgetary resources should continue; the establishment of thematic multi-year, multi-donor trust funds should, however, not compromise the scope and delivery of UNCTAD technical cooperation.

9. Some speakers welcomed the greater involvement of UNCTAD in activities linked to the Enhanced Integrated Framework and encouraged UNCTAD to strengthen its contribution to the Framework in light of increasing demands from LDCs.

10. Many speakers praised UNCTAD's achievements in the framework of the United Nations Inter-Agency Cluster on Trade and Productive Capacity and encouraged the secretariat to continue its involvement in the system-wide coherence reform process of the United Nations.

11. Several speakers noted with interest the information regarding the new funding mechanisms and called upon donors to provide adequate resources to these mechanisms to support implementation of the United Nations process of system-wide coherence. "Delivering as one" was a major challenge that required further strengthening of coordination and cooperation with other relevant international partners.

12. Most speakers recognized the important contribution made by the two main technical cooperation programmes of UNCTAD, the Automated System for Customs Data, or ASYCUDA, and the Debt Management and Financial Analysis System. A number of speakers also recognized the contribution of projects in support of accession to the World Trade Organization, competition, enterprise development, trade facilitation, international investment agreements, TrainForTrade, regional courses on key issues on the international economic agenda and the Virtual Institute. One speaker encouraged UNCTAD to focus on improving institutional capacity in the fields of trade and investment, strengthening women's economic empowerment, supporting the transition to a green economy and promoting the private sector and regional economic integration.

13. Some speakers said that implementing policies supportive of development was primarily the responsibility of the countries themselves. They also highlighted the importance of results-based management and performance indicators, which would make it possible to measure the results of UNCTAD technical cooperation activities.

14. With regard to the evaluation of UNCTAD's programme on science and technology for development, several delegates expressed support for the evaluators' recommendation that the intergovernmental machinery framework be reconsidered, with a view to ensuring that issues related to science and technology for development, such as the transfer of technology, could be adequately addressed in an appropriate forum.

15. One regional group representative expressed concern that UNCTAD's programme plans did not reflect the Doha mandate pertaining to work on the transfer of technology.

16. Several delegations concurred with the recommendation from the evaluation report urging UNCTAD to continue improving its planning, monitoring and reporting processes. One delegate emphasized the importance of monitoring and evaluating technical cooperation activities in accordance with result-based management.

17. One delegate called upon UNCTAD to conduct work on how to mainstream science and technology into the national development of LDCs and how to implement the transfer of appropriate and affordable technology.

18. One delegate agreed with the evaluation team that local experts should take a more active part in project activities so that local capacity could be strengthened.

19. With regard to agenda item 4(c), several delegations said that programme and project delivery should have a balanced approach and should address the core concerns and specific needs of developing countries, especially LDCs, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies.

20. One representative said that he agreed with the recommendation that a clearer strategy and definition of priorities be established for each category of countries, and urged the secretariat to ensure better identification of the development needs of countries that belonged to more than one category, or following their graduation from LDC status.

21. One regional group representative expressed support for the recommendation that the technical cooperation initiatives of UNCTAD could focus on the following areas: institutional capacity-building and the links between trade and poverty and graduation to non-LDC status for LDCs; regional integration and transport for landlocked developing countries; limited resources and isolation from trade flows for small island developing States; and vulnerability to shocks and natural disasters for other structurally weak, vulnerable and small economies.

22. Several delegations said that the Division for Africa, Least Developed Countries and Special Programmes should be strengthened, particularly given their mandate and expertise

in supporting the LDCs, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies. Some delegates stressed the importance of better interdivisional cooperation on technical cooperation to those countries.

23. One regional group representative requested UNCTAD to develop a policy on savings and efficiency gains, given the global financial crisis, and expressed support for the recommendation from the evaluators aimed at improving UNCTAD's efficiency in delivering technical cooperation. In particular, UNCTAD should enhance its interdivisional cooperation, better customize its technical assistance to the specific needs of beneficiaries and have access to longer-term and more predictable multi-year, multi-donor funding.

B. Informal meetings

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

C. 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)

25. The Working Party agreed upon a draft decision on the review of the technical cooperation activities of UNCTAD and their financing to be presented to the fifty-ninth session of the Trade and Development Board from 17 to 28 September 2012. (See annex I).

2. Agreed conclusions

(Agenda items 4(b) and (c))

26. The Working Party prepared agreed conclusions on the evaluation report of UNCTAD's programme on science and technology for development (agenda item 4(b)) and on the progress report on the implementation of recommendations from the evaluation of UNCTAD's technical cooperation activities dedicated to least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies (agenda item 4(c)). (See annex II).

3. Provisional agenda for the sixty-third session of the Working Party

(Agenda item 5)

27. The Working Party approved the agenda for the sixty-third session of the Working Party (see annex III).

II. Organizational matters

A. Election of officers

(Agenda item 1)

28. At the opening plenary meeting, on 3 September 2012, the Working Party elected Ms. Jolaade Adekola Orimoloye (Nigeria) Chair and Ms. Marta Bonet (Chile), Vice-Chair-cum-Rapporteur.

B. Adoption of the agenda and organization of work

(Agenda item 2)

29. At the same meeting, the Working Party adopted its provisional agenda (TD/B/WP/242). The agenda was 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) Evaluation report of UNCTAD's programme on science and technology for development
 - (c) Progress report on the implementation of recommendations from the evaluation of UNCTAD's technical cooperation activities dedicated to least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies
5. Provisional agenda for the sixty-third session of the Working Party
6. Other business
7. Adoption of the report of the Working Party to the Trade and Development Board

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

(Agenda item 7)

30. At closing plenary meeting of the resumed session, the Working Party authorized the Rapporteur to finalize the report of the Working Party on its sixty-second 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. *Takes note* of the technical cooperation activities carried out by the UNCTAD secretariat in cooperation with beneficiaries, development partners and other international organizations;
2. *Takes note* of the reports prepared by the secretariat for the Working Party on the Strategic Framework and the Programme Budget;
3. *Reaffirms* the role of the Working Party on the Strategic Framework and the Programme Budget as the main mechanism for consultations among member States on all issues regarding technical cooperation and for interactive debate among the secretariat, potential beneficiaries and donors;
4. *Further takes note* that the total delivery of the technical cooperation programmes and activities of UNCTAD has remained stable, but there is still important work to be done;
5. *Welcomes* the increase in contributions to UNCTAD technical cooperation activities, and reaffirms the importance of sustainability and predictability in UNCTAD technical cooperation activities;
6. *Notes* with interest the information regarding the new funding mechanisms, such as the multi-donor trust funds funding joint programmes at the country level, and their contribution to system-wide coherence, and *invites* donors in a position to do so to provide adequate resources to these mechanisms;
7. *Expresses appreciation* for the support provided by bilateral and multilateral donors and *invites* donors in a position to do so to make multi-year contributions to UNCTAD thematic trust funds in order to facilitate the planning and implementation of technical cooperation activities, and their predictability and efficiency;
8. *Encourages* all donors to use the compilation of requests prepared by the secretariat as a relevant tool to allocate their contributions according to the needs and priorities of beneficiary countries;
9. *Encourages* donors in a position to do so to contribute towards the revitalization of the Least Developed Countries Trust Fund, in order to enable UNCTAD to respond to the requests for technical assistance from least developed countries, including support provided for the implementation of the Istanbul Programme of Action;
10. *Calls* on the secretariat to continue to strengthen its contribution to the Enhanced Integrated Framework, including working with other agencies to mainstream trade in LDCs' national development plans in accordance with paragraph 18 (e) of the Doha Mandate;

11. *Requests* the secretariat to continue its efforts to enhance coherence in the planning and implementation of technical cooperation programmes, including strengthening coordination with Geneva-based Permanent Missions and ensuring synergies with the UNCTAD research and analysis and consensus-building pillars, improving transparency of the utilization of resources and further enhancing interdivisional coordination and cooperation with the other relevant international organizations through synergies and complementarities;

12. *Emphasizes* the importance of results-based management in the delivery of technical assistance, including the utilization of standard United Nations performance indicators that measure impact, during planning, implementation, monitoring and evaluation, and of carrying out technical assistance in an effective and transparent manner, contributing to the efficiency and effectiveness of UNCTAD's work;

13. *Emphasizes* in this regard the need to continue the process of simplifying the structure of UNCTAD technical cooperation through the establishment of multi-year, multi-donor thematic trust funds without compromising the scope, content and quality of the delivery of UNCTAD technical assistance and its capacity to deliver tailor-made assistance to the requests of beneficiaries;

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

Annex II

Agreed conclusions

Agenda item 4(b). Evaluation report of UNCTAD's programme on science and technology for development

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

Having considered the in-depth evaluation of UNCTAD's programme on science and technology for development as contained in document TD/B/WP/234, and the management response to the evaluation as contained in document TD/B/WP/(59)/CRP.1,

1. *Expresses its appreciation* to the independent evaluation team for the evaluation report and to the Government of Norway for its financial support for the evaluation;

2. *Takes special note* of the recommendations contained in the evaluation report, and the need for them to be further discussed, adopted and implemented expeditiously in accordance with the outcome of the discussion;

3. *Welcomes* the contributions made by donors to this programme and encourages them, if in a position to do so, to increase financial support for initiatives in this programme;

4. *Recognizes* the relevance of issues relating to science, technology and innovation, and information and communications technology in the work of UNCTAD in light of the Doha Mandate;

5. *Requests* the secretariat to improve UNCTAD's overall interdivisional coordination and cooperation with other organizations in this field as well as its visibility, planning, implementation, monitoring and reporting practices of the programme on science, technology and innovation for development;

6. *Requests* the secretariat to organize a discussion of the recommendations before the next session of the Working Party on the Strategic Framework and the Programme Budget on technical cooperation and requests the secretariat to prepare a time-bound work plan for the implementation of the adopted recommendations before the next Working Party meeting.

Agenda item 4(c). Progress report on the implementation of recommendations from the evaluation of UNCTAD's technical cooperation activities dedicated to least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies

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

Having taken note of the progress report on the implementation of the recommendations contained in last year's evaluation of UNCTAD's technical cooperation activities dedicated to least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies,

1. *Emphasizes* the importance of technical cooperation and further encourages donors in a position to do so to increase their financial support for initiatives to address the needs and priorities of least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies, and encourages the secretariat to further enhance its activities in this pillar for these groups of countries;

2. *Emphasizes* the importance of ensuring that assistance to the least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies is targeted towards their specific needs, and urges UNCTAD to continue enhancing its efforts in this regard;

3. *Recognizes* the role of the Division for Africa, Least Developed Countries and Special Programmes in enhancing coordination of UNCTAD's work to the least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies, and requests that this division be reinforced in order to fully enable the division to discharge its mandated responsibilities, in coordination with other substantive divisions;

4. *Requests* the secretariat to report back on further progress made in the implementation of the recommendations at the next session of the Working Party dealing with technical cooperation.

Annex III

Provisional agenda for the sixty-third 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 2014–2015
4. Provisional agenda for the sixty-fourth session of the Working Party
5. Other business
6. Adoption of the report of the Working Party to the Trade and Development Board

Annex IV

Attendance¹

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

Belarus
Chile
China
Germany
Mexico
Nepal
Peru

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

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| Algeria | Kazakhstan |
| Angola | Kuwait |
| Argentina | Lesotho |
| Austria | Libya |
| Barbados | Lithuania |
| Belgium | Madagascar |
| Benin | Mauritania |
| Brazil | Mauritius |
| Colombia | Morocco |
| Côte d'Ivoire | Myanmar |
| Cuba | Netherlands |
| Denmark | Nigeria |
| Dominican Republic | Panama |
| Ecuador | Paraguay |
| Egypt | Philippines |
| El Salvador | Poland |
| Estonia | Serbia |
| Finland | Spain |
| Ghana | Sudan |
| Greece | Thailand |
| Haiti | Trinidad and Tobago |
| Hungary | Turkey |
| India | Uruguay |
| Indonesia | Venezuela (Bolivarian Republic of) |
| Iraq | Zambia |
| Ireland | Zimbabwe |
| Italy | |
| Japan | |

¹ For the list of participants, see TD/B/WP(62)/INF.1.

3. The following intergovernmental organizations were represented at the session:
 - European Union
 - Organization of Eastern Caribbean States
 - Organization of Islamic Cooperation
 4. The following United Nations organs, bodies and programmes were represented at the session:
 - International Trade Centre
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