

**Second Consultation with member States
on thematic clustering of UNCTAD technical cooperation
6 February 2008**

The revised document containing 17 clusters encompassing all technical cooperation activities carried out by UNCTAD was very well received by member States which considered it provided a useful and clear overview of the operations carried out by UNCTAD in 2007. It was considered a useful planning tool and indicative work programme for 2008 operations. The secretariat clarified that this number of clusters, while not the ideal number, is the one that is doable at this stage, taking into account the high earmarking of current resources and the fact that ongoing operations cannot be stopped nor modified. The secretariat emphasised that no coherence in the operations can be achieved without coherence in the funding provided by donors.

A number of participants, however, expressed the view that the fragmentation of activities was still high and they hoped to see the number of clusters gradually reduced in order to focus on those activities for which UNCTAD has a clear comparative advantage.

A majority of participants also considered this exercise as a fundamental contribution to increase coherence and transparency and to rationalize fund raising and install more efficient relations with donor countries. It should also increase UNCTAD visibility and facilitate its involvement at the UN-wide level in the context of the UN reform.

Switzerland, Canada and the US suggested that this exercise should have a clear objective and in particular should aim at reforming the way UNCTAD is delivering its technical cooperation. It should provide a road map for UNCTAD technical cooperation. Canada proposed also to include information about results and impact assessment. The secretariat explained that for the sake of clarity, details such as results and indicators were not included in this document, but will of course be provided to member States.

The EU and the US also saw in this exercise a tool in the search to align technical cooperation activities, research and analysis tasks to the intergovernmental machinery, as well as the research agenda of the expert meetings to be set up.

Germany expressed readiness to enter into bilateral consultations regarding its contribution to multi-year, multi donor trust funds. Final decision regarding the status of the 17 clusters and the future of this process should however be taken after the Conference.

Some specific comments included the need to **elaborate more on the column regarding inter-divisional activities** which in some cases were totally absent.

A proposal was made by the US to merge clusters 13 and 15 on science and technology and ICT issues.

There were questions related to the financial administration of the clusters and questions related to the identification of beneficiaries.

A number of participants noted that the cluster lead by DITC included many sub-thematic clusters while other clusters did not. DITC explained that this was due to the diversity of DITC operations. Delegates requested to provide consistency in the presentation of all clusters.

The secretariat said it regarded this exercise as work in progress that should ideally aim at gradually reducing the number of clusters, bring more coherence, efficiency and transparency to UNCTAD technical cooperation and provide a fund raising tool. It underlined that fragmentation of activities was a reflection of fragmentation of resources and that donors were therefore strongly encouraged to enter into bilateral consultations with the secretariat with a view to rationalize their contributions to UNCTAD trust funds and contribute to multi-year multi-donors funds. The secretariat requested donors to provide the 2008 contributions according to the 17 clusters proposed.

The secretariat stressed that the road map and objective of UNCTAD technical cooperation had been clearly defined by the Strategy adopted in 2003 by the TDB and by the Eminent Persons' Report. It also recalled that complete information on impact and results of TC activities was provided every year in the annual reports on the technical cooperation activities to the TDB and discussed at the Working Party.

Regarding UNCTAD capacity to provide policy oriented technical cooperation at the country level, the secretariat underlined that the ability to translate at the country policy level results of its research and analysis at the systemic level was totally independent to its field presence.

In reply to a question raised by Brazil on the possibility to use the September session of the Working Party as a forum for discussions between donors and beneficiaries regarding funding needs and priorities, the secretariat replied that any suggestion to increase funding predictability, transparency and reduce earmarking was welcomed. The secretariat clarified that the role of the WP has to be defined by member States, but the role mentioned by Brazil was indeed in line with the original function attributed to the WP.

A majority of participants agreed to take the 17 clusters contained in the document as a basis for the 2008 work programme of UNCTAD technical cooperation and therefore the basis for 2008 contributions. It was however agreed that its content should be reassessed in light of the results of the Conference. It was also generally agreed that the next annual report to the Working Party could be structured according to the clusters.

TCS

11 February 2008