

Introductory Remarks by
Supachai Panitchpakdi
Secretary-General of UNCTAD

Delivering Aid for Trade: The Way Forward

The contribution of the United Nations Inter-Agency Cluster
on Trade and Productive Capacity

Wednesday 22 February 2012

Distinguished Delegates,
Ladies and Gentlemen,

The goal of this Information Session is to share, through different perspectives, how the UN Inter-agency Cluster on Trade and Productive Capacity is effectively contributing to delivering the Aid for Trade within the overall framework of the Delivering as One.

We may recall that the UN Inter-Agency Cluster was launched in April 2008 at UNCTAD XII in Accra by the Secretary-General of the United Nations. Since then, a lot has been achieved and as we are approaching the so-called “second generation of Delivering as One”, we can proudly affirm that the UN Cluster greatly contributed to the system wide coherence by providing better technical assistance at the country level in the area of international trade and productive capacity.

The best practices which emerged from an empirical approach have been instrumental in the design and implementation of the Aid for Trade coordinated assistance. As the Secretary General of the United Nations stressed, “there is no way back” to the former type of UN assistance; it is in this context that the Cluster’s best practices will pave the way to the effective delivery of Aid for Trade.

I am pleased to have the opportunity to lead this interactive debate together with the United Nations Resident Coordinators from selected countries from Africa, Asia and Europe-CIS as well as with high officials from partner’s agencies from the UN Cluster. This will give us the opportunity to provide you with different perspectives on the Cluster’s experience as well as on the way forward.

I would like to thank the United Nations Resident Coordinator of Ukraine, Mr. Olivier Adam for his presence in Geneva, to thank all the United Nations Resident Coordinators connected with us via video-conference and our Partners within the Cluster.

I wish you a successful session.

.....

Intervention of Petko Draganov,
Deputy Secretary General of UNCTAD

Thank you Dr Supachai,

Before giving the floor to the United Nations Resident Coordinators and open a debate we hope the most interactive possible, allow me to share with you some reflections.

During the past years, there have been dramatic changes in the global economy. Changes and trends are shaping the international economic environment and giving rise to new trade and development challenges.

It is our opinion that reforms of the international economic architecture should complement and support domestic efforts to achieve more inclusive outcomes, create employment, and reduce poverty. It is the expectation of rising demand which drives investment in new and enhanced productive capacity. It is then crucial to strengthen support to developing countries by monitoring international trade from a development perspective, and by addressing ways of more equitably integrating them into the global economy.

The importance of building productive capacities was re-assessed during the Aid for Trade Work Programme 2012-2013 in November 2011. No doubt the Cluster has put into practice this approach during the last years. Effectively, in the overall framework of the Delivering as One, the Cluster contributed to advance the Aid for Trade initiative by improving the effectiveness of UN development operations at the country level by mainstreaming trade into the UN national assistance plans and ensuring policy coherence.

Mainstreaming trade into the UN national assistance plans: the Cluster increasingly became effective in facilitating the inclusion of trade and trade related assistance into the UN Country Plans. Until 2007-2008, trade related issues were marginalized and seen outside the core mandates and goals of the UN system in the majority of the UN Development assistance Frameworks. This changed radically in the last years. As the UN Cluster operations proved to be successful in the One UN Pilot Countries, an increasing number of countries, voiced by the United Nations Resident Coordinators, asked for the Cluster interventions.

Ensuring policy coherence: Assistance which addresses supply-side needs and productive capacities has to be formulated in an integrated way with the policy advices and legislative instruments in all trade and trade related issues. This is in full compliance with the main Aid for Trade concept whereby supply side weakness is put at the core of trade related assistance. The joint programmes designed within the Cluster aim at establishing complementarities between the various mandates of the partner's agencies. Coordinated activities in various sectors or areas of assistance (from the macro to the micro levels) are conducive to greater effectiveness and have a wider impact than small and disconnected operations.

In light of the experience of the Cluster, we would like to emphasize that:

- i) A pragmatic inter-agency mechanism such as the Cluster is instrumental in the operationalisation of the Aid for Trade in the delivery of coordinated assistance aligned with the national development plans, for better efficiency.
- ii) The agencies of the United Nations system have wide range expertise directly relevant to the goals of the Aid for Trade and they have to act together to achieve the widest and deepest development impact.
- iii) Donors support, in particular through the Multi Donors Trust Funds is crucial to ensure success to the Delivering as One approach for better efficiency and coherence within the UN system.

I now give the floor to Mr. Olivier Adam, who will provide us with an insight view, in his quality of United Nations Resident Coordinator, on the involvement of the Cluster in Ukraine. Mr. Adam, you have the floor.