



Side Event at UNCTAD XIV. Delivering as one: Launch of Multi-Donor Trust Fund for UN Inter-Agency Cluster on Trade and Productive Capacities, 19 July 2016

Distinguished Delegates,

Distinguished Heads and Representatives of the agencies of the Cluster

Ladies and gentlemen,

As founding member and host country of UNCTAD, Switzerland has maintained for several decades a strategic partnership with UNCTAD. Switzerland invests an important fraction of its Technical Assistance through UNCTAD managed Development Projects and is the 3rd important country in contributing to UNCTAD's extra-budgetary technical assistance funds.

An important Swiss financed and UNCTAD led Program is the **Inter Agency Cluster on Trade and Productive Capacity**, also simply called UN Trade Cluster. This cluster was launched in 2008 at the UNCTAD XII in Accra by UN Secretary General Ban Ki-moon.

The UN - SECO Trade Cluster Initiative comprises five out of the 15 Cluster agencies:

- ITC,
- ILO,
- UNIDO; and
- UNCTAD;
- plus our financial funds Manager UNOPS.

The UN - SECO Trade Cluster Initiative was designed as a **multi country Program** and is currently active in two countries: Lao PDR, and Tanzania.

The Cluster focuses **on one particular thematic sector, which is the tourism sector**. Through the tourism sector, the UN - SECO Trade Cluster initiative creates positive backward linkages into other sectors like especially handicrafts and the agricultural sector (organic and horticulture). These sectors are developed and enabled to deliver their products to the tourism industry, thus permitting to multiply their outreach and finally create higher income and more and better jobs for the local population.

Let me give you an **example** of such backward linkages:

- In Tanzania, Switzerland is active in the region of Arusha since 2014. Arusha is just a few hours drive from Nairobi on the other side of the Kilimanjaro, at the foot of Mount Meru. There in Arusha the project established a horticulture cluster coordinated by the local Horticultural Research and Training Institute HORTI-Tengeru. The project supported the cluster with technology and training to improve on quality, volume and yields of produce that is **sold mainly to the Mount Meru Hotel**. So far, 15 greenhouse kits have been supplied to Horti-Tengeru and beneficiaries in five selected districts, including Arusha (also: Morogoro, Bagamoyo, Iringa and Mkuranga). As a result, higher income for farmers can be observed and more opportunities for jobs on the farms evolve.

This example demonstrates a typical value chain development intervention on productivity, implemented by ITC. This intervention is – among others - completed by UNIDO interventions on improved food analytical services. This way the 5 agencies combine their comparative advantages in relevant trade related expertise to **deliver as one** and achieve tangible results.

For Switzerland, the UN - SECO Trade Cluster Initiative delivery model has significant advantages, as the combined UN Agencies expertise leads to benefits on the strategic and the operational levels. Here some **examples**:

- Strong alignment with the Enhanced Integrated Framework (EIF) governing structures encompassing all stakeholders and reducing risks for governments and donors.
- Policy and programmatic coherence by combining the expertise of several UN agencies that deliver as one.
- This approach coordinates communication between stakeholders through the lead agency UNCTAD and the trust fund manager UNOPS.

The UN - SECO Trade Cluster Initiative is designed as a **multi-donor initiative**. In Lao PDR the **Swiss Agency for Development and Cooper-**

ation co-financed certain interventions in agricultural value chains. Still, the interest for co-financing of donors outside Switzerland has been limited so far. However, the UN - SECO Trade Cluster Initiative remains very open to host other donors that want to join this Tourism sector oriented, and country specific delivery model.

My colleagues have presented the newly developed and launched Multi donor Trust Fund (MDTF). This trust fund is an interesting and complementary approach to the UN - SECO Trade Cluster Initiative. It has **some differences** towards the UN - SECO Trade Cluster Initiative. For instance:

- While the UN - SECO Trade Cluster Initiative provides for targeted interventions in the area of backwards linkages from the tourism sector to local agricultural and handicraft production, the Multi donor Trust Fund is much broader with the 3 focus areas that have been explained.
- While the UN - SECO Trade Cluster Initiative supports strategic SECO countries like Tanzania and Lao PDR, the Multi donor Trust Fund is capturing a broad spectrum of Development Countries.
- Finally, the UN - SECO Trade Cluster Initiative works with 5 UN Agencies, namely ITC, ILO, UNIDO, UNCTAD, plus UNOPS as trust fund manager, while the Multi donor Trust Fund covers 15 Agencies, and is governed by the One UN funds mechanism.

When **UN Secretary General Ban Ki-moon** launched the UN Trade Cluster in 2008 at the UNCTAD XII in Accra, he mentioned: "The operational flexibility of the cluster should allow all parts of the United Nations system to play their respective roles effectively." This is exactly the case with the Swiss financed UN - SECO Trade Cluster Initiative, and the Multi donor Trust Fund that will permit to capitalize further on the expertise of the UN-Agencies and to mobilize additional funds with a complementary effect.

I would like to thank especially **Secretary General Kituyi** who has shown great support to the UN - SECO Trade Cluster Initiative and attended personally the launching of the Tanzania country project in Arusha in 2014.

We are looking forward to a continued leadership of UNCTAD in the UN - SECO Trade Cluster Initiative.

Thank you.