

## **Proposal for setting up a Global Trust Fund**

(as endorsed at the twenty-eighth session of the JAG)

1. A Global Trust Fund is established with the objectives of increasing the resources available for technical cooperation with developing countries and economies in transition, enhancing the transparency of their use, and facilitating the realization of a more efficient and effective technical cooperation programme within priorities set by the Joint Advisory Group.
2. The Global Trust Fund is an additional financial mechanism within ITC's extrabudgetary resources. Bilateral trust funds or separate trust-fund-financed projects will be continued.
3. The Global Trust Fund has two windows:
  - (a) The first window is open to contributions which are for unspecified purposes (unearmarked).
  - (b) The second window is open to contributions which are to be allocated to specific and clearly identifiable programmes designed to meet pre-stated and time-limited objectives. Such programmes, to be implemented at country, regional and interregional levels, may result from proposals by ITC as well as donor or beneficiary countries.
4. A Consultative Committee is established to provide advice to the ITC Secretariat and ensure transparency on the utilization of the resources of the Global Trust Fund, while the Joint Advisory Group continues to make recommendations on broad aspects of ITC's technical cooperation programme, including established priorities.
5. The Global Trust Fund is administered by ITC, taking into account the relevant recommendations of the Joint Advisory Group, the advice of the Consultative Committee, as well as rules and regulations as applicable to ITC.
6. The Chairman of the 28th session of the Joint Advisory Group will hold open-ended consultations on the composition and chairmanship of the Committee, with a view to constituting the Committee within two months following the adoption of this proposal by the JAG. The Committee is to be composed, on an equitable basis, of the donors to the Global Trust Fund and a representative cross-section of recipient countries.
7. The Committee determines its own working procedures for its deliberations, including the frequency of its meetings and the establishment of subcommittees relating to either window. The Secretariat of ITC serves as the secretariat for the Committee, within existing resources.
8. The Consultative Committee agrees jointly with the ITC Secretariat on appropriate methods for monitoring and evaluating technical cooperation programmes and projects financed from the Global Trust Fund.
9. The Consultative Committee will report on its work to the annual session of the Joint Advisory Group.
10. The above arrangements will be assessed by the Joint Advisory Group after the first year of operation of the Fund. In this assessment, particular attention will be given to the prospects of securing increased unearmarked resources.