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Funding mechanism for pending technical cooperation requests received by UNCTAD*

I. Background/rationale

1. As the focal point within the United Nations system for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development, UNCTAD addresses these issues through its three pillars of research and analysis, consensus-building and technical cooperation, which form an organic whole and are inherently interlinked. The technical cooperation pillar provides assistance tailored to the needs of developing countries, with special attention to the least developed countries.
2. The importance of technical cooperation as an essential pillar of the work of UNCTAD and of its synergies with the other two pillars was reaffirmed by member States during the fourteenth session of the United Nations Conference on Trade and Development in July 2016 with a view to meeting, in a more comprehensive manner, the objectives of the 2030 Agenda for Sustainable Development.
3. Over the last 16 years alone, UNCTAD has assisted 130 countries through its technical cooperation programmes in the areas mentioned above.
4. UNCTAD technical cooperation activities are financed through the following sources: bilateral funding, including individual Governments, United Nations system and other international organizations, the European Commission and private and public sector donors; the United Nations programme budget; One United Nations funds and other multi-donor trust funds; and the United Nations Development Programme. UNCTAD aims at collaborating in the field of trade and development on the international level (with global actors such as the World Bank, World Trade Organization, International Trade Centre, international development banks and non-governmental organizations) and on the national level, by formulating joint programmes that are aligned with national government priorities and within the scope of United Nations Development Assistance Frameworks. In this regard, UNCTAD

* The present document reflects two rounds of revisions of the original document as contained in TD/B/WP(74)/CRP.1, following preliminary comments from some regional groups, as well as comments from member States and regional groups during the seventy-fourth session of the Working Party on the Strategic Framework and the Programme Budget (i.e. discussions under agenda item 3 of that session, held on 29 November 2016).

also leads the United Nations Inter-Agency Cluster on Trade and Productive Capacity that involves joint activities on trade and development of 15 different United Nations entities.

5. In 2017, the overall contributions provided on a voluntary basis by individual Governments, multilateral donors, non-governmental organizations, the private sector and foundations amounted to just over \$35.1 million, a decrease of 12 per cent compared with the previous year, but in line with the average annual contributions received since 2004.

6. The levels of overall contributions in recent years have covered only a part of the funding requirements of UNCTAD for technical cooperation requests. The number of requests for UNCTAD technical cooperation assistance amounted to almost 300 in the period from 1 January 2013 to 15 June 2018. Of those requests, approximately half are still pending. The backlog in the provision of technical assistance is primarily, but not exclusively, due to inadequate funding.

7. The lack of a clear funding strategy endorsed by members and of a centralized funding mechanism at UNCTAD has certainly not helped in containing, let alone reducing, the number of pending requests. This is what the current proposal will address. Combined with other improvements made by the UNCTAD secretariat (e.g. implementation of a new results-based management framework, the *UNCTAD Toolbox*, project proposals, etc.), better instruments for matchmaking between donors and recipients and a more tailored approach to meeting donor priorities and beneficiary requirements should contribute to quicker and more effective responses to technical assistance requests.

II. Objective

8. The purpose of a Project Funding Mechanism (hereinafter, the “Mechanism”) is to facilitate donor response to demand from developing countries and the least developed countries for UNCTAD technical assistance and thus to facilitate the matching of donors’ offers and aid priorities with beneficiary countries’ needs; it will thus help to fill the UNCTAD technical assistance funding gap and ensure that developing country requests are not unheard. The UNCTAD secretariat will ensure that all requests are aligned with the UNCTAD mandate, biennial programmes and national development priorities as presented in United Nations Development Assistance Frameworks.

III. Work modalities

9. Under the Mechanism, UNCTAD will periodically circulate, by email, project proposals for technical assistance to recipient and donor countries.

10. The UNCTAD secretariat will convene donor–recipient coordination meetings, as appropriate and, at least every six months, with advance notice of at least 30 working days. For that purpose, UNCTAD will ask the permanent missions representing donor and recipient countries in Geneva, Switzerland, to nominate focal points. One of the meetings will be held back-to-back with the regular Trade and Development Board session, usually scheduled each year in June. The purpose of the meetings will be the exchange of information and raising awareness, with the aim of generating additional funding pledges after the meetings, in the mid- and long-term. The meetings will be neither a substitute for existing fundraising efforts and channels nor replace the electronic request database as comprehensive source of information on requests, but rather will serve as an additional mechanism for matchmaking.

11. The meetings will provide an opportunity to discuss: (a) the list of requests for UNCTAD technical cooperation received since the previous meeting; and (b) the project proposals based on the requests for technical cooperation. The list of new requests and the project proposals will be shared with the respective recipient and donor focal points at least 30 days in advance of each meeting to allow adequate time for preparation.

12. The duration of the meeting will be one day and will have the following format:

(a) Morning session: The UNCTAD secretariat, together with technical experts from the respective divisions, will present the list of requests and project proposals or set of

project proposals. Representatives of recipients will have the opportunity to elaborate on specific needs in relation to their technical assistance requests.

(b) Afternoon session: Interactive question-and-answer sessions will be dedicated to specific projects, overall programmes and strategies for the formulation of joint programmes and the way forward. Lessons learned and modalities from similar meetings of other United Nations entities will be taken into account in the design and structure of the meetings. The role of UNCTAD will mainly consist of bundling the requests received to streamline the presentation, providing a meeting place to exchange information and acting as a mediator and matchmaker between beneficiaries, donors, UNCTAD divisions and other international stakeholders.

13. Project proposals based on requests for technical cooperation, as contained in the online database of official requests,¹ will be sent to a list of donors every three months. The list of donors will be prepared each time on the basis of donors' established priorities and funding cycles and agreed upon with the requesting member States.

14. The selection of requests will be made by UNCTAD senior management based on the priorities of the Governments of recipient countries, as set out in United Nations Development Assistance Frameworks. Selection criteria will include: (a) the number of requests received regarding specific *UNCTAD Toolbox* programmes; (b) the scope of the requested programmes (length, in years/estimated budget); (c) country ownership (levels of co-funding provided by the requesting country); and (d) potential for inclusion in joint programmes with other United Nations organizations. Thematic and geographic focuses of past selections will be taken into account at every selection round to ensure broad coverage of different programmes and/or regions over time.

15. The UNCTAD secretariat envisages two different modalities for the donor–recipient coordination meetings, which are not mutually exclusive (i.e. depending on the nature of the requests received, a combination of both modalities is possible).

Modality 1: Donor–recipient coordination meeting for one or several specific technical cooperation products

16. Currently, UNCTAD has 28 technical cooperation products. Meetings will be organized for those products that have large numbers of requests and that register an important funding gap. Priorities will be set by UNCTAD senior management as described in paragraph 14 above, which will ensure that all technical cooperation products are given due attention and given an opportunity to raise funds. In organizing the meeting, UNCTAD will:

(a) Prepare a list of requests, including the requesting country, requesting date and estimated budget.

(b) Prepare a concept note at the programme or project level, depending on the homogeneity of the programmes/projects. The UNCTAD secretariat will ensure that concept notes are aligned with UNCTAD mandates and bundle requests accordingly to present them under an overarching framework to facilitate information exchange and discussions.

(c) Showcase results and impact of the programme. One or two past beneficiaries of the programme will be invited to report on the results and impact of relevant interventions in their countries.

(d) In collaboration with the donor facilitator, prepare a list of potential donors to be invited to the meeting. As the main purpose of the meeting is the exchange of information with potential pledges happening as a follow-up to the meetings, there will be no expectation of formulating/receiving on-the-spot pledges. Ideally, high-level representatives from the respective capitals as well as technical experts will participate in the meeting, together with other United Nations institutions and international stakeholders.

¹ See also chapter VI of the present document.

(e) Provide a videoconference system to connect capitals of requesting member States and donors not able to be physically present at the meeting.

Modality 2: Donors round table for a beneficiary/geographic region

17. Meetings will be organized for those recipient regions that have a large number of requests and that record an important funding gap. Priorities will be set by UNCTAD senior management. In organizing the meeting, UNCTAD will:

(a) Prepare a list of requests, including thematic area and programmes, requesting date and estimated budget.

(b) Prepare concept notes at the programme or project level, depending on the homogeneity and geographical distribution of the programmes/projects. The UNCTAD secretariat will ensure that concept notes are aligned with UNCTAD strategic priorities.

(c) Showcase results and the impact of programmes requested. Representatives of the respective regions will be invited to present links to national and regional development plans. Other beneficiaries could be invited to share their experiences.

(d) In collaboration with the donor facilitator, prepare a list of potential donors to be invited to the meeting.

(e) Provide a videoconference system to connect capitals of requesting member States and donors not able to be physically present at the meeting.

Other considerations

18. The modality for each meeting will be proposed by the UNCTAD secretariat and approved by member States at the previous meeting. Modality 1 will be the preferred option, as it covers more requesting member States. The first donor–recipient coordination meeting will follow the format of modality 1 and would be expected to take place in 2018.

19. Given resource constraints, no interpretation can be guaranteed for these meetings, but will be made available if possible and reasonable for certain geographic regions. Otherwise the language of the meeting will be English.

IV. Follow-up on expressions of interest by donors

20. The secretariat will follow up on expressions of interest made by donors, as usual, by preparing (a) a full-fledged project document, based on the request and/or project proposal and in close consultation with the requesting member State and (b) the corresponding agreement to be signed with the donor, in consultation with the donor. The UNCTAD secretariat will coordinate fundraising strategies with the respective divisions in order to minimize multiple channels of communication between UNCTAD and stakeholders. In addition, available resources permitting, UNCTAD will consider nominating UNCTAD donor focal points to perform desk research on donor priorities and funding cycles as well as provide more proactive interaction with donor countries.

V. Periodic review of UNCTAD technical cooperation programmes and results of the Mechanism

21. The UNCTAD secretariat will organize a high-level event dedicated to resource mobilization for UNCTAD technical cooperation. The main purpose of the event will be to have detailed presentations of UNCTAD technical assistance programmes to and with the participation of capital-based representatives of donor and recipient countries. It will also aim at discussing achievements in UNCTAD technical cooperation activities and what could be delivered in the medium term with the support of donors. This will be an opportunity to showcase the impact of UNCTAD technical cooperation activities through the presentation of experiences by beneficiary countries and feedback from donors. It will provide a platform to discuss how to enhance existing partnerships and explore new ways to mobilize funds,

including through public–private partnerships, as well as to review the functioning and results of the Mechanism.

22. The event will be convened every four years, as a side event or back-to-back with the Trade and Development Board, in between UNCTAD ministerial conferences and announced in advance to give stakeholders enough time for preparation.

VI. Online database of requests

23. UNCTAD provides online access to a database comprising all requests for technical cooperation received from member States since 1 January 2013. The database is available at <http://unctad.org/projects/tc/en/Pages/Requests.aspx>.

24. The UNCTAD Technical Cooperation Section is responsible for the maintenance and update of the database on a quarterly basis. Through the database, donor and recipient countries have a comprehensive overview of the number of official requests, the identification of member States and ministries requesting assistance, the thematic areas and programmes requested and the funding needs. The database is a work in progress. Official requests, which must include a formal letter addressed to the Secretary-General/Deputy Secretary-General, the Technical Cooperation Section or a division director will undergo a clearance process by the UNCTAD secretariat and then be published on the request database. In addition, concrete steps will be taken to include more detailed information of the requests (including scanned copies of the letters of requests), increase visibility on the UNCTAD website, expand on features for searching, filtering and automatic notifications for requests and update the database, in consultation with requesting member States. The online database will serve as a basis for the Mechanism's functioning and will display all official requests for technical cooperation received by the UNCTAD secretariat. Thus, it will serve as an additional and broader source of information for all requests not specifically presented at the respective donor-beneficiary meetings mentioned under chapter III.

VII. Results-based management

25. The UNCTAD minimum requirements for results-based management launched on 1 July 2016 supports and facilitates the collection of information on results of technical cooperation activities. This will provide for improved reporting on results and impact and will feed into: (a) the UNCTAD annual report; (b) report of the United Nations Secretary-General to the General Assembly and (c) annual UNCTAD reporting to donors.

26. All projects funded through the Mechanism will have to comply with the 10 minimum requirements for results-based management, as laid out by the UNCTAD results-based management framework for technical cooperation, available at <http://unctad.org/meetings/en/Miscellaneous%20Documents/MinimumRequirementsRMB.pdf>.

VIII. Budget

27. The cost of establishment and operation of the Mechanism will be covered by UNCTAD existing resources. The Mechanism will not divert resources that could be used for substantive meetings. It will draw mainly from existing resources in the Technical Cooperation Section and will involve staff time that will be used for the bundling of requests and preparation of meetings. It is expected that ad hoc fundraising activities performed by the Technical Cooperation Section in the past will be streamlined with the new Mechanism.

IX. Contact for information

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