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Review of the technical cooperation activities of UNCTAD and their financing

Summary

In 2022, UNCTAD technical cooperation continued on a strong path, particularly in terms of the implementation of activities. Inflows of extrabudgetary resources decreased from the historic high in 2021, yet overall expenditures reached a new high, following the high in 2021. Total expenditures increased significantly by another 16 per cent, to reach an all-time high of \$54.5 million. Expenditures under “Delivering as one” funding mechanisms reached \$5.4 million, nearly nine times the amount in 2021 under this category.

After the historic high in voluntary funding to trust funds in 2021, at \$51.2 million, there was a decrease in 2022, to \$41.5 million. This was to be expected, as 2021 was an exceptional year in terms of voluntary funding. The 2022 figure matches the average over the last five years. Support for UNCTAD technical cooperation under three major categories of funding sources, namely, developed economies, developing economies and the European Union, was reduced in 2022 and, under the category of the United Nations system and other international organizations, contributions increased by 22 per cent.

In the context of the reform of the United Nations development system, UNCTAD organized several briefing sessions, held a dedicated training session on a new way of delivering technical cooperation and provided practical guidance and advice to project officers. UNCTAD has participated in an increased number of common country analysis and United Nations sustainable development cooperation frameworks by offering UNCTAD expertise on trade, investment, finance, technology and related development issues. In addition, UNCTAD has continued to make efforts to further enhance interdivisional and inter-agency cooperation, integrate human rights and environmental aspects in technical cooperation activities and strengthen results-based management.

I. Introduction

1. This report has been prepared to facilitate the annual policy review of the technical cooperation activities of UNCTAD by the Trade and Development Board. The report will be submitted to the Working Party on the Programme Plan and Programme Performance for its review of the technical cooperation activities of UNCTAD, in line with the provisions set out in paragraph 220 of the Accra Accord and in a series of decisions taken by the Board from 2008 to 2022. Through these decisions, the Board recommends more structured interaction between the secretariat, potential beneficiaries and donors, to be carried out within the framework of the Working Party, which is the main mechanism for consultations among member States on all technical cooperation issues.

2. An overview is provided in this report of the technical cooperation activities of UNCTAD and their financing in 2022. The main trends in the funding and delivery of such cooperation are analysed and the key actions taken by UNCTAD to improve the structure and functioning of technical cooperation are highlighted. Some good examples and lessons learned are also shared. Finally, conclusions and suggestions for the way forward are provided.

3. Within the United Nations Sustainable Development Group, UNCTAD continued to advocate the inclusion of non-resident agencies in the United Nations sustainable development cooperation frameworks at the country level, as well as for increased emphasis on United Nations assistance in trade and related areas.

II. Funding sources

4. UNCTAD technical cooperation activities are financed through the following two main sources:

(a) Funding for trust funds, which refers to the financial resources provided for UNCTAD trust funds by individual Governments, the European Union, the United Nations system and other international organizations and the private and public sectors;

(b) The United Nations regular programme of technical cooperation and the Development Account.

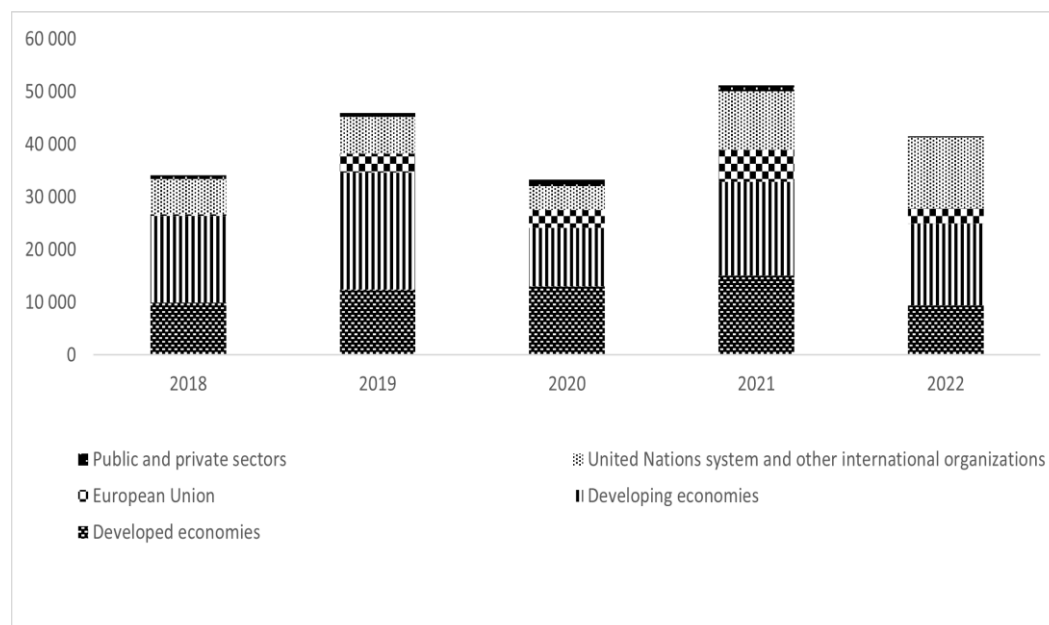
5. Contributions received under the “Delivering as one” initiative to support joint programmes of the United Nations Inter-Agency Cluster on Trade and Productive Capacity are included in the aggregate funding for trust funds. In view of the importance of the Inter-Agency Cluster in repositioning the United Nations development system to better support the 2030 Agenda for Sustainable Development, UNCTAD access to “Delivering as one” funding mechanisms is reported on in chapter I, section C. Contributions to the Junior Professional Officer Programme of the United Nations are not included in UNCTAD trust fund resources and are reported on separately in chapter I, section D.

A. Trust fund resources

6. After the historic high in voluntary funding to trust funds in 2021, at \$51.2 million, there was a decrease in 2022, to \$41.5 million. This was to be expected, as 2021 was an exceptional year in terms of voluntary funding. The 2022 figure matches the average over the last five years (figure 1). Support for UNCTAD technical cooperation under three major categories of funding sources, namely, developed economies, developing economies and the European Union, was reduced in 2022 and,

under the category of the United Nations system and other international organizations, contributions increased by 22 per cent.¹

Figure 1
Origins of UNCTAD trust fund resources
(Thousands of dollars)



Source: UNCTAD.

Notes: Total excludes contributions to the United Nations Junior Professional Officers Programme. A major part of funding from developing economies is self-financing, which may be derived, for example, from proceeds of loans or grants from international financial institutions for activities in the countries that provided funding (see TD/B/WP/325/Add.2, table 15). Contributions from developed and developing economies for the period 2018–2020 have been revised according to the new classification.

7. Contributions of developed economies to UNCTAD trust funds decreased from \$15.1 million in 2021 to \$9.4 million in 2022, representing 23 per cent of overall voluntary funding. Switzerland, Germany, the United Kingdom of Great Britain and Northern Ireland and the Kingdom of the Netherlands were the top four developed country contributors in 2022, with Germany and Switzerland each contributing \$2.9 million to UNCTAD technical cooperation. Together, the contributions from these four countries accounted for 78 per cent of the total contributions of developed economies to UNCTAD.

8. With regard to total contributions accumulated over the last five years, Germany, Switzerland and the Kingdom of the Netherlands continued to be by far the three largest developed country donors, with the contributions of each ranging from \$10 million to almost \$16 million (figure 2). They were followed by New Zealand, which registered accumulated contributions of \$4.8 million. In 2022, contributions from developed economies were mainly directed towards technical cooperation

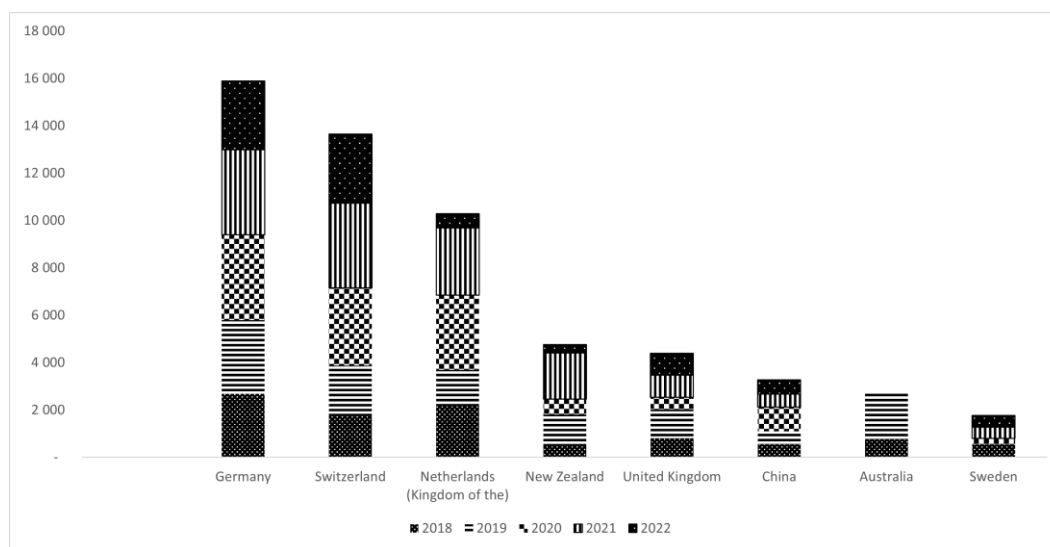
¹ The classification of economies by development status is intended for statistical convenience and does not express a judgement about the stage reached by a particular country or an area in the development process. Since December 2021, the United Nations Statistics Division no longer maintains the categorization of developing and developed regions in the standard country or area codes for statistical use (M49 standard), but the categorization can continue to be applied. In the classification applied by UNCTAD, the Republic of Korea is part of the developed country group (as recorded at the sixty-eighth session of the Trade and Development Board of UNCTAD (see TD/B/68/3); for more information, see UNCTADstat database, classifications.

products such as the Automated System for Customs Data (ASYCUDA), business facilitation, the Debt Management and Financial Analysis System (DMFAS), e-commerce and the digital economy, investment and public health, non-tariff measures, sustainable trade and the environment, trade facilitation and the Train for Trade programme.

Figure 2

Accumulated contributions by major developed and developing country contributors

(Thousands of dollars)



Source: UNCTAD.

9. Funding from developing economies also decreased, from \$17.8 million in 2021 to \$15.5 million in 2022, down \$2.3 million or by 13 per cent. However, due to the fact that the decrease under other categories was more pronounced, the share of developing economies in total trust fund resources rose from 35 per cent in 2021 to 37 per cent in 2022. It is noteworthy that 95 per cent of funding from developing economies was allocated to activities in their respective economies, mainly to implement the ASYCUDA (82 per cent) and DMFAS (7 per cent) programmes. These figures varied only slightly in comparison with those in 2021. Five per cent of developing country funding (\$0.84 million) was aimed at supporting UNCTAD technical cooperation to benefit other developing economies. Within this category, China remained the largest contributor.

10. Contributions from the European Union decreased by 52 per cent, from a high of \$6.1 million in 2021 to \$2.9 million in 2022, an amount in line with pre-2021 levels. The exceptional high in 2021 was mainly due to a multi-year contribution to the DMFAS trust fund. The share of the European Union in total trust fund resources also decreased, from 12 per cent in 2021 to 7 per cent in 2022. The contributions were mainly directed to supporting the European Union–UNCTAD Joint Programme for Angola; strengthening debt management capacity in developing countries; facilitating business in Cameroon; and strengthening customs management in the Central African Republic. Together, the European Union and its member States contributed \$7.7 million to UNCTAD in 2022, accounting for 19 per cent of total UNCTAD trust fund resources.

11. Contributions from the United Nations system and other international organizations, after the strong rebound of 146 per cent in 2021, increased further, from \$11 million in 2021 to \$13.5 million in 2022, representing a share of 32 per cent of total UNCTAD trust fund resources. Within the category, the African Development Bank, the Common Market for Eastern and Southern Africa, the United Nations Development Programme (UNDP), the UNDP Multi-Partner Trust Fund Office, the United Nations Office for Project Services and the World Bank were the largest

contributors in 2022, each contributing between \$1 and \$3 million to UNCTAD trust funds.

12. In 2022, funding from the private and public sectors amounted to \$189,204, a significant drop, by 84 per cent, in comparison with in 2021. These contributions have supported several projects, including a project on non-tariff measures data updates for selected Asia-Pacific Economic Cooperation economies funded by the National Graduate Institute for Policy Studies of Japan; and a Crop Watch Innovative Cooperation Programme funded by the Aerospace Information Research Institute, Academy of Sciences, China.

B. United Nations regular programme of technical cooperation and the Development Account

13. United Nations regular budget resources for technical cooperation activities are provided under the United Nations regular programme of technical cooperation and the Development Account, that is, sections 23 and 35, respectively, of the United Nations programme budget. In 2022, expenditures under the regular programme of technical cooperation and the Development Account amounted to \$4.8 million, dropping by 28 per cent from the peak in 2021. Accordingly, their share of total technical cooperation expenditures decreased from 14 per cent in 2021 to 9 per cent in 2022.

14. Expenditures under the regular programme of technical cooperation, used mainly for advisory services and training, totalled \$1.7 million in 2022, 5 per cent less than in 2021, yet 17 per cent higher than in 2020. As in the past, training-related resources under the regular programme of technical cooperation were mainly used to finance the UNCTAD course on key issues on the international economic agenda, known as paragraph 166 courses. In 2022, three regional courses and six short courses for Geneva-based delegates were successfully delivered.

15. Established in 1997, the Development Account is an important funding mechanism in support of capacity development projects delivered by 10 economic and social entities of the United Nations Secretariat, including UNCTAD. It catalyses the normative and analytical expertise of the entities, most of which are non-resident entities, to assist developing countries in implementing the 2030 Agenda. In 2022, expenditures under 20 Development Account projects reached \$3.1 million, 37 per cent less than in 2021.² This was partly due to the end of some projects, including four short-term joint pandemic response projects that ended in June 2022. However, compared with in 2020, expenditures in 2022 were 31 per cent higher.

16. Under the new 16th tranche of the Development Account, five UNCTAD projects with a total budget of \$3.8 million were endorsed for funding by the Development Account Steering Committee. Two of the projects, to be partly funded under the 16th tranche, are expected to be launched in the second half of 2023 and are aimed at assisting beneficiary countries in addressing the socioeconomic aftermath of the triple crisis in food, energy and finance, with one project focused on building sustainable and resilient food supply chains through improved trade policy and transport and logistics and the other project focused on attracting finance and investment for the clean energy transition. The other three projects cover different areas of the work of UNCTAD, including establishing data infrastructure to improve evidence-based policymaking through services; strengthening sustainability reporting to foster sustainable finance and investment; and enhancing regional integration and industrial policy for transformational and resilience-related change. The implementation of these three projects is expected to start in 2024 after the approval of the Development Account budget by the General Assembly.

² See TD/B/WP/325/Add.2, table 11.

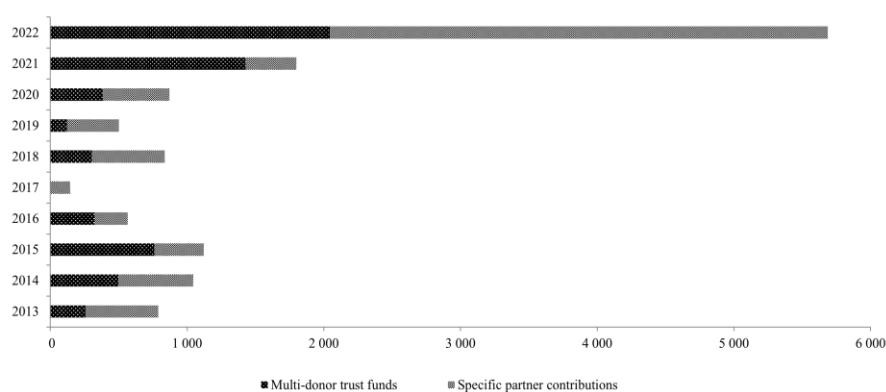
C. Specific partner contributions and multi-donor trust funds to support joint programmes of the United Nations Inter-Agency Cluster on Trade and Productive Capacity

17. Led by UNCTAD, with the participation of 15 resident and non-resident United Nations agencies, the Inter-Agency Cluster is an inter-agency mechanism dedicated to the coordination of trade and development operations at the country level. The Inter-Agency Cluster makes a concrete and direct contribution to the reform of the United Nations development system by coordinating inter-agency operations in identified countries and by accessing innovative financing mechanisms such as specific partner contributions and multi-donor trust funds.

18. In 2022, UNCTAD access to “Delivering as one” funding mechanisms such as specific partner contributions and multi-donor trust funds continued to rise significantly, reaching a new record high of \$5.7 million, more than triple the amount in 2021 (figure 3). This confirms the importance of these funding mechanisms in supporting the reform of the United Nations development system, to effectively deliver on the 2030 Agenda.

Figure 3
UNCTAD access to “Delivering as one” funding mechanisms

(Thousands of dollars)



Source: UNCTAD.

1. Specific partner contributions

19. Specific partner contributions are direct contributions to one or more agencies given by one or more donors to support inter-agency operations. In 2022, UNCTAD received contributions amounting to \$3.6 million. This included several contributions made by other Inter-Agency Cluster agencies through United Nations-to-United Nations transfer agreements, in particular \$3 million from UNDP to implement projects in Afghanistan on customs and other contributions from the Economic Commission for Africa and the Food and Agriculture Organization of the United Nations on trade facilitation and from the Economic and Social Commission for Asia and the Pacific on maritime transport in small island developing States. An allocation of \$0.23 million from the State Secretariat for Economic Affairs of Switzerland was received to finalize an inter-agency initiative on trade in Myanmar.

2. Multi-donor trust funds

20. Multi-donor trust funds are pooled funding mechanisms managed by the UNDP Multi-Partner Trust Fund Office with a structure that involves the representatives of the United Nations system, national Governments and donors. In 2022, UNCTAD access to these funds continued to trend upwards, exceeding, for the first time, the threshold of \$2 million. This included \$0.99 million from UNCTAD

participation in the special trust fund for Afghanistan, on trade facilitation; \$0.48 million to support a project in the Pacific, on e-commerce and the digital economy; and \$0.53 million from the Joint Sustainable Development Fund, which included four allocations totalling \$0.43 million that resulted from UNCTAD participation in the 2022 Joint Sustainable Development Fund emergency modalities to address the triple crisis in food, energy and finance in Afghanistan, Barbados, Haiti and Lesotho.

D. Financing of junior professional officers

21. In addition to the funding sources mentioned above, some donors support the junior professional officers programme of UNCTAD, carried out under the Junior Professional Officer Programme of the United Nations.

22. In 2022, the number of junior professional officers working at UNCTAD rose to eight, compared with five in 2021, in five UNCTAD divisions.³ Five countries contributed to the UNCTAD junior professional officers programme, namely, China, Germany, Italy, Saudi Arabia and the United Kingdom. Germany, Italy and Saudi Arabia each sponsored two officers and China and the United Kingdom sponsored one officer each. The United Kingdom rejoined the junior professional officers programme in 2022, sponsoring the first officer since 2016, in the E-Commerce and the Digital Economy Branch of the Division on Technology and Logistics.

23. The junior professional officers programme offers a unique opportunity for young professionals to participate in the analytical and operational work of UNCTAD. For many of them, the training received at UNCTAD have been a springboard to their subsequent career development. The demand by the UNCTAD secretariat for junior professional officers far exceeds the supply. The secretariat therefore reiterates the request for donors in a position to do so to consider sponsoring junior professional officers, particularly those from developing countries.

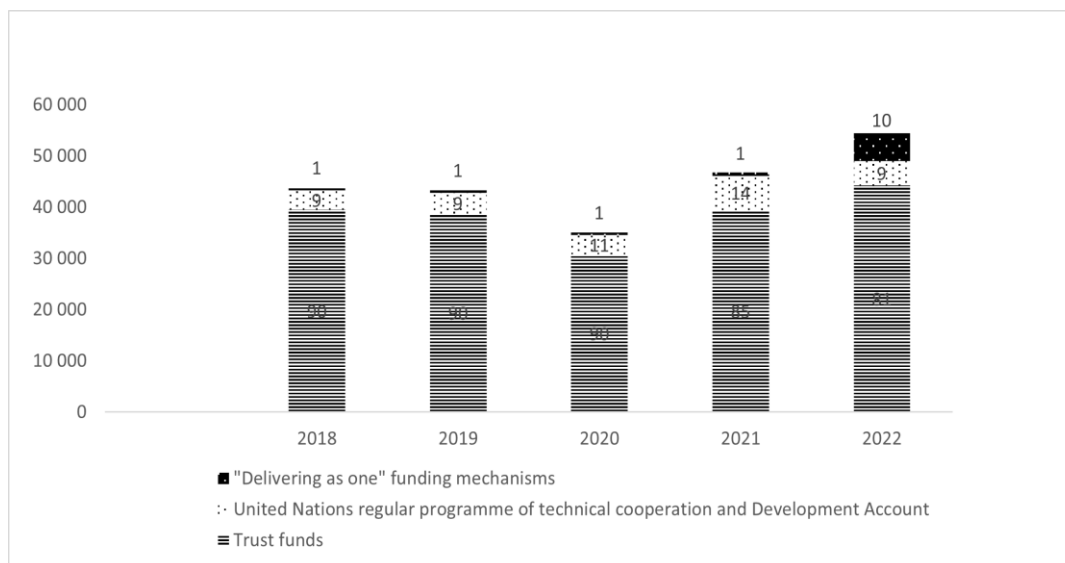
III. Expenditures and allocation of technical cooperation resources

24. In 2022, the delivery of UNCTAD technical cooperation activities was further enhanced, as reflected in the significant increase of technical cooperation expenditures by 16 per cent, from \$46.8 million in 2021 to a new record high of \$54.5 million.⁴ Expenditures under trust funds rose by 12 per cent, to \$44.3 million, representing 81 per cent of total expenditures in 2022. Expenditures under “Delivering as one” funding mechanisms reached \$5.4 million, nearly nine times the amount in 2021 under this category. The corresponding share of total expenditures increased accordingly, to 10 per cent. After reaching an exceptionally high level in 2021, expenditures under the United Nations regular programme of technical cooperation and the Development Account returned to \$4.8 million, yet this was 23 per cent higher than the five-year average in 2016–2020. Accordingly, the corresponding share of total expenditures fell from 14 per cent in 2021 to 9 per cent in 2022 (figure 4).

³ See TD/B/WP/325/Add.2, table 9.

⁴ See TD/B/WP/325/Add.2, table 2.

Figure 4
Technical cooperation expenditures, by funding source
 (Thousands of dollars and percentage)

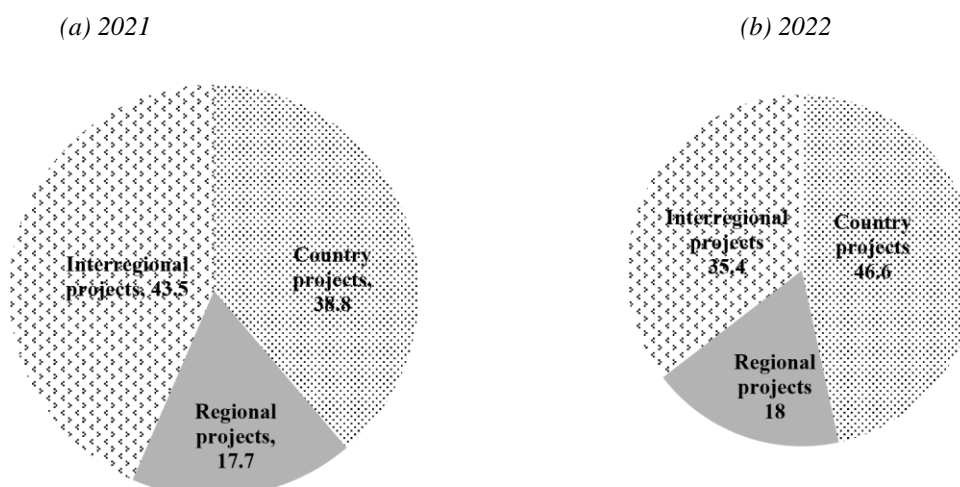


Source: UNCTAD.

A. Expenditures by type of project

25. UNCTAD technical cooperation projects are delivered at the interregional, regional and country levels. In 2022, expenditures under regional and country projects registered a significant increase; expenditures under interregional projects decreased slightly. In terms of share of total technical cooperation expenditures, the share of country projects increased from 38.8 per cent in 2021 to 46.6 per cent in 2022 and the share of interregional projects decreased from 43.5 to 35.4 per cent; the share of regional projects remained stable, at 18 per cent in 2022 (figure 5).

Figure 5
Project expenditures as share of total technical cooperation expenditures, by type of project
 (Percentage)



Source: UNCTAD.

26. In 2022, expenditures under country projects increased by 40 per cent, to \$25.4 million. Most country projects were self-financed, including resources made available by donors from bilateral aid programmes, focusing on customs modernization and reform, and debt management. In 2022, \$14.3 million, or 56 per cent of expenditures under country projects, contributed to the implementation of 61 projects in the least developed countries.

27. In 2022, expenditures under regional projects rose by 19 per cent, to \$9.8 million, largely due to increased expenditures for regional projects in Asia and Oceania (73 per cent more), while expenditures for regional projects in Africa and Latin America and the Caribbean decreased.

28. Interregional projects are thematic projects that could benefit more than one geographic region. In 2022, partly due to the end of pandemic response projects under the Development Account, which covered different regions, expenditures under this category decreased by 5 per cent, to \$19.3 million. Expenditures under interregional projects have contributed to the delivery of a variety of technical cooperation products.

B. Expenditures by product

29. In 2022, expenditures under the 28 technical cooperation products of UNCTAD reached \$48.5 million, accounting for 89 per cent of annual technical cooperation delivery (see table). ASYCUDA remained by far the largest technical cooperation product, representing 44 per cent of total technical cooperation expenditures. The programme was followed by DMFAS and e-commerce and the digital economy, representing 11 and 10 per cent of total delivery, respectively. Business facilitation, trade facilitation, sustainable trade and the environment and non-tariff measures, combined, represented 14 per cent of total delivery. Five products each accounted for expenditures at 1–2 per cent of total delivery. The remaining 16 products accounted for less than 1 per cent each of total delivery. In value terms, total expenditures under the 28 products increased by 17 per cent from 2021 to 2022. The top three technical cooperation products all strengthened delivery, with increased expenditures as follows: ASYCUDA, by 29 per cent; DMFAS, by 6 per cent; and e-commerce and the digital economy, by 48 per cent.

Technical cooperation expenditures in 2022, by theme and product

<i>Product</i>	<i>Sustainable Development Goals</i>	<i>Expenditures, 2022 (Thousands of dollars)</i>	<i>Share of total (Percentage)</i>
Transforming economies, fostering sustainable development			
Investment policy reviews	8, 17	80	0.15
Services policy reviews	8, 9, 17	0.4	0.00
Trade policy framework reviews	17	114	0.21
Science, technology and innovation policy reviews	9	17	0.03
E-commerce and the digital economy	8, 9, 17	5 451	10.00
Investment guides	9, 17	0.0	0.00
Non-tariff measures	3, 8, 17	1 154	2.12
Trade negotiations and the international trading system	10, 17	255	0.47
Sustainable trade and the environment	12, 13, 14, 15	1 394	2.56
Investment promotion and facilitation	9, 17	149	0.27
Tackling vulnerabilities, building resilience			

<i>Product</i>	<i>Sustainable Development Goals</i>	<i>Expenditures, 2022 (Thousands of dollars)</i>	<i>Share of total (Percentage)</i>
Support to graduation from least developed country status	8	27	0.05
DMFAS – Debt Management and Financial Analysis System	17	6 038	11.08
UNCTAD contribution to the Enhanced Integrated Framework	9, 17	590	1.08
Market access, rules of origin and geographical indications for the least developed countries	8, 10, 17	16	0.03
Breaking the chains of commodity dependence	8, 9	58	0.11
Sustainable and resilient transport and logistic services	8, 9, 13, 14	449	0.82
Fostering economic efficiency, improving governance			
Voluntary peer reviews of competition and consumer protection law and policy	8, 10	31	0.06
Competition and consumer protection policies and frameworks	8, 9, 10, 12, 17	886	1.63
Business facilitation	8, 16	3 153	5.79
Trade facilitation	10, 16	1 675	3.07
ASYCUDA – Automated System for Customs Data	9, 15, 17	23 789	43.66
Statistics	17	741	1.36
Enabling accounting and reporting on the private's sector contribution to implementation of the Sustainable Development Goals	12, 17	284	0.52
Investment and public health	3, 9	121	0.22
International investment agreements	17	171	0.31
Empowering people, investing in their future			
Trade, gender and development	5, 8	307	0.56
Entrepreneurship for sustainable development	4, 8	558	1.02
Train for Trade	8, 9, 14, 17	1 040	1.91
		48 548	89.10

Source: UNCTAD.

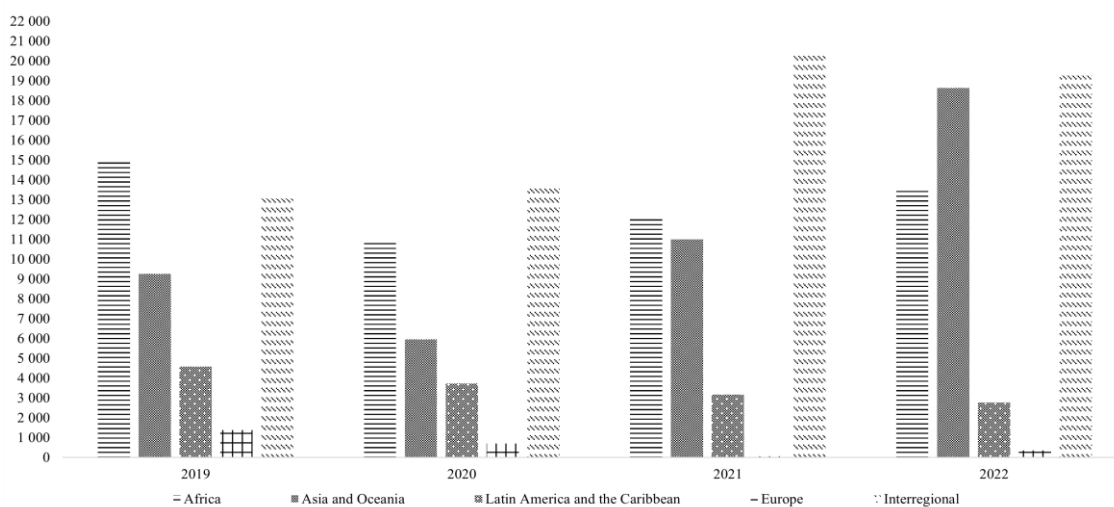
30. Measured by expenditures, UNCTAD technical cooperation is particularly relevant to achieving four Sustainable Development Goals, namely Goal 8 on promoting economic growth and productive employment and decent work; Goal 9 on building infrastructure, promoting industry and fostering innovation; Goal 15 on protecting, restoring and promoting life on land; and Goal 17 on the Global Partnership for Sustainable Development. In 2022, an estimated \$19.5 million or 36 per cent of total expenditures directly contributed towards achieving Goal 17; \$11.3 million or 21 per cent of total expenditures contributed towards achieving Goal 9; 15 per cent contributed towards achieving Goal 15; and 10 per cent contributed towards achieving Goal 8.⁵

⁵ See TD/B/WP/325/Add.2, table 5.

C. Expenditures by region

31. In 2022, expenditures under regional and country projects amounted to \$35.2 million, representing 64.6 per cent of total expenditures. Of such expenditures, \$13.5 million was spent in Africa, 11 per cent higher than in 2021, accounting for 25 per cent of total technical cooperation expenditures in 2022, close to the level of 26 per cent in 2021 (figures 6 and 7). The increase in expenditures in the region covers many technical cooperation products, particularly DMFAS, under which expenditures more than tripled in the region compared with in 2021.

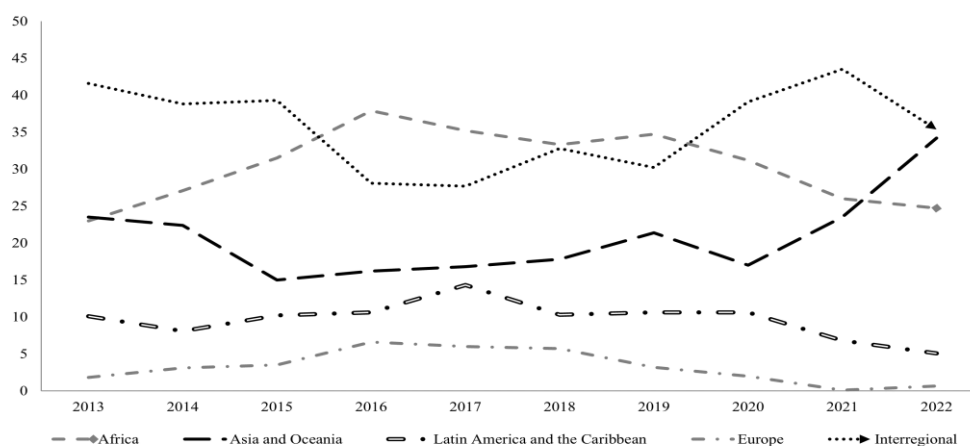
Figure 6
Technical cooperation expenditures, by region, for regional and country projects
 (Thousands of dollars)



Source: UNCTAD.

Note: No expenditures were recorded in North America in 2022.

Figure 7
Share of total annual technical cooperation expenditures, by region
 (Percentage)



Source: UNCTAD.

Note: Only expenditures for regional and country projects are considered and the share of North America is not reflected since no expenditures were recorded in 2022.

32. Expenditures on regional and country projects in Asia and Oceania, following a significant increase in 2021, further expanded by 69 per cent, to \$18.6 million in 2022. The corresponding share in total expenditures rose from 24 per cent in 2021 to 34 per cent in 2022. Expenditures increased under many products in the region, in particular, expenditures under ASYCUDA rose significantly, from \$8.2 million in 2021 to \$14.5 million in 2022, and expenditures under e-commerce and the digital economy more than doubled.

33. Expenditures on regional and country projects in Latin America and the Caribbean were 13 per cent less than in 2021, at \$2.8 million in 2022. The corresponding share in total expenditures fell from 7 per cent in 2021 to 5 per cent in 2022. Increasing expenditures under ASYCUDA did not offset decreased expenditures under other products such as business facilitation, sustainable trade and the environment and investment promotion and facilitation.

34. Expenditures on regional and country projects in Europe were \$0.36 million in 2022, accounting for 0.7 per cent of total expenditures, mainly to implement ASYCUDA projects in the Republic of Moldova. In North America, no expenditures were recorded in 2022.

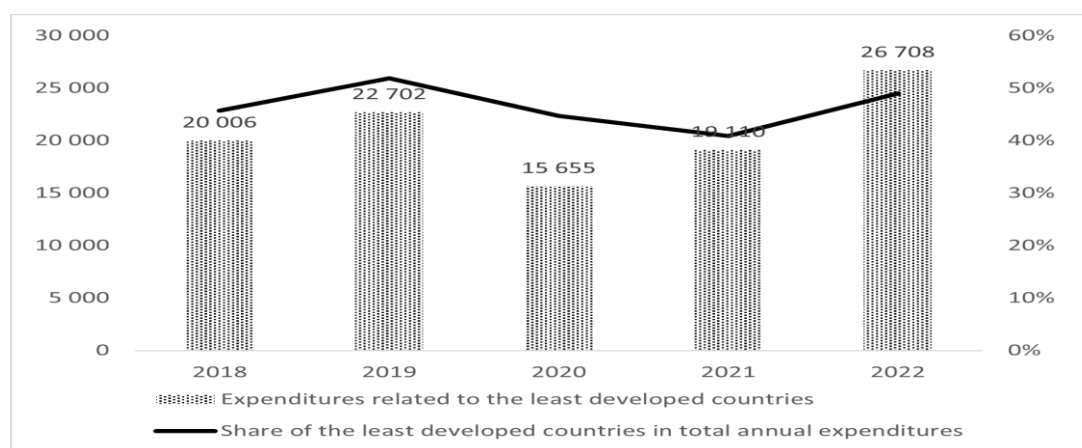
D. Expenditures in support of the least developed countries

35. The least developed countries remain a prioritized group of countries in UNCTAD technical cooperation. After recovering from the decline due to the pandemic in 2021, technical cooperation expenditures in support of the least developed countries continued on an upward trend, reaching a new record high of \$26.7 million in 2022, an increase of 40 per cent compared with in 2021. This accounted for about half of total technical cooperation delivery in 2022, up from 41 per cent in 2021 (figure 8). Of such expenditures, \$14.3 million or 54 per cent, were related to the implementation of country projects in the least developed countries, covering products such as ASYCUDA and DMFAS.

Figure 8

Technical cooperation expenditures in support of the least developed countries

(Thousands of dollars and percentage)



Source: UNCTAD.

36. In 2022, the Enhanced Integrated Framework, an important source of funding for the least developed countries, supported UNCTAD in implementing eight projects covering ASYCUDA and the areas of transit, transport and trade facilitation; trade and gender; market access; cotton by-products; and investment promotion. These projects helped build capacity in the least developed countries in various trade and development-related issues. For example, following training over a six-month period under a capacity-building programme for staff of investment promotion

agencies from the least developed countries, graduates of the programme have been engaged in promoting change in the agencies, to further focus investment promotion and facilitation on Sustainable Development Goals-related investment. In Malawi, for example, staff from the Investment and Trade Centre plan to set up a supplier orientation programme; to further engage with investors on responsible business practices when investing and operating in Malawi; and enhance contributions to achieving Goal 5 by further tracking the contribution of foreign direct investment to achieving gender equality.

37. In 2022, the multi-donor trust fund for the least developed countries only received a contribution from Portugal (\$10,661). Developed countries and other development partners in a position to do so are encouraged to make more contributions to the dedicated trust fund for the least developed countries, which is important for further scaling up training and capacity-building activities for the least developed countries.

IV. Structure and functioning

A. Follow-up to intergovernmental decisions

1. UNCTAD engagement in the reform of the United Nations development system

38. The achievement of the 2030 Agenda and the Sustainable Development Goals requires bold changes to the United Nations development system to offer “whole-of-system” support to Member States in efforts to pursue development paths. UNCTAD, as a non-resident specialized agency under the United Nations development pillar, has been actively engaged in the reform of the United Nations development system.

39. The resident coordinator system, the centrepiece of the reform, is key in the drive towards a more cohesive and invigorated United Nations development system, to achieve a common agenda. To guide United Nations operational activities towards the priority areas agreed upon by a Government, a resident coordinator leads the preparation of a common country analysis, which feeds into the United Nations sustainable development cooperation framework, a central instrument for planning and implementing United Nations development activities at the country level.

40. UNCTAD is aware of the challenges for non-resident agencies in participating in the reform and the imperative for a paradigm shift in the delivery of technical cooperation. Since 2008, UNCTAD has been coordinating trade and development-related technical cooperation at the country level through the United Nations Inter-Agency Cluster on Trade and Productive Capacity, supported by 15 United Nations agencies. This has provided UNCTAD with first-hand experience in “delivering as one” with regard to development assistance. Building on this pioneering experience, UNCTAD has taken actions on two fronts to enhance engagement in the reform. Internally, UNCTAD organized several briefing sessions on the reform, held a dedicated training session on a new way of delivering technical cooperation and provided practical guidance and advice to project officers. In addition, considering resource constraints, UNCTAD has established a list of countries to focus participation with regard to common country analyses and United Nations sustainable development cooperation frameworks. Externally, to provide resident coordinator offices with a better understanding of UNCTAD expertise in trade and development, the secretariat, in collaboration with the United Nations Development Coordination Office, prepared a package of documents outlining country engagement and the UNCTAD offer to the resident coordinator system, and also organized several webinars with resident coordinator offices to further explain the added value of UNCTAD technical cooperation. With these actions, UNCTAD hopes that resident coordinator offices and resident coordinators will advocate UNCTAD work at the country level, share opportunities for project collaboration and ensure a proactive flow of information from the field to UNCTAD.

41. The efforts of UNCTAD have resulted in improved engagement in the reform, as shown in three areas. First, UNCTAD has participated in an increased number of common country analyses and United Nations sustainable development cooperation frameworks, by offering UNCTAD expertise on trade, investment, finance, technology and related development issues; during the 2021–2022 biennium, UNCTAD participated in 19 common country analyses and 28 United Nations sustainable development cooperation frameworks, compared with 10 and 14, respectively, in 2019–2020. Second, UNCTAD strengthened access to multi-donor trust fund resources available at the country level; in 2021–2022, UNCTAD received allocations of \$3.5 million, nearly seven times the amount received in 2019–2020. Third, collaboration with the resident coordinator system has been enhanced in the design and implementation of UNCTAD technical cooperation projects, whereby projects have increasingly included resident coordinator offices as project partners and projects have been aligned with United Nations sustainable development cooperation frameworks. During implementation, partnership with resident coordinator offices has allowed UNCTAD to better understand country situations, access stakeholder networks, identify synergies with other initiatives on the ground and contribute to the results of the frameworks. Examples of the enhanced engagement of UNCTAD in the implementation of the reform are provided in the box.

Enhanced engagement of UNCTAD in the reform of the United Nations development system

In 2022, UNCTAD continued to strengthen collaboration with partner agencies from the United Nations Inter-Agency Cluster on Trade and Productive Capacity in United Nations sustainable development cooperation frameworks.

UNCTAD work on investment policy reviews benefited from close collaboration with resident coordinator offices and country teams, which contributed, in 2022, to the completion of the report on the implementation of the investment policy review of Tajikistan and of the investment policy review of Togo. Similarly, the work on investment policy reviews supported the development of the new United Nations sustainable development cooperation frameworks. In Cabo Verde, investment policy review recommendations were highlighted as key in national economic recovery and development.

UNCTAD e-trade readiness assessments leveraged partnership with resident coordinator offices and country teams to conduct the assessments and implement recommendations. In Jordan, consultations to identify the high priority e-commerce-related actions drawn from the assessment involved several United Nations entities, including the Economic and Social Commission for Western Asia, the International Trade Centre and the United Nations Industrial Development Organization. In Mongolia, the assessment benefited from collaboration with the resident coordinator office, which facilitated synergies at the implementation stage. In Tunisia, UNCTAD has been convening, in collaboration with the resident coordinator office and country team, on work to identify the support needed for the implementation of priority actions detailed in the assessment.

In Costa Rica, during implementation of a Development Account project on the oceans economy and trade strategies, close collaboration was established between UNCTAD and the resident coordinator office. Due to this partnership, UNCTAD deepened its cooperation with the country team, in particular, the United Nations Development Programme, which contributed inputs to the project report. UNCTAD also actively participated in the reporting exercises carried out in the context of the United Nations sustainable development cooperation framework.

Source: UNCTAD.

42. UNCTAD is committed to implementing the reform of the United Nations development system. Despite resource constraints and a lack of country representatives, UNCTAD will continue to enhance its contribution to the reform through a series of actions, including updating, as needed, the list of priority countries for common country analysis and United Nations sustainable development cooperation frameworks, to maximize the impact of UNCTAD work; gradually establishing country focal points, particularly in countries with multiple UNCTAD interventions, to coordinate UNCTAD response and facilitate communications with resident coordinator offices; continuing to advocate for the better inclusion of non-resident agencies in joint project proposals and resource mobilization efforts led by the resident coordinator office at the country level; and organizing tailored training sessions for project officers, to further enhance collaboration with resident coordinator offices and country teams and to advance the reform of the United Nations development system.

2. Synergies among the three pillars of the work of UNCTAD

43. The Nairobi Maafikiano states that the three pillars of consensus-building, research and analysis and technical cooperation remain of equal strategic importance and that further efforts are needed to increase their linkages and complementarity.⁶ The Bridgetown Covenant stresses that UNCTAD should continue its work through the three pillars, building on the Nairobi Maafikiano and based on the policy analysis in the Bridgetown Covenant.⁷

44. In 2022, UNCTAD continued to foster synergies among the three pillars of its work. The design of technical cooperation projects often draws on work under the other two pillars and the delivery of technical cooperation projects, in return, generates valuable inputs to research and analysis and enriches deliberations during consensus-building activities. For example, the Pacific Digital Economy Programme, jointly implemented with UNDP and the United Nations Capital Development Fund, draws on activities under each of the pillars, namely *Digital Economy Report: Pacific Edition 2022*, a training course on measuring the digital economy in the Pacific and deliberations at sessions of the Intergovernmental Group of Experts on E-commerce and the Digital Economy and the working group on measuring e-commerce and the digital economy.

45. Under the international commercial transport and trade law component of the Development Account project on transport and trade connectivity in the age of pandemics, completed in June 2022, UNCTAD helped commercial parties and policymakers better understand the key legal implications of the pandemic for different types of commercial contracts and provided guidance and recommendations on contractual approaches to commercial risk allocation, as well as related considerations for policymakers. Drawing on insights gained as part of analytical work and training activities under the project, relevant recommendations and policy considerations informed expert deliberations at the ninth session of the Multi-Year Expert Meeting on Transport, Trade Logistics and Trade Facilitation and were reflected in *Review of Maritime Transport 2022*.

3. Interdivisional and inter-agency cooperation

46. Interdivisional and inter-agency cooperation is important, to reduce fragmentation, enhance synergies and maximize the impact of UNCTAD technical cooperation. With the enhanced engagement of UNCTAD in the reform of the United Nations development system, UNCTAD project teams are increasingly integrating internal and external partnerships in the design and implementation of technical cooperation projects, to better leverage expertise, mobilize resources and expand

⁶ See TD/519/Add.2, paragraph 92.

⁷ See TD/541/Add.2, paragraph 127.

networks in support of developing countries recovering better from economic shocks and public health crises and implementing the 2030 Agenda.

47. UNCTAD technical cooperation on statistics is one of the examples of successful interdivisional and inter-agency cooperation. At the Statistics Service, partnerships and cross-divisional collaboration are valued and promoted in project design and implementation. For example, the Service works internally with the Division for Africa, Least Developed Countries and Special Programmes and externally with the Economic Commission for Africa and the United Nations Office on Drugs and Crime to enhance the capacity of selected countries in Africa to measure and report illicit financial flows. In addition, the Service collaborates internally with the Trade, Gender and Development programme in the Division on International Trade and Commodities and externally with the Economic Commission for Africa and the Economic Commission for Europe to strengthen the capacity of selected regions to collate data and statistics for more gender-responsive trade policies. Under a new Development Account project, the Service will leverage the expertise of the Division on International Trade and Commodities on services trade policymaking and of the Division on Technology and Logistics on the e-learning methodology of the Train for Trade programme to support selected countries in the Caribbean Community in building up statistical, analytical and regulatory capacities to implement the regional strategic and implementation plan for services. Due to the joint efforts of partners, results have already been achieved. For example, in the area of illicit financial flows, the partnership has led to the development of globally agreed concepts and tested methods and to the publication of initial data under indicator 16.4.1, covering estimates of crime or trade-related illicit financial flows for 15 countries, as shared in the UNCTAD Sustainable Development Goals Pulse document.

48. In other areas of UNCTAD work, there are many projects featuring interdivisional and/or inter-agency collaboration. For example, the ASYCUDA Programme and the Trade Facilitation Section of the Division on Technology and Logistics work jointly with the Trade Analysis Branch of the Division on International Trade and Commodities to improve trade facilitation and border and customs procedures in 15 countries in the Pacific through a European Union-funded project on improving Pacific islands customs and trade. In addition, as part of a capacity development programme for investment promotion agencies in the least developed countries, the Division on Investment and Enterprise led the work in 2022 in close cooperation with the International Labour Organization, the United Nations Industrial Development Organization, the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and the World Association of Investment Promotion Agencies. By pooling the expertise of collaborating agencies, the programme has built capacity among officials of the least developed countries in channelling investment in Goals-related sectors. Partners expressed their appreciation for this collective work and cited it as an excellent example of inter-agency collaboration to support the least developed countries.

4. Requests from developing countries

49. According to data retrieved from the (internal) UNCTAD request database on 15 June 2023, in 2022, UNCTAD received 63 formal requests for technical cooperation from 36 countries and five regional and international organizations. Among these, there were 43 requests for which funding was required. In 2022, the three products that received the highest number of requests were competition and consumer protection policies and frameworks, investment policy reviews and e-commerce and the digital economy. Over five years (2018–2022), there were a total of 242 requests for which funding was required. Of these, the three products registering the highest number of requests with funding required were competition and consumer protection policies and frameworks, e-commerce and the digital economy and business facilitation.

50. To bridge the funding gap, UNCTAD has been exploring new funding sources while strengthening the relationship with existing donors. For example, UNCTAD work on e-commerce and the digital economy continued to generate considerable interest among donors in 2022. At end-2022, the core donor advisory board of the programme comprised four donors, namely, Germany, the Kingdom of the Netherlands, Sweden and Switzerland, each contributing over \$1 million in multi-year non-earmarked programmatic funding. New contributions were received from China and the European Bank for Reconstruction and Development, and the European Union joined Australia in the sponsorship of the Pacific Digital Economy Programme, committing EUR 8 million for the period 2023–2025.

51. The Trade, Gender and Development programme also has an expanded donor base. The success of capacity-building activities under the programme, including a teaching package comprising multiple modules and a series of online courses on trade and gender, has attracted a number of donors over the years. Activities began in 2015, mainly with the support of the Government of Finland, and have been supported by an increasing number of donors interested in expanding the portfolio of teaching resources and e-learning courses and in tailoring these to specific groupings. Donors to these activities have included, to date, in addition to the Government of Finland, the Common Market for Eastern and Southern Africa secretariat, the Enhanced Integrated Framework and Trade Mark East Africa.

5. Strengthening results-based management

52. To effectively implement the UNCTAD mandate in the Bridgetown Covenant, UNCTAD has been developing, since 2022, an overarching results framework covering the entire UNCTAD mandate, with member States provided an opportunity to comment on the framework. The next step in implementation involves all technical cooperation projects and programmes indicating their contributions to the relevant output and outcome indicators in the overarching results framework, in order to help further enhance the results orientation of UNCTAD operational activities.

53. In 2022, UNCTAD technical cooperation programmes continued to strengthen results-based management and emphasize monitoring and evaluation. For example, the DMFAS Programme applies comprehensive results-based management to its strategic planning and project implementation, including by clearly defining the objectives, results, measurable indicators and means of verification that will be used to monitor and evaluate progress; and by defining the assumptions that represent the prerequisites for the achievement of the expected results and the associated risks. Where applicable, baselines are used to benchmark progress over time.

54. The Train for Trade programme has customized its registration and online learning platform to cater for a higher number of participants and to capture real-time statistics of events and link them to results-based management indicators under the programme. The upgraded platform serves as a tool for deeper analysis at the national and regional levels, providing benchmarks and comparative ratios over time. In the area of e-commerce, the programme conducted follow-up surveys of participants of capacity-building activities, to assess learning and behaviour six months after the end of activities. The programme also endeavoured to better monitor the uptake of its research and analysis products in policy documents and began preparations for reporting on its activities and results in accordance with the International Aid Transparency Initiative standard, beginning in 2024. Following the first independent evaluation of the programme, a management response was prepared, and actions were taken to address accepted recommendations, including an update of the programme's monitoring and evaluation framework.

6. Gender equality and women's empowerment

55. In 2022, gender equality and women's empowerment considerations were further integrated into technical cooperation activities. In addition to dedicated gender-related programmes or initiatives such as the E-Trade for Women Initiative and the Trade, Gender and Development programme, an increasing number of

projects and programmes have involved entities promoting gender equality, endeavoured to achieve gender balance among workshop participants, made gender-sensitive policy recommendations and used gender disaggregated data in monitoring and reporting. For example, the Division on International Trade and Commodities is committed to identifying women participants from beneficiary countries, inviting women speakers as part of all technical cooperation activities and considering gender implications in the relevant policy fields. Under the e-commerce and the digital economy programme, women's active and meaningful participation continues to be sought throughout technical cooperation work; ministries in charge of gender issues, women's groups and business associations in beneficiary countries are consulted and all capacity-building activities aim to achieve gender parity; and gender-disaggregated data are used to the extent possible in the monitoring of activities and results.

56. In the area of investment, the Sustainable Stock Exchanges initiative continued to raise awareness of the business case for women's economic empowerment and opportunities for the private sector to advance gender equality and sustainable development. In collaboration with the United Nations Entity for Gender Equality and the Empowerment of Women, the International Finance Corporation and other partners, in 2022, the initiative published guidance on how exchanges can advance gender equality, convened 110 "ring the bell for gender equality" events at exchanges worldwide on the occasion of International Women's Day and organized a high-level round table of capital market leaders from Latin America to address the topic of gender equality in companies in the region. Finally, the gender equality database was further expanded, to provide data on boardroom gender balance in over 40 markets worldwide.

7. Technical cooperation strategy

57. The Trade and Development Board, at its sixty-ninth session (20 June–1 July 2022), approved the UNCTAD technical cooperation strategy.⁸ The document sets out several action points for the secretariat, a number of which have now been implemented, such as the more systematic incorporation of human rights considerations into UNCTAD technical cooperation and the establishment of the Technical Cooperation Committee, as well as the establishment of an UNCTAD task group for the implementation of the United Nations Secretariat-wide integrated planning, management and reporting (IPMR) system. The secretariat continues to work on the implementation of the strategy.

B. Contribution to United Nations system-wide coherence

58. This section highlights the main contributions of UNCTAD to enhancing the role of the United Nations Inter-Agency Cluster on Trade and Productive Capacity to "deliver as one", with initiatives carried out at the global, regional and national levels. The Inter-Agency Cluster coordinates its participation in the United Nations Sustainable Development Group and proposes a coherent approach to trade and trade-related issues. In the context of the reform of the United Nations development system, the Inter-Agency Cluster provides a suitable vehicle for developing modular technical assistance, with a view to establishing well-funded and targeted joint programmes, leading to increased coherence and impact at the national level.

59. At the national level, in 2022, UNCTAD was involved in the following United Nations sustainable development frameworks:

- (a) Africa (Eastern, Southern, Western and Central): Angola, Cabo Verde, Comoros, Côte d'Ivoire, Ethiopia, Lesotho, Madagascar, Mozambique, Rwanda, Uganda, United Republic of Tanzania, Zimbabwe;
- (b) Arab States, Middle East and North Africa: Egypt, Iraq; Saudi Arabia;

⁸ TD/B/69/4.

(c) Asia and the Pacific: Afghanistan, Bangladesh, Bhutan, Lao People's Democratic Republic, Myanmar, Nepal, Pakistan, Timor-Leste, Viet Nam;

(d) Europe and Central Asia: Albania, Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Republic of Moldova, Serbia, Turkmenistan, Uzbekistan;

(e) Latin America and the Caribbean: Costa Rica, Cuba, Guatemala, Haiti, Uruguay.

60. At the regional level, in 2022, the Inter-Agency Cluster continued to liaise with regional directors of the United Nations Development Coordination Office, resident coordinators and regional commissions, to ensure that best practices identified in some countries or regions, such as through the UNCTAD partnership on trade facilitation with the Economic Commission for Europe in Europe and Central Asia, may be replicated in other regions.

61. At the global level, the Inter-Agency Cluster continued to develop pertinent initiatives to publicize the assistance provided in the context of the 2030 Agenda. Based on its long-standing partnership with the World Trade Organization, UNCTAD continued to deliver presentations at courses on trade policy. UNCTAD further strengthened its partnership with the International Labour Organization by delivering lectures as part of the master's degree programme in the management of development at the International Training Centre in Turin, Italy.

V. Conclusions and way forward

62. UNCTAD technical cooperation activities continued strongly in 2022, in particular in terms of delivery; the mobilization of funds slowed but remained at a good level. Total trust fund resources returned to the usual levels after the record high of \$51.2 million in 2021. There was a significant increase in the mobilization of resources through "Delivering as one" funding mechanisms. In terms of delivery, overall expenditures on technical cooperation again rose significantly, to a new record high of \$54.5 million. This demonstrates the capacity of UNCTAD to sustain high levels of delivery over time.

63. The demand for UNCTAD technical cooperation is manifestly strong and the triple crisis in food, energy and finance that continues to impact developing countries contributes to this demand. To help developing countries in building resilience to better address current and future crises and support efforts in achieving the Sustainable Development Goals, UNCTAD will continue to design and deliver technical cooperation in a flexible and innovative way.

64. Sustainable and predictable funding support from member States and development partners is crucial for UNCTAD to deliver its promise on technical cooperation. UNCTAD calls on more donors to make less-earmarked multi-year contributions, which can help UNCTAD better plan and improve the synergies of its technical cooperation activities and swiftly respond to demand from developing countries. At the secretariat level, UNCTAD will strengthen the relationship with existing donors and further broaden its donor base so that more requests from member States can be addressed in a timely fashion.

65. The year 2022 was another year of active participation by UNCTAD in the reform of the United Nations development system. As noted, funds mobilized through "Delivering as one" funding mechanisms reached a new high of \$5.7 million. To further enhance UNCTAD access to funding through these increasingly important funding mechanisms, UNCTAD will continue to intensify engagement with resident coordinator offices, seeking to increase the visibility of UNCTAD in the field, strengthen UNCTAD participation in the United Nations development assistance planning process and better coordinate UNCTAD fund mobilization efforts at the country level.