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### Trade and Development Board

#### Working Party on the Strategic Framework and the Programme Budget

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**Evaluation of UNCTAD activities: In-depth evaluation of UNCTAD's programme on science and technology for development**

## **Progress report on the implementation of recommendations from the independent external evaluation of UNCTAD's technical cooperation activities dedicated to least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies**

Report by the UNCTAD secretariat

### *Executive summary*

At its fifty-sixth session, the Working Party on the Strategic Framework and the Programme Budget considered the in-depth evaluation of UNCTAD's technical cooperation activities dedicated to least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies (TD/B/WP/223, TD/B/WP/223/Add.1 and TD/B/WP/224). It requested the UNCTAD secretariat to report back on the progress made on the implementation of all recommendations in the next session of the Working Party on technical cooperation (TD/WP/225). This note has been prepared by the secretariat in response to this request.

## Introduction

1. The secretariat, in the implementation of the recommendations of the external evaluators and the Working Party, has taken measures to strengthen the relevance and efficiency of UNCTAD's technical cooperation activities for the least developed countries (LDCs), landlocked developing countries (LLDCs), small island developing States (SIDS) and other structurally weak, vulnerable and small economies (SWVSEs), as elaborated upon in the following sections.

### **I. A clearer focus on technical cooperation activities for LDCs, LLDCs, SIDS and other SWVSEs**

2. With regard to the first recommendation, the independent evaluators noted in their report that "the focus on LLDCs and SIDS is not clear enough and should be better established" (para. 61). As the secretariat noted in its management response to the evaluation report, UNCTAD supports the thrust of this recommendation and has in fact enunciated clear goals with regard to its work with these countries in the biennial Strategic Framework (for example, A/65/6 (Prog. 10)). It should be recalled that UNCTAD's mandates in support of LLDCs and SIDS (the Almaty Programme of Action for LLDCs and the Mauritius Strategy for SIDS) are distinct from UNCTAD's mandate in favour of LDCs, which itself follows a decennial conference process. The natural overlaps between the LDC and LLDC categories, and between the LDC and SIDS categories, are facts that should not be causes of confusion about the work focus.

3. One part of the work of UNCTAD's Division for Africa, Least Developed Countries and Special Programmes (ALDC) is to provide advisory services to graduating LDCs and to help them with their smooth transition strategy. As over the last decade, the potentially graduating LDCs happened to be SIDS. The Division has therefore been proactive in servicing the group of SIDS that are also LDCs. But it has also continued to provide advisory services and analyses of the vulnerability for all SIDS irrespective of their LDC status. The ALDC Division will continue to highlight (and draw appropriate lessons from) the necessary distinction between LLDC or SIDS work on the one hand, and LDC work on the other.

4. With regard to LDCs, a key focus area is UNCTAD's contribution to capacity-building for policy ownership and coordinated delivery of trade-related technical assistance through the Enhanced Integrated Framework. Efforts are being made to strengthen linkages between the policy analysis and research work and the capacity-building technical assistance activities. Consistent with this strategy, the research work is being translated into policy briefs and training tools delivered through capacity-building/research dissemination and Pre-Diagnostic Trade Integration Study (Pre-DTIS) support workshops. Furthermore, the ALDC Division is also active in responding to specific requests to provide support for the updating of the LDCs' DTIS, for the preparation of trade development strategies, for the identification of the countries' export potentials, and for the provision of advisory support services with respect to such trade issues as rules of origin and market access. Through the support it provides to the DTIS and interaction at the early stages with the LDCs' national EIF implementation Units, the Division is proactively involved in the upstream identification of trade-related technical assistance.

5. UNCTAD has also been proactive in designing a new technical assistance tool, namely the Trade Development Strategy, which specifically addresses the needs the LDCs

are facing in formulating their trade strategies given their bilateral, regional and multilateral trade-related obligations and their nationally-defined developmental goals.

6. These activities, in addition to ongoing work that corresponds to the five focus areas mentioned in paragraph 62, demonstrate implementation of this recommendation. For example, to date, (a) Investment Policy Reviews have been completed in 12 LDCs; (b) World Trade Organization (WTO) accession assistance was provided to LDCs such as Bhutan, Cambodia, Lao People's Democratic Republic, São Tome and Principe and Yemen; and (c) on trade policy formulation, a trade policy framework for Rwanda was prepared with its Ministry of Trade and Industry, that led to the country adopting a new trade policy. Assistance to LLDCs on trade facilitation, and support on debt management continue as per UNCTAD's respective mandates on these areas, such as within the frameworks of the ASYCUDA and DMFAS programmes.

7. Para. 149 of the Istanbul Programme of Action (PoA) for the LDCs for the Decade 2011–2020 calls for “UNCTAD to continue to address the challenges faced by LDCs through conducting intergovernmental consensus-building, especially in the Trade and Development Board, and to contribute to the implementation of the PoA also through its technical assistance to LDCs. UNCTAD's institutional capacity in the research and analysis of LDC issues should be maintained to this end.” In this regard, UNCTAD will continue to support LDCs in mainstreaming the productive capacity development agenda, and enhance assistance relating to smooth graduation from LDC status.

## **II. Improving efficiency in UNCTAD's delivery of technical cooperation activities**

8. The secretariat agrees with the recommendation in paragraph 63 (a) that enhanced interdivisional cooperation and coordination is important. In this connection, the Division has always had a central coordination role in relation to the development strategies of Africa, the LDCs, SIDS, LLDCs and other SWVSEs, as reflected in UNCTAD's Strategic Framework for several biennia.<sup>1</sup> Moreover, within UNCTAD, the Project Review Committee is an interdivisional mechanism to monitor all issues relating to technical cooperation. Through its regular meetings, the Committee seeks to promote information-sharing on technical cooperation-related matters, including reviewing new project proposals with a view to enhance interdivisional cooperation and coherence with UNCTAD's mandates and the technical cooperation strategy. The members of the Project Review Committee are the focal points nominated by each division, including the Division on Africa, LDCs and Special Programmes, plus the Technical Cooperation Service.

9. With regard to the recommendation in paragraph 63(b), in general, UNCTAD aims to adapt all its projects to the needs of beneficiary countries through extensive consultations from the conceptual stage. In the case of projects such as DMFAS and ASYCUDA, there are, however, limits to the customization that can be done to the software, as they have been developed on a generic basis. Despite the fact that requests from users are taken into account in updating and developing new versions of this software, there is sometimes a trade-off between generating economies of scale in developing the software and taking into account individual requirements. UNCTAD is aware of these constraints and has aimed to reduce them by allowing for specific add-on modules and starting to move to open software architecture. Further customization also takes place at the implementation stage, when

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<sup>1</sup> See for example, A/65/6 (Prog. 10), paragraph 10.4.

particular services such as database management are included in the technical assistance packages as required by beneficiaries.

10. Nonetheless, as previously reported, the DMFAS Programme has launched a new version of the DMFAS software – DMFAS 6 – which not only responds to the latest best practices in debt management, but is also based on an open software architecture. DMFAS 6 contains a Web interface that provides centralized access to all DMFAS modules, information, applications, data and links that are commonly used by its users. In addition, the new architecture allows customized features to be added according to specific country needs. The open technology used to develop DMFAS 6 also allows it to be interfaced with other governmental software as well as all the standard analytical tools used in all user countries. Implementation of DMFAS 6 in all beneficiary countries is a key objective for the Programme, subject to the availability of extra-budgetary resources.

11. With regard to funding, in accordance with paragraph 217 of the Accra Accord and in the framework of the consolidation of projects into multi-donor, multi-year thematic clusters, the secretariat continues to encourage donors and potential donors to fund multi-year, multi-donor thematic trust funds so as to increase predictability in the planning and implementation of the relevant technical assistance programmes. The LDC trust fund is, for instance, one such trust fund that serves as an important channel for providing timely technical assistance and capacity-building support to LDCs. Larger, multi-year support to this trust fund for instance, would further enable a more rapid and flexible response to the needs of these countries, and the secretariat counts on the support of donor governments in this regard.

### **III. Reporting on activities undertaken by UNCTAD in LDCs, LLDCs, SIDS and other SWVSEs**

12. With regard to the recommendation in paragraph 64, the secretariat agrees that detailed information on activities carried out in individual countries belonging to the four categories of countries will contribute to making a complete assessment of UNCTAD's technical cooperation activities regarding specific categories of countries. This information can be provided through regular briefings and contacts with delegations by the responsible divisions. The most complete summary of these activities is included in the annual report on technical cooperation to the Working Party in Annex 1 of the Report. However, this report provides the list of activities carried out during a given year under each Cluster and not by country as the current accounting practices of the secretariat do not easily allow for their quantification. This is particularly as regional and interregional projects are often analytical in nature and designed to buttress UNCTAD's policy research and analysis.

### **IV. Conclusion**

13. Based on the recommendations of this evaluation and the recent outcome of the Programme of Action for the Least Developed Countries for the Decade 2011–2020, the secretariat will review its strategy and activities to ensure the relevance and effectiveness of its work on LDCs, LLDCs, SIDS and other SWVSEs. Modalities for enhancing the efficiency of UNCTAD's technical assistance programmes have been, and will continue to be identified and employed, such as strengthened interdivisional cooperation through task forces and through the Project Review Committee.

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