

CLUSTERS 10 and 11
Briefing to Working Party

4 September 2017

The two Clusters, 10 and 11, managed by the Division on Globalization & Development Strategies contribute to the achievement of Subprogramme 1 (Globalization, interdependence and development) of the UNCTAD section of the United Nations' strategic framework. All technical cooperation activities of the division are in line with the Nairobi Maafikiano and contribute to the achievement of the SDGs.

Cluster 10 'Globalization & Development Strategies'

The technical cooperation projects in Cluster 10 cover a range of research and capacity building activities, and are based on the need for sound economic analysis to inform policy making for improved economic governance. They draw on the research and analytical capacities of the Globalization and Development Strategies Division, linking policy analysis to technical assistance that builds capabilities at the national level in support of the subprogramme objective of promoting economic policies and strategies. Specific areas of focus under Cluster 10 on which we would like to brief you are the Virtual Institute, Assistance to the Palestinian People, technical assistance on Statistics and the development account project on sovereign debt governance.

UNCTAD Assistance to the Palestinian People

To deliver support to the Palestinian people, UNCTAD in 2016-2017 continued to carry out technical cooperation projects, provide training, advisory services and research. These activities were delivered in close cooperation with the State of Palestine, and the United Nations Country

Team, the Palestinian private sector, civil society organizations, United Nations agencies and other international organizations.

Guided by paragraph 55(dd) of the Nairobi Maafikiano and paragraph 31(m) of the Doha Mandate, UNCTAD's programme aims to strengthen the capacity of the Palestinian public and private sectors, and lay the foundations required for a sound economy to underpin the future independent Palestinian State envisaged by the international community and numerous United Nations resolutions.

UNCTAD's work focuses on the areas of trade policy, trade facilitation, small and medium enterprises, debt and financial management, development strategies, investment promotion and econometric modelling.

In 2016, UNCTAD successfully concluded the implementation of a technical cooperation project on capacity development for facilitating Palestinian trade. This \$2.1 million project, funded by Canada, significantly strengthened Palestinian capacities in trade facilitation and enhanced the knowledge base of Palestinian exporters and importers. One of the key achievements of the project was the establishment of a professional diploma training programme, entitled Supply Chain Management, which was developed jointly by UNCTAD, the Ministry of National Economy, the Palestinian Shippers' Council and Birzeit University. The programme is designed to serve the needs of Palestinian exporters, importers, customs brokers, government staff, young graduates, lawyers and other professionals with interest in the field. In 2017, the programme was accredited by the Palestinian Ministry of Education and Higher Education.

In 2016, UNCTAD hosted and trained Palestinian professionals and provided advisory services in areas of UNCTAD expertise to the Palestinian International Cooperation Agency in the Ministry of Foreign Affairs and various public and private sector institutions.

There are a number of further technical cooperation interventions UNCTAD is ready to deliver if funding is secured. One of these ready-to-implement projects is the fourth phase of the Palestinian customs modernization programme using UNCTAD's Automated System for Customs Data - ASYCUDA. The version of ASYCUDA World presently used by Palestinian customs is out of date. There is a need for renewed cooperation to introduce the numerous updates developed since 2011, with a view to upgrading customs capacity as a key component of

the ongoing efforts of the State of Palestine to strengthen its capacity for public financial management to relieve the pressure on the Palestinian fiscal position.

Another project requiring financing is the implementation of UNCTAD's computerized Debt Management and Financial Analysis System- DMFAS. Given the increasing Palestinian public debt, and its growing complexity, there is a need to reintroduce DMFAS to enhance the quality and scope of Palestinian public financial management.

Finally it is important to stress that building on UNCTAD's tangible contributions to the Palestinian people, there is a critical need to secure additional budgetary and extra-budgetary resources for the full implementation of the mandate of UNCTAD XIV in paragraph 55(dd) of the Nairobi Maafikiano, which calls for intensifying assistance to the Palestinian people.

Virtual Institute

The Virtual Institute (Vi) is UNCTAD's programme of support to academia. Its ultimate objective is to help developing countries design evidence-based policies that result in inclusive and sustainable development. To this end, the Vi offers capacity-building opportunities to academics and researchers so that they may prepare qualified decision-makers and provide analyses to underpin the formulation of economic policies in their countries.

Since September 2016, the Virtual Institute (Vi) trained 230 academics and policymakers in developing and transition countries through online courses on the Economic Analysis of Non-Tariff Measures, Trade and Gender and on NTMs and Data Collection. The Vi also published two teaching materials: "Structural Transformation and Industrial Policy" and "Trade, the Environment and Sustainable Development: Transition to a Low-carbon Economy," and co-published with the WTO "An Advanced Guide to Trade Policy Analysis: The Structural Gravity Model," the second volume of a book series based on a Vi teaching material on the subject. Three online courses (Structural Transformation and Industrial Policy, Sustainable Development and Climate Change, and Introduction to Stata for Trade analysis) were also developed. Seven universities joined the Vi network during the past year, expanding the reach of the programme to 134 academic institutions in 64 countries.

Vi capacity building activities were funded by the Governments of Finland and Sweden, the One UN Fund for Tanzania and the Russian Federation for the Transparency in Trade Initiative.

Joint UNCTAD - UEMOA project on improving International Trade-in-Services

The aim of this project is to improve the quality and harmonization of statistics on international trade in services (SITS) for countries of the West African Economic and Monetary Union (WAEMU) or Union économique et monétaire ouest-africaine (UEMOA). The project is a collaboration between UNCTAD's Statistics Branch and the Centre Statistique de l'UEMOA, and is formally titled 'Projet pour la mise en place des statistiques du commerce international des services' or Strengthening Statistics on Internationally Trade in Services. This project is also supported by the Inter-Agency Task Force on International Trade Statistics (organized by UN Statistics Division). The task-force is particularly interested in any lessons learned and assessment of the scalability of the project.

Over the past 12 months, UNCTAD participated in a workshop in Abidjan, Côte d'Ivoire with statisticians from the National Statistical Institutes, Central Banks and Trade Ministries of the eight member states. This workshop was designed to develop a harmonized questionnaire for the collection of Trade-in-Services statistics and included visits to several services enterprises to discuss aspects of the questionnaire with them. Based on the feedback from that workshop, harmonised questionnaires have been prepared by UNCTAD in consultation with the Task Force on International Trade Statistics and other international experts. These questionnaires will be tested in the UEMOA countries this autumn.

Development Account project on "Building Capacity of Developing Countries' Policy Makers To Address Regulatory And Institutional Gaps In The Field Of Sovereign Debt Governance".

In 2013, UNCTAD launched a project on " Building Capacity of Developing Countries' Policy Makers To Address Regulatory And Institutional Gaps In The Field Of Sovereign Debt Governance". Its contents are differentiated from technical assistance activities conducted in

other organizations (such as the Bretton Woods Institutions) to monitor the effectiveness of debt management frameworks. The Project does not deal with the management of debt offices - instead it focuses on the larger scope of domestic regulations which affect decisions in sovereign debt governance at the policy making level.

The Project's goal is to increase the capacity of policy makers at regulatory and policy implementation levels to design and implement policies that foster responsible practices in the field of sovereign debt governance through the adaptation of their regulatory and institutional frameworks. The project is focused on developing policy and regulatory guidance and it targets key policy makers and regulatory authorities.

Following the completion of the first two workshops of the project, which respectively dealt with (i) the diagnostic of the countries' institutional and regulatory framework with respect to sovereign debt governance and (ii) providing capacity building to fill the gaps founds in the diagnostic, the focus shifted towards drafting a gap report and the compilation of data related to the survey into a database, as well as organizing a study tour for policy makers from project countries to a host country with a more developed institutional framework in the area of sovereign debt management. The Project countries are Haiti, Bangladesh, Mauritania, Nepal, and Togo.

The project has generated a lot of interest in the wider development community, and it is planned to hold a meeting with member states' representatives to brief them on the contribution of the project to the implementation of the Addis Ababa Action Agenda.

CLUSTER 11 - the DMFAS Programme

Cluster 11 encompasses the Debt Management and Financial Analysis (DMFAS) Programme, one of the leading providers of technical assistance and advisory services in debt management. Since its inception over 35 years ago, the Programme has provided assistance to 107 institutions, principally central banks and ministries of finance, in 69 countries. The overall objective is help countries to manage their debt effectively and sustainably in support of poverty reduction, development and good governance.

The programme provides countries with a set of proven solutions for improving their capacity to handle the day-to-day management of public liabilities and the production of reliable debt data for policy-making purposes. This includes its specialized debt management software, advisory services and capacity-building. The continued relevance of DMFAS' work has been underscored by the increased international recognition of the need for countries to have comprehensive, reliable debt databases and statistics.

Since our latest report to the Working Party, DMFAS has completed the first year of its current four-year strategic plan. The Programme's Annual Report for 2016 uses the comprehensive results-based framework that is core to its strategic plan to measure the impact and success of its work. The report demonstrates that for DMFAS client countries, concrete and sustainable results in 2016 include improved external and domestic debt data recording, enhanced reporting and improved debt analysis capacities in line with the recording and reporting components of international standards.

For the next 12 months and in line with its strategic plan, the programme will prioritise the development of the 7th major version of the DMFAS software, which responds to the latest requirements of debt management offices, and the preparation of new capacity-building material using e-learning. In November, in synergy with UNCTAD's research and analytical work on debt, it will organize the 11th UNCTAD Debt Management Conference. In conjunction with the debt conference, the biennial meeting of the DMFAS Advisory Group will be held - as an important part of the programme's governance structure, the meeting will provide recommendations for the programme's future direction.

One of the important issues that the Advisory Group will discuss is the financing of the programme's work. Notwithstanding the recognition by the international community of the continued importance of DMFAS' work, the programme faces a significant challenge to secure the funds necessary to meet the needs of the countries it serves. We thank the current donors to the programme, namely Germany, Ireland, Netherlands, Norway and Switzerland for their support, and the beneficiary countries for supporting the programme through cost-sharing. We invite other donors to contribute - the latest annual meeting of DMFAS donors concluded that DMFAS

is a successful and very valuable program which provides essential services, and the Advisory Group has stressed the importance of the programme obtaining the necessary funding.