

## **Working Party on Strategic Framework and Programme Budget (Technical Cooperation)**

**73<sup>rd</sup> session – 5-7 September 2015**

I'm pleased to report on the technical cooperation activities carried out under clusters 16 and 17, on behalf of Mr. Guillermo Valles, OiC of the Division.

My intervention is divided into two parts:

First, I will present a brief synopsis of the TC activities carried out under the above clusters; and

Second, I will say a few words on the funding gaps and the efforts made by the Division to do more with less.

Before I tackle the first item, let me stress that during the past year, the Division has continued to strengthen its coordination role within UNCTAD. As you know, one of the responsibilities of the Division is to coordinate and monitor the substantive work on Africa, LDCs, LLDCs and SIDS that are carried out by the UNCTAD Secretariat. This role is critical, in particular when the secretariat is requested to provide inputs on Africa, LDCs, LLDCs and SIDS for major UN conferences or contribute to the preparation of major reports by the UN or other organizations and in carrying out TC work. I'm pleased to report that several DTIS (Diagnostic Trade Integration Studies) have been examples of a truly inter-divisional work.

I am pleased to report progress in building synergies between our research and analysis work and the policy impact at the national level. As a non-resident agency, how to ensure that the policy recommendations derived from our analytical work receive the attention they deserve at the national level - in particular by policy-makers - is a real challenge. We have increased the number of countries where our flagship reports are launched and, in addition, we have expanded our dissemination strategy. As I will elucidate in a while, we have

also worked on a comprehensive social media campaign, to reach beyond typical constituencies.

Now, on the first item, i.e. the TC activities carried out by the Division, the LDC Trust Fund (under cluster 16) continues to be an effective instrument to deliver some targeted technical assistance and support to LDCs. The Trust fund has enabled us to disseminate the findings and policy recommendations of the LDC Report 2015 *Transforming Rural Economies*, as well as of the Economic Development in Africa Report 2015 *Unlocking the potential of Africa's Services Trade for Growth and Development* – through focused discussions and interactive dialogues with national stakeholders, including through social media. Last year, the policy recommendations arising from the LDC Report were discussed in 36 countries, most of them LDCs. The year before the Report had been launched in 32 countries (of which, 17 were LDCs) and resulted in 203 articles in the written press, radio and TV interviews and blog posts. A strengthened social media campaign resulted in more than 65 messages, 83,000 impressions and more than 1,000 engagements for the EDAR alone. E-publications have also been created for both reports and are downloadable from all mobile devices from our website.

The LDC Trust Fund has also enabled the Division to respond to requests for specific technical assistance through advisory services and/or capacity building. For example, it has enabled the Division to finance a pilot seminar on 'Leveraging diaspora resources for growth and structural transformation in Ethiopia' as well as a pilot case study on export diversification strategy in an oil-dependent LDCs: the case of Angola. While these two pilot projects have been applied to specific countries, the lessons learnt from them could be extended to other developing countries.

## **GRADUATION**

We continued our technical cooperation work related to the graduation from the LDC category, partly because of the increased importance given to graduation by the LDCs themselves and partly due to the increase in the number of requests for assistance to formulate country-specific graduation

strategy. Since last year, the number of countries contacting UNCTAD to request assistance in graduation-related issues has increased noticeably.

For example: UNCTAD has received requests for graduation-related assistance from Angola, Cambodia, Bhutan, Laos, Myanmar, Equatorial Guinea, Kiribati, Samoa, Tuvalu, Vanuatu and Bangladesh (diaspora and graduation).

UNCTAD's experience in graduation-related support for LDCs spans over 20 years starting with the first country to graduate from the LDC category - that is Botswana back in 1994. Since the Istanbul Conference, UNCTAD's work on graduation has been conducted jointly with the Office of the High-Representative for LDCs, LLDCs and SIDS (OHRLLS), which has the overall responsibility for system-wide coordination of the implementation of the IPoA. I am glad to report that UNCTAD's approach to graduation is now seen as the model to be used in the support that the UN provides to graduating LDCs. UNCTAD's approach is based on the principle that - graduation should not be seen as an end in itself, but as a development and economic transformation process that enables LDCs - not only meet the graduation criteria but also acquire the momentum needed to build the productive capacity necessary to cope with the challenges ahead as lower-middle income economies. This is the approach that was adopted (and appreciated) during the advisory missions that took place in Angola, Kiribati, Nepal, Tuvalu, and Vanuatu.

Regarding the work on SIDS, the Division has supported the Joint Inspection Unit in the forthcoming "Comprehensive Review of the UN System support for SIDS" and it has proposed the establishment of an integrated framework of resilience-building assistance to SIDS. A preliminary version of this initiative is currently being implemented by a Development Account-funded project in 6 SIDS, namely Kiribati, Sao Tome and Principe, Solomon Islands, Timor-Leste, Tuvalu and Vanuatu. We will report more on this item during the next year's session of the Working Party.

### **Productive Capacity**

Recognizing the key role of building productive capacities for structural change in LDCs, the Division has continued to implement a project aimed at upgrading and diversifying fishery exports in Comoros, Mozambique and Uganda. Sharing

experiences and best practices in meeting international food safety standards has been a particularly valuable and appreciated component of the project.

The Division has also implemented a project aimed at facilitating investment in commodity value chains in landlocked developing countries. Through this project, it was highlighted that the need for diversification and structural economic transformation remains important for these countries' economic development. Furthermore, it was possible to identify ways and means to transform the goals and priorities of the Vienna PoA into bankable projects and to formulate a roadmap for monitoring and reporting on the implementation of the PoA.

## **EIF**

Moving to discuss the activities carried out under cluster 17, I'm happy to report that UNCTAD is much more engaged in the implementation of the EIF programme. For the phase Two of the EIF (2016-2022), we will strive to be even more dynamic and result-driven in all our TC activities.

Since the early 2012, a total of 8 countries (Gambia, Senegal, Djibouti, Mali, Mozambique, Niger, Ethiopia, and Solomon islands) have requested UNCTAD to carry out the updating of their Diagnostic Trade Integration Study (DTIS). Such studies are critical for (i) trade policy review and (ii) mainstreaming trade in the national development strategies. They also form the basis for identifying the trade-related capacity building needs of LDCs to be supported through multilateral and bilateral funding. In preparing the DTIS, UNCTAD applies an integrated approach to trade-policy making and utilizes the expertise and experience in diverse policy fields available across UNCTAD Divisions.

In addition to conducting the trade diagnostic studies, the Division for Africa, LDCs and Special Programmes has also been active in assisting LDCs in designing and implementing Tier II project proposals. In 2015, we started to implement: (i) a tier II project on "Reinforcing Productive Capacities in Benin", jointly with UNIDO and ITC; (ii) a medium-term plan, upon request from the Government of Burkina Faso; and (iii) a trade mainstreaming support project proposal for the Gambia which aims at supporting the Government in implementing the selected trade priorities contained in the 2013 DTIS Action Matrix.

## **SUPPORT TO LDC GROUP IN WTO**

The Division has provided specific support to the LDC Group at the WTO on Rules of Origin, through advisory services, in the form of 14 one-to-one training sessions, elaboration of background documents, briefing notes and presentations. I'm also happy to report that two Executive trainings on negotiation and drafting RoO, in partnership with the European University Institute, have been particularly appreciated, including those in preparation for the 10<sup>th</sup> WTO Ministerial Conference in Nairobi.

I'd like to draw your attention on the fact that our work on RoO, duty free quota free and our active involvement in the EIF work have been carried out exclusively through extra-budgetary resources, which are currently stretched to their limit.

### **Other projects**

The year 2015 sees the completion of the project *Strengthening of capacities of trade and planning ministries of selected LDCs to develop and implement trade strategies that are conducive to poverty reduction*, whose main beneficiaries have been LDCs (Bhutan, Kiribati, Ethiopia). These countries have benefitted from training workshops aimed at supporting the trade policy making process and better integrate trade issues into national development strategies. Two regional workshops have been organized to the benefit of LDCs based in the Asia-pacific and in the Africa regions. These regional workshops alone have been particularly effective in training over 100 participants including senior officials from the Trade and Planning Ministries and representatives from the private sector and civil society. The findings of the national and regional workshops have been included in a Handbook which strives to assist LDC policy-makers in trade policy formulation and implementation.

Finally, I'd like to report on another innovative project, also implemented in 2015, to support rural communities to use geographical indications and increase their exports and supply capacity of traditional products. Several studies have been published during 2015 on this particular topic. It is worth mentioning the initiative on branding products through geographical indicators in the case of Kampot pepper in Cambodia and of Harenn coffee in Ethiopia. The experience gained through these studies has also been shared during

various regional and international seminars, including the World Assembly of Geographical Indicators held in Milan, Italy in October 2015.

### **FUNDING GAPS**

As I alluded earlier, in the last few years, there has been a steady increase in the number of requests for technical assistance directed at the Division for Africa, LDCs and Special programmes. For example, until 2011, UNCTAD was not requested by LDCs to carry out the Trade Diagnostic Studies of the EIF. Since 2012, however, 8 countries, that I listed earlier, have identified UNCTAD to carry out their trade diagnostic study. Similarly, the number of countries requesting for graduation-related work has increased from only one three years ago to eleven. Para 77 (d) of the Nairobi Maafikiano calls for UNCTAD to continue and strengthen TC activities in the LDCs through training and capacity-building, in accordance with the IPoA.

The Division has been faced with a funding gap for some years already. This funding gap will continue to be a challenge as it is difficult to imagine how we will continue to meet all the requests for technical assistance without additional resources provided to the LDC Trust Fund. Since last year's presentation to the Working Party, we have continued with our efforts to reach out to traditional and non-traditional donors with concrete projects and proposals for technical cooperation and advisory services based on specific requests by member States. Unfortunately, the response has not been as positive as we had hoped for.

In addition, the fact that the Division for Africa, LDCs, LLDCs and SIDS has the least amount of regular budget allocation makes it even more difficult to meet some of these requests through regular budget.

This said, it needs to be stressed that we are doing everything we can to meet requests for TC support and advisory work, including through a more efficient utilization of the limited resources available to the Division ( as well as through a creative deployment of regular resources) and by enhancing the complementarities of regular and extra-budgetary resources. In some areas, as I have discussed before, this creative use of existing resources has been stretched to its maximum.

At any rate, we will continue to implement with enhanced vigor and determination our resource mobilization strategy. Meanwhile, I wish to put on record our sincere appreciation of the financial support provided over the last few years by the Governments of Austria, Finland, Norway, Sweden, France, Italy, the Netherlands, China and the United Kingdom.

I thank you warmly for your kind attention