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Review of the technical cooperation activities of UNCTAD and their financing

Report by the Secretary-General of UNCTAD

Executive summary

In 2014, overall expenditures on UNCTAD technical cooperation activities reached \$38.8 million, equivalent to the average amount in the last five years. The Automated System for Customs Data (ASYCUDA) and the Debt Management and Financial Analysis System (DMFAS) continued to be the two largest technical cooperation activities, and together represented 62 per cent of total UNCTAD trust fund contributions and accounted for 59 per cent of total expenditures in 2014.

The total contribution to UNCTAD trust funds increased by 26 per cent compared to 2013, reaching \$39.4 million in 2014. This was the result of a significant increase in financial contributions by both developed and developing countries, as well as the European Commission. Despite this encouraging recovery, the total contribution received was unable to meet the rising demand from developing countries for technical assistance. Furthermore, earmarking and the unpredictability of funds constitute a major challenge for the effective management of technical cooperation.

UNCTAD seeks creative ways to address funding challenges and make the most of limited financial resources. At the level of the United Nations system, UNCTAD further enhanced its collaboration with other organizations in leveraging additional funds. Building on its leading role in the United Nations Inter-Agency Cluster on Trade and Productive Capacity, UNCTAD increased its participation in relevant United Nations Development Assistance Frameworks in more than 30 countries. Moreover, UNCTAD continued to promote results-based management tools, strengthen interdivisional collaboration and enhance the synergies between technical cooperation and the other two pillars of its work in order that technical assistance may be delivered in an effective and coherent manner. Finally, UNCTAD also sought to deepen the reach of its capacity-building activities by using information and communications technology.

Notwithstanding these efforts, it is impossible to fully meet the technical cooperation demands from developing countries without sustained financial support from traditional and emerging donors. This funding shortage will become even more acute with the expected upward trend in technical assistance requests in relation to the implementation of the post-2015 sustainable development agenda.

Introduction

1. This report has been prepared to facilitate the annual policy review of UNCTAD technical cooperation activities by the Trade and Development Board.

2. This report will also be submitted to the Working Party on the Strategic Framework and the Programme Budget for its review of UNCTAD technical cooperation activities, in line with the provisions set out in paragraph 220 of the Accra Accord and in Trade and Development Board decisions 495 (LV) of September 2008, 498 (LVI) of September 2009, 504 (LVII) of September 2010, 510 (LVIII) of September 2011, 515 (LIX) of September 2012, 520 (LX) of September 2013 and 523 (LXI) of September 2014. In these decisions, the Trade and Development Board recommends that a more structured interaction be carried out between the UNCTAD secretariat, potential beneficiaries and donors, within the framework of the Working Party, which is the main mechanism for consultations among member States on all technical cooperation issues. The Working Party performs tasks set out in its agreed terms of reference. These state that it “will review UNCTAD technical assistance, with a view, inter alia, to improving its effectiveness, enhancing transparency, sharing successful experiences and encouraging outreach towards potential recipients”.

3. As in previous years, since 2007, the scope and focus of UNCTAD technical cooperation activities in 2014 continued to follow a two-track approach by providing the following services:

(a) Technical assistance services to beneficiary countries and regions through trust funds for interregional, regional and country projects to which donors contribute;

(b) Support services at the country level within the framework of United Nations reforms and the “Delivering as one” approach.

4. Within the United Nations Development Group (UNDG), UNCTAD continued to advocate for the need to effectively include non-resident agencies in United Nations assistance plans at the country level, as well as to put more emphasis on United Nations assistance in trade and related areas.

I. Funding sources for UNCTAD technical cooperation

5. UNCTAD technical cooperation activities are financed from the following three main sources:

(a) Bilateral funding, including individual Governments, the European Commission, the United Nations system and other international organizations, and private and public sector donors;

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

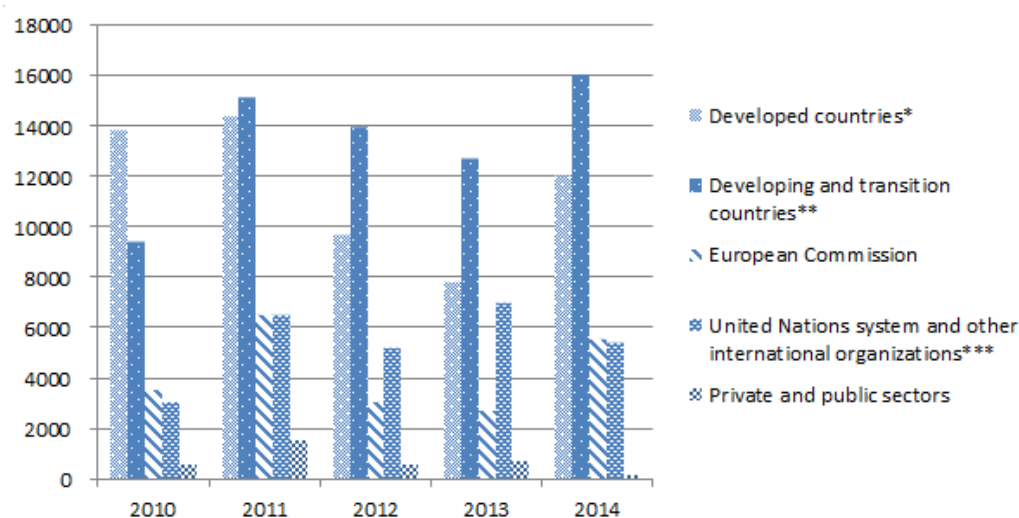
(c) One United Nations funds and other multi-donor trust funds.

A. Bilateral funding

6. In general, overall voluntary contributions from bilateral sources remain unpredictable, earmarked to specific activities and with important fluctuations from one year to another. In 2014, the total contribution to UNCTAD trust funds amounted to \$39.4 million, an increase of 26.2 per cent over the previous year, and the second-highest level of contributions since 2010. The remarkable increase in trust fund contributions in 2014 was due to the significant increase in contributions by both developed and developing countries and the European Commission (see figure 1).

Figure 1
Sources of trust fund contributions, 2010–2014

(In thousands of dollars)



Note: UNCTAD trust fund contributions for 2010 are exclusive of third-party cost-sharing contributions through the United Nations Development Programme (UNDP).

* Exclusive of contributions to the Associate Experts Programme of the United Nations.

** A major part is self-sustained for activities in the countries that made contributions, financed from proceeds of loans or grants from international financial institutions.

*** For details, see table 11 of the statistical annex (TD/B/WP/272/Add.2).

7. Contributions from developed countries in 2014 amounted to \$12 million, an increase of 53.2 per cent compared to 2013. Their share of the total contribution rose from 25.2 per cent in 2013 to 30.6 per cent in 2014 (see figure 2). The significant increase of developed country contributions to UNCTAD occurred in a context of relatively high levels of official development assistance by developed countries in 2014.¹ However, the strong rebound in 2014 may also be explained by the particularly low level of contributions by developed countries in 2013.² In nominal terms, contributions by developed countries in 2014 were lower than their contributions in any single year in the period 2002–2011.

¹ In nominal terms, net official development assistance from members of the Development Assistance Committee of the Organization for Economic Cooperation and Development totalled \$135.2 billion, almost equalling the record \$135.1 billion in 2013.

² In 2013, contributions from developed countries to UNCTAD trust funds totalled \$7.9 million, the lowest level since 2000.

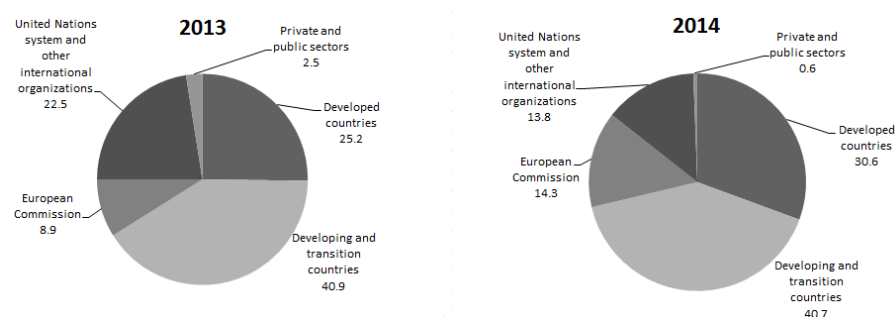
8. Relatively few developed countries provided contributions. In 2014, Sweden was the largest developed country donor, with contributions reaching \$3.8 million or about 32 per cent of the total contribution of developed countries, followed by Norway, Germany, Finland and the Netherlands. The five developed countries that contributed the most to UNCTAD trust funds in the four-year period from 2011 to 2014, in order of accumulated contributions, are Sweden, Norway, Switzerland, Germany and Finland. Together, these countries accounted for 72 per cent of total developed country contributions in the period 2011–2014. In 2014, developed country donors mainly directed their contributions towards competition policy and consumer protection, debt management (DMFAS), foreign direct investment trends and issues, globalization and development strategies, transport and trade facilitation, investment facilitation and information and communications technology policies and applications for development.

9. In 2014, developing and transition countries contributed a record high of \$16 million to UNCTAD trust funds, an increase of 25.6 per cent compared to 2013. The contributions accounted for about 41 per cent of the total contribution, on a par with the share in 2013. For the fourth consecutive year, contributions from developing countries exceeded those from developed countries. The number of contributing developing countries was 75. Latin America and the Caribbean, Asia and the Pacific and Africa accounted for respectively 26.9, 27.8 and 39.6 per cent of the total contribution from developing countries.³ Almost all contributions by developing countries are allocated to activities in their own countries and are financed from loans or grants by international financial institutions, mainly to implement the ASYCUDA and DMFAS programmes. In 2014, 62 per cent of total UNCTAD trust fund contributions were allocated to these two programmes combined.

Figure 2

Origins of trust fund contributions, 2013–2014

(Percentage of the total contribution)



10. Among multilateral donors, the European Commission continued to be the single largest contributor to UNCTAD operational activities. In 2014, it contributed \$5.6 million, double the amount in 2013. Given the substantial increase in contributions from the European Commission, its share in the total contribution expanded from 8.9 per cent in 2013 to 14.3 per cent in 2014. However, it should be noted that the relatively low level of contributions in 2013 partly accounts for this significant increase. In nominal terms, the contributions in 2014 were 14.6 per cent less than the contributions in 2011. In 2014, the contributions of the European Commission were mainly directed towards transport and trade facilitation and debt management. Taken together, the European Union and its member States represented 41 per cent of total UNCTAD trust fund contributions in 2014.

³ From among Brazil, China, India, the Russian Federation and South Africa, in 2014, only China and India made contributions, of \$400,000 and \$29,968, respectively.

11. Contributions from the United Nations system and other international organizations decreased from \$7 million in 2013 to \$5.4 million in 2014, and accounted for about 14 per cent of the total contribution. This included in particular the following contributions: from the United Nations Office for Project Services, to implement an ASYCUDA project in Afghanistan and for Diagnostic Trade Integration Study updates, namely of the Studies of Ethiopia, Mozambique and the Niger; from the African Development Bank, in support of the implementation of ASYCUDA in Guinea and Malawi; and in support of joint programmes of the United Nations Inter-Agency Cluster on Trade and Productive Capacity (see chapter I, section C).

12. The 2014 contribution from private and public sectors was \$0.2 million, accounting for 0.6 per cent of the total contribution, compared to 2.5 per cent in 2013.

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

13. Programme budget resources for technical cooperation activities are provided under the United Nations regular programme of technical cooperation and the Development Account, sections 23 and 35, respectively, of the United Nations programme budget.

14. Resources under the United Nations regular programme of technical cooperation – section 23 – are provided for advisory services and training. In 2014, expenditures under section 23 were \$0.85 million. As in the past, the training component of regular programme of technical cooperation resources was used mainly to finance training activities related to key international economic issues in line with paragraph 166 of the UNCTAD X Plan of Action (for details of training activities, see TD/B/WP/272/Add.1, cluster 14).

15. Since its establishment in 1999 by the General Assembly, the Development Account – section 35 – has become increasingly important in funding capacity-building projects for developing countries in the priority areas of the United Nations development agenda. Ten entities of the United Nations Secretariat are implementing projects, which are carried out under tranches. Each tranche has a three- to four-year life span.

16. In 2014, 19 projects were implemented under the seventh, eighth and ninth tranches, with a total expenditure amounting to \$1.9 million (for information on these projects, see TD/B/WP/272/Add.2, table 8). The significance accorded to the Development Account by member States is reflected by its funding envelope, with a budget of \$28.4 million for the new tenth tranche, the same funding base as for the ninth tranche. The theme of this new tranche is “Supporting Member States in implementing the post-2015 development agenda: strengthening statistics and data, evidence-based policies and accountability”. UNCTAD’s share under this tranche amounts to \$2.9 million or about 10 per cent of the total envelope, attributed to five projects covering the following areas: (a) trade and agricultural policies to support small-scale farmers and enhance food security; (b) informal cross-border trade for the empowerment of women, economic development and regional integration; (c) cotton by-products value addition; (d) development policies for sustainable economic growth; and (e) indices for benchmarking productive capacities for evidence-based policymaking. These projects will be carried out from 2016 to 2019.

17. In 2014, total UNCTAD expenditures on technical cooperation from the regular programme and Development Account amounted to \$2.8 million, accounting for 7.2 per cent of overall expenditures, a decline of 32 per cent over the previous year (see TD/B/WP/272/Add.2, tables 1 and 8).

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

18. In the context of United Nations system-wide coherence, the “Delivering as one” initiative provides flexible and efficient mechanisms for mobilizing resources to achieve national and global priorities. In line with the Paris Declaration on Aid Effectiveness and the Accra Agenda for Action, resources may only be accessed if certain requirements are met, including the following: (a) alignment with national priorities; (b) harmonization and coordination through inter-agency cooperation; (c) effective and inclusive partnerships; and d) achievement of development results and mutual accountability.

19. Under the leadership of the UNDG, the “Delivering as one” funding mechanisms are adapting to meet the challenges of the post-2015 development agenda. Developed first in the “Delivering as one” pilot countries and now applicable in all countries willing to adopt this approach, common United Nations budgetary frameworks aim at supporting joint programmes implemented through the United Nations Development Assistance Frameworks and similar inter-agency modalities organized at regional and country levels.

20. In 2014, UNCTAD successfully contributed to enhancing the role of trade and productive capacity issues within relevant United Nations Development Assistance Frameworks. Due to its leading role in the United Nations Inter-Agency Cluster on Trade and Productive Capacity, UNCTAD is recognized as a reliable partner at the country level, bringing added value to joint programmes on trade-related policy issues.

21. “Delivering as one” funding mechanisms (including multi-donor trust funds and specific partner contributions) contributed \$1 million to UNCTAD in 2014, the highest level since 2008. Total expenditures by UNCTAD under “Delivering as one” funding mechanisms reached a record \$1.2 million in 2014, 90 per cent higher than in 2013.

1. Multi-donor trust funds

22. Multi-donor trust funds such as the One United Nations funds have a catalyst role in active resource mobilization at the country level. Developed within an open and transparent financial framework, multi-donor trust funds complement the individual resources of agencies, thereby contributing to long-term and sustainable capacity development.

23. In 2014, UNCTAD accessed multi-donor trust funds for a total amount of \$498,074 (see <http://mptf.undp.org/factsheet/agency/001975>). This included access to the Rwanda One United Nations Fund (\$110,500) and the United Republic of Tanzania One United Nations Fund (\$140,074), as well as the new Delivering Results Together Fund, which consists of thematic funds managed by UNDG to support key development areas such as health, education, gender issues, economic growth, equality, population dynamics, disaster risk reduction and human rights. The fund considers development results through the set up of stronger normative and operational linkages within programmes in selected “Delivering as one” countries. With inter-agency participation on trade policy initiatives, UNCTAD accessed the Albania Delivering Results Together Fund for an amount of \$148,500 and the Bhutan Delivering Results Together Fund for an amount of \$99,000.

2. Specific partner contributions

24. UNCTAD continued to receive a number of specific partner contributions in 2014. The arrangements varied, with different schemes depending on the level of involvement of Governments, donors and agencies. For example, UNCTAD participated in joint programmes supported by the State Secretariat for Economic Affairs of Switzerland and in standard UNDG United Nations agency-to-United Nations agency contribution agreements.

25. With regard to the joint programmes financed by the State Secretariat for Economic Affairs of Switzerland, in 2014, UNCTAD received a contribution of \$22,000 for the continuation of a project in the Lao People's Democratic Republic and a contribution of \$400,000 for a new project in the United Republic of Tanzania, which complemented ongoing assistance provided by the United Nations Inter-Agency Cluster on Trade and Productive Capacity within the United Nations Development Assistance Framework for the period 2011–2016 in the United Republic of Tanzania, supported by a One United Nations fund. This project provides a good illustration of the complementarity between multi-donor trust funds and specific partner contributions in the “Delivering as one” process (see box 1).

26. With regard to UNDG United Nations agency-to-United Nations agency contribution agreements, which seek to enhance cooperation between United Nations agencies at the country level, UNCTAD signed an agreement with the UNDP in Cameroon for a contribution to UNCTAD of \$125,500.

Box 1. The catalytic role of the One United Nations funds – the example of the United Republic of Tanzania

UNCTAD continued to benefit from the role of the One United Nations funds as incubator, confirming a trend observed in 2013 regarding the complementarity and spillover effects between multi-donor trust funds and specific partner contributions (see TD/B/WP/262, page 7).

In 2014, UNCTAD initiated a joint programme of the United Nations Inter-Agency Cluster on Trade and Productive Capacity within the overall “Delivering as one” architecture in the United Republic of Tanzania. Seeking complementarities, this joint programme, financed by the State Secretariat for Economic Affairs of Switzerland, aims at strengthening the tourism sector and its backward linkages to local agricultural and horticultural producers. The programme was designed to effectively implement the existing outcomes of the United Nations Development Assistance Framework for the period 2011–2016 in the United Republic of Tanzania, supported by a One United Nations fund.

After only a few months of implementation, the synergies between the new joint programme and the overall “Delivering as one” coordination mechanisms became apparent. Such synergies led to greater efficiency and impact at the country level, notably in enhancing the capacity of the private sector to benefit from greater access to international markets.

This example confirms that the One United Nations funds ensure sustainability for technical assistance by leveraging key added value and by enhancing cross-sectoral policy coherence.

D. Financing of associate experts

27. In addition to the funding sources mentioned above, some donors support the UNCTAD Associate Experts Programme, which is carried out under the Associate Experts Programme of the United Nations. In 2014, only Germany contributed to this programme with two associate experts (see TD/B/WP/272/Add.2, table 6).

28. Despite its importance, this Programme is attracting less interest from donors. This is regrettable. The secretariat reiterates its call on donors in a position to do so to consider financing associate experts, as a means of offering a unique opportunity for young professionals to participate in the analytical and operational work of UNCTAD.

II. Expenditures and allocation of technical cooperation resources

29. In 2014, overall expenditures for UNCTAD technical cooperation activities amounted to \$38.8 million, slightly lower than 2013 (negative 4 per cent), yet equivalent to the five-year average annual expenditures in the period 2010–2014. In terms of the sources of funds, expenditures under trust funds accounted for 90.5 per cent of the total delivery, while expenditures from the regular budget and Development Account accounted for 7.2 per cent and those from the One United Nations funds and other multi-donor trust funds accounted for 2.3 per cent (see table 1).

Table 1

Technical cooperation expenditures by source of funds, 2011–2014

(In thousands of dollars)

	2011	2012	2013	2014		
				Amount	Percentage of total	Change over previous year (percentage)
Trust funds	36 044	33 357	35 981	35 106	90.5	-2.4
Regular budget and Development Account	2 417	2 634	4 115	2 802	7.2	-31.9
One United Nations funds and other multi-donor trust funds	613	319	363	873	2.3	140.5
Total	39 073	36 311	40 459	38 780	100.0	-4.1

Note: Totals reflect rounded values (see TD/B/WP/272/Add.2, table 1).

A. Type of project

30. UNCTAD technical cooperation activities continue to be delivered at interregional, regional and country levels. Interregional and country projects dominated technical cooperation activities and, combined, represented 94 per cent of total technical cooperation expenditures in 2014 (see figure 3).

1. Interregional projects

31. Interregional projects are thematic projects offering activities that all developing countries may benefit from. In 2014, expenditures under these projects amounted to \$15 million, accounting for 38.8 per cent of total expenditures. These funds were used to implement 77 interregional projects with expenditures in 2014 (including 15 projects financed from the Development Account). These projects covered all thematic areas of the work of UNCTAD, in particular, debt management capacity-building, globalization and development strategies, foreign direct investment trends and issues and investment facilitation.

2. Regional projects

32. Expenditures on regional projects decreased from \$4.6 million in 2013 to \$2.5 million in 2014. The share in total expenditures almost halved, from 11 per cent in 2013 to 6 per cent in 2014. The total number of regional projects with expenditures in 2014

was 25, compared to 21 in 2013. Regional projects were concentrated in three geographic areas, namely Africa, Asia and the Pacific and Latin America and the Caribbean.

3. Country projects

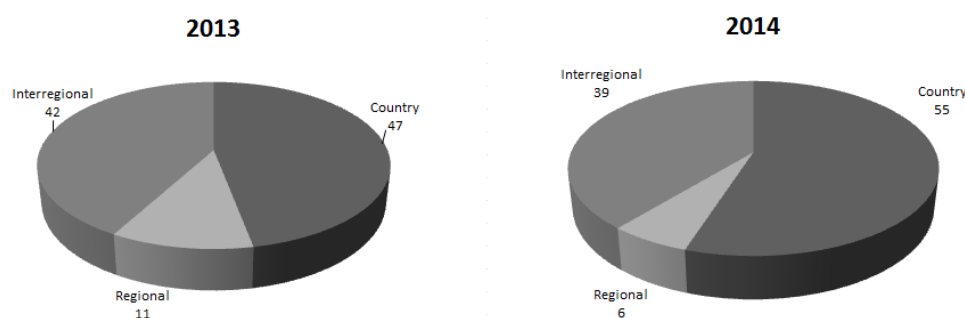
33. Country projects continued to be the major form of delivery of UNCTAD technical cooperation. Total expenditures on country projects amounted to \$21.3 million, an increase of about \$2.2 million, compared to 2013. For the first time since 1990, country projects accounted for more than half (55 per cent) of total technical cooperation expenditures. The total number of country projects with expenditures in 2014 rose to 113, compared to 108 in 2013.

34. Expenditures on country projects in 2014 increased in all regions except in Asia and the Pacific, where expenditures on country projects decreased by about 9 per cent. Across developing regions, customs modernization and reform (ASYCUDA), debt management (DMFAS) and investment facilitation are the major themes of country projects. Most country projects are either self-financed or financed by resources made available to UNCTAD under the bilateral aid programmes of certain donors. All projects financed by multi-donor trust funds and specific partner contributions are country projects (see TD/B/WP/272/Add.2, table 7).

Figure 3

Technical cooperation expenditures by type of project, 2013 and 2014

(Percentage of total project expenditures)



B. Thematic distribution

35. UNCTAD technical cooperation is grouped into 17 thematic clusters (see table 2), covering major themes of the substantive work of UNCTAD. Support services and projects under the direct responsibility of the Office of the Secretary-General are grouped under an additional cluster 18, which represented 4 per cent of total annual expenditures in 2014, including, for example, interregional advisory services and result-based management programmes. Expenditures related to activities carried out within the framework of the United Nations Inter-Agency Cluster on Trade and Productive Capacity have been distributed among the 17 thematic clusters.⁴

36. The allocation of contributions among different thematic clusters is uneven and does not match the demands received under each cluster. Cluster 12 (transport and trade facilitation) has by far the largest share of expenditures, and accounted for 47 per cent of total technical assistance expenditures in 2014. Over the past four years, UNCTAD has

⁴ For technical reasons, activities carried out within the framework of the United Nations Inter-Agency Cluster on Trade and Productive Capacity continue to be grouped under cluster 18 on the UNCTAD technical cooperation portal (<http://www.unctad.info/en/TC/?mode=AllProjects>).

significantly enhanced its technical assistance in transport and trade facilitation, in particular through the ASYCUDA programme. Between 2011 and 2014, expenditures and contributions under this cluster increased by 24 and 25 per cent respectively. Cluster 11 (strengthening the debt management capacity of developing countries) also had a large share, accounting for 15 per cent of total expenditures, followed by cluster 8 (investment facilitation), accounting for 6 per cent of total expenditures.

37. The remaining clusters are much smaller in size. About half of the thematic clusters only accounted for less than 2 per cent of total expenditures each. Nevertheless, it should be noted that, compared to 2013, the delivery of technical assistance was accelerated under 7 of the 17 thematic clusters in 2014. Expenditures under clusters 2 (trade analysis capacities and information systems) and 9 (enterprise development) more than tripled in 2014 compared to 2013 and expenditures under clusters 15 (science, technology and innovation) and 16 (productive capacities in the least developed countries (LDCs), landlocked least developed countries and small island developing States) more than doubled.

Table 2

Technical cooperation expenditures by cluster, 2011–2014*(In thousands of dollars)*

	2011	2012	2013	2014	
	Amount	Amount	Amount	Amount	Percentage
Total	39 073	36 311	40 549	38 780	100.0
I. Capacity-building on trade negotiations and commercial diplomacy	666	825	1 460	777	2.0
II. Trade analysis capacities and information systems	324	154	165	503	1.3
III. Trade environment and development	1 071	950	750	522	1.3
IV. Competition policy and consumer protection	1 274	1 178	1 494	572	1.5
V. Commodity sector development and poverty reduction	1 397	270	202	34	0.1
VI. Foreign direct investment trends and issues	485	888	1 202	1 619	4.2
VII. Investment policies	1 093	897	811	695	1.8
VIII. Investment facilitation	2 288	2 461	2 482	2 308	6.0
IX. Enterprise development	1 784	327	270	871	2.2
X. Globalization and development strategies	1 115	1 553	1 283	1 693	4.4
XI. Strengthening the debt management capacity of developing countries	5 866	5 939	6 654	5 853	15.1
XII. Transport and trade facilitation	14 762	16 010	17 944	18 359	47.3
XIII. Information and communications technology policies and applications for development	439	366	811	646	1.7
XIV. Cross-divisional training and capacity-building	1 914	935	1 125	691	1.8
XV. Science, technology and innovation	352	174	360	749	1.9

	2011	2012	2013	2014	
	Amount	Amount	Amount	Amount	Percentage
XVI. Productive capacities in the least developed countries, landlocked developing countries, small island developing States and structurally weak, vulnerable and small economies	941	595	195	520	1.3
XVII. Strengthening support for trade mainstreaming into national development plans and/or poverty reduction strategy papers in LDCs in the context of the Enhanced Integrated Framework	438	621	844	827	2.1
XVIII. Executive direction and management and support services	2 862	2 168	2 408	1 542	4.0

C. Geographical distribution

38. Over the past decade, the share of interregional projects in the yearly technical cooperation expenditures of UNCTAD has generally trended downward. The share of Africa in total technical cooperation expenditures increased, in particular after the financial crisis in 2008. The share of Asia and the Pacific has recovered from its low in 2011, while the share of Latin America and the Caribbean has decreased since 2011, following five years of steady growth (see figure 4).

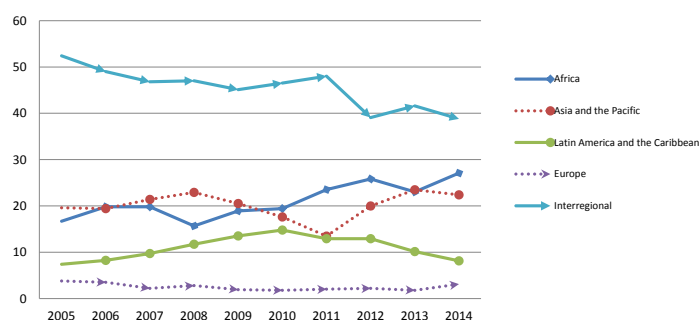
39. Total expenditures in Africa (including country and regional projects) amounted to \$10.5 million in 2014, 13 per cent higher than in 2013 (see table 3). The share of Africa in the total delivery of UNCTAD technical cooperation increased from 23 per cent in 2013 to 27 per cent in 2014.

40. Total expenditures in Asia and the Pacific amounted to \$8.7 million in 2014, about 8.6 per cent less than in 2013. The share of the region in the total delivery of UNCTAD technical cooperation in 2014 was 22.4 per cent, compared to 23.5 per cent in 2013.

41. Total expenditures in Latin America and the Caribbean amounted to \$3.2 million, a 23 per cent decline compared to 2013. The increase in country project expenditures was not able to offset the decline in expenditures on regional projects. The share of the region in the total delivery of UNCTAD technical cooperation decreased from 10.1 per cent in 2013 to 8.1 per cent in 2014.

42. In Europe, nine country projects with total expenditures of \$1.2 million were under implementation in 2014. These included in particular an ASYCUDA project in Bosnia and Herzegovina. In addition, an ASYCUDA project with a total expenditure of \$166,561 was implemented in Saint Pierre and Miquelon.

Figure 4
Technical cooperation expenditures by region, 2005–2014
(Percentage of total yearly expenditures)



Note: The share of North America is not reflected as it only represented 0.4 per cent of total expenditures in 2014.

43. The geographical distribution data (see figure 4 and table 3) should be read in conjunction with the information provided in chapter II, section A, in particular the comments regarding regional and country projects. It should be noted that only expenditures on regional and country projects, which accounted for about 61.2 per cent of total expenditures in 2014, are taken into account in the calculation of regional shares. Expenditures on interregional projects involving beneficiary countries and/or regions are recorded separately and thus are not reflected in the calculation of regional shares.

44. As part of its strategy for delivering technical cooperation services, UNCTAD continues to assign priority to LDCs. In 2014, technical cooperation expenditures in support of LDCs amounted to \$15.4 million. Although there was a decline compared to the level of expenditures in 2013 (negative 5 per cent), the share of LDCs in technical cooperation expenditures remained stable, accounting for 40 per cent of the total. Compared to the average technical cooperation expenditures in LDCs during the most recent five-year period (2010–2014), expenditures in 2014 were slightly higher (by 3.4 per cent). In 2014, the LDC Trust Fund only received one contribution, namely \$72,235 from the Netherlands. As emphasized in paragraph 7 of Trade and Development Board decision 523 (LXI) of September 2014, developed countries and other development partners in a position to do so are called upon to continue to contribute to the LDC Trust Fund.

Table 3
Technical cooperation expenditures by region, 2011–2014
(In thousands of dollars)

	2011	2012	2013	2014	
	Amount	Amount	Amount	Amount	Percentage
Total	39 073	36 311	40 549	38 780	100.0
Africa ^a	9 188	9 363	9 312	10 526	27.1
Asia and the Pacific ^a	5 287	7 268	9 521	8 700	22.4
Latin America and the Caribbean ^a	5 054	4 701	4 093	3 160	8.1
Europe ^a	799	784	717	1 183	3.0
North America ^a	-	-	-	167	0.4
Interregional projects	18 746	14 194	16 815	15 045	38.8
<i>Of which, least developed countries</i>	<i>14 185</i>	<i>15 201</i>	<i>16 240</i>	<i>15 358</i>	<i>39.6</i>

^a Total expenditures exclusively for regional and country projects.

45. The Accra Accord recognizes the Enhanced Integrated Framework as a key mechanism for the provision of trade-related technical assistance to the LDCs and calls on UNCTAD to intensify and strengthen its contribution to it. In 2014, UNCTAD continued to participate in the implementation of Framework activities through the organization of sensitization workshops on the Framework process, conduct of Diagnostic Trade Integration Study updates and formulation and implementation of Tier 2 projects.

46. With regard to sensitization workshops, a regional event on the implications of the Agreement on Trade Facilitation of the World Trade Organization on regional transit issues was held in June 2014 in the Gambia. With regard to Diagnostic Trade Integration Study updates, progress was made in five LDC countries in 2014, including finalization of the update of the Study of Djibouti, validation of the concept note of the update of the Study of Ethiopia and draft Studies of Mali and the Niger, as well as the organization of a workshop to address the main constraints in the customs clearance and transit procedures in Mali and a workshop to validate the update of the Study of Mozambique. With regard to the formulation and implementation of Tier 2 projects, UNCTAD provided substantive support to the Governments of Djibouti, the Gambia and Senegal.

III. Structure and functioning

A. Follow-up to intergovernmental decisions

1. Thematic rationalization

47. In 2014, the secretariat continued its efforts towards the reduction of fragmentation and the consolidation of technical cooperation activities. The list of the 17 thematic clusters is circulated as an informal working document of the Working Party (see http://unctad.org/en/PublicationsLibrary/dommisc2011d1_en.pdf). It is updated by the divisions responsible for the respective clusters to reflect ongoing and proposed activities in response to requests received from beneficiaries.

48. To reduce the number of trust funds and simplify and streamline the structure of UNCTAD technical cooperation, the working document includes proposals to merge interregional and regional projects into multi-donor and multi-year trust funds. In terms of figures, this represented a total of 77 interregional projects and 25 regional projects in 2014. UNDP-funded projects and Development Account projects are not part of the clustering process, as they are governed by financial and administrative rules that differ from those for trust fund projects.

49. The secretariat's commitment to consolidating technical cooperation projects partly relies on the support of donor Governments. Donors are regularly contacted by the secretariat to request authorization to close projects or reimburse or transfer residual amounts to other activities. These operations are not undertaken without the formal approval of donors. In 2014, the secretariat financially closed 56 projects, and 59 new projects were started (for information on new and closed projects in 2014, see TD/B/WP/272/Add.2, table 12). In total, the number of operational projects with expenditures in 2014 amounted to 210, the same amount as in 2013, but 52 projects less than in 2008 when actions towards reducing fragmentation started.

50. Rationalization of the activities carried out within each of the thematic clusters and consolidation of projects under thematic trust funds continued throughout 2014. For example, the Division on Investment and Enterprise has been implementing a strategy adopted in 2008, based on a core-product approach, an information technology-enhanced approach and a networking and partnership approach, which helps to rationalize and

consolidate its technical cooperation activities. In concrete terms, an umbrella project on capacity-building in investment for development was developed. This multi-year and multi-donor project encompasses a value chain of integrated products and services in the area of investment and enterprise and consolidates under one thematic trust fund technical cooperation activities carried out under clusters 6, 7, 8 and 9.

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

51. UNCTAD technical cooperation continues to revolve around policy analysis and advice and human and institutional capacity-building. In accordance with paragraphs 178 and 217 of the Accra Accord and as emphasized in paragraph 1 of Trade and Development Board decision 523 (LXI) of September 2014, efforts continued to ensure greater coherence between technical cooperation programmes and analytical and consensus-building work.

52. Many activities in 2014 illustrate the strong synergies between the three pillars in the substantive work of UNCTAD. In the area of science, technology and innovation, for example, national Science, Technology and Innovation Policy Reviews continue to be conducted. These Reviews assess the performance of innovation systems in developing countries, taking into consideration the outcome of research on science, technology and innovation policies for development and the experiences and lessons shared in the discussions of the expert meetings and intergovernmental meetings on science, technology and innovation policy, including meetings of the Investment, Enterprise and Development Commission and the Commission on Science and Technology for Development. The findings of the national Reviews regarding specific aspects of science, technology and innovation policies are in turn considered at the expert meetings and intergovernmental meetings. The knowledge gained by UNCTAD through the Reviews also enriches the content of capacity-building programmes in developing countries. For example, the learning material being prepared for a new capacity-building and networking programme under the Development Account draws intensively from the experiences of the Review programme.

53. In the area of investment and enterprise, a recent example is the fourth World Investment Forum, held in October 2014, which brought together 3,000 investment development stakeholders at 50 events. Discussions were informed by the analytical work of UNCTAD, such as the *World Investment Report 2014*, which served as the background document for a ministerial round table. The chairs' summary of the round table will feed into the Third International Conference on Financing for Development, to be held in Addis Ababa from 13 to 16 July 2015, and the United Nations summit for the adoption of the post-2015 development agenda, to be held in New York, United States of America, from 25 to 27 September 2015. The Forum also served as a platform, in cooperation with academia, for the launch of major research projects, such as the research agenda for development-oriented investment policy analysis. Finally, the Forum provided an opportunity to carry out substantial capacity-building activities, including investment promotion workshops and the presentation of investment guides.

3. Interdivisional cooperation

54. The Project Review Committee⁵ continued to perform its central role as the internal mechanism to ensure coherence and interdivisional cooperation on issues related to technical cooperation. The Committee meets as necessary to discuss issues related to the management of technical cooperation, including fundraising, distribution of funds and

⁵ The Project Review Committee is the interdivisional mechanism for making collegial decisions on UNCTAD technical assistance operations and fundraising. Its terms of reference were set by the Secretary-General of UNCTAD in 2008.

approval of new project proposals. Members of the Project Review Committee (i.e. divisional focal points) and the Technical Cooperation Service communicate frequently on all issues related to the coherent delivery of technical cooperation.

55. The divisions of UNCTAD further enhanced their cooperation in 2014 to effectively deliver technical cooperation activities. For example, the Division on Investment and Enterprise worked with the Division for Africa, Least Developed Countries and Special Programmes on web-based investment guides (iGuides) for Bhutan and Nepal. The Virtual Institute is another example of fruitful interdivisional collaboration. In 2014, the Institute successfully completed a three-year project aimed at strengthening capacities for the policy-oriented analysis of key global challenges at developing country universities, due to close collaboration between the two above-mentioned divisions and the Division on Globalization and Development Strategies and the Division on International Trade in Goods and Services, and Commodities. The latter two divisions and the Division on Technology and Logistics jointly implemented the project entitled “Capacity development for facilitating Palestinian trade”.

4. Inter-agency cooperation

56. Strengthening inter-agency cooperation is important for increasing efficiency in the use of technical cooperation resources and achieving a more tangible impact in beneficiary countries. This is particularly relevant in addressing the complex challenges of the post-2015 development agenda.

57. UNCTAD further enhanced its collaboration with other international organizations in delivering technical cooperation, including through the United Nations Inter-Agency Cluster on Trade and Productive Capacity (for details of activities in 2014, see chapter III, section B). Other examples include collaboration with the International Trade Centre in carrying out a European Union-funded project on support to trade and private sector development in Zimbabwe. UNCTAD established a partnership with the Common Fund for Commodities and the United Nations Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States in implementing a project related to the facilitation of investment in commodity value chains in landlocked developing countries. Joint efforts among the three agencies led to the substantive engagement of landlocked developing countries prior to and during the second United Nations Conference on Landlocked Developing Countries, held in Vienna in November 2014. In the area of intellectual property, UNCTAD works closely with the United Nations Industrial Development Organization to support the local manufacture of medicines in developing countries. In the area of science and technology, training and advisory services related to information and communications technology and law reform are often implemented in partnership with organizations such as the International Telecommunication Union and the United Nations Commission on International Trade Law, as well as regional bodies.

5. Requests from developing countries

58. The secretariat continues to update the compilation of the indicative list of formal requests for UNCTAD assistance received in 2013–2015 that is circulated as an informal working document of the Working Party (see http://unctad.org/en/PublicationsLibrary/dommisc2013d1_en.pdf). The number of requests continues to increase. The list is a useful tool for identifying in a transparent manner the needs and priorities of beneficiaries and should guide donors in their decisions to allocate their contributions, as recommended in paragraph 9 of Trade and Development Board decision 523 (LXI) of September 2014.

59. To the extent possible, UNCTAD tries to respond to the large majority of the demands for assistance. In some instances, however, responses can be negative due to a

lack of resources. This is the case for Science, Technology and Innovation Policy Reviews, Investment Policy Reviews, Empretec and the installation of eRegistration and eRegulation systems, where many requests are pending due to funding constraints. In 2014, this was also the case for the Virtual Institute where, of the 22 requests received from sub-Saharan Africa and LDCs, only 15 could be accommodated.

60. The secretariat continues to seek new ways of making the most of its limited resources, including by mobilizing additional funds through collaboration with other development organizations and by applying information and communications technology in delivering technical cooperation. For example, in the area of international investment agreements, UNCTAD is considering using live Internet streaming to link small audiences of trainees in a country with a regional workshop. Under the TrainForTrade programme, new learning tools are continuously developed, such as the use of e-learning and mobile learning to deepen the programme's reach. Nevertheless, given the high demand for technical cooperation from UNCTAD and in light of already significant contributions by recipient countries themselves, it is critical that donors increase their funding support to meet developing country requests for assistance by UNCTAD. In the absence of such steps, technical cooperation will continue to fall short of the needs of developing countries, not least LDCs.

61. In 2014, UNCTAD developed innovative products and projects to meet the needs of developing countries. For example, in the area of investment and enterprise, UNCTAD, together with the Food and Agriculture Organization of the United Nations, the International Fund for Agricultural Development and the World Bank, undertook field testing of the Principles for Responsible Agricultural Investment. In addition, a new UNCTAD database on international investment agreements, the International Investment Agreements Navigator, was launched (<http://investmentpolicyhub.unctad.org/IIA>). This database is the world's most comprehensive collection of treaty texts and provides a one-stop shop for the dissemination of information related to international investment agreements. In the area of trade and gender issues, an UNCTAD teaching manual contributed to enriching the still limited literature on the conceptual, theoretical and empirical links between trade development and gender, and received strong endorsement by the United Nations Entity for Gender Equality and the Empowerment of Women.

6. Continuous implementation of results-based management methods

62. The document entitled "Guidelines for the implementation of results-based management regarding technical cooperation projects" circulated to member States in December 2012 has become a mandatory tool for all project managers. It guides them in the design and implementation of operational activities.⁶

63. All new UNCTAD project documents⁷ include results-based management logical frameworks whose quality is verified during the clearance process. Efforts towards training and raising the awareness of project officers on this important topic continue.

64. For example, the Division on Investment and Enterprise consistently uses measurable results chains, based on specific, measurable, achievable, relevant and time-bound indicators, for planning, monitoring and management purposes. Specifically, the Division has developed a detailed workplan matrix that cross-references its outputs (including capacity-building outputs) to the following: (a) delivery expected under the UNCTAD mandates and following specific requests from member States and the General

⁶ These Guidelines are based on the results-based management methods of the United Nations Secretariat, applied to UNCTAD areas of assistance.

⁷ Exceptions are made for projects of very small order.

Assembly; (b) its strategic framework; (c) its core products; and (d) the team within the Division responsible for delivery. Reporting is made to donors through the Division's performance appraisal framework.

65. In 2014, the DMFAS programme continued to implement the monitoring and evaluation framework established in 2013. This new results-based approach is applied to its technical assistance projects in a systematic way. All DMFAS technical assistance project documents include logical frameworks with indicators of success and specific monitoring and evaluation activities.

7. Fundraising

66. Another aspect of enhancing the management and administration of UNCTAD relates to the request by the Trade and Development Board for an UNCTAD fundraising strategy. The draft UNCTAD fundraising strategy circulated to member States on 22 March 2013 (UNCTAD/OSG/MISC/2013/1) was discussed in March and September 2014 at the sixty-seventh and sixty-eighth sessions of the Working Party. However, no agreement was concluded. Member States require further consultations to agree on a set of common goals and principles for the fundraising strategy. The secretariat looks forward to the guidance and support of member States to further the process.

B. Contribution to United Nations system-wide coherence

67. Since its establishment in April 2007 and its official launch by the United Nations Secretary-General during the twelfth session of the United Nations Conference on Trade and Development (UNCTAD XII) in April 2008, the United Nations Inter-Agency Cluster on Trade and Productive Capacity has successfully pursued the following three main goals: (a) strengthening the role of trade and productive capacities in the integrated technical assistance delivered by the United Nations; (b) ensuring inter-agency coordination within "Delivering as one"; and (c) increasing the links between non-resident agencies and United Nations country offices.

68. The Inter-Agency Cluster, led by UNCTAD, is an inter-agency mechanism composed of resident and non-resident agencies of the United Nations system with mandates and expertise in the area of international trade and productive sectors. The Inter-Agency Cluster is currently composed of the five Regional Commissions of the United Nations, the Food and Agriculture Organization of the United Nations, the International Labour Organization, the International Telecommunication Union, UNCTAD, UNDP, the United Nations Commission on International Trade Law, the United Nations Industrial Development Organization, the United Nations Environment Programme, the United Nations Office for Project Services and the World Trade Organization.

69. With the organization of two Inter-Agency Cluster meetings on 9 September and 29 October 2014, UNCTAD initiated a process for the establishment of a multi-donor trust fund aimed at scaling up the activities of the Inter-Agency Cluster at both the global and country levels. This fund is expected to support the Inter-Agency Cluster in building a more holistic vision of trade and productive capacity and in developing concerted policy initiatives for key thematic areas that will guide the implementation of joint programmes at the country level.

70. UNCTAD also strengthened its collaboration with the core agencies of the Inter-Agency Cluster by engaging a process leading to high-level common policy orientations. In this regard, for instance, a memorandum of understanding was signed with the International Labour Organization on 4 December 2014, aimed at supporting the development of joint policy orientations and their translation into inter-agency

operations for more coherence and impact at the country level. UNCTAD and International Labour Organization joint policy recommendations are expected to meet the pressing needs of Governments on priority themes, such as trade and employment, which require comprehensive solutions.

1. Participation of UNCTAD and the Inter-Agency Cluster in “Delivering as one”

71. Under the common “Delivering as one” banner, UNCTAD operations carried out within the Inter-Agency Cluster, at regional and national levels, are presented below.

(a) Operations of UNCTAD and the Inter-Agency Cluster at the national level. In 2014, UNCTAD and partner agencies from the Inter-Agency Cluster were involved in the following ongoing United Nations Development Assistance Frameworks or similar planning exercises:

(i) **Africa.** Cabo Verde, Cameroon, the Comoros, Lesotho, Madagascar, Mozambique, Rwanda, Sao Tome and Principe, the United Republic of Tanzania, Zambia;

(ii) **Arab States.** Egypt and State of Palestine;

(iii) **Asia and the Pacific.** Afghanistan, Bhutan, the Lao People’s Democratic Republic, Myanmar, Nepal, Pakistan and Viet Nam;

(iv) **Europe and the Commonwealth of Independent States.** Albania, Azerbaijan, Belarus, Georgia, the Republic of Moldova, Serbia, Ukraine and Uzbekistan;

(v) **Latin America and the Caribbean.** Ecuador, El Salvador, Panama and Uruguay.

(b) Operations of UNCTAD and the Inter-Agency Cluster at the regional level:

(i) **Africa.** The Inter-Agency Cluster continued its participation in the regional initiative on industry, trade and market access coordinated by the United Nations Industrial Development Organization, including the participation of UNCTAD.

(ii) **Arab States.** In 2012–2013, five agencies of the Inter-Agency Cluster – namely the International Labour Organization, the International Telecommunication Union, UNCTAD, the United Nations Industrial Development Organization and UNDP – designed a regional project for the members of the League of Arab States aimed at providing a platform for targeted trade reforms, strengthening employment and competitiveness, trade promotion and regional trade integration. The project was officially endorsed by the Arab Economic and Social Development Summit, and inter-agency assistance was provided in 2014.

(iii) **Europe and the Commonwealth of Independent States.** In 2014, the Inter-Agency Cluster participated in joint initiatives of the United Nations Special Programme for the Economies of Central Asia, led by the United Nations Economic Commission for Europe, with the participation of UNCTAD.

IV. Conclusions and ways forward

72. In 2014, both developed and developing countries significantly increased their contributions to the technical cooperation activities of UNCTAD. However, much of the increase came from a small number of countries.

73. To efficiently use resources and achieve greater impact on the ground, UNCTAD continued to improve the structure and functioning of its technical cooperation activities.

In particular, efforts were concentrated on reducing the fragmentation of technical cooperation activities and consolidating activities under thematic clusters, strengthening the synergies among the three pillars of the work of UNCTAD, enhancing interdivisional and inter-agency cooperation, applying results-based management tools and developing innovative products and using new technology to better meet the needs of developing countries.

74. With the post-2015 development agenda in view, it is expected that greater demand for technical cooperation will emerge from developing countries. To address the rising numbers of requests, and to better respond to the situation whereby existing demand exceeds available funds, UNCTAD will continue its efforts to improve internal management and the delivery of technical cooperation, while at the same time seeking additional financial resources from traditional and potential donors. The secretariat therefore calls on donors from developed and developing countries to continue their financial support to UNCTAD, building on the good momentum in 2014, and to increase the predictability of funds in order that UNCTAD may better plan its medium- and long-term technical cooperation.

75. Due to its leading role in the United Nations Inter-Agency Cluster on Trade and Productive Capacity, UNCTAD continued to actively participate in and add value to joint programmes developed in the context of the “Delivering as one” initiative. With a view to complementing funds available through the “Delivering as one” funding mechanisms, UNCTAD initiated a process for the establishment of a multi-donor trust fund aimed at scaling up the activities of the Inter-Agency Cluster at both the global and country levels. In the context of the post-2015 development agenda, this fund is expected to support the Inter-Agency Cluster in building a more holistic vision of trade and productive capacity and in developing concerted policy initiatives for key thematic areas that will guide the implementation of joint programmes at the country level. Donors are invited to support this initiative and provide adequate resources.
