Review of the technical cooperation activities of UNCTAD and their financing

Summary

UNCTAD technical cooperation continues at full throttle. In 2019, overall funding to UNCTAD trust funds for technical cooperation activities reached a new high of $46 million, up by 35 per cent over 2018. This resulted from enhanced support from the main sources of funding, in particular, contributions from developed countries, which rose to a five-year high of $11.8 million, and from developing countries and countries with economies in transition, which increased to $22.8 million, the highest amount since 1995. In addition, technical cooperation expenditures maintained a high level, at $43.3 million, close to the peak in 2018. Support to the least developed countries was further enhanced, and reached a high of $22.7 million, or 52 per cent of total delivery. The Automated System for Customs Data (ASYCUDA) and the Debt Management and Financial Analysis System (DMFAS) remained the top two technical cooperation programmes.

To better assist developing countries in implementing the 2030 Agenda for Sustainable Development and addressing new challenges, including socioeconomic challenges due to the coronavirus disease (COVID-19) pandemic, UNCTAD has intensified its efforts to further optimize the organization and functioning of its technical cooperation. In 2019, UNCTAD technical cooperation continued to be results-oriented and gender-sensitive and featured increased interdivisional and inter-agency cooperation. UNCTAD also continued to actively participate in the reform of the United Nations development system, exploring effective ways to engage with United Nations resident coordinator offices and increase access to country-level funding.
Introduction

1. This note has been prepared to facilitate the annual policy review of the technical cooperation activities of UNCTAD by the Trade and Development Board. It will be submitted to the Working Party on the Strategic Framework and the Programme Budget for its review of the technical cooperation activities of UNCTAD, in line with the provisions set out in paragraph 220 of the Accra Accord and in a series of decisions by the Board from 2008 to 2019. Through these decisions, the Board has recommended more structured interaction between the secretariat, potential beneficiaries and donors, to be carried out within the framework of the Working Party, which is the main mechanism for consultations among member States on all technical cooperation issues.

2. This note provides an overview of the technical cooperation activities of UNCTAD and their financing in 2019. It analyses the main trends in the funding and delivery of such cooperation and highlights the key actions taken by UNCTAD to improve the structure and functioning of technical cooperation. Some good examples and lessons learned are also shared. The report ends with conclusions and suggestions for the way forward.

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

I. Funding sources

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

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

   (b) The United Nations regular programme of technical cooperation and the development account.

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

A. Trust fund resources

6. Voluntary funding to trust funds or extrabudgetary resources remains the most important funding source for UNCTAD technical cooperation. In 2019, overall funding to UNCTAD trust funds rebounded strongly following two years of decline, reaching a new high of $46 million (figure 1). Compared with 2018, total trust fund resources rose by 35 per cent. The main sources of funding – developed countries, developing countries and countries with economies in transition, the European Union, and the United Nations system and other international organizations – all enhanced their support for UNCTAD technical cooperation.
7. In 2019, developed country contributions to UNCTAD trust funds amounted to $11.8 million, up by 24 per cent over 2018, suggesting a continuous recovery from the low of $6.8 million in 2017. However, the share of developed countries in total trust fund resources fell from 28 per cent in 2018 to 26 per cent in 2019, because the increase in total trust fund resources was more significant. Nine developed countries contributed to trust funds, with seven increasing their contributions to UNCTAD compared with 2018. In particular, the rise in contributions from Australia and New Zealand was significant (+$1.98 million) and was provided mainly to support the implementation of a project on trade and customs harmonization in the Pacific and a project on transparency in trade regulation and facilitation under the Pacific Agreement on Closer Economic Relations Plus. Germany remained the greatest developed country donor in 2019, contributing $3.1 million, followed by Switzerland and Australia, which contributed $2.1 million and $2.0 million, respectively. The contributions from the Netherlands, New Zealand and the United Kingdom of Great Britain and Northern Ireland also exceeded $1 million each. Together, these six donors represented 95 per cent of the total contributions from developed countries in 2019. With regard to accumulated contributions over the last five years, the top two developed country donors were Switzerland and Germany, each registering a contribution of more than $9 million (figure 2). In 2019, developed country contributions were mainly directed towards such areas as ASYCUDA; DMFAS; sustainable trade and the environment; electronic commerce and the digital economy; non-tariff measures; investment for development; trade facilitation; and trade, gender and development.
8. Funding from developing countries and countries with economies in transition rose by 35 per cent to reach a record high of $22.8 million in 2019. This was largely due to increased funding from Bangladesh, Timor-Leste and Zimbabwe to implement ASYCUDA. Funding from developing countries accounted for 50 per cent of total trust fund resources in 2019, the same as in 2018. Compared with developed country contributions, funding from developing countries and countries with economies in transition was 94 per cent higher. It is noteworthy that 95.5 per cent of funding from developing countries and countries with economies in transition was allocated to activities in their countries, mainly to implement programmes related to ASYCUDA (82 per cent) and DMFAS (9 per cent). The remaining 4.5 per cent of developing country funding ($1 million) was used to support activities beyond contributing countries. China remained the greatest developing country contributor, with support for UNCTAD technical cooperation to benefit other developing countries; contributions amounted to $0.55 million in 2019, the same as in 2018.

9. Contributions from the European Union rebounded strongly from the low of $0.3 million in 2018 to $3.6 million in 2019, the highest in the past five years. Contributions were directed to supporting the European Union–UNCTAD joint programme of support for Angola, as well as other projects in the areas of business facilitation, debt management and trade and gender statistics. Accordingly, the share of the European Union in total trust fund resources rose from 1 per cent in 2018 to 8 per cent in 2019. Together, the European Union and its member States contributed $10.1 million to UNCTAD, accounting for 22 per cent of total trust fund resources.

10. Contributions from the United Nations system and other international organizations reached $7 million in 2019, up by 6 per cent compared with 2018. Despite the increase in value terms, the share of the United Nations system and other international organizations in total trust fund resources trended downward, dropping from the high of 26 per cent in 2017 to 19 per cent in 2018 and 15 per cent in 2019. Within the category, Trade Mark East Africa remained the greatest contributor in 2019, with contributions amounting to $2.5 million, followed by the Common Market for Eastern and Southern Africa, the International Trade Centre and the United Nations Department of Economic and Social Affairs. Combined, their contributions represented 73 per cent of funding from the United Nations system and other international organizations.
11. In 2019, funding from the private and public sectors totalled $0.7 million, 4 per cent less than the contributions in 2018, but higher than the average between 2015 and 2019. Contributions were directed to implementing several projects, including a project to develop a global port infrastructure sufficiency index funded by the Republic of Korea Maritime Institute, a project on non-tariff measures data updates and conversions for selected Asia-Pacific Economic Cooperation economies funded by the National Graduate Institute for Policy Studies of Japan, a project on reclaiming multilateralism for global development by the Rockefeller Brothers Fund and Train for Trade port training projects funded by port authorities from several developing countries.

B. United Nations regular programme of technical cooperation and the development account

12. Resources for technical cooperation activities are provided under the United Nations regular programme of technical cooperation and the development account, that is, sections 23 and 35, respectively, of the United Nations programme budget. In 2019, total expenditures under the United Nations regular programme of technical cooperation and the development account amounted to $4 million, up by 7 per cent over 2018. Their share of total technical cooperation expenditures remained stable, at 9 per cent.

13. Expenditures under the United Nations regular programme of technical cooperation totalled $1.4 million in 2019, rising by 3 per cent compared with 2018, mainly for advisory services and training. As in the past, training-related resources under the regular programme of technical cooperation were mainly used to finance the UNCTAD courses on key issues on the international economic agenda, known as the paragraph 166 courses. In 2019, three regional courses and six short courses for Geneva-based delegates were successfully delivered. In addition, a pilot interregional course was held in Geneva.

14. The development account is an important capacity development programme of the United Nations Secretariat. It catalyses the normative and analytical expertise of 10 implementing entities of the Secretariat, including UNCTAD, to deliver technical cooperation activities on the ground. In 2019, $2.6 million was spent to support the implementation of 20 development account projects in a variety of areas of the work of UNCTAD (see TD/B/WP/305/Add.2, table 11). Compared with 2018, expenditures under the development account were 9 per cent higher. Four projects under the twelfth tranche of the development account began to be delivered in the first quarter of 2020.

15. Under the new thirteenth tranche of the development account (2021–2024), three UNCTAD projects with a total budget of $1.7 million have been endorsed for funding by the Steering Committee of the development account. These projects focus on trade policies and frameworks; technology assessment in selected sectors; and mobilizing resources for a global green new deal. In addition, UNCTAD is actively participating in a joint project on integrated national financing frameworks. Implementation of these projects is expected to start in 2021 following approval of the programme budget by the General Assembly.

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

16. The Cluster is an inter-agency mechanism dedicated to the coordination of trade and development operations at the national and regional levels within the United Nations system. Led by UNCTAD, it includes the participation of 15 resident and non-resident United Nations agencies. The Cluster makes a concrete and direct contribution to reform in the United Nations by coordinating inter-agency operations at all levels and by accessing innovative pooled financing mechanisms such as the specific partner contributions and multi-donor trust funds (figure 3).
1. **Specific partner contributions**

   17. Specific partner contributions are direct contributions to one or more agencies given by one or more donors to support inter-agency coordination. In 2019, UNCTAD continued to foster bilateral partnerships with several agencies from the Cluster through a progressive use of the standard United Nations agency to United Nations agency contribution agreement issued by the United Nations Sustainable Development Group.

   18. In 2019, in collaboration with the International Trade Centre, UNCTAD benefited from six United Nations agency to United Nations agency agreements. UNCTAD and International Trade Centre activities were developed with a view to establishing comprehensive trade facilitation portals to simplify the national trade regulatory environment and improve business and investment climates. In 2019, allocations were received from the International Trade Centre to support the implementation of UNCTAD activities in Afghanistan ($60,000), Burkina Faso ($61,112), Burundi ($58,590), Jordan ($61,112), Sri Lanka ($58,334) and Viet Nam ($60,000). UNCTAD also benefited from another United Nations agency to United Nations agency agreement as part of cooperation with the United Nations Development Programme within the United Nations Inter-Agency Cluster on Trade and Productive Capacity. In 2019, UNCTAD received an allocation of $20,512 from the United Nations Development Programme to support entrepreneurship development through entrepreneurial skills training and comprehensive business advisory services in Namibia.

2. **Multi-donor trust funds**

   19. Multi-donor trust funds consist of pooled funding mechanisms with a structure that involves representatives of the United Nations system, national Governments and donors. Designed based on United Nations Sustainable Development Group guidelines, the multi-donor trust funds aim to complement the resources of individual agencies.

   20. In 2019, UNCTAD received an annual allocation of $0.12 million from the United Republic of Tanzania “One United Nations” country fund to support the implementation of United Nations Development Assistance Plan 2016–2021. This fund has proven to be a decisive funding mechanism for UNCTAD. It has helped to build up integrated assistance making the best use of expertise from non-resident agencies such as UNCTAD and has also ensured the sustainability of UNCTAD technical cooperation, acting as a catalyst by leveraging added value and cross-sectoral policy coherence, leading to the funding of new activities.
21. UNCTAD access to multi-donor trust funds was limited in 2019, but is expected to increase in future as new “One United Nations” country funds emerge and new thematic “One United Nations” country funds are established under the leadership of the United Nations Sustainable Development Group, such as the Joint Sustainable Development Goals Fund that includes different components on various socioeconomic themes pertinent to sustainable development.¹ Such multi-donor trust funds will play a prominent role in the context of the reform of the United Nations development system.

D. Financing of junior professional officers

22. In addition to the funding sources mentioned above, some donors support the junior professional officer programme of UNCTAD, carried out under the junior professional officer programme of the United Nations.

23. In 2019, the UNCTAD junior professional officer programme continued to expand, in terms of the number of both contributing countries and officers. Four countries – China, Germany, Italy and Saudi Arabia – sponsored 11 junior professional officers at UNCTAD (see TD/B/WP/305/Add.2, table 9), compared with nine junior professional officers sponsored by three countries in 2018. Germany was the greatest contributor, sponsoring four junior professional officers; China and Italy each sponsored three junior professional officers and Saudi Arabia, a new donor to the programme, sponsored one junior professional officer. It is noteworthy that among the three junior professional officers sponsored by Italy, one is from a least developed country.

24. The junior professional officer programme offers a unique opportunity for young professionals to participate in the analytical and operational work of UNCTAD. Despite the increased number of junior professional officers at UNCTAD, the demand by the secretariat exceeds the supply. The secretariat therefore reiterates its request for donors in a position to do so to consider sponsoring junior professional officers, particularly from developing countries.

II. Expenditures and allocation of technical cooperation resources

25. In 2019, overall expenditures for UNCTAD technical cooperation activities amounted to $43.3 million, slightly below the record high in 2018 (see TD/B/WP/305/Add.2, table 2). With regard to funding sources, expenditures under trust funds fell by 2 per cent in 2019, to $38.8 million, while expenditures under the United Nations regular programme of technical cooperation and the development account increased by 7 per cent, to $4 million. Expenditures under “Delivering as one” funding mechanisms were $0.49 million in 2019, compared with $0.42 million in 2018. In 2019, the share of these three types of funding sources in total technical cooperation expenditures remained stable compared with 2018, with expenditures under trust funds accounting for 90 per cent of the total (figure 4).

¹ See https://jointsdgfund.org/partnerships (accessed 2 July 2020).
A. Expenditures by type of project

26. UNCTAD technical cooperation projects are delivered at the national, regional and interregional levels. Country-level projects remained the main form of delivery, accounting for 53 per cent of total expenditures in 2019, followed by interregional and regional projects, at 30 and 17 per cent, respectively, of total technical cooperation expenditures (figure 5).

27. In 2019, expenditures under country-level projects increased slightly, to $22.9 million. Among the 126 country-level projects, most were self-financed, including resources made available by donors through bilateral aid programmes, focusing on customs modernization and reform and on debt management. In 2019, $14.9 million, or 65 per cent of expenditures under country-level projects, was related to the implementation of projects in the least developed countries.

28. In 2019, expenditures under regional projects were $7.3 million, up 5 per cent over 2018. Expenditures for regional projects in Africa and Asia and the Pacific increased by
8 and 25 per cent, respectively. Expenditures for regional projects in Latin America and the Caribbean decreased by 45 per cent.

29. Interregional projects are thematic projects implemented in beneficiary countries and covering more than one geographic region. Expenditures under this category decreased from $14.3 million in 2018 to $13.1 million in 2019. Expenditures in 2019 were related to the delivery of many products in the UNCTAD Toolbox: Delivering Results, including ASYCUDA, DMFAS, business facilitation and electronic commerce and the digital economy.

B. Expenditures by product

30. In 2019, expenditures under 28 toolbox products reached $39.2 million, representing 91 per cent of total annual technical cooperation delivery (see table). ASYCUDA and DMFAS remained the top two UNCTAD technical cooperation products, representing 48 and 12 per cent, respectively, of total expenditures in 2019, followed by business facilitation, electronic commerce and the digital economy, trade facilitation, non-tariff measures and sustainable trade and the environment, which, combined, represented 18 per cent of total UNCTAD technical cooperation delivery. Four products – Train for Trade, statistics, investment and public health and trade, gender and development – each accounted for expenditures at 1–2 per cent of total delivery. Expenditures under each of the remaining 17 products represented less than 1 per cent of total delivery. This may partly be explained by funding shortfalls. In addition, expenditures under activities funded directly by donors without a transfer of funds to UNCTAD are not reflected in the table. For example, the voluntary peer review of consumer protection law and policy in Indonesia was supported by the German Corporation for International Cooperation and the services policy review of Morocco was supported by the United Nations Development Programme Regional Bureau for Arab States.

Technical cooperation expenditures, by theme and product, 2019

<table>
<thead>
<tr>
<th>Product</th>
<th>Sustainable Development Goals addressed</th>
<th>Expenditures (dollars)</th>
<th>Percent of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transforming economies, fostering sustainable development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment policy reviews</td>
<td>8, 17</td>
<td>406 333</td>
<td>0.94</td>
</tr>
<tr>
<td>Services policy reviews</td>
<td>8, 9, 17</td>
<td>–</td>
<td>–</td>
</tr>
<tr>
<td>Trade policy framework reviews</td>
<td>17</td>
<td>52 539</td>
<td>0.12</td>
</tr>
<tr>
<td>Science, technology and innovation policy reviews</td>
<td>9</td>
<td>225 627</td>
<td>0.52</td>
</tr>
<tr>
<td>Electronic commerce and the digital economy</td>
<td>8, 9, 17</td>
<td>1 822 293</td>
<td>4.21</td>
</tr>
<tr>
<td>Non-tariff measures</td>
<td>3, 8, 17</td>
<td>1 162 171</td>
<td>2.68</td>
</tr>
<tr>
<td>Trade negotiations and the international trading system</td>
<td>10, 17</td>
<td>199 731</td>
<td>0.46</td>
</tr>
<tr>
<td>Sustainable trade and the environment</td>
<td>12, 13, 14, 15</td>
<td>1 058 867</td>
<td>2.45</td>
</tr>
<tr>
<td>Investment promotion and facilitation</td>
<td>9, 17</td>
<td>258 221</td>
<td>0.60</td>
</tr>
<tr>
<td>Investment guides</td>
<td>9, 17</td>
<td>20 489</td>
<td>0.05</td>
</tr>
<tr>
<td>Tackling vulnerabilities, building resilience</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Support to graduation from least developed country status</td>
<td>8</td>
<td>231 787</td>
<td>0.54</td>
</tr>
<tr>
<td>DMFAS</td>
<td>17</td>
<td>5 196 023</td>
<td>12.00</td>
</tr>
<tr>
<td>UNCTAD contribution to the Enhanced Integrated Framework</td>
<td>9, 17</td>
<td>156 030</td>
<td>0.36</td>
</tr>
<tr>
<td>Market access, rules of origin and geographical indications for the least developed countries</td>
<td>8, 10, 17</td>
<td>34 452</td>
<td>0.08</td>
</tr>
<tr>
<td>Breaking the chains of commodity dependence</td>
<td>8, 9</td>
<td>300 424</td>
<td>0.69</td>
</tr>
<tr>
<td>Sustainable and resilient transport and logistics services</td>
<td>8, 9, 13, 14</td>
<td>239 549</td>
<td>0.55</td>
</tr>
</tbody>
</table>
### Sustainable Development Goals addressed

<table>
<thead>
<tr>
<th>Product</th>
<th>Sustainable Development Goals addressed</th>
<th>Expenditures (dollars)</th>
<th>Percentage of total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Fostering economic efficiency, improving governance</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Voluntary peer reviews of competition and consumer protection law and policy</td>
<td>8, 10</td>
<td>43,634</td>
<td>0.10</td>
</tr>
<tr>
<td>Competition and consumer protection policies and frameworks</td>
<td>8, 9, 10, 12, 17</td>
<td>188,121</td>
<td>0.43</td>
</tr>
<tr>
<td>Business facilitation</td>
<td>8, 16</td>
<td>2,336,874</td>
<td>5.40</td>
</tr>
<tr>
<td>Trade facilitation</td>
<td>10, 16</td>
<td>1,290,356</td>
<td>2.98</td>
</tr>
<tr>
<td>ASYCUDA</td>
<td>9, 15, 17</td>
<td>20,978,400</td>
<td>48.44</td>
</tr>
<tr>
<td>Statistics</td>
<td>17</td>
<td>675,916</td>
<td>1.56</td>
</tr>
<tr>
<td>Enabling accounting and reporting on the private’s sector contribution to implementation of the Sustainable Development Goals</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development Goals</td>
<td>12, 17</td>
<td>126,925</td>
<td>0.29</td>
</tr>
<tr>
<td>Investment and public health</td>
<td>3, 9</td>
<td>512,156</td>
<td>1.18</td>
</tr>
<tr>
<td>International investment agreements</td>
<td>17</td>
<td>145,567</td>
<td>0.34</td>
</tr>
<tr>
<td><strong>Empowering people, investing in their future</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Trade, gender and development</td>
<td>5, 8</td>
<td>496,845</td>
<td>1.15</td>
</tr>
<tr>
<td>Entrepreneurship for sustainable development</td>
<td>4, 8</td>
<td>398,883</td>
<td>0.92</td>
</tr>
<tr>
<td>Train for Trade</td>
<td>8, 9, 14, 17</td>
<td>685,820</td>
<td>1.58</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>39,244,032</strong></td>
<td><strong>90.62</strong></td>
</tr>
</tbody>
</table>

31. In terms of expenditures, UNCTAD technical cooperation is particularly relevant to achieving four Sustainable Development Goals, namely Goal 8 on decent work and economic growth; Goal 9 on industry, innovation and infrastructure; Goal 15 on life on land; and Goal 17 on partnerships for the Goals. In 2019, an estimated $15.7 million, or 36 per cent of total expenditures, covering 16 products, directly contributed towards achieving Goal 17; 20 per cent of total expenditures contributed towards achieving Goal 9; 17 per cent contributed towards achieving Goal 15; and 9 per cent contributed towards achieving Goal 8 (see TD/B/WP/305/Add.2, table 5). Two products – ASYCUDA and sustainable trade and the environment – contributed towards achieving Goal 15. Since 2019, ASYCUDA has been collaborating with the Convention on International Trade in Endangered Species of Wild Fauna and Flora for the development of an information technology solution to manage import and export permit requests related to the trade of endangered species of wild fauna and flora. The system is currently being piloted in Sri Lanka.

### Expenditures by region

32. In 2019, expenditures under country-level and regional projects reached $30.2 million. About half of such expenditures, or $15 million, was spent in Africa, including $10.7 million on country-level projects and $4.3 million on regional projects (figure 6). Compared with 2018, expenditures for technical cooperation projects in Africa increased by 3 per cent. As a result, the share of country-level and regional projects in Africa in total technical cooperation expenditures increased from 33 per cent in 2018 to 35 per cent in 2019 (figure 7). The rise in expenditures in the region was largely due to enhanced implementation of some technical cooperation products, particularly ASYCUDA, non-tariff measures and investment and public health.

33. Expenditures on country-level and regional projects in Asia and the Pacific showed an upward trend. In 2019, such expenditures rose by 19 per cent, to reach $9.3 million, including $6.8 million on country-level projects. The share of country-level and regional projects in Asia and the Pacific in total expenditures increased from 18 per cent in 2018 to...
21 per cent in 2019. Enhanced delivery of a number of technical cooperation products, particularly ASYCUDA, non-tariff measures and DMFAS, contributed to the higher level of expenditures in the region.

34. Expenditures on country-level and regional projects in Latin America and the Caribbean increased to $4.6 million in 2019, due to enhanced delivery of several products, including ASYCUDA; DMFAS; science, technology and innovation policy reviews; and investment promotion and facilitation. As a result, the share of country-level and regional projects in Latin America and the Caribbean in total expenditures increased from 10 per cent in 2018 to 11 per cent in 2019.

35. Expenditures on country-level and regional projects in Europe totalled $1.4 million in 2019, a decrease of 44 per cent compared with 2018, largely due to a decrease in ASYCUDA-related expenditures in the region. The share of country-level and regional projects in Europe in total expenditures decreased from 6 per cent in 2018 to 3 per cent in 2019.

36. In North America, $20,296 was spent in 2019 to implement an ASYCUDA project in Saint Pierre and Miquelon.

Figure 6

**Technical cooperation expenditures, by region, for country-level and regional projects**

(Thousands of dollars)

![Bar chart showing technical cooperation expenditures]

*Note: Expenditures in North America are not reflected as they only amounted to $20,296 in 2019.*
Note: Only expenditures for country-level and regional projects are considered and the share of North America is not reflected as expenditures only amounted to $20,296 in 2019.

D. Expenditures in support of the least developed countries

37. In 2019, UNCTAD further strengthened its technical support to the most vulnerable economies. Technical cooperation expenditures in support of the least developed countries rose by 13 per cent to a record high of $22.7 million (figure 8). For the first time, the share of the least developed countries in overall technical cooperation expenditures reached 52 per cent. Of such expenditures, $14.9 million, or 66 per cent, was related to country-level projects in the least developed countries, covering products such as ASYCUDA, DMFAS, the UNCTAD contribution to the Enhanced Integrated Framework and electronic commerce and the digital economy.
38. The mission statement of ASYCUDA stresses the importance of providing technical and functional assistance to address the special needs of the least developed countries. In 2019, 39 of the least developed countries benefited from the support of the ASYCUDA programme. In Madagascar, the revenue of the customs authority reached a record total of $730 million, up by 34 per cent compared with 2017, when the ASYCUDA system was launched.

39. Under the Enhanced Integrated Framework, tailored assistance was provided to Benin, Cambodia, the Democratic Republic of the Congo, Myanmar and two regional projects on trade facilitation, transport and transit in Western Africa and Eastern Africa. In addition, at the request of Cambodia, the Lao People’s Democratic Republic and Myanmar, UNCTAD submitted a concept note to the Enhanced Integrated Framework for a project on a new trade policy and strategy for least developed country members of the Association of Southeast Asian Nations, for funding under the regional project modalities.

40. With regard to electronic commerce and the digital economy, 25 rapid eTrade readiness assessments have been conducted for the least developed countries since 2017, which have catalysed a public and private dialogue on electronic commerce.

41. The least developed countries remained the prioritized group of countries in UNCTAD technical cooperation, yet the dedicated multi-donor trust fund for the least developed countries only received a contribution from Portugal ($22,002) in 2019. Developed countries and other development partners in a position to do so are encouraged to make more contributions to the trust fund for the least developed countries.

III. Structure and functioning

A. Follow-up to intergovernmental decisions

1. Thematic rationalization

42. Since 2015, the UNCTAD Toolbox: Delivering Results has become an effective tool with which to consolidate technical cooperation activities. In 2019, the toolbox underwent a second revision. In this third edition, issued in early 2020, the overall structure remained unchanged, with 28 products under four overarching themes. All of the product information, including programme facts, the Sustainable Development Goals addressed and funding sources, has been updated and the programme results and impacts further enhanced. A quick response code has been introduced for each product that links to further information on the UNCTAD website. Finally, a user-friendly interactive version of the toolbox has been created. In 2019, 207 projects with total expenditures of $39.2 million were grouped under 28 toolbox products. This implies that 91 per cent of projects implemented in 2019, that is, of technical cooperation expenditures, were consolidated in the toolbox.

43. To support the efforts of the secretariat in streamlining and consolidating its technical cooperation projects, donors are encouraged to make less-earmarked multi-year contributions. In 2019, for the first time, the electronic commerce and the digital economy programme mobilized resources at the programme level. Contributions received from Germany and the Netherlands will be used to implement a wide array of interconnected projects and for monitoring and evaluation purposes. This will help to create stronger synergies across projects and the three pillars of the work of UNCTAD in this area, while making an impact at a higher level. Other donors are encouraged to follow this example and make less-earmarked multi-year contributions to UNCTAD, including to the multi-donor trust funds established at the programme or divisional level. This will provide UNCTAD with more predictability and flexibility in planning and delivering technical cooperation.

44. In 2019, with the support of donors, UNCTAD financially closed 33 projects and started 36 new projects (see TD/B/WP/305/Add.2, tables 16 and 17). In total, the number of operational projects with expenditures amounted to 228 in 2019, 25 fewer projects than in 2018.
2. **Synergies among the three pillars of the work of UNCTAD**

45. The Nairobi Maafikiano states that the three pillars of consensus-building, research and analysis and technical cooperation remain of equal strategic importance and that further efforts are needed to increase their linkages and complementarity (paragraph 92).

46. In 2019, technical cooperation continued to be delivered in a mutually reinforced manner with the other two pillars of the work of UNCTAD. One example is in the area of services. In 2019, UNCTAD implemented a European Union-funded project on the measurement of services value added in exports and the analysis of related services and trade policies. The project emerged from the comprehensive work programme on services, development and trade. The deliberations at multi-year expert meetings and the Global Services Forum allowed for the identification of a new research agenda on services value added, which led to the formulation of the project proposal. The outcome of the project will be disseminated at the Multi-year Expert Meeting on Trade, Services and Development in 2020 and inform UNCTAD intergovernmental processes, analytical work and new technical cooperation activities with regard to services.

47. Another example relates to globalization and development strategies. In 2019, UNCTAD implemented a project on reclaiming multilateralism for global development. Its main outcome, a report titled *A New Multilateralism for Shared Prosperity: Geneva Principles for a Global Green New Deal*, was launched in April 2019. The main findings of the report and related debates informed *Trade and Development Report 2019: Financing A Global Green New Deal*, which explored the topic of how to finance a global green new deal for achieving the Sustainable Development Goals, and also contributed to the success of a new capacity-building initiative, UNCTAD Summer School 2019, focused on the theme of a global green new deal. Based on *Trade and Development Report 2019* and related deliberations at intergovernmental meetings, UNCTAD further developed a project proposal titled “Mobilizing resources for a green new deal: Partnerships and action with Asia”, which is expected to be funded through the development account.

3. **Interdivisional cooperation**

48. The Project Review Committee, through its formal meetings and informal consultations, serves as an internal mechanism for enhancing interdivisional cooperation and ensuring coherence in UNCTAD technical cooperation. In 2019, the Committee held two meetings to discuss the impact of the reform of the United Nations development system on UNCTAD technical cooperation, the UNCTAD technical cooperation strategy, the update of the toolbox and activities related to the request database and fundraising. With regard to the reform of the United Nations development system, the Committee found it important to develop a strategy on how to engage in country programming processes, including by establishing criteria for prioritizing UNCTAD participation in the United Nations Sustainable Development Cooperation Framework. The Committee also suggested organizing practical in-house training to better prepare project officers for the reform.

49. In 2019, UNCTAD continued to implement two multi-divisional projects in Angola and the South Pacific region, and also signed a new agreement with Trade Mark East Africa to implement a project on trade facilitation for the East African Community. This project will build on the results achieved under the first agreement signed with Trade Mark East Africa in 2015 and extend UNCTAD support to East African Community partner States to address the remaining challenges in fully complying with the measures of the Agreement on Trade Facilitation of the World Trade Organization. The Division on Technology and Logistics and the Division on Investment and Enterprise, with expertise in trade facilitation and business facilitation, will jointly deliver the project over four years.

50. Interdivisional cooperation, which builds on the strength of different divisions, is important in achieving greater efficiency and effectiveness in delivering technical cooperation. The external evaluation of a development account project on informal cross-border trade for the empowerment of women, economic development and regional integration in Eastern and Southern Africa highlighted the collaboration between the trade, gender and development programme under the Division on International Trade and Commodities and the enterprise branch of the Division on Investment and Enterprise in
developing and delivering tailored training for women informal cross-border traders, based on the Empretec methodology. The evaluation stated that the collaboration had enhanced project efficiency, been mutually beneficial for partner entities and resulted in gains and value added for participants.

4. **Inter-agency cooperation**

51. Inter-agency cooperation has become an increasingly important feature of UNCTAD technical cooperation. To better support developing countries in the implementation of the 2030 Agenda, UNCTAD seeks to expand its network and establish new partnerships within and beyond the United Nations system to leverage expertise, pool resources and coordinate actions for the effective delivery of technical cooperation. There are many examples, including in the areas of electronic commerce, investment promotion and facilitation, trade facilitation and science, technology and innovation.

52. In 2019, the Inter-Agency and Expert Group on Sustainable Development Goal Indicators endorsed the reclassification of two indicators from tier III to tier II, namely, indicator 12.6.1 (number of companies publishing sustainability reports) and indicator 16.4.1 (total value of inward and outward illicit financial flows, in current United States dollars). This shows that international agreement has been reached in the definition of the indicators, yet relevant data are still not regularly produced by countries. This milestone was reached due to close collaboration between UNCTAD and the United Nations Environment Programme as custodians of indicator 12.6.1 and between UNCTAD and the United Nations Office on Drugs and Crime as custodians of indicator 16.4.1. UNCTAD will further increase its cooperation with these two agencies in collecting and aggregating national, regional and global data to enable reporting on the two indicators.

53. In 2019, under the United Nations Inter-Agency Cluster on Trade and Productive Capacity, UNCTAD started a joint project on the horticultural and tourism sectors in Myanmar, in Shan state, funded by the State Secretariat for Economic Affairs of Switzerland. The project builds on the comparative advantages of five United Nations agencies (UNCTAD, International Labour Organization, International Trade Centre, United Nations Industrial Development Organization, United Nations Office for Project Services) and their successful cooperation on a similar project in the United Republic of Tanzania. In 2020, in partnership with the Economic Commission for Africa and the World Health Organization, UNCTAD launched a project on investment incentives for the local production of essential antibiotics in Eastern Africa. The project will help to align the local production of antibiotics with regional public health needs, to increase the amount of currently undersupplied antibiotics while reducing excess supplies of those leading to antibiotic resistance.

5. **Requests from developing countries**

54. The full operationalization of the UNCTAD request database took place in 2019. The database consists of a public repository on the UNCTAD website and a repository on the intranet. Divisions are requested to update the request information in the repository on the intranet on a quarterly basis, including budget information and the status of requests. Once this information has been entered, the request is eligible to be shared in the public repository.

55. In 2019, 107 formal requests for UNCTAD technical cooperation were received from 58 countries and nine regional and international organizations. Timely responses to such requests depend to a large extent on the availability of funds. In 2019, as in previous years, UNCTAD was unable to meet the demand from many developing countries due to funding constraints. For example, there is a high level of demand for science, technology and innovation policy reviews, but the programme only has resources available through a development account project, significantly limiting its capacity to meet the demand. In the area of electronic commerce and the digital economy, as at February 2020, UNCTAD had registered 31 requests for which funds will be mobilized, including 21 requests for rapid eTrade readiness assessments. Throughout 2019, UNCTAD continued to receive an increasing number of requests for support on accession to the World Trade Organization,
trade policy framework reviews and services policy reviews. In addition, there is a backlog of 27 pending requests for investment policy reviews.

56. To bridge the funding gap, UNCTAD has been exploring new funding sources and innovative funding mechanisms. In 2019, UNCTAD received funding for the first time from the International Islamic Trade Finance Corporation in support of a rapid eTrade readiness assessment in Iraq. Funds were also received from the Islamic Development Bank to finance a regional study on commercialization of the Trans-Saharan road corridor. In addition, UNCTAD continues its efforts to mobilize funds from the South–South Cooperation Assistance Fund of China. UNCTAD is also discussing joint fundraising opportunities with the United Nations Industrial Development Organization and the World Health Organization in the area of local production of pharmaceutical products, to secure comprehensive expertise related to the cross-cutting nature of the production of pharmaceuticals, namely, expertise in investment, intellectual property, industry policy and health.

6. Strengthening results-based management

57. With the results-based management framework and guidelines established, in 2019, UNCTAD focused its attention on building staff capacity to apply results-based management principles and undertake adequate monitoring and evaluation. Over 70 per cent of UNCTAD staff have completed in-house training on results-based management, with representation across all five subprogrammes. Such training ensures that there is a common understanding of key results-based management principles and concepts across UNCTAD.

58. Divisions continue their efforts to track medium to long-term results following the implementation of technical cooperation activities. For example, with support from the Office of the Secretary-General, the trade facilitation section of the Division on Technology and Logistics developed and delivered a module on monitoring and evaluating trade facilitation as part of the empowerment programme for national trade facilitation committees, to equip committees for their monitoring and evaluation responsibilities and allow for sustained follow-up along the results chain. In addition, the section has been gathering results-based data through comprehensive surveys, to monitor the progress of different efforts undertaken throughout the year. For the first time, the section was able to not only collect examples and quantitative data related to activities delivered in beneficiary countries, but also monitor its communications efforts and its collaboration with other units and organizations, that is, the numbers of peer reviews and interventions in the events of other organizations.

59. UNCTAD is developing an interim performance monitoring system to address lacunae in the tracking, reporting and sharing of results, in anticipation of the United Nations Secretariat-wide Umoja-based solution. Over the last four years, one of the main challenges with regard to results-based management has been in providing incentives for and enforcing systematic and comprehensive reporting on results. An information technology-based system for performance monitoring and reporting is critical to the successful implementation of results-based management.

7. Gender mainstreaming

60. Through years of efforts in promoting gender mainstreaming, gender equality and women’s economic empowerment have become increasingly integrated into the design and delivery of UNCTAD technical cooperation and some efforts have already had an impact on policymaking on the ground. For example, the electronic commerce and the digital economy programme places special emphasis on achieving Goal 5 and makes efforts to identify and bridge gaps in the differentiated digital uptake and benefits accrued between women and men. The eTrade for women initiative, which aims to empower women digital entrepreneurs in developing countries, is one example. In addition, Digital Economy Report 2019: Value Creation and Capture – Implications for Developing Countries features disaggregated data and analysis and the rapid eTrade readiness assessments include several research questions on gender and access to and use of digital services. The programme has
also included gender-specific indicators within its results framework to capture progress on gender equality linked to electronic commerce and the digital economy.

61. To encourage investment promotion agencies to observe women’s empowerment principles and other similar standards in the design of investor-targeting strategies and the evaluation of the development impacts of their work, the investment promotion and facilitation programme increasingly integrates a gender dimension into its capacity-building activities. For example, in 2019, sessions on the impact of investment and business activities on gender equality and women’s empowerment were included in regional seminars in the Caribbean and for the East African Community. Efforts over the years have led to concrete results. For example, an UNCTAD seminar was held in November 2017 on how the Goals could be incorporated in the work of investment promotion agencies and, following the participation of the investment promotion agency of Costa Rica at this seminar, the agency now evaluates and reports on its activities in line with four specific Goals, including Goal 5.

8. Technical cooperation strategy

62. The Trade and Development Board, in its decision 550 (EX-LXVIII), requested “the secretariat to prepare a draft strategy for its technical cooperation in consultation with regional groups and to initiate a preliminary discussion at a session of the Working Party” to be held in 2020. UNCTAD has consulted member States on a new technical cooperation strategy and the preliminary discussion will take place at the eightieth session of the Working Party.

B. Contribution to United Nations system-wide coherence

63. This section highlights the main contributions of UNCTAD in enhancing the role of the United Nations Inter-Agency Cluster on Trade and Productive Capacity in the context of the reform of the United Nations development system (see box), with operations at the national, regional and global levels. The Cluster is an effective mechanism through which to coordinate the participation of agencies in the United Nations Sustainable Development Group and propose coherent joint programmes on trade and trade-related issues.

Main contributions of UNCTAD in the context of the reform of the United Nations development system

The year 2019 marked an important step forward in the reform, with an empowered role for United Nations resident coordinators and with new expectations of non-resident agencies such as UNCTAD, in particular with regard to involvement and participation in common country analysis and cooperation framework exercises at the country level. UNCTAD has been involved in the formulation and preparation of the reform from the outset, and has participated in many working groups, bringing the views of non-resident agencies into the discussion.

In 2019, UNCTAD started a joint initiative with the United Nations Development Coordination Office with the aim of developing clear entry points and a mechanism for the agile, effective and efficient engagement of UNCTAD with the resident coordinator system at the country level. This initiative will be finalized in 2020 and will include platforms of communications between UNCTAD and other non-resident agencies and resident coordinators, as well as training courses and webinars for resident coordinators.

In this context, the United Nations Inter-Agency Cluster on Trade and Productive Capacity has proven to be a tried and tested mechanism for inter-agency collaboration, delivering integrated policy advice at the country level in over 30 countries, addressing the needs of beneficiaries by providing unique inter-agency expertise on trade policy and related issues of productive capacity and economic diversification, with major contributions from non-resident agencies and agency headquarters. It is expected that following the reform of the United Nations development system, the Cluster will continue to play an important role.
UNCTAD has organized a number of internal meetings for staff to inform them about the reform and to promote interdivisional cooperation and ensure optimal participation in the United Nations Sustainable Development Cooperation Framework. Training will be organized to better prepare project officers for working relations with resident coordinators.

In 2019, UNCTAD coordinated with the United Nations Sustainable Development Group to ensure that resident coordinators can take full advantage of UNCTAD expertise on integrated policy advice in their operations at the country level.

In 2020, UNCTAD was invited to participate as a member of the Advisory Committee of the United Nations COVID-19 Response and Recovery Fund, set up by the Secretary-General of the United Nations to support low and middle-income countries in overcoming the health and development challenges caused by the pandemic.

64. At the national-level, countries in which operations were conducted by the United Nations Inter-Agency Cluster on Trade and Productive Capacity in 2019 are as follows:

(a) Africa (Eastern, Southern, Western and Central): Angola, Cabo Verde, Comoros, Ethiopia, Lesotho, Madagascar, Rwanda, United Republic of Tanzania, Zambia;

(b) Middle East and Northern Africa: Egypt;

(c) Asia and the Pacific: Afghanistan, Bangladesh, Bhutan, China, Lao People’s Democratic Republic, Myanmar, Nepal, Pakistan, Viet Nam;

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

(e) Latin America and the Caribbean: Uruguay.

65. At the regional level, the Cluster liaises with regional directors of the United Nations Development Coordination Office, resident coordinators and regional commissions, to ensure that best practices identified in some countries or regions, such as the UNCTAD partnership on trade facilitation with the Economic Commission for Europe in Europe and Central Asia, may be shared and replicated at the regional level. In Africa, the Cluster continued to provide assistance in 2019 under the Great Lakes Regional Strategic Framework initiative in Africa, whereby UNCTAD, the United Nations Development Programme and the Food and Agriculture Organization of the United Nations worked together to address the development and humanitarian nexus.

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

IV. Conclusions and way forward

67. Due to the recovery of funding from major sources, the total trust fund resources of UNCTAD reached $46 million in 2019, the highest amount since 1995. Total expenditures also maintained a high level, at $43.3 million, slightly below the peak of $43.7 million in 2018. In particular, expenditures related to the least developed countries reached a high of $22.7 million. For the first time, more than half of the total technical cooperation expenditures of UNCTAD were in support of the least developed countries.

68. The increase in extrabudgetary resources for UNCTAD technical cooperation is encouraging, yet such resources are likely to decrease in the near future as donors will have to allocate more resources to addressing national health-related and socioeconomic needs following the COVID-19 pandemic. At the same time, UNCTAD expects to receive more
requests for technical cooperation from developing countries, in particular from vulnerable countries significantly affected by the global pandemic. To assist developing countries in handling the socioeconomic effects, UNCTAD, in close collaboration with other United Nations entities, has started to implement some projects in the following areas: microenterprises and small and medium-sized enterprises; transport and trade connectivity; and development finance. Sustainable funding from donors is crucial for UNCTAD to be able to deliver timely technical cooperation to alleviate the socioeconomic impact of the pandemic in developing countries.

69. As a member of the United Nations Sustainable Development Group, UNCTAD is fully engaged in the reform of the United Nations development system, to make its technical cooperation better fit for the purpose of achieving the Goals. Building on the achievements in 2019, UNCTAD will further improve the functioning of technical cooperation, focusing its efforts particularly in the following areas: delivering hands-on training to project officers on the reform and its implications for UNCTAD technical cooperation; exploring the best approaches to tapping into funding sources available at the country level, such as the Joint Sustainable Development Goals Fund, including through the United Nations Inter-Agency Cluster on Trade and Productive Capacity; and enhancing internal organization to better address the increased demand from resident coordinator offices for UNCTAD to participate in the planning and implementation of United Nations development activities at the country level.