



United Nations Inter-Agency Cluster on Trade and Productive Capacity

**A New Path for the 2030
Agenda for Sustainable
Development, in a Time
of Pandemic and Beyond**

TENTH EDITION

Geneva,
February 2021





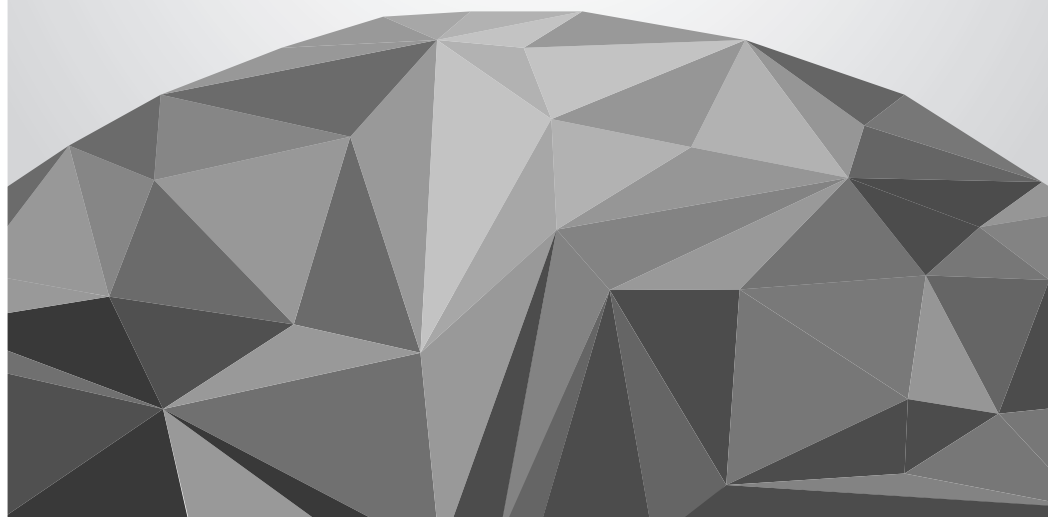
UNITED NATIONS

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Foreword

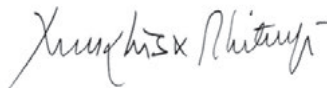
The crisis resulting from the coronavirus disease (COVID-19) pandemic puts an acute light on key development issues identified as priority actions for the 2030 Agenda for Sustainable Development.

The pandemic is a wake-up call, requiring a profound systemic move to a more sustainable economy. Overcoming the economic crisis resulting from the pandemic means a new path for development that not only provides countries with punctual economic recovery but also offers more resilient transformation in line with the objectives of the Sustainable Development Goals.

It is in this context that the United Nations Inter-Agency Cluster on Trade and Productive Capacity has joined forces to participate in the United Nations COVID-19 response and recovery multi-partner trust fund and has addressed the United Nations resident coordinators directly to demonstrate the pertinence of Cluster interventions for enhanced coherence and impact at the country level. A joint letter, signed in August 2020 by the heads of FAO, ILO, UNCTAD, UNDP and UNIDO, demonstrates the high level of commitment of the Cluster to the United Nations resident coordinator system.

Going beyond the pandemic, the Cluster is now proposing tailored Cluster-led initiatives with joint programmes to all interested United Nations resident coordinators and donors to support midterm and long-term economic recovery in countries.

The Cluster is convinced that such combined assistance at the country level will help countries overcome the economic crisis and will contribute to a new path for development in line with the ambitions of the 2030 Agenda for Sustainable Development.



Mukhisa Kituyi
Secretary-General of UNCTAD

A. United Nations Inter-Agency Cluster on Trade and Productive Capacity

The Chief Executives Board for Coordination (CEB) United Nations Inter-Agency Cluster on Trade and Productive Capacity is led by UNCTAD and includes FAO, ILO, ITC, UNDP, UNEP, UNIDO, UNOPS, WTO and the five regional commissions.

The Cluster is an inter-agency mechanism dedicated to the coordination of trade and development operations within the United Nations system. It proposes comprehensive solutions with optimized articulation between the formulation of common policy recommendations and their effective translation through joint programmes at the country level.

Since its establishment in April 2007 and its official launch by the Secretary-General of the United Nations during the twelfth session of the United Nations Conference on Trade and Development in April 2008 (see annex 1), the Cluster has been making a concrete and direct contribution to the United Nations system-wide coherence reform by coordinating its participation in the following:

- United Nations system including, as appropriate, within the United Nations Sustainable Development Group (UNSDG) machinery,¹ with a view to the formulation of new United Nations rules, standards and best practices for development operations.
- Countries involved in a United Nations Development Assistance Framework (UNDAF) and/or United Nations Sustainable Development Cooperation Framework (UNSDCF).

Most of the members of the Cluster are non-resident agencies (NRAs).

1. Presentation

According to its terms of reference, the main goals of the United Nations Inter-Agency Cluster on Trade and Productive Capacity are to:

- Emphasize the linkages between trade, poverty reduction, human development, the Sustainable Development Goals and, within this framework, the role of trade and productive sector policies and operations in the overall analytical and normative work and development assistance of the United Nations, by enhancing and complementing the coordination role of CEB, including UNSDG and other inter-agency mechanisms.
- Coordinate a multidimensional, coherent and efficient approach and delivery of programmes and operations related to trade and productive sectors.

¹ See <https://unsdg.un.org/>.

-
- Contribute to policy coherence, inter-agency cooperation and integrated activities on trade and productive sectors within the United Nations system and at the country level.
 - Contribute to complementarities between the assistance provided by all members of the Cluster in the context of the Aid for Trade initiative.
 - Contribute to the introduction of trade and productive sector policy issues and operations, as appropriate, in the countries having adopted a “Delivering as one” approach and in UNDAFs and UNSDCF, particularly through joint operations.
 - Exchange information and share experiences among secretariats on policy, managerial and financial issues raised by the United Nations system-wide coherence reform.
 - Prepare joint initiatives regarding programmes and development operations to be submitted to member States, donors, interagency bodies (CEB and UNSDG) and resident coordinators, as appropriate.
 - Cooperate in the design and the delivery of training activities of the United Nations resident coordinator system and all relevant stakeholders involved in the United Nations system-wide coherence reform, in coordination with UNSDG and the United Nations System Staff College, in view of raising awareness and understanding of the linkages between trade, poverty reduction and human development in specific trade and productive sector policy issues and related assistance.

(a) Contribution to United Nations system-wide coherence

The Cluster is an effective mechanism in which the member agencies coordinate their positions within UNSDG.

The member agencies of the Cluster constructively provide UNSDG with common views on the development of the system-wide norms and standards guiding the delivery and funding of inter-agency operations at the country level.

The member agencies of the Cluster exchange information, share views and coordinate their positions with regard to system-wide policy approaches and advocacy in the UNSDG working groups pertinent to trade and development such as the task teams on policy support and transitions and recovery. With regard to operational effectiveness for results, the Cluster is particularly active in the UNSDG task teams on business operations and fiduciary management and oversight.

As an illustration of coordination, the member agencies of the Cluster participated in the mapping of policy support tools for the Sustainable Development Goals developed within the Working Group on Sustainable Development. In this context, the Cluster actively participated in the effective materialization of such mapping with the design of joint programmes supported by inter-agency pooled funds such as the UNSDG delivering results together fund.

As another example of coordination, the Cluster was involved in the Fiduciary Management Oversight Group, with the active participation of FAO, ILO and UNCTAD in the overall task team on the formulation of the joint policy fund to advance the 2030 Agenda for Sustainable Development.

(b) Operations of the Cluster in the context of “Delivering as one”

Starting with projects in the eight “Delivering as one” pilot countries, the Cluster has greatly expanded its participation in the design and implementation of joint programmes with different intensities and configurations at the national and regional levels.

As of 2020, the Cluster covers more than 30 countries, with joint activities developed in the context of UNDAFs and UNSDCF.

2. Participating agencies of the United Nations Inter-Agency Cluster on Trade and Productive Capacity

(a) The members of the Cluster

UNCTAD

*Palais des Nations, 8–14 avenue de la Paix
1211 Geneva 10, Switzerland
<https://unctad.org/>*

UNIDO

*Vienna International Centre, Wagramerstr. 5
P.O. Box 300, A-1400 Vienna, Austria
www.unido.org*

FAO

*Viale delle Terme di Caracalla
00153 Rome, Italy
www.fao.org*

ITC

*54–56 rue de Montbrillant
1202 Geneva, Switzerland
www.intracen.org*

WTO

*Centre William Rappard, Rue de Lausanne 154
1211 Geneva 21, Switzerland
www.wto.org*

UNDP

*One United Nations Plaza
New York, New York, 10017, United States of America
www.undp.org*

UNEP

*United Nations Avenue, Gigiri
P.O. Box 30552, 00100 Nairobi, Kenya
www.unep.org*

ILO

*4 route des Morillons
1211 Geneva 22, Switzerland
www.ilo.org*

UNCITRAL

*Vienna International Centre, Wagramerstr. 5
P.O. Box 500, A-1400 Vienna, Austria
<https://uncitral.un.org/>*

UNECA

*Menelik II Ave., P.O. Box 3001
Addis Ababa, Ethiopia
www.uneca.org*

UNECE

*Palais des Nations, 8–14 avenue de la Paix
1211 Geneva 10, Switzerland
<https://unece.org/>*

UNECLAC

*Av. Dag Hammarskjöld 3477
Vitacura, Santiago de Chile
<https://www.cepal.org>*

UNESCAP

*The United Nations Building, Rajadamnern Nok Avenue
Bangkok 10200, Thailand
www.unescap.org*

UNESCWA

*P.O. Box 11-8575, Riad el-Solh Square
Beirut, Lebanon
www.unescwa.org*

UNOPS

*Marmorvej 51, P.O. Box 2695
2100 Copenhagen, Denmark
Website: www.unops.org*

(b) Ways in which the member agencies of the Cluster collectively support trade

The enhancement of the capacity to participate in global trade is critical for economic growth in developing countries. This has put the need for trade-related technical assistance at the forefront of economic development.

In response to such needs, UNIDO published in 2008 the first edition of the *Trade Capacity-Building Resource Guide*, followed by enhanced editions in 2010, 2015 and 2017.² The Resource Guide was prepared by UNIDO under a mandate by the High-Level Committee on Programmes of CEB.

The Resource Guide constitutes the main document of reference for the Cluster. With reference to the Resource Guide, the key areas for trade capacity-building with the related participation of Cluster are as follows:

- Global advocacy for trade as a tool for development.
- Trade policy development, including competition policies.
- Design and implementation of legal and regulatory frameworks that allow for the implementation of WTO and other international agreements, or facilitate accession to them.
- Supply capacity development, including the improvement of the business environment and the investment climate, the provision of business services and access to financing and private sector development in general.
- Compliance infrastructure and services, in particular for standards, accreditation and certification bodies, testing and calibration laboratories and inspection services.
- Trade promotion by the development of export promotion strategies and the strengthening of trade promotion institutions.
- Market and trade information structures and services.
- Trade facilitation to assist import and export mechanisms and processes through the streamlining of customs procedures and border and transport management.
- Physical trade infrastructure, such as ports, rail transport, roads, cold chains and harbours.
- Trade and export financing, international payments and other trade-related financing.

1. Global advocacy

The global advocacy category covers services designed to promote the use of trade as a development tool and to encourage support for developing country efforts to improve their trade capacity-building. This includes analysing and disseminating

² See <https://tii.unido.org/>.

trade-related information, promoting understanding of the relationship between trade and development and supporting policies.

UNCTAD has a range of specialist publications, most on an annual basis, which provide background information and analysis on trade. These include the *Trade and Development Report*, the *World Investment Report*, the *Economic Development in Africa Report*, the *Least Developed Countries Report*, the *Digital Economy Report*, the *Technology and Innovation Report*, the *Trade and Environment Review* and the *Creative Economy Report*. It also prepares investment policy reviews of individual countries, information and communications technology reviews and science, technology and innovation policy reviews. UNCTAD also has a long history of analysis and advocacy on commodity trade. UNIDO publishes the *Industrial Development Report*. WTO publishes research on trade and trade policy, including the annual *World Trade Report* and research reports. It also provides information and opportunities for discussion to parliamentarians, researchers and non-governmental organizations. UNDP publishes research on trade and human development and supports the least developed countries and landlocked developing countries, with a particular focus on managing commodities. UNEP provides research and advice on environment-related trade opportunities. ITC attempts to develop in-country interest in trade issues, citing especially non-tariff barriers and gender and environmental issues, through national discussions and assistance in integrating such issues into trade policy. It also encourages the development of sectoral export strategies. FAO prepares strategy papers. ILO has a continuing programme to analyse the social impacts of trade policy.

2. Trade policy development

Agency assistance to trade policy development is generally provided in four areas: design and implementation of trade policy; specific developing country issues in trade, such as commodity exports and preferences; support in trade negotiations; and assistance in managing the interactions between trade and other policies.

UNCTAD provides analysis and policy advice on commodities, as well as training for trade officials. It provides advice on integrating environmental policies into trade policy. It provides policy advice and training for trade negotiations, including trade in services, investment agreements and preferential trade. UNCTAD also offers training courses for trade and other officials, negotiators and researchers. UNIDO builds capacity to formulate and implement trade policy and prepares studies of the policies needed to promote industrial governance with improved value chains in individual sectors. . WTO has a long-standing programme to train trade policy officials from developing countries and also has specialist courses in particular topics, including new regulations and negotiating skills, and supports academic research. It has a programme to help countries assess their trade capacity-building needs. UNDP assess trade policy training needs and supports officials in integrating trade and human development into development policy. ITC trains public sector officials and also supports the private sector to take an active role in developing trade

policy. Non-tariff measures are a particular focus. FAO offers training in trade policy and access to data and other information. UNEP provides advice on voluntary sustainability standards. ILO provides training in analysing the social impact of trade. The regional commissions tend to have a strong commitment to regional integration. UNESCAP has a database on trade and investment agreements and sponsors a network of researchers on trade in Asia. It provides capacity-building on trade policy and supplies research to policymakers. UNECA has a programme of assisting regional integration through research, information and discussion. It has a trade policy research centre. UNECLAC provides research and information on trade policy and supports policymakers through publications, including *Latin America in the World Economy*, and workshops. These include analyses of trade within the region and with other regions, notably with Asia.

3. Legal and regulatory frameworks

Assistance under this category includes helping countries bring their own regulations into conformity with international rules, more general help to improve their legal institutions and training for officials in dealing with such rules. A number of the agencies specialize in particular areas, rather than attempting to provide expertise on the legal rules in all sectors. For several, the aim is to balance trade-related obligations with other national or international interests.

UNCTAD advises countries on WTO accession and on implementing other international agreements, including on intellectual property and preferences. It also provides support on national legislation; for UNCTAD, this includes competition and consumer protection law. WTO advises countries on meeting their legal commitments under WTO, both directly and through setting up reference centres. ITC helps countries develop legal frameworks for supporting trade and also assists in harmonizing regional frameworks. UNDP has provided advice on implementing the WTO intellectual property agreement and on trade and biodiversity. UNIDO helps countries implement WTO agreements on technical barriers to trade and sanitary and phytosanitary standards. FAO provides support for countries to meet and to negotiate international agreements. UNEP provides advice to enable countries to meet eco-labelling standards. UNCITRAL provides assistance in acceding to its conventions. UNESCAP advises on WTO negotiations. UNECE encourages the harmonization and standardization of regulations. It also supports market surveillance to protect the safety of workers and products and ensure quality. It uses exchanges of information among members to improve knowledge-sharing. UNECLAC maintains a database of trade disputes relevant to countries in Latin America and the Caribbean, with analyses.

4. Supply capacity

UNCTAD trade support encourages moving up value chains. It has an extensive programme on analysing the supply and role of foreign investment and also advises on foreign investment agencies. Its sectoral programmes include tourism and it supports small and medium-sized enterprises, partly by linking them to larger companies. It helps countries to use information and communications technologies more effectively. UNDP supports the development of regional value chains, especially in Africa and Central Asia. It has a programme encouraging the production and marketing of sustainable commodities. It is developing a comprehensive programme for Arab States on trade reform, productivity, employment and investment. UNIDO provides research on the opportunities for individual sectors and products, with an emphasis on the quality standards needed. It assists agricultural chains through improving food hygiene management and reducing waste in processing. It also helps countries improve standards in some industries and encourages the adoption of innovative technologies that save or recycle energy or use cleaner energy and other initiatives to help countries find opportunities in green industries. It helps small and medium-sized enterprises by encouraging joint export initiatives and linkages with larger firms. It helps build national institutions that will encourage upgrading and productivity improvements. ITC supports small and medium-sized enterprises through training, marketing, information and advice. One training programme is on supply chain management. UNECA helps countries take advantage of the African Growth and Opportunity Act of the United States. UNESCAP helps identify opportunities for small and medium-sized enterprises to participate in regional and global value chains. It has programmes encouraging sustainable production, foreign investment and technology transfer. ILO provides advice on increasing employment creation and on developing skills for projected new employment, using a value chain approach. It tries to increase productivity through helping good labour and environmental practices. UNEP helps countries find opportunities in biotrade and organic agriculture. UNECLAC analyses the prospects for exports of different sectors.

5. Compliance infrastructure and services

Assistance in this category is closely related to that under legal and regulatory frameworks but places more emphasis on building institutions in developing countries to implement such frameworks and less emphasis on the details of compliance. It is an area in which the specialized agencies again have the main role. UNIDO advises countries on the advantages of developing compliance institutions and assesses their needs. It supports the development of standardization, testing and accreditation bodies, including those regulating food safety standards and energy efficiency. ITC provides advice to help countries develop certification and inspection bodies, as well as direct support on improving quality. FAO hosts the international standard-setting agencies for sanitary and phytosanitary standards and plant protection and can provide support to build institutions to help countries meet

the requirements of sanitary and phytosanitary standards. UNECE helps countries to agree and apply common standards on agricultural goods. UNECLAC offers ad hoc support on compliance.

6. Trade promotion

With a focus on the private sector, this category includes both direct support to exporters and the building of institutions in-country which will provide such support. It is different from many of the other categories in its direct relationship to the private sector. This is an important part of ITC activities; it provides training and a set of packages to help countries develop their trade support institutions. It also encourages benchmarking against other countries' institutions. UNECLAC offers advice on policies and mechanisms for countries trying to promote trade.

7. Market and trade information

Market information and trade information services are different in their focus and methods. Market information is about subsectors and products, while trade information focuses on the aggregate level, including data on trade flows, policies affecting trade and trends in these areas. Market information is usually targeted at traders. Trade information is, broadly speaking, intended to be used by policymakers. UNCTAD is a major provider of trade data and information on trade policies, with a comprehensive database on tariffs and non-tariff measures. WTO compiles some trade data and supports the global trade-related technical assistance database. ITC provides market information on a range of commodities and services and helps countries develop their own market information services. UNECLAC has a trade database. FAO improves countries' access to relevant trade databases and helps them develop their own market and commodity information. UNIDO makes similar efforts with regard to industrial trade and productivity statistics at the national, regional and global levels.

8. Trade facilitation

This category covers the development, harmonization and implementation of the rules and procedures that govern how goods cross borders.

WTO helps countries assess their trade facilitation needs. These efforts are intended, in part, as an input to WTO trade facilitation negotiations. UNCTAD, along with offering support for negotiations on trade facilitation, advises on policy and legislation. It provides capacity-building in all types of transport services, including shipping and port management. It has developed an automated system for customs data and clearance. ITC offers support to private sector providers of logistics and other services relevant to trade facilitation, as well as helping companies to meet legal requirements. The regional commissions have a joint project to improve countries' access to global value chains by reducing obstacles to trading. UNESCAP has implemented this through workshops and exchanges of information. It encourages the simplification and standardization of border procedures, providing information and advice, as well as research, on the significance of trade facilitation.

It also has a programme for trade in food products. UNECE also encourages simplification and standardization and helps to develop agreed procedures. UNECLAC has concentrated on improving customs procedures.

9. Physical trade infrastructure

UNCTAD offers advice on improving the productivity of transport services, with a focus on multimodal transport. UNECE develops standards, for example, for the transport of dangerous goods and road vehicles and has helped establish a regional programme for roads.

10. Trade-related financing

UNCTAD provides technical assistance on insurance, commodity risk management and other financial tools. ITC offers training to institutions in providing trade finance and to companies in how to access it.

B. United Nations Inter-Agency Cluster on Trade and Productive Capacity and the 2030 Agenda for Sustainable Development

1. Challenges of the 2030 Agenda for Sustainable Development

(a) Seeking integrated policy advice

The landmark United Nations resolutions adopted by the General Assembly, as well as related reports of the Secretary-General on the repositioning of the United Nations development system to deliver on the 2030 Agenda, stress the need for integrated policy advice.

General Assembly resolution 71/243 on the quadrennial comprehensive policy review of operational activities for development of the United Nations system, adopted on 21 December 2016, “reaffirms the need to strengthen the United Nations development system with a view to enhancing its coherence and efficiency, as well as its capacity to address effectively and in accordance with the purposes and principles of the Charter of the United Nations the full range of development challenges of our times, as set out in the 2030 Agenda for Sustainable Development”.

It recognizes that “the individual entities of the United Nations development system have specific experience and expertise, derived from and in line with their mandates and strategic plans”. It stresses that the improvement of coordination and coherence at all levels should be undertaken in a manner that recognizes the respective mandates and roles of the different United Nations agencies and enhances the effective utilization of their unique expertise.

The report of the Secretary-General on repositioning the United Nations development system to deliver on the 2030 Agenda,³ while building on the above mentioned resolution, goes one step further. The report calls for a system-wide alignment of the United Nations system with the 2030 Agenda and states that this “requires a level of integration and collaboration across various actors and sources, expertise, knowledge and support that most institutions have not previously attempted to achieve”. It points out that “the scale and pace of such alignment must be embraced and dramatically stepped up to match the ambition of the Agenda and the efforts and expectations of Member States”.

Among the main recommendations proposed by the report to accelerate the realignment of the United Nations development system with the 2030 Agenda, two are directly related to the need for more integrated policy advice:

- The system should enhance its capacities related to integrated policy advice.

³ A/72/684-E/2018/7.

-
- The system needs to be much more cohesive and integrated at the country level to expand the offer whole-of-system expertise to countries.

These recommendations to build the capacity of the United Nations system to propose integrated policy advice are at the core of General Assembly resolution 72/279 of 31 May 2018 on the repositioning of the United Nations development system in the context of the quadrennial comprehensive policy review of operational activities for development of the United Nations system.

(b) Seeking integrated assistance

The 2030 Agenda for Sustainable Development calls for integrated assistance at the country level in line with the mandates of the entities of the United Nations development system.

General Assembly resolution 71/243 requests the United Nations development system to continue to deepen the “Delivering as one” approach, including opportunities to address cross-cutting issues and offer integrated packages with specific programming support, monitoring, reporting and pooled and flexible financing.

In this context, the report of the Secretary-General on the repositioning of the United Nations development system to deliver on the 2030 Agenda proposes to revisit UNDAFs with a related “reinvigorated resident coordinator system” and new reporting lines within the United Nations system to support it.

The report states that UNDAF “will be positioned as the single most important United Nations country planning instrument in support of the 2030 Agenda”.

The report indicates that UNDAFs will be reviewed and renamed to better reflect the comprehensive and integrated nature of the Sustainable Development Goals, which call for a reinvigorated partnership with Governments. It is expected that individual country programme documents will need to be fully aligned with UNDAFs.

The General Assembly, in its resolution 71/243, “recognizes that the presence of the entities of the United Nations development system at the country level should be tailored to meet the specific challenges and needs of programme countries, and in that regard requests the United Nations country teams, under the leadership of the resident coordinator: (a) to strengthen the use of the United Nations Development Assistance Framework, or equivalent planning framework, as a strategic instrument; (b) to improve the focus on results, including common results, and the division of labour and enhance the inter-agency approach within the United Nations development system at the country level; (c) to strengthen access to and benefit from the full range of mandates and resources of the United Nations development system”.

(c) Seeking adequate funding mechanisms

“Delivering as one” is at the origin of a new funding framework to support joint programmes implemented through UNDAFs and similar inter-agency modalities organized at the country and regional levels. In line with the Paris Declaration on

Aid Effectiveness, these resources can only be accessed if the following requirements are met: alignment with national priorities; harmonization and coordination through inter-agency cooperation; effective and inclusive partnerships; and achievements of development results and mutual accountability.

Developed first in the eight “Delivering as one” pilot countries and increasingly adopted by all countries, the common United Nations budgetary framework has been reinforced in recent years, as it leads to more effective resource mobilization at the national and regional levels, with transparent dialogue with donors.

Under the framework, the United Nations pooled funding mechanisms, such as the multi-donor trust funds composed of “One United Nations” initiative funds to support UNDAFs and related joint programmes and funds by category, to support global or thematic initiatives on humanitarian, environmental or development issues, play a crucial role. In the countries that have adopted a “Delivering as one” approach, such mechanisms provide participating agencies with flexible, coordinated and predictable funding to support the achievement of national and global priorities. Multi-donor trust funds, such as the delivering results together fund, efficiently promote the strengthening of linkages between the normative and operational development work of the United Nations and thus significantly increase the coherence and impact of its assistance at the country level.

Building on resolution 71/243, resolution 72/279 calls for a drastic scaling up of “Delivering as one” funding mechanisms.

Those inter-agency pooled funds that complement the agencies’ resources to support common objectives are at the core of the funding compact proposed by the Secretary-General of the United Nations. To achieve the objectives of the 2030 Agenda, the pooled funding mechanisms successfully experienced in the eight “Delivering as one” pilot countries are considered vital for the strengthening of the multilateral nature of the United Nations development system.

2. United Nations Inter-Agency Cluster on Trade and Productive Capacity: An appropriate mechanism to build a new path for the 2030 Agenda, in a time of pandemic and beyond

The Cluster is an appropriate mechanism to respond to the challenges of the 2030 Agenda for Sustainable Development because of its unique common policy expertise and recognized inter-agency integrated assistance on trade and development within the United Nations system.

(a) Unique inter-agency expertise in trade policy

1. Trade as an engine for development

The 2030 Agenda recognizes “international trade as an engine for development”.⁴ To allow developing countries to fully integrate into and benefit from the global economy, the building of a universal, rules-based, open, transparent, predictable, inclusive, non-discriminatory and equitable multilateral trading system under WTO is needed. Effective trade liberalization with appropriate supporting policies to overcome the challenges stemming from globalization is also necessary. Notwithstanding the opportunities brought by globalization, major challenges remain to be addressed through multilateralism. These challenges mainly concern the balance of the global economic system, as well as the socioeconomic gaps between countries and within them. In the past decades, the gains from globalization, while reducing extreme poverty worldwide, have been unevenly distributed, giving rise to major inequality that now needs to be addressed.

The 2030 Agenda and related initiatives such as the Addis Ababa Action Agenda, critical for the realization of the Sustainable Development Goals and Aid for Trade initiative, call for integrated global solutions to global challenges. To achieve sustainable development, national actions should be supported by an effective international framework.

As a unique United Nations-wide effort, the Cluster coordinates the trade-related development contributions of different entities to address the objectives of the 2030 Agenda. The assistance of the Cluster consists in building the capacity of developing countries to prioritize their trade infrastructure and formulate their own trade policies. Assistance encompasses a wide range of areas such as research and analysis, supply-side capacity, capacity negotiation, capacity to formulate and implement trade and trade-related rules, dispute settlement and export capacity.

By acknowledging the pivotal role of trade as an engine for sustained economic growth and human development, the Cluster aims to enhance the development impact of trade and trade-related national policies and productive activities, both quantitatively and qualitatively with a view to contributing to the achievement of the Sustainable Development Goals.

⁴ A/RES/70/1.

2. Qualified collaboration on integrated policy advice

The Cluster's member agencies have long-standing experience in working together on the formulation of common policy analysis and recommendations, which in the context of the 2030 Agenda, constitutes a major strength to best achieving the Sustainable Development Goals.

In June 2012, the fifth Intergovernmental High-level Conference reviewed the achievements, challenges and lessons learned since the start of the eight "Delivering as one" pilot projects. During the Conference, Member States stressed that the benefits of the implementation of "Delivering as one" were by far greater than any shortcoming and that "there was no way back to do business with the United Nations as before". Member States highlighted that government ownership of United Nations assistance, as well as alignment with national priorities, had greatly improved.

On 15 October 2012, the Cluster delivered a joint statement at the United Nations General Assembly in the context of the quadrennial comprehensive policy review (see annex 2). The Cluster was mentioned as an example of a best practice, as it provides new opportunities for cooperation on economic development, as well as "greater access to the range of development expertise and resources in the United Nations system".

The views expressed were considered and duly reflected in General Assembly resolution 67/226, which assessed the coherence and effectiveness of United Nations operational activities for development.

The Cluster and its active participation in UNSDG concerning all matters pertaining to the participation of NRAs in UNDAFs has during the past decade contributed to the overall policy orientations for development cooperation enshrined in the landmark resolutions pertinent to United Nations system-wide coherence reform. The development impact of the Cluster proved to be much wider and deeper than the impact achieved by the operations of agencies acting alone. The clustering approach, by being effective from design to monitoring and evaluation of UNDAFs at the country level or similar exercises carried out at the regional level proved to be a strategic instrument in the operationalization of system-wide coherence.

In view of the effective realization of the 2030 Agenda, the Cluster's thematic approach is expected to be scaled up to become a standard operating procedure, as it greatly eases coordination between United Nations agencies, national partners, United Nations resident coordinators and donors.

Working towards the achievement of the 2030 Agenda through enhanced policy coherence, the Cluster employs a twofold approach consisting of increased policy convergence in view of common recommendations and the formulation of policy recommendations at the country level through inter-agency joint programmes on trade and trade-related issues designed to match the Sustainable Development Goals.

Increased policy convergence

With regard to the work towards policy convergence in view of common recommendations, the member agencies of the Cluster have greatly enhanced their cooperation within the Cluster in recent years. Collaboration is delivered in different ways within the Cluster, which is a strength; addressing policy issues in a collaborative manner requires flexibility and reactivity.

Collaboration on policy issues concerns all member agencies of the Cluster. It covers a wide range of areas and types of collaboration such as common publications and inter-agency contributions to flagship reports.

An example of collaboration within the Cluster relates to UNCITRAL, which has adopted a legislative guide on key principles of a business registry, which aims to assist policymakers in designing and implementing efficient business registries. The UNCITRAL guide reflects the idea shared within the Cluster that simplified and accessible business registration can play a key role in promoting the formalization of small and medium-sized enterprises, as a large percentage of businesses remain in the informal economy.

Another example related to collaboration in producing flagship reports is the participation of member agencies of the Cluster such as FAO, UNCTAD and UNDP in *Industrial Development Report 2018*. The report is the fruit of innovative inter-agency collaboration that looks at economic growth from the consumption side. It highlights the importance of supporting in an inclusive and sustainable way the middle class as the most powerful driver for development. Because of the interrelated issues surrounding industrialization and the complexity of collecting comprehensive data on such issues, the report asks for more inter-agency research and cooperation.

Collaboration on policy issues also includes the participation of member agencies of the Cluster in trade policy development initiatives.

An example is the Cluster's participation in the Aid for Trade initiative, with WTO playing an active role in promoting a fairer, more open multilateral trading system. In this context, the Cluster helps enhance complementarities between the assistance provided by member agencies of the Cluster through different initiatives, such as the standards and trade development facility on the knowledge exchange needed to build safe and inclusive trade opportunities and the Enhanced Integrated Framework for the least developed countries. Another example is the UNCTAD–ILO partnership within the Cluster established through a memorandum of understanding in December 2014. Under this framework, UNCTAD and ILO work closely to examine macroeconomic challenges and to provide valuable contributions to the Group of 20 and other relevant forums on policy issues.

Formulation of policy recommendations at the country level

At the operational level, with regard to the formulation of policy recommendations at the country level through inter-agency joint programmes, the operations provided by the Cluster encompass all national trade and trade-related policies, from macroeconomic levels to sectoral and microeconomic levels. Areas of assistance include global trade advocacy, trade policy development, regulatory frameworks, supply capacity, compliance support infrastructure and services, trade promotion and capacity-building, market and trade information, trade facilitation, trade infrastructure and trade-related financial services.

This multidimensional and multifaceted assistance aims to mainstream trade in national development and poverty reduction strategies. Such assistance is particularly relevant to the achievement of the Sustainable Development Goals, which, by definition, require collective responses from the United Nations system.

The assistance of the Cluster is particularly relevant to addressing the objectives of Goals 8, 9, 10 and 17. With regard to Goal 8, the Cluster contributes directly to the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all. With regard to Goal 9, the Cluster supports countries to build resilient infrastructure, promote sustainable industrialization and foster innovation in an inclusive manner. With regard to Goal 10, and by building on Goals 8 and 9, the Cluster aims to reduce inequalities among and within countries. The Cluster, an effective coordination mechanism to strengthen the means of implementation at the country level with optimized articulation between the headquarters of United Nations agencies and assistance at the country level, fully contributes to the global partnership for sustainable development described in Goal 17.

Going beyond trade: The development–humanitarian nexus

The 2030 Agenda recognizes that each country is responsible for its own sustainable development. At the same time, universal in scope, the 2030 Agenda calls for integrated collective action on an unprecedented scale to face a multiplicity of complex, interrelated challenges, including climate change, the erosion of human rights, inequality and exclusion, migration and displacement.

The 2030 Agenda calls for integrated global solutions to global challenges. With trade as a pivotal axis for sustained economic and human development, the Cluster is an appropriate mechanism to address these global issues in an effective manner. With trade at its core, the Cluster can deal with issues that go beyond trade such as the development–humanitarian nexus. In this context, the Cluster, with the active involvement of FAO, UNCTAD and UNDP, participates in the United Nations Great Lakes Regional Strategic Framework developed under the auspices of the Special Envoy of the Secretary-General for the Great Lakes Region, reporting directly to the Security Council. The Framework, which focuses on the core countries of the African Great Lakes region, namely Burundi, the Democratic Republic of the Congo, Rwanda, Uganda and the United Republic of Tanzania, aligns the

development work of United Nations agencies to the implementation of the road map of the Special Envoy of the Secretary-General for the Great Lakes Region. Using a multilevel, cross-cutting and interdisciplinary approach, the United Nations is working at the cross-border and regional levels to address the diverse peacebuilding challenges of the region.

In 2017, UNCTAD organized a special session in Geneva to introduce the Great Lakes Regional Strategic Framework initiative to the Geneva-based community with the participation of UNCTAD-led Cluster and humanitarian United Nations agencies with headquarters based in Geneva, such as the Human Rights Council and the United Nations High Commissioner for Refugees. “Involving UNCTAD in these regional discussions is a recognition of the wide range of expertise tackled by the Geneva trade hub and is an expression of its high potential for a deeper leading role in dealing with interrelated complex issues,” said Mukhisa Kituyi, Secretary-General of UNCTAD.

3. The role of non-resident agencies

The Cluster advocates for more inclusion of NRAs in the “Delivering as one” process to facilitate the access of Governments and United Nations resident coordinators to the expertise of NRAs on policy aspects. It is considered that the better inclusion of NRAs in “Delivering as one” contributes to the increased coherence and quality of joint programmes at the country level, as such inter-agency operations benefit from a wide range of expertise existing within the United Nations system, notably on policy issues.

Therefore, the Cluster emphasizes that the role of the resident coordinators is crucial in ensuring a better alignment of United Nations assistance with national development strategies. The United Nations inter-agency experience in the eight “Delivering as one” pilot countries and in countries that have adopted a “Delivering as one” approach is that the mechanisms set by UNSDG can greatly benefit NRAs if they are tailored to their specificities, in accordance with their mandates and expertise.

The increased participation of the Cluster in UNDAFs and related joint programmes has raised the awareness of the resident coordinators about the role of NRAs in the United Nations system. When promoted by the resident coordinators, the participation of the Cluster in mechanisms established at the country level has led to the increased coherence and quality of United Nations assistance.

At both the system-wide and UNSDG levels, UNCTAD has collected views and experiences from the member agencies of the Cluster to convey a common position and offer recommendations to ensure better access for NRAs to the “Delivering as one” funding mechanisms organized at the country level. Since its inception, the Cluster has proposed dedicated training sessions to resident coordinators, delivered as part of the induction courses of the United Nations System Staff College.

Building on UNCTAD and UNEP rotational positions in 2015 and 2016 as representatives of NRAs in the UNSDG Advisory Group, the Cluster advocates that the mandates and expertise of NRAs within the United Nations system should be better known and acknowledged and that better inclusiveness of NRAs in resource mobilization exercises, including better access to multi-donor trust funds established at the country level, should be promoted.

(b) Recognized and integrated inter-agency assistance

General Assembly resolution 72/279 defines UNDAF as the most important instrument for the planning and implementation of United Nations development activities in each country, in support of the implementation of the 2030 Agenda for Sustainable Development.

Following the adoption by the General Assembly of resolution 59/250 on the triennial comprehensive policy review of operational activities for development of the United Nations system, UNDAFs progressively became the main channel for United Nations assistance. At the time of adoption of the resolution, in 2004, most UNDAFs were neglecting economic policies. The Cluster, through its global advocacy and participation in the eight “Delivering as one” pilot countries, significantly contributed to the changes in the nature of UNDAFs, to better consider the economic dimension.

In the context of UNDAFs, the Cluster delivers effective inter-agency assistance to support the integration of economies into the international trading system, which lies at the core of most countries’ development priorities.

Starting with projects in the eight “Delivering as one” pilot countries, the Cluster has greatly expanded its participation in the design and implementation of joint programmes with different intensities and configurations at the national and regional levels.

Operations of the Cluster at the national level

In 2020, the Cluster was involved in the following UNDAFs and UNSDCFs:

- Africa (Eastern and Southern, Western and Central): Angola, Cabo Verde, the Comoros, Ethiopia, Lesotho, Madagascar, Rwanda, the United Republic of Tanzania and Zambia.
- Arab States, Middle Eastern and Northern Africa: Egypt.
- Asia and the Pacific: Afghanistan, Bangladesh, Bhutan, China, the Lao People’s Democratic Republic, Myanmar, Nepal, Pakistan and Viet Nam.
- Europe and Central Asia: Albania, Armenia, Azerbaijan, Belarus, Georgia, Kazakhstan, the Republic of Moldova, Montenegro, Serbia, Turkey, Turkmenistan and Uzbekistan.
- Latin America and the Caribbean: Uruguay.

Operations of the Cluster at the regional level

- Africa: Endorsed in March 2016 by the Security Council, the Great Lakes Regional Strategic Framework fosters collaboration between the main stakeholders to prevent conflicts and crises under the leadership of the Special Envoy of the Secretary-General for the Great Lakes Region. Since 2017, the Cluster, with the active participation of FAO, UNCTAD and UNDP, has helped the Great Lakes Regional Strategic Framework to broaden the scope of its work on economic development and cross-border trade.
- Europe and Central Asia: In 2020, member agencies of the Cluster such as UNCTAD and UNESCAP participated in joint initiatives of the United Nations Special Programme for the Economies of Central Asia led by UNECE.

Results-oriented assistance

Over the years, the Cluster has become a recognized partner within the United Nations system.

In Cabo Verde, for example, the Cluster has been providing long-standing assistance since 2008. With UNDAF 2018–2022, entirely built around the Sustainable Development Goals pertinent to the post-graduation status of Cabo Verde, the Cluster is gradually demonstrating that it is a right mechanism to deliver on achieving the Goals.

In Rwanda, the Cluster is deepening its cooperation by participating in UNDAF 2018–2023. Over the years, under UNDAF 2008–2012 and 2013–2017, assistance from the Cluster, provided by resident agencies and NRAs, has emerged as the main driver of United Nations assistance. Support from the Cluster, at the country level, coupled with that provided at the regional level under the Great Lakes Regional Strategic Framework, is expected to contribute in a significant way to the combined humanitarian and development efforts to promote peace in the region.

The United Republic of Tanzania can be cited as an example of best practices because of the sustainability of the intervention of the Cluster, consisting of well-articulated complementary initiatives supported by different sources of funding such as the UNSDG “One United Nations” initiative fund for the United Republic of Tanzania, the Enhanced Integrated Framework and funding from Switzerland in support of a specific Cluster intervention on business linkages.

The United Republic of Tanzania: An example of best practices

The intervention by the Cluster, embedded in UNDAF United Republic of Tanzania 2016–2021, has become an example of best practices over the years, with integrated assistance widely appreciated by all stakeholders in the United Republic of Tanzania. Views from the main stakeholders are as follows:

- Views from beneficiaries: “The Government of the United Republic of Tanzania strongly encourages initiatives such as the one under this State

Secretariat for Economic Affairs United Nations trade cluster project, which seeks to help producers and processors meet buyers’ needs for quality and standards. Through working together as one, we can achieve this goal and make hospitality proud and active in sourcing products locally” – Ministry of Industry, Trade and Investment, United Republic of Tanzania;

“The joint United Nations approach is really welcome, as United Nations agencies are specialized in different areas, ILO is specialized in skills development and UNIDO in industrialization, but the impact is better than working separately” – Chief Executive Officer, National College of Tourism, United Republic of Tanzania.

- Views from resident coordinators: “The United Nations Development Assistance Plan II 2016–2021 shares the same aims as the Government of [the United Republic of] Tanzania’s Five-Year Development Plan II 2016–2021, to prioritize inclusive economic growth while promoting social well-being and good governance for all citizens. Along the initiatives developed within United Nations Development Assistance Plan II, the joint programme financed by the State Secretariat for Economic Affairs to support the United Nations trade cluster project in [the United Republic of] Tanzania is one of the most valuable illustrations of how the United Nations family can leverage agencies’ comparative advantages to add value, deliver as one and improve the livelihoods of Tanzanians” – United Nations Resident Coordinator, United Republic of Tanzania.
- Views from donors: “For Switzerland, the United Nations Inter-Agency Cluster initiative delivery model has significant advantages, as the combined United Nations agencies’ expertise leads to benefits on the strategic and the operational levels. Here are some examples: (a) strong alignment with the Enhanced Integrated Framework governing structures encompassing all stakeholders and reducing risks for governments and donors; (b) policy and programmatic coherence by combining the expertise of several United Nations agencies that deliver as one; and (c) this approach coordinates communications between stakeholders through the lead agency UNCTAD and the trust fund manager UNOPS. The Cluster’s member agencies participating in the joint programme in [the United Republic of] Tanzania combine their comparative advantages in relevant trade-related expertise to deliver as one and achieve tangible results”.

(c) The Cluster: The pandemic and beyond

1. The Cluster response to the multi-partner trust fund

In recent years, UNCTAD has repeatedly stressed that global economic growth, if effective, has however been fragile and profoundly unequal. As highlighted in *Trade and Development Report 2017*, the global financial crisis of 2008/09 raised fundamental issues that still need to be addressed.

In 2020, the COVID-19 pandemic showed all the fragility of an interdependent world that brings opportunities but also dangers. The pandemic highlighted a series of pre-existing conditions, from unsustainable debt to increasing economic disparities that require a renewed development model supported by a strong multilateral system. To overcome the economic crisis resulting from the pandemic, a new path for development is now required not only to provide countries with punctual economic recovery but also to propose truly more resilient and inclusive development in line with the ambitions of the 2030 Agenda.⁵

In this context, assistance from the Cluster will be essential to provide countries with coherent and articulated policy measures at the global level and related appropriate technical assistance at the country level.

Joint letter to United Nations resident coordinators

In August 2020, referring to the United Nations COVID-19 response and recovery multi-partner trust fund, the Cluster addressed, through the United Nations Development Coordination Office, a letter to all United Nations resident coordinators, to propose a first and immediate set of modular technical assistance that addresses specific challenges through concerted concepts of the complementary agencies' contributions.

Details of outreach by the United Nations Inter-Agency Cluster on Trade and Productive Capacity at the global level are in annex 3. A copy of the joint letter to United Nations resident coordinators, signed by FAO, ILO, UNCTAD, UNDP and UNIDO, is in annex 4.

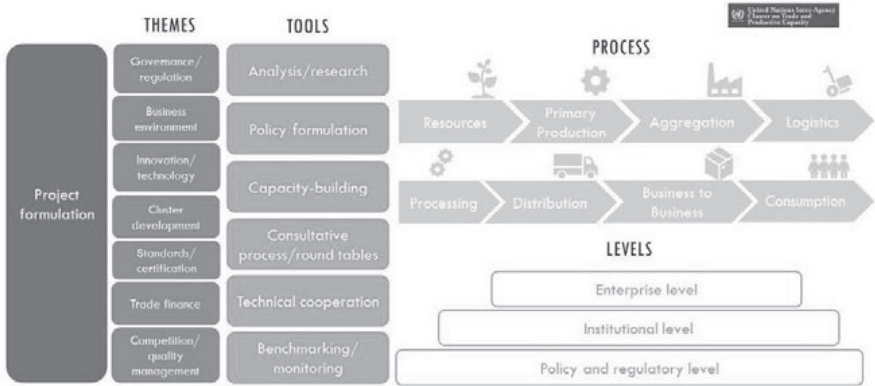
The proposed immediate set of modular technical assistance

The immediate set of modular technical assistance is titled “Supporting the response to and resilient recovery from the pandemic by microenterprises and small and medium-sized enterprises” (see annex 5). The set proposes the following two main outcomes:

- Sustaining and strengthening the resilience of livelihoods through the participation of microenterprises and small and medium-sized enterprises (MSMEs) in local, regional and global value chains.
- Strengthening the resilience of MSMEs through digital transformation, skills development and business environment improvements in the context of the Sustainable Development Goals.

⁵ UNCTAD, 2020, *Trade and Development Report 2020: From Global Pandemic to Prosperity for All – Avoiding Another Lost Decade* (United Nations publication, Geneva).

Activities within a value chain



2. Broadening the approach beyond the pandemic

Initially launched by five agencies within the Cluster (FAO, ILO, UNCTAD, UNDP, UNIDO) in August 2020, the initiative is aimed at being progressively opened to all member agencies of the Cluster.

Beyond the pandemic, the objective of the Cluster in 2021 is to provide Governments and United Nations resident coordinators with a comprehensive approach to best support countries' economic recovery and sustained development.

In this regard, in October 2020, all member agencies of the Cluster agreed to work on a coherent and comprehensive coordinated package “à géométrie variable”.

A package “à géométrie variable”

Based on the ways in which the member agencies of the Cluster collectively support trade, the package will consist of different menus offered to Governments and United Nations resident coordinators and serve as a basis for the development of joint programmes to be delivered in the context of UNSDCF. Demonstrating a common relevance, the joint programmes will be tailored to country needs that will guide participating member agencies of the Cluster for each joint programme.

Focusing mainly on small and medium-sized enterprise development, the package will benefit from the combined expertise of member agencies of the Cluster at both the headquarters and country levels. A task team within the Cluster will be created in 2021 to ensure appropriate coordination at the substantive level between experts at headquarters working on broad and horizontal policy issues and the country offices of member agencies of the Cluster that will adapt and tailor policy assistance to local situations.

A mapping of priority countries for joint interventions will be defined, together with interested countries and support from United Nations resident coordinators.

Improved outreach towards interested Governments, United Nations resident coordinators and donors

In 2021, the Cluster will work on an optimized outreach towards Governments and United Nations resident coordinators, with clear communications emanating from the highest representatives of member agencies of the Cluster, channelled through the United Nations Development Coordination Office.

Finally, the Cluster will also work on an optimized outreach towards interested donors, to facilitate their support at the country level.

Annexes

Annex 1

Statement of the Secretary-General of the United Nations, Mr. Ban Ki-moon, on the launching of the Chief Executives Board for Coordination Inter-Agency Cluster on Trade and Productive Capacity UNCTAD XII, Accra, 20 April 2008

Distinguished Delegates,

Distinguished Heads and Representatives of the agencies of the Cluster,

Ladies and gentlemen,

I welcome the launching of this inter-agency cluster on trade and productive capacity, and commend the efforts of the United Nations system organizations towards its establishment. I consider this an important contribution to system-wide coherence. It will add concrete and operational strength to the “development pillar” of the United Nations system.

Building competitive productive capacity is crucial to the use of trade as an engine of development, as well as to the success of the development process. The United Nations must play its full role in this regard. Trade and productive capacity-building should, therefore, constitute a pivotal component of the United Nations country assistance plans.

I am pleased that the Cluster aims at translating into coherent field operations the linkages between trade, poverty reduction and human development, with a view to helping countries achieve the internationally agreed development goals, including the Millennium Development Goals.

Trade-related assistance has played, until now, a marginal role within the United Nations country assistance plans. I encourage the Cluster to play a proactive role in coherently beefing up trade and trade-related technical cooperation activities for the benefit of developing countries, especially for Africa, least developed countries and other countries with special developmental needs.

The operational flexibility of the Cluster should allow all parts of the United Nations system to play their respective roles effectively. I am pleased that UNCTAD is coordinating this inter-agency mechanism, thanks to its central trade and development mandate within the United Nations system.

We will continue to rely on the member States, especially the donor countries, for the financial support to our development operations. I would also like to call for greater coherence in the financing of United Nations development operations. The “One United Nations” initiative funds are a welcome step in this regard, but much more needs to be done.

There should also be greater coherence in aid, trade, debt, investment and technology policies to better support productive capacity-building. In this regard, we would like to invite donors to work towards a more balanced sectoral allocation of development assistance.

I wish this Cluster full success.

Annex 2

Joint statement by the United Nations Inter-Agency Cluster on Trade and Productive Capacity, General Assembly, 15 October 2012

Quadrennial Comprehensive Policy Review

The United Nations Inter-Agency Cluster on Trade and Productive Capacity was officially launched in April 2008, at UNCTAD XII, by the Secretary-General of the United Nations. The members of the Cluster include UNCTAD, UNIDO, FAO, ITC, WTO, UNDP, UNEP, ILO, UNCITRAL, UNECA, UNECE, UNECLAC, UNESCAP, UNESCWA and UNOPS. This is a unique United Nations-wide effort to coordinate the trade-related development contributions of different entities to the global agendas of Aid for Trade, the Millennium Development Goals and the upcoming Sustainable Development Goals and post-2015 development agenda. The Cluster has greatly contributed to system-wide coherence by providing coordinated technical assistance at the national and regional levels in the area of international trade and productive capacity.

UNCTAD facilitates coordination between these United Nations entities with a view to avoiding duplication, ensuring efficiency and, more importantly, adding value to the quality of the United Nations assistance through the diverse expertise that exists within the United Nations system.

The joint programmes of the Cluster can address the complex needs of several sectors of developing countries' economies. Various modalities of assistance, particularly policy advice, can be delivered at the micro and macro levels as requested by national authorities and in the context of UNDAFs.

Examples of the operations coordinated by the Cluster include actions linking trade to employment policy, food security concerns and trade negotiations, environmental goals and industrial policies, support to the export enterprises to improve their international competitiveness and facilitate access to markets and investment promotion policies, and many other issues of concern. Regional agendas are fully taken into account thanks to the participation, within the Cluster, of the United Nations regional commissions. Cooperation with other international organizations, financial institutions and bilateral donors is always welcome as required in each country and as agreed with national authorities.

We believe that the development impact of the Cluster at the field level is wider and deeper than the impact achieved by the operations of agencies acting alone.

As a contribution to the General Assembly debate on the quadrennial comprehensive policy review, and in light of the results achieved by this inter-agency mechanism in terms of coordination and coherence, the United Nations entities that are members of the Cluster would like to emphasize that:

-
- A thematic inter-agency mechanism such as the Cluster is a strategic instrument in the effective operationalization of system-wide coherence.
 - By acting together when formulating, delivering and monitoring the impact of their assistance, the United Nations entities can be better aligned with national development strategies.
 - The post-2015 development agenda should be the road map and the driving force for further progress in the delivery of United Nations joint programmes of development assistance.
 - Donor support to joint programmes such as those of the Cluster, in particular through the multi-donor trust funds, is critical to ensure sustainable, predictable and timely assistance from United Nations agencies to achieve higher levels of efficiency and coherence in the delivery of trade-related assistance.

Annex 3

Outreach of the United Nations Inter-Agency Cluster on Trade and Productive Capacity at the global level

Since its inception, the United Nations Inter-Agency Cluster has been regularly organizing high-level events with the aim of informing and updating member States on the activities of the Cluster at the national, regional and global levels.

Some examples of such events are as follows:

- Joint statement by the United Nations Inter-Agency Cluster on Trade and Productive Capacity at the General Assembly on 15 October 2012 as a contribution to the quadrennial comprehensive policy review.
- United Nations Inter-Agency Cluster on Trade and Productive Capacity address to member States on its involvement in the United Nations Great Lakes Regional Strategic Framework, at the Palais des Nations in Geneva on 11 July 2017. Attended by both the Secretary-General of UNCTAD and the Special Envoy of the Secretary-General for the Great Lakes Region, the meeting explored the connection between humanitarian and development issues to promote security in States the region, namely Burundi, the Democratic Republic of the Congo, Rwanda, Uganda and the United Republic of Tanzania.
- United Nations Inter-Agency Cluster on Trade and Productive Capacity special event organized at United Nations Headquarters on 21 May 2019 as part of the operational activities segment of the Economic and Social Council, to introduce the Cluster to delegates in New York.

Other regular communications are organized under the Cluster. Some examples are as follows:

- UNCTAD lectures on Cluster activities delivered at the World Trade Organization in the context of trade policy courses organized for new delegates and young government officials.
- UNCTAD lectures on assistance delivered by the Cluster as part of the master's degree programme in the management of development at the International Training Centre of the International Labour Organization in Turin, Italy.

Annex 4

United Nations Inter-Agency Cluster on Trade and Productive Capacity: Joint letter to United Nations resident coordinators



Food and Agriculture Organization
of the United Nations



International
Labour
Organization



24 August 2020

Dear colleagues,

It is encouraging to witness the close cooperation of the United Nations family in our joint response to the COVID-19 crisis. The progress in the formulation of Socio-economic Response Plans is commendable, with 71 national response plans prepared by United Nations Country Teams to date.

Our joint response to the crisis is seen by many as a first test of the reinvigorated United Nations development system. It offers a major opportunity for the provision of integrated solutions that are based on well-synchronized and complementary contributions, making use of the best available expertise in the system.

As an offer for joint programming, including for funding by the COVID-19 Response and Recovery Fund, we would like to highlight the initiative by the United Nations Inter-Agency Cluster on Trade and Productive Capacity.

The five member entities of the cluster — FAO, ILO, UNCTAD, UNDP and UNIDO — would like to inform you in the enclosure about a joint service offer to support the survival and resilient recovery of micro-, small- and medium-sized enterprises.

We hope this information will facilitate your dialogue within Country Teams and with government authorities in designing joint integrated interventions and resource mobilization, in order to leverage UN-wide expertise to the best possible effect.

Yours sincerely,

Elizabeth A.
Bechdol

Moussa
Oumarou

Isabelle Durant

Haoliang Xu

Hiroshi
Kuniyoshi

Deputy Director-
General

Deputy Director-
General for Field
Operations and
Partnerships

Deputy Secretary-
General

Assistant
Secretary-General,
Director of the
Bureau for Policy
and Programme
Support

Deputy to the
Director General

FAO

ILO

UNCTAD

UNDP

UNIDO

United Nations Resident Coordinators

cc.: Ms. Amina Mohammed, Deputy Secretary-General, United Nations
Mr. Robert Piper, Assistant Secretary-General for Development Coordination,
UNDCO

Annex 5

United Nations Inter-Agency Cluster on Trade and Productive Capacity: Proposed immediate set of modular technical assistance – Supporting the response to and resilient recovery from the pandemic by microenterprises and small and medium-sized enterprises

Supporting the response and resilient recovery
from COVID-19 by MSMEs

Joint Service Offer from FAO, ILO, UNCTAD, UNDP and UNIDO



United Nations
Inter-Agency Cluster
on Trade and
Productive Capacity

Objective: The proposed immediate set of modular technical assistance aims to inform United Nations resident coordinators and officers about a joint service offer from FAO, ILO, UNCTAD, UNDP and UNIDO under the United Nations Inter-Agency Cluster on Trade and Productive Capacity, to facilitate the formulation of integrated solutions and joint programmes at the country level.

Problem: In addition to the direct health impact and toll on human life, the COVID-19 pandemic has disrupted trade, food systems and value chains, plunged the global economy into recession and is already devastating livelihoods, employment and enterprises around the world, which will likely have long-term consequences. Nearly half the global workforce is at risk of losing their livelihoods. Women are disproportionately affected, as many work in sectors that have been hard hit (tourism, hospitality, food service) and are losing jobs at a greater speed than men. MSMEs are particularly important for many of the most vulnerable groups, including smallholding farmers, informal and farm workers, self-employed people, daily wage earners (in most areas primarily women), migrants, internally displaced persons and refugees. However, MSMEs are more exposed than larger firms as they possess fewer resources (that is, human, financial and technological resources, among others) to cope with the shocks related to the pandemic. Supporting economic recovery requires protecting livelihoods and assisting MSMEs across sectors to survive the crisis and rebuild stronger. MSMEs play a key role in ensuring the production and trade of essential goods, including for health-related responses, food security and nutrition, overall economic productivity and the promotion of decent employment, among others, in line with the Sustainable Development Goals.

Joint support by member agencies of the Cluster to MSMEs will help sustain the livelihoods of women and vulnerable groups with measures to sustain and improve market access and the business ecosystem and to assist MSMEs in enhancing their resilience to future crises. To achieve this, member agencies of the Cluster will bring together their expertise, tools and methods in a complementary manner to deliver the following outcomes through comprehensive service packages to be tailored at the country level.

Outcome 1: Sustaining and strengthening the resilience of livelihoods through MSME participation in local, regional and global value chains

Border restrictions and lockdowns have disrupted production and trade including of essential health-related goods and equipment as well as food. For MSMEs across sectors, these disruptions have led to collapsing demand and have affected market inputs, including in the agriculture sector, with implications for food production, availability and access. However, new market opportunities may arise at the local and regional levels, as actors across countries adapt to the new circumstances. MSMEs can seize opportunities if their capacity is strengthened to leverage electronic commerce platforms, embed quality standards and improve market linkages, among others, which may also have positive effects for the rest of the economy, further facilitating economic recovery.

Contribution areas:

- ✓ **FAO:** Assessment to identify enabling environment measures to support agrifood MSMEs and support their implementation, including through adjustments of business models along agrifood sector value chains to avert further virus transmissions and disruptions to national food supplies, while fostering cooperation between agrienterprises facing common challenges, supporting the identification of food industry data and technology investment requirements and strengthening institutions.
- ✓ **ILO:** Improving incomes, livelihoods and working conditions with a systemic approach that addresses decent work deficits where they matter most in value chains and market systems; building entrepreneurial inclusive and gender-responsive ecosystems and improving MSME performance by targeted interventions for microenterprises and small businesses, including the promotion of women's entrepreneurship development and gender equality; and supporting actors in specific economic sectors in skills anticipation and development for trade integration, productivity improvements and economic diversification through the ILO skills for trade and economic diversification methodology.
- ✓ **UNCTAD:** Entrepreneurship promotion with tailored policy measures for trade, business and investment facilitation aimed at streamlining administrative procedures to adapt to new business environments in the aftermath of the pandemic, including the use of appropriate digital trade platforms linking food producers to existing electronic commerce platforms, as well as the promotion of appropriate transport channels to seize renewed market opportunities at the local and regional levels.
- ✓ **UNDP:** Assessment of impact of COVID-19 pandemic on MSMEs (digital survey); enhancing competitiveness and market linkages of MSMEs (supplier development programme); promoting local production of personal protective equipment; strengthening the weakest links in the value chain, especially MSMEs and women-owned enterprises (business equality

programme); providing a one-stop-shop with information, digital tools and collaboration opportunities (MSME action platform); and assessment and advice on policy response to support youth entrepreneurs and livelihoods.

- ✓ **UNIDO:** Re-initiation of food production by MSMEs; productivity, quality, food safety and compliance across food value chains; women's entrepreneurship development, skills development and strengthening of production clusters and value chains for essential food items; and strengthening of local manufacturing capacities for essential medicines and medical waste treatment, as well as strengthening of testing laboratories.

Outcome 2: Strengthening the resilience of MSMEs through digital transformation, skills development and business environment improvements in the context of the Sustainable Development Goals

The COVID-19 pandemic has accelerated market trends towards digitalization evident before the crisis. MSMEs have traditionally lagged behind in the use of digital technologies and tools in their businesses and in leveraging market access opportunities through electronic commerce. Support to MSMEs in the face of pandemic-related impacts represents an opportunity to facilitate the uptake of digital solutions and upskilling of the workforce, ultimately enhancing the resilience of MSMEs to future crises. The crisis has similarly brought to the fore the value of specific trade facilitation provisions and mechanisms that help to mitigate the overall impact of trade disruptions caused by the crisis by, for example, speeding up the release of essential goods at customs without compromising critical safety controls. In this context, the crisis offers an opportunity to introduce reforms and develop capacities to address immediate needs and to lay the foundations for improving the business environment for private sector development in the medium and longer terms, which is particularly important for MSMEs.

Contribution areas:

- ✓ **FAO:** Streamlining food trade processes and market access through electronic certifications, blockchain-based data management platforms and smart contracts; legal, institutional and policy frameworks will be established to ensure all market participants benefit from these technologies, including youth innovators, and to leverage the dynamism of electronic commerce and digitalization along food supply chains; and market-driven skills development programmes will be supported and at least partially adapted to multimedia formats and rolled out through local digital channels and community media.
- ✓ **ILO:** Support collaboration between Governments and social partners to introduce and/or enhance inclusive and gender-responsive policies for an enabling environment for sustainable enterprises; provide policy advice and measures to support the formalization of informal enterprises; support the delivery of entrepreneurship skills and improvements in productivity and working conditions, fostering innovative approaches and digital solutions;

and provide rapid assessments of reskilling and upskilling needs in response to the COVID-19 crisis.

- ✓ **UNCTAD:** Entrepreneurship promotion with policy support and assistance on trade, business and investment issues, including digital trade, transport and customs operations.
- ✓ **UNDP:** Policy advice and business accelerator programmes to support the adoption of innovative business models and improve and scale up impacts in the context of the Sustainable Development Goals.
- ✓ **UNIDO:** Women's entrepreneurship development, skills development through digital knowledge platforms and digitalization of conformity assessments of products, processes and enterprises.

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United Nations Inter-Agency Cluster on Trade and Productive Capacity

United Nations Conference on Trade and Development

United Nations Industrial Development Organization

Food and Agriculture Organization

International Trade Centre

World Trade Organization

United Nations Development Programme

United Nations Environment Programme

International Labour Organization

United Nations Commission for International Trade Law

United Nations Economic Commission for Africa

United Nations Economic Commission for Europe

United Nations Economic Commission for
Latin America and the Caribbean

United Nations Economic and Social Commission
for Asia and the Pacific

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