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Review of the technical cooperation activities of UNCTAD and their financing

Summary

The coronavirus disease (COVID-19) pandemic weighed on UNCTAD technical cooperation in 2020. Both the extrabudgetary resources and overall expenditures witnessed a marked decline. After hitting a historic high in 2019, total funding to UNCTAD trust funds for technical cooperation fell by 28 per cent, year-on-year, to \$33.3 million, close to the level for 2018. Overall expenditures for UNCTAD technical cooperation dropped by 19 per cent from a high in 2019, to \$35.0 million in 2020. Pandemic-induced lockdowns and travel restrictions significantly affected the delivery of technical cooperation activities and the formulation of new projects.

In the face of the unprecedented situation, UNCTAD adjusted the work programme rapidly and prioritized technical assistance related to COVID-19 to respond effectively to the most urgent needs of developing countries, especially the vulnerable group of countries hit hard by the pandemic, and adopted online or hybrid modes in the delivery of advisory services and capacity-building activities, to mitigate the negative impact of travel restrictions on its operational activities as much as possible. Furthermore, UNCTAD worked closely with other United Nations entities to deliver a response to the COVID-19 crisis as one United Nations through, for example, a notable contribution to the Development Account response to COVID-19.

In 2021, technical cooperation activities continue to be affected by the pandemic. To help developing countries recover better from the pandemic and accelerate the achievement of the Sustainable Development Goals, UNCTAD is designing and delivering technical assistance projects in a flexible, agile and innovative way, further enhance the results orientation and gender sensitivity of technical cooperation and continue active participation in United Nations reform, including through the United Nations Inter-Agency Cluster on Trade and Productive Capacity.



Introduction

1. This report has been prepared to facilitate the annual policy review of the technical cooperation activities of UNCTAD by the Trade and Development Board. The report will be submitted to the Working Party on the Programme Plan and Programme Performance 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 of the Board taken from 2008 to 2020. Through these decisions, the Board recommends more structured interaction between the UNCTAD 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. An overview of the technical cooperation activities of UNCTAD and their financing in 2020 is provided in this report. In the report, the main trends in the funding and delivery of such cooperation are analysed and the key actions taken by UNCTAD to improve the structure and functioning of technical cooperation are highlighted. 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 United Nations Development Account.

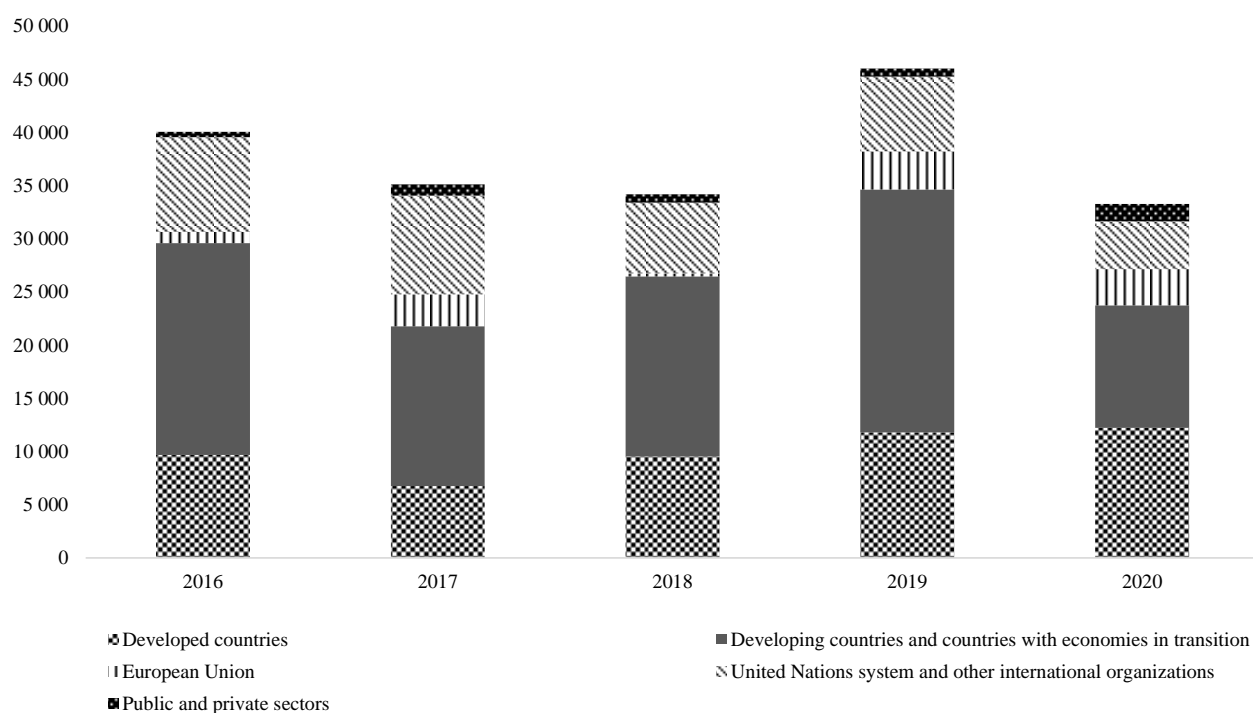
5. Contributions received under the “Delivering as one” initiative to support joint programmes of the United Nations Inter-Agency Cluster on Trade and Productive Capacity are included in the aggregate funding for trust funds. In view of the importance of the Inter-Agency Cluster in repositioning the United Nations development system to better support the 2030 Agenda for Sustainable Development, UNCTAD access to “Delivering as one” funding mechanisms is specifically reported on in chapter I, section C. Contributions to the Junior Professional Officers 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. As the most important funding source for UNCTAD technical cooperation, voluntary funding to trust funds continued to be characterized by high volatility. After hitting a historic high of \$46 million in 2019, overall funding to UNCTAD trust funds fell by 28 per cent to \$33.3 million in 2020, close to the level for 2018 (figure 1). The drop was mainly due to a significant decrease from two sources of funding: developing countries and countries with economies in transition, and the United Nations system and other international organizations. Developed countries, however, continued to strengthen their support to UNCTAD technical cooperation.

Figure 1
Provenance of UNCTAD trust fund resources, 2016–2020

(Thousands of dollars)



Note: Total excludes contributions to the United Nations junior professional officer programme. A major part of funding from developing countries and countries with economies in transition is self-financing, which may be derived, for example, from proceeds of loans or grants from international financial institutions for activities in the countries that provided funding (see TD/B/WP/311/Add.2, table 15).

7. Developed country contributions to UNCTAD trust funds increased for the third year in a row, reaching \$12.2 million in 2020, up 4 per cent compared with 2019. The rise of developed country contributions combined with the reduction of overall voluntary funding has led to an increase in the developed country share of total trust fund resources, to 37 per cent in 2020, the highest level since 2011. Nine developed countries contributed to trust funds with five increasing their contributions to UNCTAD compared with 2019. As the top three developed country contributors in 2020, Germany, the Netherlands and Switzerland each contributed more than \$3 million to UNCTAD technical cooperation. Together, the contributions from these three countries accounted for 82 per cent of total developed country contributions to UNCTAD.

8. With regard to total contributions accumulated over the last five years, Germany and Switzerland were the largest developed country donors, each contributing more than \$11 million (figure 2). They were followed by the Netherlands, which registered accumulated contributions of 8.4 million. In 2020, developed country contributions were mainly directed towards areas such as debt management, electronic commerce (e-commerce) and the digital economy, investment for development, customs management, sustainable trade and the environment, trade facilitation, non-tariff measures, trade and gender, and the Train for Trade programme.

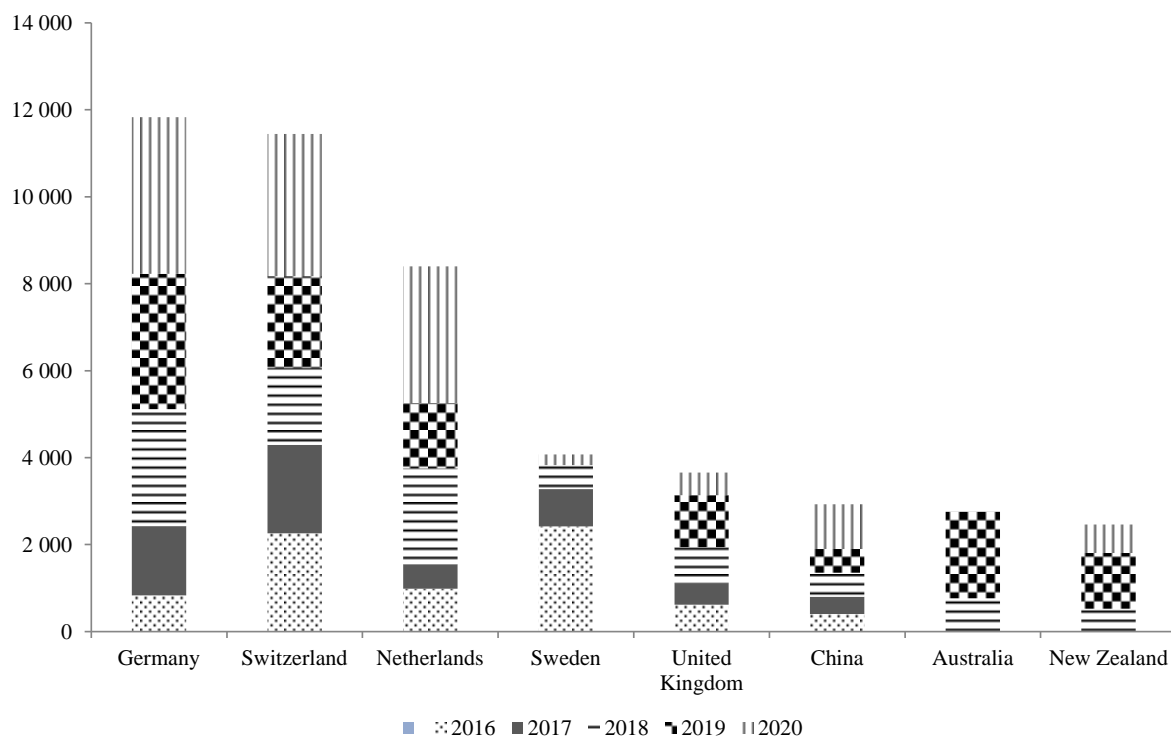
9. Funding from developing countries and countries with economies in transition totalled \$11.5 million, decreasing by 50 per cent from a record high of \$22.8 million in 2019, largely due to the reduced contributions to the Automated System for Customs Data (ASYCUDA) programme. Due to a heavy field-orientation, the implementation and formulation of ASYCUDA projects were significantly affected by travel restrictions induced by COVID-19. Consequently, the share of developing countries in total trust fund resources fell from 50 per cent in 2019 to 35 per cent in 2020. For the first time since 2011, funding from developing

countries and countries with economies in transition fell below the contributions from developed countries.

Figure 2

Accumulated contributions by major developed and developing country contributors

(Thousands of dollars)



10. It is noteworthy that 74 per cent of funding from developing and transition countries was allocated to activities in their own countries and for their own benefits, mainly to implement the ASYCUDA (61 per cent) and the Debt Management and Financial Analysis System (DMFAS) (9 per cent) programmes. Seventeen per cent of developing country funding (\$1.9 million) aimed at supporting UNCTAD technical cooperation that would benefit other developing countries. Within this category, China remained the largest developing country contributor, whose contribution rose from \$0.55 million in 2019 to \$1.03 million in 2020. The country was followed by Saudi Arabia contributing 0.68 million in 2020 to implement a project for assessing the economic costs of occupation for the Palestinian people. The remaining 9 per cent was contributed by Barbados (\$0.23 million) and the United Arab Emirates (\$0.85 million) to host, respectively, the fifteenth session of the United Nations Conference on Trade and Development and the UNCTAD World Investment Forum and first E-commerce Week for Asia.

11. Contributions from the European Union amounted to \$3.4 million in 2020, 5 per cent less than in 2019, but still 50 per cent higher than the average level during the period 2016–2020. The contributions were mainly directed to support the joint UNCTAD and European Union programme for Angola as well as DMFAS, ASYCUDA and business facilitation projects. Despite the small reduction of contributions of the European Union, its share of total trust fund resources rose from 8 per cent in 2019 to 10 per cent in 2020, due to the overall decrease in trust fund resources. Together, the European Union and its member States contributed \$11.8 million to UNCTAD, accounting for 35 per cent of total UNCTAD trust fund resources.

12. Due to the decreased contributions from other international organizations, such as the Common Market for Eastern and Southern Africa and Trade Mark East Africa, contributions from the United Nations system and other international organizations fell from \$7 million in 2019, to \$4.5 million in 2020, down 36 per cent. For this category, the share of total trust fund resources also followed a downward trend, dropping from 15 per cent in 2019 to 13 per

cent in 2020. Within the category, Trade Mark East Africa remained the largest contributor with a contribution of \$1.5 million in 2020.

13. In 2020, funding from the private and public sectors rose to \$1.6 million, more than doubling the amount in 2019. This has contributed to an increase in its share of total trust fund resources from 2 per cent in 2019 to 5 per cent in 2020, the highest since 2001. These contributions have supported several projects, including a project involving a blockchain-based online dispute resolution system financed by the China Silk Road Group; two projects, one on eRegulations and another on ASYCUDA, funded by Expertise France; a project on sustainable stock exchanges supported by the Foundation for the Global Compact; and Train for Trade port training projects funded by port authorities from several countries.

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

14. Resources for technical cooperation activities are provided under the United Nations regular programme of technical cooperation and the United Nations Development Account, that is, sections 23 and 35, respectively, of the United Nations programme budget. In 2020, total expenditures under the United Nations regular programme of technical cooperation and the United Nations Development Account amounted to \$3.8 million, 6 per cent less than in 2019. Despite this small reduction, the share of total technical cooperation expenditures for this category increased from 9 per cent in 2019 to 11 per cent in 2020.

15. Expenditures under the United Nations regular programme of technical cooperation totalled \$1.46 million in 2020, up 3 per cent compared with 2019, 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 course on key issues on the international economic agenda, known as paragraph 166 courses. In 2020, one regional course and three short courses for Geneva-based delegates were delivered successfully.

16. The United Nations 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 2020, a total of \$2.36 million was registered as expenditures under 23 Development Account projects (see TD/B/WP/311/Add.2, table 11). These include four short-term, joint projects launched by the United Nations Development Account in 2020 in response to COVID-19 (see box 1). Compared with 2019, expenditures under the United Nations Development Account decreased by 11 per cent.

17. Under the new, fourteenth tranche of the United Nations Development Account, three UNCTAD projects with a total budget of \$1.9 million were endorsed for funding by the Development Account Steering Committee. These projects focus on building sustainable smart ports for African countries, including small island developing States (SIDS); boosting the digital economy in SIDS of Africa, the Caribbean and Asia and the Pacific; and mobilizing external financial resources beyond COVID-19 in selected SIDS in Latin-American and the Caribbean. In addition, UNCTAD is actively participating in a joint project on blockchains for facilitating trade and enhancing competitiveness. The implementation of these projects is expected to start in 2022 after the approval of Development Account budget by the General Assembly.

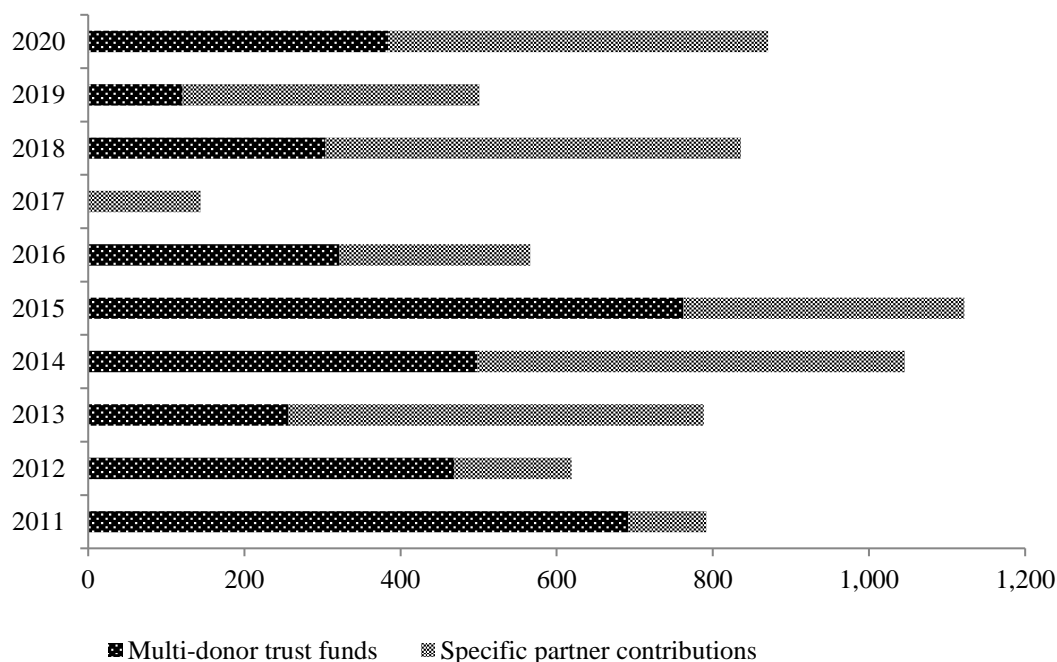
C. Specific partner contributions and multi-donor trust funds to support joint programmes of the United Nations Inter-Agency Cluster on Trade and Productive Capacity

18. Launched in April 2008, the United Nations Inter-Agency Cluster on Trade and Productive Capacity is an inter-agency mechanism dedicated to the coordination of trade and development operations at the country level. Led by UNCTAD, it includes the participation of 15 resident and non-resident United Nations agencies. The Inter-Agency Cluster seeks to

foster and provide solutions focusing on the formulation of common policy recommendations and their translation and implementation through joint programmes at the country level.

19. The Inter-Agency Cluster thus makes a concrete and direct contribution to the reform of the United Nations development system by coordinating inter-agency operations in identified countries and by accessing innovative pooled financing mechanisms, such as specific partner contributions and multi-donor trust funds, which complement the resources of individual agencies.

Figure 3
UNCTAD access to “Delivering as one” funding mechanisms
 (Thousands of dollars)



1. Specific partner contributions

20. Specific partner contributions are direct contributions to one or more agencies given by one or more donors to support inter-agency coordination. In 2020, UNCTAD continued to foster bilateral partnerships with several agencies from the Inter-Agency Cluster with increased use of the standard United Nations agency-to-United Nations agency contribution agreement issued by the United Nations Sustainable Development Group.

21. Specifically, UNCTAD enhanced its partnership with the United Nations Industrial Development Organization through a project in Mozambique to improve trade and competitiveness with greater market access for selected value chains. Embedded in the overall “Delivering as one” process in Mozambique, this multi-year project aims at fostering synergies with the United Nations country team for maximized impact. In 2020, UNCTAD received a first allocation of \$247,059 from the United Nations Industrial Development Organization.

22. UNCTAD also signed an agreement with the International Trade Centre to establish trade facilitation portals to improve the business and investment climate. In 2020, UNCTAD received \$240,000 from the International Trade Centre, which allowed for the development of joint operations in Burundi, Kazakhstan, Kyrgyzstan, Sri Lanka, Turkmenistan and Uzbekistan.

2. Multi-donor trust funds

23. Following the guidelines of the United Nations Sustainable Development Group, multi-donor trust funds consist of pooled funding mechanisms with a structure which involves the representatives of the United Nations system, national Governments and donors. Multi-donor trust funds include One United Nations funds in support of United Nations Sustainable Development Cooperation Framework and thematic funds, both identified as key financial mechanisms within the Funding Compact proposed by United Nations reform to meet the objectives of the 2030 Agenda for Sustainable Development.

24. In 2020, UNCTAD received an allocation of \$225,162 from the One United Nations fund for the United Republic of Tanzania in support of the United Nations Development Assistance Plan (UNDAP II 2016–2021). UNCTAD is contributing to the outcome on economic growth by providing policy expertise to support the development of small and medium-sized enterprises, with tailored assistance developed in cooperation with the United Nations country team.

25. In 2020, UNCTAD also received an allocation of \$158,895 for participation for the first time in the Joint Sustainable Development Goals Fund with an initiative on financing options for accelerated Sustainable Development Goal achievement in Haiti. Established to meet the objectives of the 2030 Agenda for Sustainable Development, the Joint Sustainable Development Goals Fund is an inter-agency pooled mechanism for strategic financing and integrated policy support.

26. UNCTAD access to the multi-donor trust funds is expected to increase in the coming years as those funds will play an increasingly important role in supporting the United Nations development system to effectively deliver on the 2030 Agenda for Sustainable Development.

D. Financing of junior professional officers

27. In addition to the funding sources mentioned above, some donors support the Junior Professional Officers programme of UNCTAD, carried out under the Junior Professional Officers programme of the United Nations.

28. In 2020, four countries – China, Germany, Italy and Saudi Arabia – contributed to the UNCTAD Junior Professional Officers programme. Together, they sponsored nine Junior Professional Officer positions in four UNCTAD divisions (see TD/B/WP/311/Add.2, table 9). As the largest contributors of the UNCTAD Junior Professional Officers programme in 2020, China and Italy each sponsored three Junior Professional Officers. They were followed by Germany and Saudi Arabia, sponsoring respectively two and one Junior Professional Officer. It is noteworthy that among the three Junior Professional Officers sponsored by Italy, one comes from a least developed country. Compared with 2019, the total number of Junior Professional Officers decreased by two. This was partly explained by the fact that some donors put the recruitment of Junior Professional Officers on hold due to the COVID-19 pandemic.

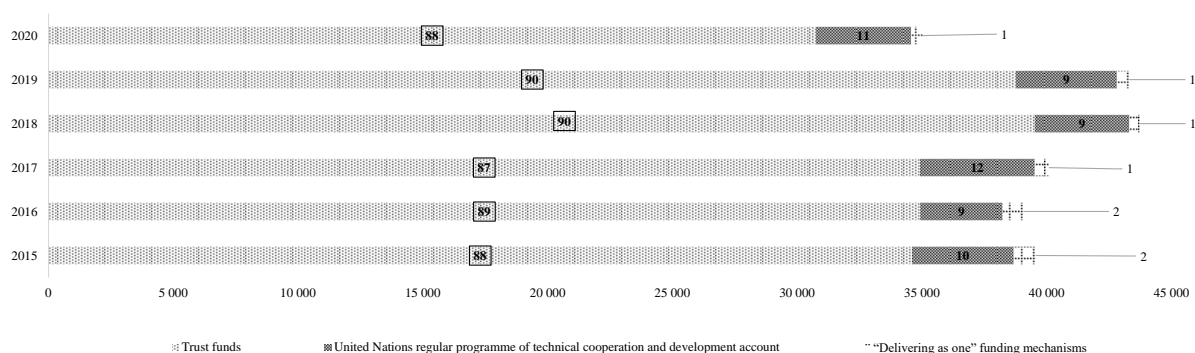
29. The Junior Professional Officers programme offers a unique opportunity for young professionals to participate in the analytical and operational work of UNCTAD. The demand by UNCTAD secretariat for Junior Professional Officers far exceeds the supply. The secretariat therefore reiterates its request for donors in a position to do so to consider sponsoring Junior Professional Officers, particularly those from developing countries.

II. Expenditures and allocation of technical cooperation resources

30. In 2020, overall expenditures for UNCTAD technical cooperation activities amounted to \$35.0 million, dropping by 19 per cent from the close to record high of \$43.3 million in 2019 (see TD/B/WP/311/Add.2, table 2). The drop is seen across all funding sources, with expenditures under trust funds decreasing by 21 per cent, to \$30.8 million. Expenditures under the United Nations regular programme of technical cooperation and the United Nations

Development Account dropped by 6 per cent, to \$3.8 million, and those under “Delivering as one” funding mechanisms dropped by 4 per cent, to \$0.47 million. In terms of share of total technical cooperation expenditures, the share of trust funds decreased to 88 per cent in 2020, from 90 per cent in 2019, while that of the United Nations regular programme of technical cooperation and the development account rose from 9 per cent to 11 per cent (figure 4).

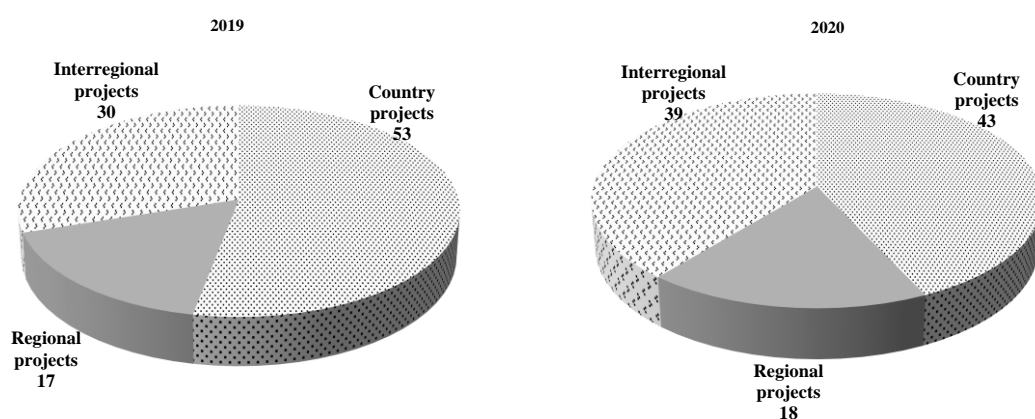
Figure 4
Technical cooperation expenditures, by funding source
 (Thousands of dollars and percentage)



A. Expenditures by type of project

31. UNCTAD technical cooperation projects are delivered at the interregional, regional and country levels. In 2020, country-level projects accounted for 43 per cent of total expenditures, while interregional and regional projects represented, respectively, 39 per cent and 18 per cent of total technical cooperation delivery (figure 5).

Figure 5
Project expenditures as share of total technical cooperation expenditures, by type of project, 2019–2020
 (Percentage)



32. In 2020, expenditures under country-level projects fell by 34 per cent to \$15.1 million. Among 95 country projects, most were self-financed, including resources made available by donors from bilateral aid programmes, focusing on customs modernization and reform, and debt management. In 2020, \$8.9 million or 59 per cent of expenditures under country-level projects related to the implementation of 45 projects in the least developed countries.

33. In 2020, expenditures under regional projects dropped by 16 per cent to \$6.2 million. In Africa and in Asia and the Pacific, expenditures on regional projects fell respectively by

30 and 20 per cent in 2020, while in Latin America and the Caribbean expenditures for such projects more than doubled the amount in 2019.

34. Interregional projects are thematic projects that benefit more than one geographic region. In 2020, expenditures under this category increased by 5 per cent to \$13.7 million, which was related to the delivery of a variety of technical cooperation products. The implementation of Development Account COVID-19 response projects covering different regions contributed to the increase of expenditures under interregional projects.

B. Expenditures by product

35. In 2020, expenditures under 28 technical cooperation products of UNCTAD reached \$31.5million, accounting for 90 per cent of annual technical cooperation delivery (table 1). ASYCUDA and DMFAS remained the top two products, representing 48 and 12 per cent, respectively, of total expenditures in 2020. They were followed by business facilitation, e-commerce and the digital economy, non-tariff measures, trade facilitation, and sustainable trade and the environment, which, combined, represented 20 per cent of total delivery. Three products – entrepreneurship for sustainable development; trade, gender and development; and sustainable and resilient transport and logistic services – each accounted for expenditures of 1–2 per cent of total delivery. Among these 10 products, three – business facilitation, entrepreneurship for sustainable development, and sustainable and resilient transport and logistic services – have seen expenditures increase compared with 2019, despite the challenges related to the pandemic.

36. Expenditures under each of the remaining 18 products represented less than 1 per cent of total delivery, including two products without expenditures in 2020. This may partly be explained by funding shortfalls. Moreover, for activities funded directly by donors or beneficiaries without a transfer of funds to UNCTAD, expenditures are not reflected in the table. For example, the second voluntary peer review of competition law and policy of the West African Economic and Monetary Union was self-funded, but funds were directly managed by the West African Economic and Monetary Union secretariat. In addition, support provided through the regular budget is not considered in table 1, including activities related to the trade policy framework of Guyana, as well as many virtual events and remote advisory services delivered by UNCTAD in response to the COVID-19 crisis.

Table 1
Technical cooperation expenditures in 2020, by theme and product

<i>Product</i>	<i>Sustainable Expenditures 2020</i>		
	<i>Development Goals</i>	<i>(Thousands of dollars)</i>	<i>Percentage of total</i>
Transforming economies, fostering sustainable development			
Investment policy reviews	8, 17	211	0.60
Services policy reviews	8, 9, 17	-	0.00
Trade policy framework reviews	17	-	0.00
Science, technology and innovation policy reviews	9	142	0.40
E-commerce and the digital economy	8, 9, 17	1 581	4.51
Non-tariff measures	3, 8, 17	1 102	3.14
Trade negotiations and the international trading system	10, 17	30	0.09
Sustainable trade and the environment	12, 13, 14, 15	812	2.32
Investment promotion and facilitation	9, 17	53	0.15
Investment guides	9, 17	18	0.05
Tackling vulnerabilities, building resilience			
Support to graduation from least developed country status	8	62	0.18

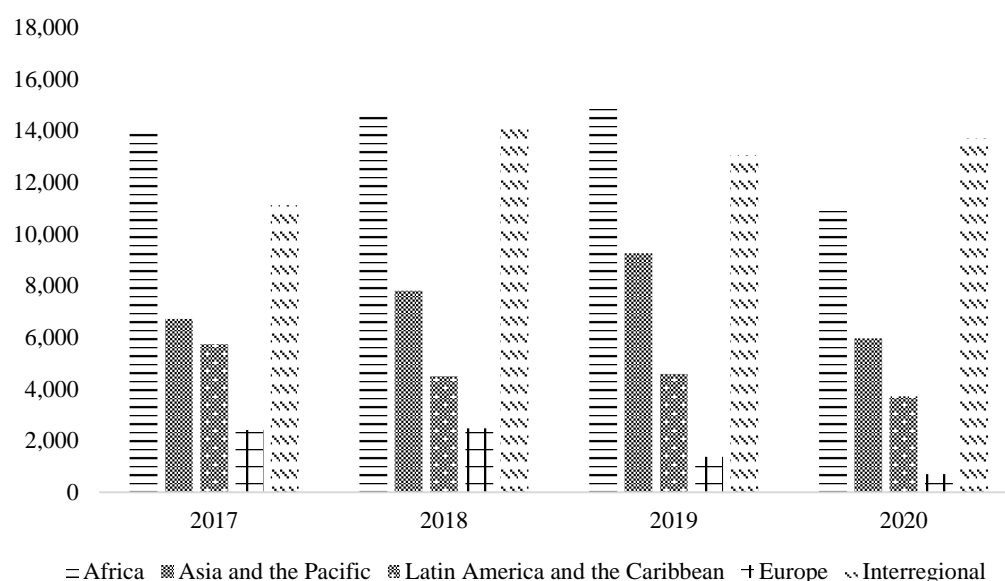
<i>Product</i>	<i>Sustainable Expenditures 2020</i>		
	<i>Development Goals</i>	<i>(Thousands of dollars)</i>	<i>Percentage of total</i>
DMFAS – Debt Management and Financial Analysis System	17	4,254	12.14
UNCTAD contribution to the Enhanced Integrated Framework	9, 17	104	0.30
Market access, rules of origin and geographical indications for the least developed countries	8, 10, 17	58	0.16
Breaking the chains of commodity dependence	8, 9	79	0.23
Sustainable and resilient transport and logistic services	8, 9, 13, 14	351	1.00
Fostering economic efficiency, improving governance			
Voluntary peer reviews of competition and consumer protection law and policy	8, 10	14	0.04
Competition and consumer protection policies and frameworks	8, 9, 10, 12, 17	171	0.49
Business facilitation	8, 16	2 675	7.64
Trade facilitation	10, 16	971	2.77
ASYCUDA – Automated System for Customs Data	9, 15, 17	16 709	47.69
Statistics	17	205	0.59
Enabling accounting and reporting on the private's sector contribution to implementation of the Sustainable Development Goals	12, 17	303	0.87
Investment and public health	3, 9	171	0.49
International investment agreements	17	170	0.49
Empowering people, investing in their future			
Trade, gender and development	5, 8	430	1.23
Entrepreneurship for sustainable development	4, 8	531	1.51
Train for Trade	8, 9, 14, 17	325	0.93
		31 531	89.99

37. Measured by 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 2020, an estimated \$12 million or 34 per cent of total expenditures directly contributed towards achieving Goal 17; 20 per cent of total expenditures contributed towards achieving Goal 9; 19 per cent contributed towards achieving Goal 15; and 9 per cent contributed towards achieving Goal 8 (see TD/B/WP/311/Add.2, table 5).

C. Expenditures by region

38. In 2020, expenditures under regional and country-level projects amounted to \$21.3 million, 29 per cent less than in 2019. Fifty-one per cent of such expenditures, or \$10.9 million, was spent in Africa, including \$7.9 million on country projects and \$3.0 million on regional projects. Compared with 2019, the expenditures for technical cooperation projects in Africa decreased by 27 per cent (figure 6). As a result, the share of African regional and country-level projects in total technical cooperation expenditures fell from 35 per cent in 2019 to 31 per cent in 2020 (figure 7). The decrease in expenditures in the region spans many technical cooperation products, particularly ASYCUDA, DMFAS, statistics, trade and gender, and investment and public health.

Figure 6
Technical cooperation expenditures, by region, for country-level and regional projects
 (Thousands of dollars)



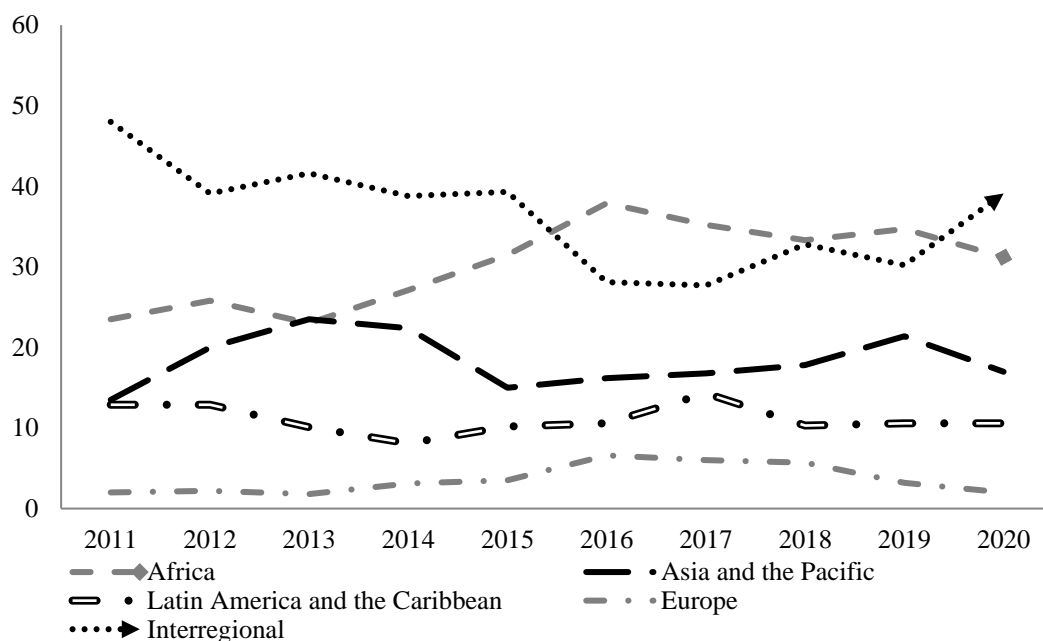
Note: No expenditures were recorded in North America in 2020.

39. Expenditures on country-level and regional projects in Asia and the Pacific in 2020 dropped by 36 per cent to \$6.0 million. Consequently, the share of country-level and regional projects in Asia and the Pacific in total expenditures fell from 21 per cent in 2019 to 17 per cent in 2020. Reduced delivery of several technical cooperation products, including ASYCUDA, DMFAS, non-tariff measures and e-commerce and the digital economy, contributed to the lower level of expenditures in the region.

40. Expenditures on country-level and regional projects in Latin America and the Caribbean decreased by 19 per cent to \$3.7 million in 2020. Increased expenditures in business facilitation and some other products failed to offset reduced expenditures under ASYCUDA and DMFAS. Nevertheless, the share of country-level and regional projects in Latin America and the Caribbean in total technical cooperation delivery remained stable at 11 per cent.

41. Expenditures on country-level and regional projects in Europe totalled \$0.7 million in 2020, down 49 per cent compared with 2019, 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 3 per cent in 2019 to 2 per cent in 2020.

Figure 7
Share of total annual technical cooperation expenditures, by region
 (Percentage)

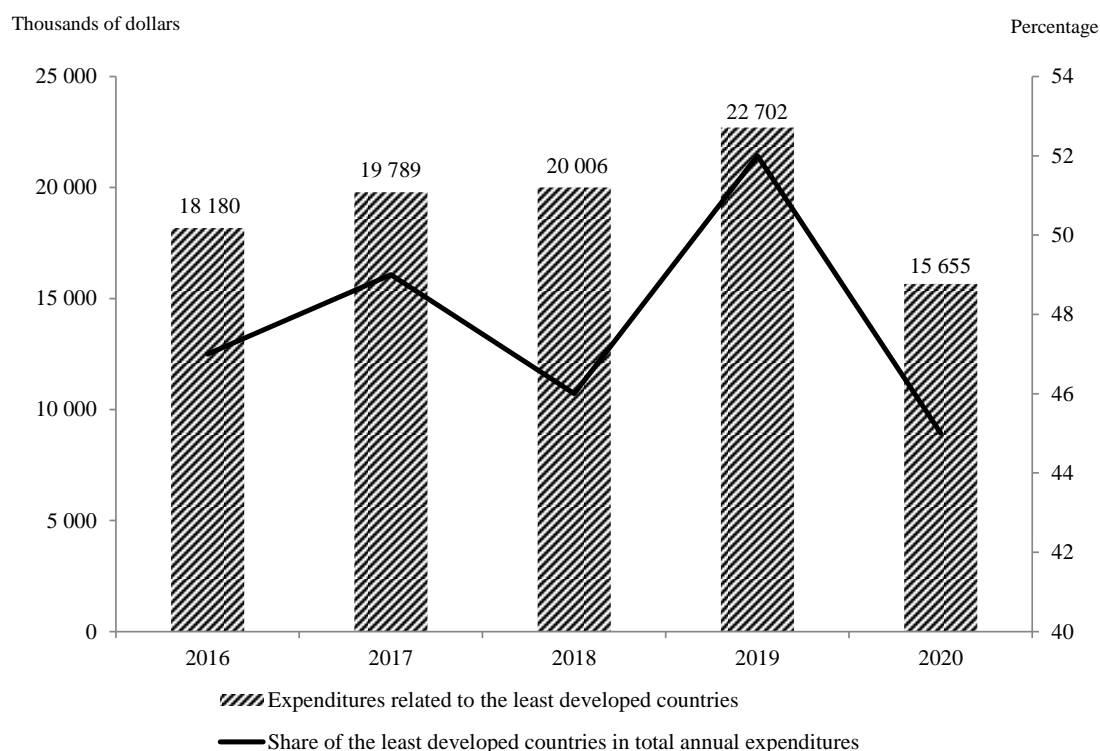


Note: Only expenditures for country-level and regional projects are considered, and the share of North America is not reflected as no expenditures were recorded in 2020.

D. Expenditures in support of the least developed countries

42. The least developed countries are a prioritized group of countries in UNCTAD technical cooperation. Following three years of consecutive growth, technical cooperation expenditures in support of the least developed countries shrank from a record high of \$22.7 million in 2019 to \$15.7 million in 2020, representing 45 per cent of total technical cooperation delivery (figure 8). Of these expenditures, \$8.9 million, or 57 per cent, were related to the implementation of country-level projects in the least developed countries, covering products such as ASYCUDA, DMFAS and business facilitation.

Figure 8
Technical cooperation expenditures in support of the least developed countries



43. ASYCUDA is being implemented in 38 least developed countries, 34 SIDS and 21 landlocked developing countries, and represents a unique source for the extraction of trade- and customs-related data to strengthen statistical capacity and support trade policymaking. In 2020, Nepal Customs deployed ASYCUDA mobile applications as a solution to reduce physical contact and further improve the customs clearance process. Five hundred concurrent users are now connected during peak time, and over 3,000 declarations are processed daily through ASYCUDA World.

44. Under the Enhanced Integrated Framework, in 2020, UNCTAD provided technical assistance in several least developed countries, notably Benin, Burkina Faso and the Niger, through a regional project on transit, transport and trade facilitation, and in Cambodia and the Lao People's Democratic Republic, by developing and implementing a regional project concerning a new trade policy and strategy on market access and related issues for least developed countries of the Association of Southeast Asian Nations.

45. In 2020, the multi-donor trust fund for the least developed countries only received a contribution from Portugal (\$17,921). 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 decision

1. Response to COVID-19 pandemic through technical cooperation

46. The COVID-19 pandemic and the ensuing lockdowns and travel restrictions have brought significant challenges to the delivery of technical cooperation, forcing UNCTAD to postpone or cancel some planned activities on the ground. At the same time, the secretariat has received new requests from developing countries and countries with economies in transition that seek assistance from UNCTAD in addressing the socioeconomic fallout of the pandemic. In the face of the unprecedented situation, UNCTAD decided to adjust the work

programme and prioritize technical assistance related to COVID-19 and adopted online or hybrid modes in the delivery of advisory services and capacity-building activities, which are crucial for ensuring an effective response by UNCTAD to the most urgent needs of developing countries during the pandemic.

47. Much of the technical assistance related to COVID-19 carried out by UNCTAD in 2020 focused on assessing the socioeconomic impact of COVID-19 on trade, investment and sustainable development; providing technical support and advice on effective response to and better recovery from the pandemic; and promoting the exchange of best practices among member States.

48. For example, in the *World Investment Report 2020: International Production Beyond the Pandemic*,¹ the impact of the COVID-19 crisis on international investment and the long-term implications for development are assessed. Under the BioTrade Initiative, a global online survey was carried out to assess the implications of COVID-19 for biodiversity-based products and services, including biotrade. A survey of consumers and a survey of e-commerce businesses in selected countries were conducted to understand the impact of the pandemic on e-commerce. An assessment of the pandemic's impact on the maritime transport sector and trade was carried out. The ASYCUDA programme developed and shared specific guidelines for customs administrations to adapt to the COVID-19 situation, as well as organized a global survey to identify gaps and fine-tuned technical assistance and support accordingly.

49. Based on a good understanding of the socioeconomic impact of COVID-19, UNCTAD assisted countries and regional groupings in coping with and recovering better from the pandemic through policy recommendations, advisory service, and virtual training and capacity-building activities. For instance, advice was provided to investment promotion agencies on effective responses to the challenges of COVID-19 and the formulation of future promotion strategies. Global support was mobilized for quality local pharmaceutical production in developing countries to address supply bottlenecks to essential medicine and personal protective equipment. A new, special training and capacity-building package was developed to build essential skills for port community managers to help protect people and secure vital trade in ports. Urgent advisory services and specific training were provided to requesting developing countries to address unfair commercial and anticompetitive practices related to COVID-19 taking place in their markets and to better protect consumers.

50. During the pandemic, timely compiling, analysing and sharing of best practices in dealing with COVID-19 related challenges is regarded as an effective means of peer learning. For this purpose, UNCTAD held dialogues with BioTrade Initiative stakeholders and partners in disseminating best practices on how biotrade is enhancing companies' resilience to COVID-19. Best practices can be found on a dedicated webpage on the Train for Trade platform, which was developed to provide information on port responsiveness against the pandemic. In the area of competition and consumer protection, best practices and lessons learned from the response of public authorities to the market disruption caused by COVID-19 was documented and disseminated, and relevant actions were recommended. Similarly, a database was created on the online response of 180 national investment promotion agencies to the COVID-19 crisis, which helped to identify best practices.

51. Among the numerous actions related to COVID-19 taken by UNCTAD in 2020, participation in the United Nations Development Account response to COVID-19 is a salient example that illustrates the high relevance of the normative and operational work of UNCTAD and agility in collaborating with other United Nations entities to deliver a response to the COVID-19 crisis as one United Nations (box 1).

¹ UNCTAD, 2020, *World Investment Report 2020: International Production Beyond the Pandemic* (United Nations publication, Sales No. E.20.II.D.23, Geneva).

Box 1

UNCTAD contribution to the COVID-19 response of Development Account

In response to COVID-19 crisis, the United Nations Development Account adopted three lines of action: Developing five short-term joint projects to help developing countries alleviate the socioeconomic impact of the pandemic; adjusting activities and budget of ongoing Development Account projects to incorporate COVID-19 related actions within the objective of projects; and delivering e-learning training for Development Account implementing entities to enhance their capacity for delivery during the pandemic. UNCTAD has made substantive contributions to all these actions. The role of UNCTAD in designing, implementing and coordinating short-term joint projects in particular is instrumental.

The short-term joint COVID-19 response projects were the result of the close collaboration between the Development Account management team of the Department of Economic and Social Affairs, UNCTAD and other Development Account implementing entities. Each project is jointly implemented by four or more entities. The projects cover five thematic areas which are important for the COVID-19 response and recovery: resurgence of microenterprises and small and medium-sized enterprises, transport and trade connectivity, mobilization of financial resources for development, urban economic and financial recovery and resilience building, and social protection. Based on its expertise and comparative advantages, UNCTAD has been coordinating the joint projects related to the first three topics and participating in the project on social protection. Internally, four UNCTAD divisions have participated in these projects, with the Division on Investment and Enterprise, Division on Technology and Logistics and Division on Globalization and Development Strategies each leading a joint project, and the Division on International Trade and Commodities participating in two joint projects.

These joint projects will be implemented in three phases in under two years. By the end of 2020, UNCTAD expenditure had amounted to \$1.1 million under four joint projects began delivery in the second quarter of 2020. Though the projects are still being implemented under phase III, they have already achieved some early results in facilitating resurgence and strengthening the resilience of microenterprises and small and medium-sized enterprises, increasing countries' capacity to preserve connectivity during the pandemic and strengthening the diagnostic and policy design capacity of the relevant macroeconomic and debt financing authorities to respond to the COVID-19 pandemic.

52. Despite the impact of the pandemic on UNCTAD technical cooperation, UNCTAD was able to deliver the most needed technical support to countries hit hard by the pandemic thanks to its flexibility, creativity and speedy response. In 2020, DMFAS continued to provide effective support to the countries actively using their software. ASYCUDA, after making the necessary adjustments to its operations, maintained uninterrupted support which contributed to the successful implementation of projects in member States. The business facilitation instruments secured essential government services during lockdown and supported COVID-19 fiscal rescue measures to businesses.

2. Synergies among the three pillars of work of UNCTAD

53. 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 (TD/519/Add.2, para. 92).

54. In 2020, synergies between technical cooperation and the two other pillars of UNCTAD work were further enhanced. One good example concerns the Productive Capacities Index. Building on years of analytical and conceptual work in advancing the development of productive capacities and structural economic transformation in developing countries, UNCTAD has developed a project on indices for benchmarking productive capacities for evidence-based policymaking in landlocked developing countries. Funded by the United Nations Development Account, the project has helped to define the conceptual, methodological and statistical framework of the Productive Capacities Index and strengthened the capacities of three beneficiary countries in using the Index to benchmark productive capacities and formulate and monitor policies for enhancing productive capacity and structural transformation. The results of the project were fed into the *Least Developed*

*Countries Report 2020: Productive Capacities for the New Decade*² which focuses on productive capacities for the current decade and supported deliberations at the seventieth executive session of the Trade and Development Board. Following the launch of the Productive Capacities Index in February 2021, it is expected that the Productive Capacities Index will help to inform future intergovernmental deliberations, including the deliberations of the Committee for Development Policy with regard to the graduation of the least developed countries. Indeed, the Committee for Development Policy and the Economic and Social Council have decided to use the Productive Capacities Index as part of the assessment of least developed country graduation and the vulnerability profiles of graduating countries.

3. Interdivisional and inter-agency cooperation

55. Interdivisional and inter-agency cooperation is of great value for leveraging expertise, pooling resources and coordinating actions to deliver integrated policy advice and capacity-building activities, which is key for the success of the reform of the United Nations development system. As an important instrument for enhancing the efficiency and effectiveness of technical cooperation, interdivisional and inter-agency cooperation has been actively promoted in UNCTAD technical assistance.

56. The Project Review Committee is an important mechanism for strengthening cross-divisional collaboration and ensuring the coherence of UNCTAD technical cooperation. In 2020, the Committee held two meetings mainly to discuss fundraising under the Joint Sustainable Development Goals Fund, the impact of United Nations reform on UNCTAD technical cooperation, an UNCTAD technical cooperation strategy and follow-up actions to the Multilateral Organisation Performance Assessment Network (MOPAN) assessment of UNCTAD technical cooperation. The Committee stressed that UNCTAD should adapt its technical cooperation and make it compatible with the reform of the United Nations development system, in particular with the new regional coordinator structures, and enhance staff capacity in this area through in-house training.

57. Among many joint undertakings in 2020, the project titled “African Continental Free Trade Area support programme to eliminate non-tariff barriers, increase regulatory transparency and promote industrial diversification” is a good example that illustrates the value of interdivisional and inter-agency cooperation. Internally, the project was jointly implemented by the Division on International Trade and Commodities and the Division on Investment and Enterprise, drawing on the divisions’ expertise in the areas of non-tariff measures and intellectual property rights. Externally, the project succeeded in leveraging partnerships with, among others, the Economic Commission for Africa of the United Nations, the African Union Commission, the African Continental Free Trade Area secretariat, the Common Market for Eastern and Southern Africa, the Economic Community of West African States, the Southern African Development Community and the East African Community. As emphasized by the independent evaluation of the project, “the project is highly efficient by bringing together internal UNCTAD expertise and operating from within the [African Union] Commission and its [African Continental Free Trade Area] negotiation process, combining the technical capacity of two UNCTAD divisions in one project”. Indeed, the partnerships significantly facilitated project implementation and contributed to the success of the project, which has helped to secure funds from the donor for a second phase of the project.

58. In addition to directly partnering with entities within and outside the United Nations, UNCTAD has also increased engagement with United Nations resident coordinator offices to build synergies across United Nations country team agencies and other development partners on the ground. For example, under the leadership of the United Nations Resident Coordinator Office in the Lao People’s Democratic Republic, UNCTAD has worked with the United Nations country team and other non-resident technical agencies for the inclusion of the e-commerce and digital transformation agenda into government strategic planning. This also contributed to effective inclusion of e-commerce as part of the joint United Nations Socioeconomic Response Framework to COVID-19. Engagement with resident coordinators

² UNCTAD, 2020, *Least Developed Countries Report 2020: Productive Capacities for the New Decade* (United Nations publication, Sales No. E.21.II.D.2, Geneva).

and United Nations country teams will be further strengthened in 2021 with a view to mainstreaming e-commerce for development into United Nations Sustainable Development Cooperation Frameworks.

4. Requests from developing countries

59. In 2020, 73 formal requests for UNCTAD technical cooperation were received from 43 countries and six regional and international organizations. While UNCTAD has addressed part of these requests through existing regular and extrabudgetary resources, especially with regard to urgent requests related to COVID-19 response, further efforts to mobilize funds need to be deployed to address the backlog of pending requests in different divisions. For example, UNCTAD has not been able to fully address the requests concerning competition policies and frameworks, service policy reviews, trade policy framework reviews and accession to the World Trade Organization due to funding constraints. In the areas of e-commerce and the digital economy, trade facilitation and sustainable freight transport, the available resources do not match what is needed to address the pending requests. Similarly, adequate funds need to be secured to address the steady growth in requests regarding entrepreneurship policies and the demand for investment policy reviews.

60. To bridge the funding gap, UNCTAD has been exploring new funding sources and innovative funding mechanisms. In 2020, UNCTAD received funding for the first time from the South–South Cooperation Assistance Fund of China to promote economic diversification and resilience in Barbados and from China Silk Road Group, a private entity, to deliver blockchain based online dispute resolution for consumers. By leveraging partnerships, the e-commerce and digital economy programme succeeded in raising funds from some partners of eTrade for all initiative and the trade facilitation team was able to access funds as project coordinator and implementer from the trust funds of the World Trade Organization and the World Bank for trade facilitation projects. In addition, efforts have been made to mobilize funds available at the country-level, including UNCTAD participation in the joint programme entitled “Haiti in Crisis: A National Consultation on Reform Priorities and Financing Options for Accelerated [Sustainable Development Goal] SDG Achievement” financed by the Joint Sustainable Development Goals Fund.

5. Strengthening results-based management

61. Following a comprehensive assessment of UNCTAD technical cooperation pillar in 2019 by MOPAN, a 2019 UNCTAD performance report was released in June 2020. UNCTAD provided a management response, which took note of areas for improvement and outlined actions to better deliver technical cooperation. Concretely, UNCTAD is planning to set up working groups in 2021 to address seven areas for improvement identified in the MOPAN assessment, including results-based management. A new technical cooperation strategy will also consider the main findings of the MOPAN assessment.

62. Since late 2020, UNCTAD has been working on the deployment of the Umoja Integrated Planning, Management and Reporting solution. This holistic and end-to-end solution empowers project managers to better plan, monitor and report project results, as well as supports senior management in overseeing project performance, which will strengthen decision-making on technical cooperation at a strategic level. During the first half of 2021, online practical training has been delivered to all UNCTAD project managers, and internal guidelines for entering projects into the Integrated Planning, Management and Reporting solution were prepared. Full operation of the Integrated Planning, Management and Reporting solution began in May 2021. Successful application of the Integrated Planning, Management and Reporting solution is critical to enhance the results-based management of technical cooperation.

63. During 2020, UNCTAD also developed new instruments to better track the results of technical cooperation. For example, the Division on Investment and Enterprise put in place a new online, interactive tool – the live implementation matrix – to track progress in the implementation of the recommendations of investment policy reviews by beneficiary countries. The matrix, which fosters ownership and facilitates the monitoring and evaluation of reforms, came into operation at the end of 2020. In the same vein, the Division on Technology and Logistics launched a reform tracker, an online tool for national trade

facilitation committees to better monitor the implementation of national trade facilitation reforms and obligations of international and regional agreements and to facilitate collaboration in the implementation of trade facilitation procedures.

6. Gender mainstreaming

64. In 2020, gender equality and women's empowerment were further mainstreamed into UNCTAD technical cooperation. Increasingly, projects have seen gender balance targets integrated in the selection of beneficiaries, gendered impacts of different trade and economic policies considered in the analytical work of projects and policy recommendations become more gender sensitive. To better track the progress in gender mainstreaming in technical cooperation and facilitate comparison with other United Nations agencies, gender markers will be applied to all new projects in the recently adopted Integrated Planning, Management and Reporting solution.

65. Initiatives and research projects specifically focused on gender equality and women's empowerment are especially powerful in advancing Sustainable Development Goal 5. For instance, the UNCTAD Empretec Women in Business Awards and the Sustainable Stock Exchange initiative's "Ring the bell for gender equality" are well established actions in support of gender equality and women's empowerment. Furthermore, all UNCTAD flagship reports address gender issues from different perspectives. In the annual *World Investment Report*, UNCTAD also analyses gender reporting by multinational enterprises, which has led to several research projects, including one on multinational enterprises and the international transmission of gender policies and practices.

66. In the field of e-commerce and the digital economy, the eTrade for Women initiative was further expanded in 2020. Electronic masterclasses for women digital entrepreneurs were organized for Eastern Africa and South-East Asia, and eTrade for Women regional communities were established in West Africa and South-East Asia. In the area of science, technology and innovation, UNCTAD and the University of Okayama (Japan) launched the Young Female Scientist Programme in November 2020 with a focus on African countries, which will contribute to closing the gender gap through gender equality and empowerment in scientific research.

7. Technical cooperation strategy

67. The Trade and Development Board, in its decision 558 (LXVII), called on "UNCTAD to finalize the strategy in close collaboration with member States and in time for its adoption and implementation immediately after the fifteenth session of the United Nations Conference on Trade and Development" (TD/B/67/6). In this regard, the UNCTAD secretariat plans to consult with regional groups and will share a draft strategy with member States ahead of the eighty-second session of the Working Party on the Programme Plan and Programme Performance in November 2021, shortly after the fifteenth session of the Conference.

C. Contribution to United Nations system-wide coherence

68. This section highlights the main contributions of UNCTAD in enhancing the role of the United Nations Inter-Agency Cluster on Trade and Productive Capacity to deliver as one, in the context of United Nations reform, with initiatives carried out at the national, regional, and global levels. The Inter-Agency Cluster provides a good platform to address some of the challenges as laid out in the 2030 Agenda for Sustainable Development. It coordinates the participation of agencies in the United Nations Sustainable Development Group and proposes a coherent approach on trade and trade-related issues.

69. At the national level, in 2020, UNCTAD was involved in the following United Nations Sustainable Development Cooperation Frameworks:

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

(b) Arab States, Middle Eastern and Northern Africa: Egypt;

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

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

(e) Latin America and the Caribbean: Cuba and Uruguay.

70. At the regional level, the Inter-Agency Cluster continued to liaise with regional directors of the United Nations Development Coordination Office, United Nations resident coordinators and regional commissions. In Africa, in 2020, the Inter-Agency Cluster continued providing assistance within the Great Lakes Regional Strategic Framework initiative to address the development and humanitarian nexus.

71. At the global level, UNCTAD continued to develop initiatives to promote assistance provided by the Inter-Agency Cluster in the context of the 2030 Agenda. In 2020, UNCTAD strengthened the partnership with the International Labour Organization by delivering lectures as part of the master's degree programme on management of development at the International Training Centre in Turin, Italy.

IV. Conclusions and way forward

72. Following a year with exceptional achievements in funds mobilization and project delivery, the total trust fund resources of UNCTAD and overall expenditures of technical cooperation fell markedly in 2020 in the face of the shock of COVID-19 pandemic and its resulted lockdowns. The amount of extrabudgetary resources hit a seven-year low, and total expenditures were close to the level for 2006. Nevertheless, it should be noted that developed countries continued strengthening their support to UNCTAD technical cooperation and that the funding base of technical cooperation was further broadened. Furthermore, UNCTAD rapidly adjusted the mode of delivery of technical cooperation activities to mitigate the negative impact of lockdowns and travel restrictions on its operational activities as much as possible. Online capacity-building and remote advisory services resulted in lower technical cooperation expenditures, but UNCTAD responded in a timely fashion to the urgent needs of developing countries during the pandemic.

73. In 2021, COVID-19 will continue to affect the delivery of UNCTAD technical cooperation. In this exceptionally challenging environment, UNCTAD will design and deliver its technical cooperation in a flexible, agile and innovative way to help developing countries, especially the most vulnerable ones, recover better from the pandemic and steadily progress towards attaining the Sustainable Development Goals. To achieve this, predictable and sustainable funding from donors, through multi-year contributions and reduced earmarking of contributions, to UNCTAD technical cooperation is crucial. The sustained efforts of UNCTAD in enhancing the effectiveness, efficiency, transparency and accountability of technical cooperation, including through the development of a new technical cooperation strategy, will increase the trust of both donors and beneficiaries.

74. As a member of the United Nations Sustainable Development Group, UNCTAD is fully engaged in the reform of the United Nations development system. As demonstrated by United Nations Development Account projects in response to COVID-19 and joint initiatives under the United Nations Inter-Agency Cluster on Trade and Productive Capacity, UNCTAD, with its expertise in trade, investment, finance, technology and sustainable development, proves to be an important and reliable partner in "Delivering as one" on United Nations operational activities. Building on its achievements in 2020, UNCTAD will deliver in-house training on United Nations reform and the implications for UNCTAD technical cooperation; further explore country-level funding sources; and enhance two-way communication with resident coordinators so as to increase UNCTAD visibility in the field and increase UNCTAD participation in the United Nations development assistance planning process at the country and regional levels.