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Review of the technical cooperation activities of UNCTAD and their financing

Report by the Secretary-General of UNCTAD

Executive summary

Despite enhanced funding support to UNCTAD by developed and developing countries in 2018, overall UNCTAD trust fund resources for technical cooperation decreased by 3 per cent, to \$34 million. This contrasts sharply with rising UNCTAD technical cooperation expenditures, which registered a five-year high of \$44 million, with 46 per cent of total delivery in support of the least developed countries. The Automated System for Customs Data (ASYCUDA) and the Debt Management and Financial Analysis System (DMFAS) remained the leading technical cooperation programmes.

Developed countries and developing countries in a position to do so are called upon to enhance their funding support to UNCTAD and improve the quality of contributions, which would enable UNCTAD to better assist developing countries in pursuing their aspiration for achieving the Sustainable Development Goals.

UNCTAD efforts in improving the functioning of its technical cooperation continued in 2018. From enhancing results-based management and gender mainstreaming, to updating the request database and expanding interdivisional and inter-agency cooperation, these actions are important to make UNCTAD fit for purpose in the new era of Sustainable Development Goals. But more needs to be done in the coming years. In light of the reform of the United Nations development system, UNCTAD shall enhance its communication with resident coordinator offices and increase access to country-level funding, including through the United Nations Inter-Agency Cluster on Trade and Productive Capacity.



Introduction

1. This report was 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 Strategic Framework and the Programme Budget for its review of the technical cooperation activities of UNCTAD, in line with the provisions set out in paragraph 220 of the Accra Accord and in a series of decisions by the Board from 2008 to 2017.¹ Through these decisions, the Board recommends a more structured interaction between the secretariat, potential beneficiaries and donors, to be carried out within the framework of the Working Party, the main mechanism for consultations among member States on all technical cooperation issues.

2. This report provides an overview of the technical cooperation activities of UNCTAD and their financing in 2018. It analyses the main trends in the funding and delivery of such cooperation and highlights the key actions taken by UNCTAD to improve the structure and functioning of technical cooperation. Some good examples and lessons learned are also shared. The report ends with conclusions and suggestions for the way forward.

3. Within the United Nations Sustainable Development Group, UNCTAD continued to advocate the inclusion of non-resident agencies in United Nations Development Assistance Frameworks at the country level, as well as 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 Commission, the United Nations system and other international organizations, and the private and public sectors;

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

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

A. Trust fund resources

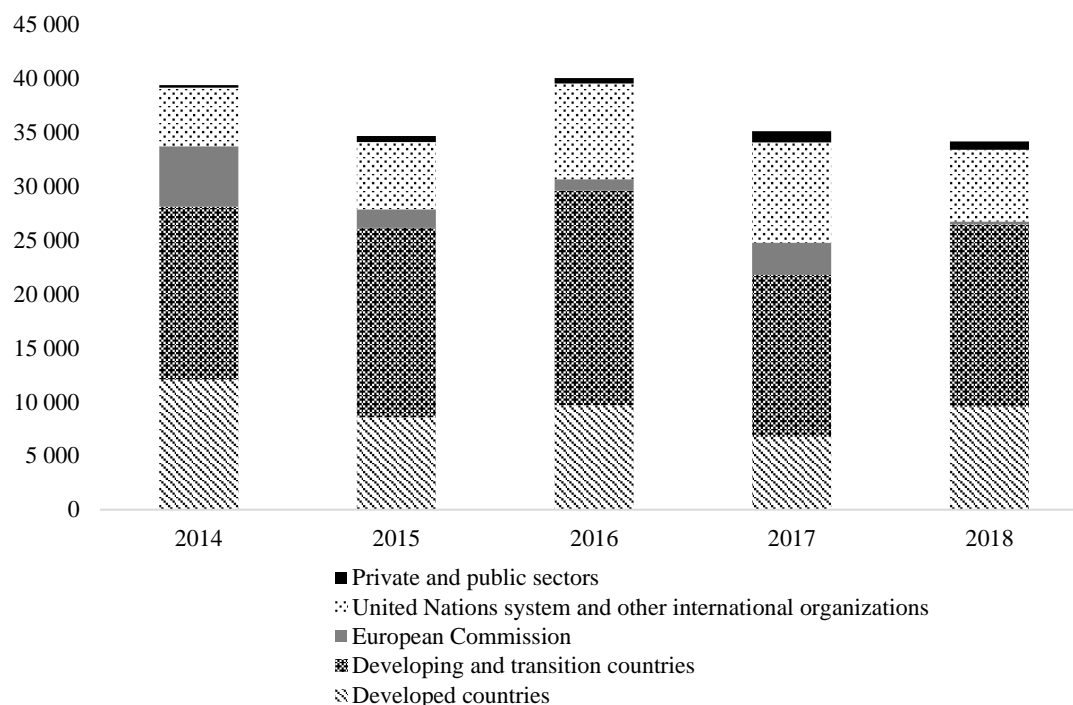
6. Voluntary funding to trust funds remains the principal funding source for UNCTAD technical cooperation. In 2018, these extrabudgetary resources continued to be characterized by unpredictability, fluctuations across years and earmarking towards specific activities. Following a significant decline in 2017, overall funding to UNCTAD trust funds pursued its downward path. Compared with the level in 2017, total funding to trust funds decreased by 3 per cent to \$34.2 million (figure 1). The increase in voluntary funding from developed and developing countries and countries with economies in transition was insufficient to offset the decrease from the other three categories of funding sources, in

¹ Decisions 495 (LV) of 2008, 498 (LVI) of 2009, 504 (LVII) of 2010, 510 (LVIII) of 2011, 515 (LIX) of 2012, 520 (LX) of 2013, 523 (LXI) of 2014, 526(LXII) of 2015, 529 (LXIII) of 2016 and 533 (LXIV) of 2017.

particular contributions from the European Commission and the United Nations system and other international organizations.

Figure 1
Origins of UNCTAD trust fund resources, 2014–2018

(Thousands of dollars)



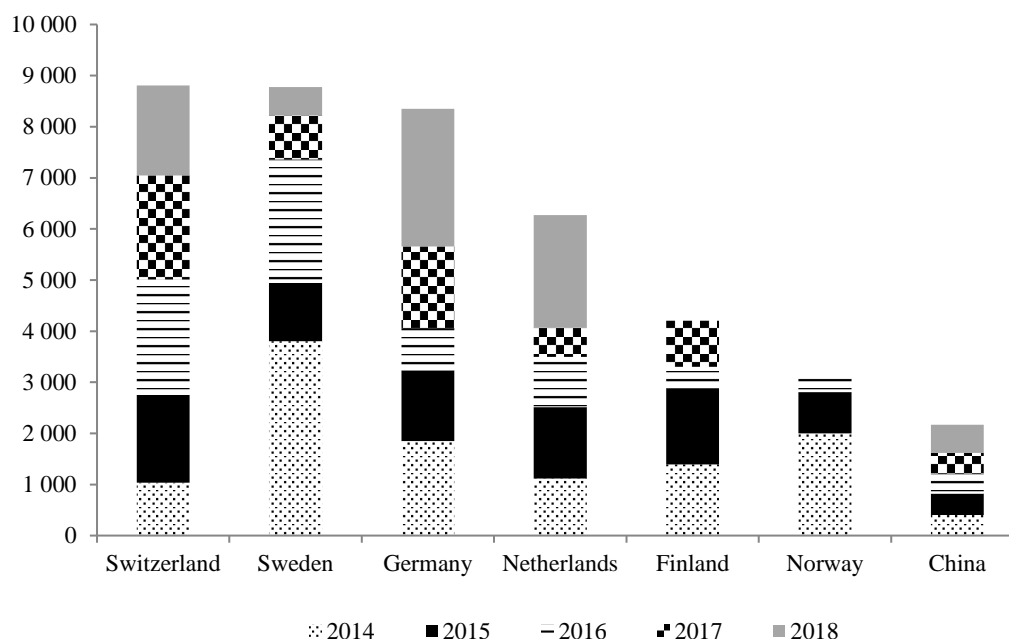
Notes: The total does not include contributions to the United Nations Junior Professional Officer programme; a major part of funding from developing countries and countries with economies in transition is self-financing, which may be derived, for example, from proceeds of loans or grants from international financial institutions, for activities in the countries that provided funding; for details, see TD/B/WP/297/Add.2, table 14.

7. Contributions to UNCTAD trust funds from developed countries rebounded from a low of \$6.8 million in 2017 to reach \$9.5 million in 2018, an increase of 41 per cent. Consequently, the share of developed countries in total trust fund resources increased from 19 per cent in 2017 to 28 per cent in 2018. In 2018, eight developed countries contributed to trust funds, five of which significantly increased their contributions to UNCTAD: Australia, Germany, the Netherlands, New Zealand and the United Kingdom of Great Britain and Northern Ireland. The contributions of Australia and New Zealand were earmarked to support the implementation of a project on transparency in trade regulation and facilitation by UNCTAD.

8. Germany was the largest developed country donor in 2018, contributing \$2.7 million to UNCTAD. It was followed by the Netherlands and Switzerland, which made contributions of \$2.2 million and \$1.8 million, respectively. Together, these three donors represented 70 per cent of the total contributions from developed countries. In the last five years, the top three developed country donors were Switzerland, Sweden and Germany, each registering contributions of more than \$8 million (figure 2). In 2018, developed country contributions were mainly directed towards areas such as debt management, transport and trade facilitation, investment and business facilitation, e-commerce and the digital economy, and sustainable trade and environment.

Figure 2
Accumulated contributions by major developed and developing country contributors, 2014–2018

(Thousands of dollars)



9. After a decline in 2017, funding from developing countries and countries with economies in transition recovered in 2018. Overall, funding from 72 developing countries to UNCTAD trust funds reached \$16.9 million, up 13 per cent compared with 2017. Accordingly, the share of developing countries in total trust fund resources rose from 43 per cent in 2017 to 50 per cent in 2018. Compared with developed country contributions, funding from developing countries and countries with economies in transition was 77 per cent higher.

10. Nevertheless, 95 per cent of funding from developing and transition countries was allocated to activities in their own countries, mainly to implement programmes related to ASYCUDA (77 per cent) and DMFAS (9 per cent). The remaining 5 per cent of developing country funding (\$0.8 million) was mainly used to support activities in countries other than their own. Within the latter category, China remained the largest developing country contributor to UNCTAD technical cooperation that would benefit other developing countries. Its contribution increased from \$0.4 million in 2017 to \$0.55 million in 2018.

11. Contributions from the European Commission dropped sharply from \$3 million in 2017 to \$0.3 million in 2018. Its contributions were directed to support three projects in services trade, trade facilitation and business facilitation. Accordingly, the share of the Commission in total trust fund resources decreased from 9 per cent in 2017 to 1 per cent in 2018. The Commission's financial support to the first UNCTAD Africa E-commerce Week in Nairobi – mainly to finance the travel of participants from various African countries – was not considered in its total contributions to UNCTAD in 2018 because it had paid a private supplier to handle the travel arrangements instead of directly contributing to UNCTAD. Together, the European Commission and member States of the European Union represented 20 per cent of total UNCTAD trust fund resources.

12. Following three years of consecutive growth, funding from the United Nations system and other international organizations decreased in 2018. At \$6.7 million, contributions under this funding category fell by 28 per cent from a high in 2017. This accounted for 19 per cent of total trust fund resources, compared with 26 per cent in 2017. Within this category, Trade Mark East Africa was by far the largest contributor in 2018, with total contributions amounting to \$2.5 million, followed by the United Nations Office for Project Services and the Common Market for Eastern and Southern Africa. Together,

their contributions represented 72 per cent of funding from the United Nations system and other international organizations.

13. In 2018, funding from the private and public sectors totalled \$0.8 million, 25 per cent less than contributions in 2017, yet 23 per cent higher than the average level between 2013 and 2017. These contributions were made to implement several projects, including one on business facilitation by the Global Entrepreneurship Network, a project on non-tariff measures data update and conversion for selected economies of the Asia-Pacific Economic Cooperation forum financed by the National Graduate Institute for Policy Studies of Japan and Train for Trade port-training projects funded by port authorities from several developing countries.

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

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

15. In 2018, total expenditures under the United Nations regular programme of technical cooperation and the Development Account amounted to \$3.8 million, a decrease of 18 per cent, compared with 2017. This represented 9 per cent of total technical cooperation expenditures in 2018.

16. Expenditures under the United Nations regular programme of technical cooperation totalled \$1.4 million in 2018, similarly to 2017, 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 2018, two regional courses, for Eastern Europe and the Middle East and North Africa, respectively, as well as six short courses for Geneva-based delegates, were successfully delivered.

17. The Development Account is an important capacity-development programme of the United Nations Secretariat aimed at enhancing the capacities of developing countries in the priority areas under the 2030 Agenda. It catalyses the normative and analytical expertise of 10 implementing entities of the United Nations Secretariat, including UNCTAD, to deliver technical cooperation activities on the ground. In 2018, \$2.4 million were spent to support the implementation of 25 Development Account projects in a variety of UNCTAD projects (see TD/B/WP/297/Add.2, table 10). Compared with 2017, expenditures under the Development Account were 25 per cent lower. This was partly explained by the fact that nine eleventh tranche projects were at their first year of implementation in 2018.

18. In line with General Assembly resolution 72/266, starting from the twelfth tranche (2020–2023), an annual budget replaced the biennial budget for the Development Account. Consequently, about half of the biennial budget (\$14.2 million) was programmed under the twelfth tranche. Four UNCTAD projects with a total budget of \$2.33 million, 16 per cent of the total envelope, were endorsed for funding by the Steering Committee of the Development Account. These projects focus on data and statistics for gender-responsive trade policies, coherent strategies for productive capacity development, investment incentives for the local production of essential antibiotics and green trade for sustainable development. The implementation of these projects is expected to start in 2020 after the approval of the budget fascicle by the General Assembly.

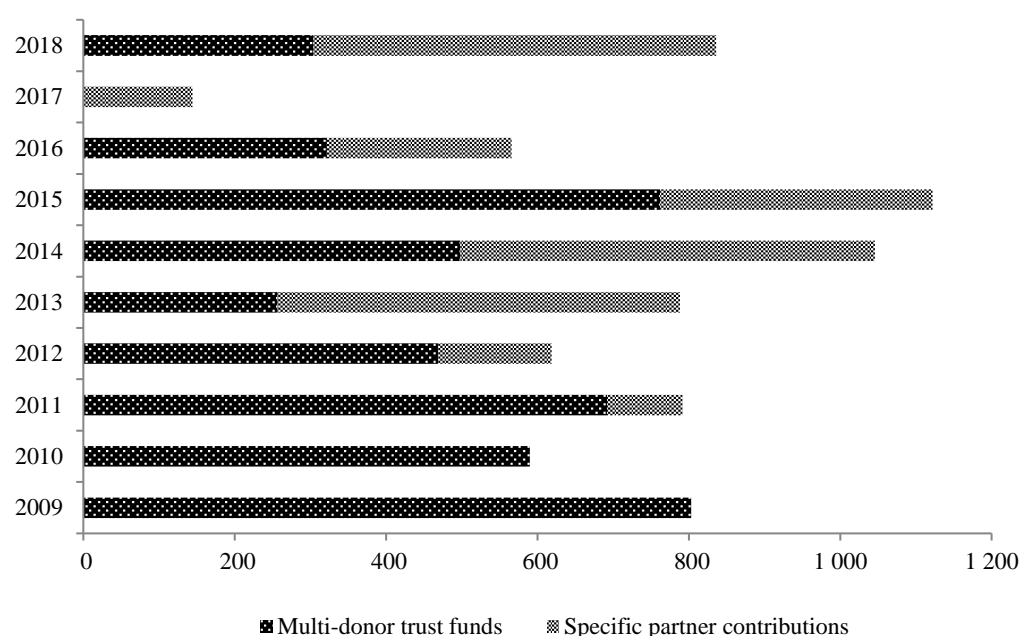
C. Specific partner contributions and multi-donor trust funds to support joint programmes of the United Nations Inter-Agency Cluster on Trade and Productive Capacity

19. The Cluster is an inter-agency mechanism dedicated to the coordination of trade and development operations at the national and regional levels within the United Nations system. Led by UNCTAD, it includes the participation of 15 resident and non-resident United Nations agencies.

20. The Cluster makes a concrete and direct contribution to the reform of the United Nations² by coordinating inter-agency operations at the global, regional and national levels and by accessing innovative pooled financing mechanisms, such as specific partner contributions and multi-donor trust funds.

Figure 3
UNCTAD access to “Delivering as one” funding mechanisms, 2009–2018

(Thousands of dollars)



Specific partner contributions

21. Specific partner contributions are direct contributions to one or more agencies given by one or more donors to support inter-agency coordination. In 2018, UNCTAD received \$532,475 from the State Secretariat for Economic Affairs of Switzerland with two separate instalments for Cluster initiatives in the United Republic of Tanzania and Myanmar (figure 3).

22. With regard to the United Republic of Tanzania, UNCTAD received a closing allocation of \$98,000 for a joint programme initiated in 2014 and developed by the International Labour Organization, International Trade Centre, UNCTAD, United Nations Industrial Development Organization and United Nations Office for Project Services. The programme is aimed at strengthening the tourism sector with backward linkages to local agricultural and horticultural producers and has produced effective results at the country level.

23. With regard to Myanmar, UNCTAD received a first allocation of \$434,475 for a similar project led by UNCTAD, with the participation of the International Labour

² A/72/684-E/2018/7.

Organization, International Trade Centre, United Nations Industrial Development Organization and United Nations Office for Project Services. Benefiting from best practices stemming from the initiative in the United Republic of Tanzania, the project in Myanmar aims to upgrade the horticulture supply capacity and sustainable tourism in the Inle Lake area (Shan State). Embedded in the United Nations Development Assistance Framework (2018–2022), the project seeks to nurture the synergies of ongoing technical assistance provided at the country level.

Multi-donor trust funds

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

25. Multi-donor trust funds in support of United Nations Development Assistance Frameworks (i.e. One United Nations funds) or in support of thematic areas (on humanitarian, development or environmental issues) are identified as key financial mechanisms within the funding compact³ proposed in the context of the United Nations reform to match the objectives of the 2030 Agenda. In 2018, UNCTAD accessed \$304,062 through One United Nations funds for Cabo Verde and the United Republic of Tanzania.

26. In Cabo Verde, UNCTAD received \$50,000 from the remaining balance of the former One United Nations fund, which was reallocated to support the new United Nations Development Assistance Framework (2018–2022) entirely built around the Sustainable Development Goals. In 2018, UNCTAD operations focused mainly on competition and consumer protection to follow up on previous assistance in the country.

27. In the United Republic of Tanzania, UNCTAD received \$254,062 from the One United Nations fund in support of United Nations Development Assistance Plan II, for the period 2016–2021. UNCTAD is a main partner of its thematic area on sustainable economic growth built around Goal 8, with a wide range of activities on enterprise development, investment facilitation and market integration.

28. In both countries, the One United Nations fund ensured sustainability for technical assistance by leveraging key added value and enhancing cross-sectoral policy coherence. Those pooled funding mechanisms significantly increased the coherence and impact of the United Nations assistance at the country level. In the context of the repositioning of the United Nations development system to deliver on the 2030 Agenda, the One United Nations fund⁴ should be promoted and widely replicated to effectively support the implementation of United Nations Development Assistance Frameworks at the country level.

D. Financing of Junior Professional Officers

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

30. In 2018, the Junior Professional Officer programme of UNCTAD expanded both in terms of contributing countries and the number of Junior Professional Officers. Altogether, three countries – Germany, China and Italy – sponsored nine such positions in UNCTAD (see TD/B/WP/297/Add.2, table 8). Total expenditure for UNCTAD Junior Professional Officers was \$0.97 million.⁵ With four sponsored Junior Professional Officers and an expenditure of \$0.54 million, Germany remained the largest contributor to the programme. Since the United Nations and the Government of China signed a memorandum of

³ A/72/684–E/2018/7, chapter VIII.

⁴ United Nations Multi Partner Trust Fund Office Gateway, available at <http://mptf.undp.org/> (accessed 14 June 2019).

⁵ Data provided by the Department of Economic and Social Affairs.

understanding in 2015, UNCTAD has received three Chinese Junior Professional Officers (2018). Italy, which used to be a major sponsor of the programme, resumed its support after an interruption of a few years.

31. The programme offers a unique opportunity for young professionals to participate in the analytical and operational work of UNCTAD. Despite the increase in the number of Junior Professional Officers in UNCTAD, the demand of the 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, especially from developing countries.

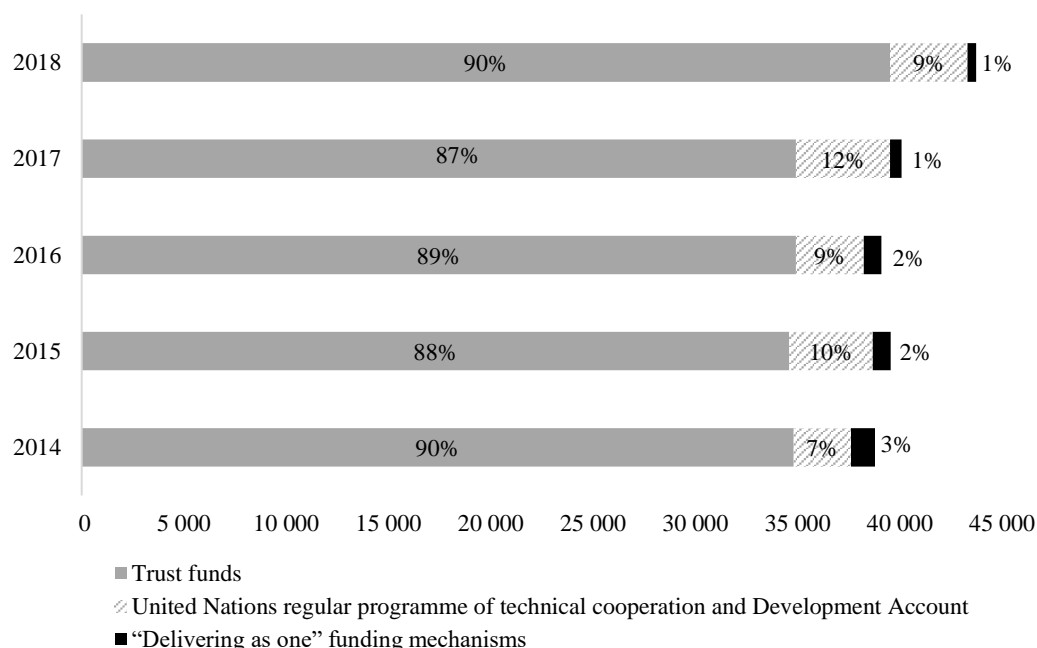
II. Expenditures and allocation of technical cooperation resources

32. In 2018, overall expenditures for UNCTAD technical cooperation activities amounted to \$43.7 million, an increase of 9 per cent compared with 2017 (see TD/B/WP/290/Add.2, table 2). With regard to funding sources, expenditures under trust funds increased by 13 per cent to \$39.5 million, and the share in total expenditures rose to 90 per cent. In contrast, the share in total expenditures of the United Nations regular programme of technical cooperation and the Development Account dropped to 9 per cent in 2017 as expenditures under this category declined to \$3.8 million in 2018. Expenditures under “Delivering as one” funding mechanisms decreased from \$0.57 million in 2017 to \$0.42 million in 2018, accounting for 1 per cent of total annual expenditures (figure 4).

Figure 4

Technical cooperation expenditures by funding source, 2014–2018

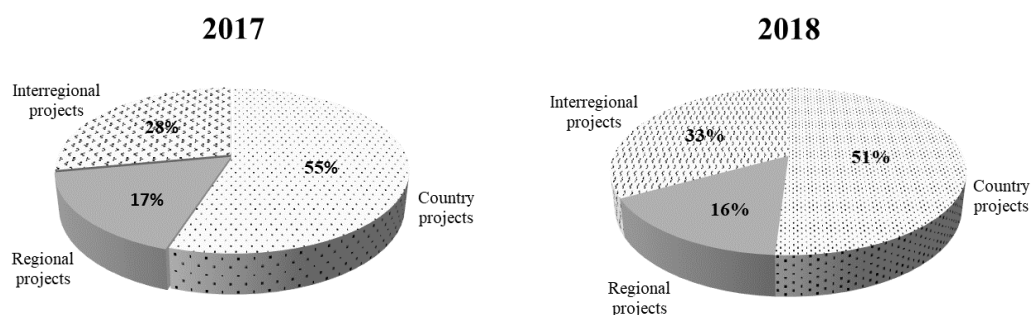
(Thousands of dollars and percentage)



A. Types of projects

33. UNCTAD technical cooperation projects are delivered at the interregional, regional and country levels. In 2018, country-level projects remained the main form of delivery, though their share decreased from 55 per cent in 2017 to 51 per cent in 2018. These were followed by interregional and regional projects, representing 33 per cent and 16 per cent of total technical cooperation expenditures, respectively (figure 5).

Figure 5
Project expenditures as a share of total technical cooperation expenditures, by type of project, 2017–2018
 (Percentage)



34. Interregional-level projects are thematic projects implemented in beneficiary countries, which cover more than one geographical region. In 2018, expenditures under this category rose from \$11.1 million in 2017 to \$14.3 million. It was related to the delivery of many UNCTAD Toolbox products, in particular ASYCUDA, DMFAS, and e-commerce and the digital economy.

35. At \$22.4 million, expenditures under country-level projects were 1 per cent higher than in 2017. However, because of the significant increase of total technical cooperation expenditures, the share of country-level projects decreased to 51 per cent. Most of the 142 country projects were self-financed, including resources made available by donors from bilateral aid programmes, focusing on customs modernization and reform, and debt management. In 2018, \$12.5 million or 56 per cent of expenditures under country-level projects were related to the implementation of projects in the least developed countries.

36. In 2018, expenditures under regional projects stood at \$7 million, accounting for 16 per cent of total expenditures, a slight decrease compared with 2017. Whereas expenditures on regional projects decreased in Africa and Latin America and the Caribbean, expenditures for such projects increased by 91 per cent in Asia and the Pacific. Together, expenditures on regional and country-level projects totalled \$29.4 million, or 67 per cent of total expenditures.

B. Distribution by product

37. In 2018, expenditures under 28 Toolbox products reached \$40.3 million, representing 92 per cent of total annual technical cooperation delivery (see table). ASYCUDA and DMFAS remained the top two technical cooperation products of UNCTAD, representing 47 per cent and 11 per cent of total expenditures, respectively. They are followed by business facilitation, e-commerce and the digital economy, and competition and consumer protection policies and frameworks, which, combined, accounted for 16 per cent of total UNCTAD technical cooperation delivery.

Technical cooperation expenditures, by theme and product, 2018

<i>Cluster</i>	<i>Theme</i>	<i>Product</i>	<i>Sustainable Development Goals</i>	<i>Expenditures 2018</i>	<i>Percentage of total</i>
	A	Transforming economies, fostering sustainable development			
VII	A1	Investment policy reviews	8, 17	41 795	0.10
I	A2	Services policy reviews	8, 9	10 947	0.03
I	A3	Trade policy framework reviews	17	-	-
XIV	A4	Science, technology and innovation policy reviews	9	113 745	0.26
XIII	A5	E-commerce and the digital economy	8, 9, 17	2 301 644	5.26
VIII	A6	Investment guides	9, 17	70 337	0.16
II	A7	Non-tariff measures	8, 17	538 908	1.23
I	A9	Trade negotiations	10	63 480	0.15
III	A10	Sustainable trade and the environment	8, 17	928 154	2.12
VIII	A11	Investment promotion and facilitation	9, 17	198 424	0.45
	B	Tackling vulnerabilities, building resilience			
XVI	B1	Support to graduation from least developed country status	8	217 075	0.50
XI	B2	DMFAS	17	4 929 807	11.27
XVII	B4	UNCTAD contribution to the Enhanced Integrated Framework	9, 17	221 535	0.51
XVII	B5	Market access, rules of origin and geographical indications for the least developed countries	8, 10, 17	65 679	0.15
V	B6	Breaking the chains of commodity dependence	8, 9	180 524	0.41
XII	B9	Sustainable and resilient transport	8, 9	329 432	0.75
	C	Fostering economic efficiency, improving governance			
IV	C1	Voluntary peer reviews of competition and consumer protection laws and policies	8, 10	36 000	0.08
VIII	C2	Business facilitation	8, 16	2 774 929	6.35
XII	C3	Trade facilitation	10, 16	1 190 373	2.72
XII	C4	ASYCUDA	9	20 654 761	47.23
X	C5	Statistics	17	924 979	2.12
IX	C7	Corporate accounting and reporting	12, 17	77 526	0.18
VI	C8	Investment and public health	3, 9	617 801	1.41
VII	C9	International investment agreements	17	440 765	1.01
IV	C10	Competition and consumer protection policies and frameworks	8, 10	1 907 688	4.36

Cluster	Theme	Product	Sustainable Development Goals	Expenditures 2018	Percentage of total
D Empowering people, investing in their future					
II	D1	Trade, gender and development	5, 8	388 302	0.89
IX	D3	Entrepreneurship development	4, 8	377 116	0.86
XIV	D6	Train for Trade	8, 9	654 837	1.50
Total				40 256 564	92.05

38. Led by trade facilitation, statistics, and sustainable trade and the environment, seven products accounted for expenditures, representing 1–3 per cent of total delivery. Expenditures under each of the remaining 16 products represented less than 1 per cent of total delivery. This may partly be explained by funding shortfalls. Moreover, additional support provided through the regular budget is not taken into account in the table.

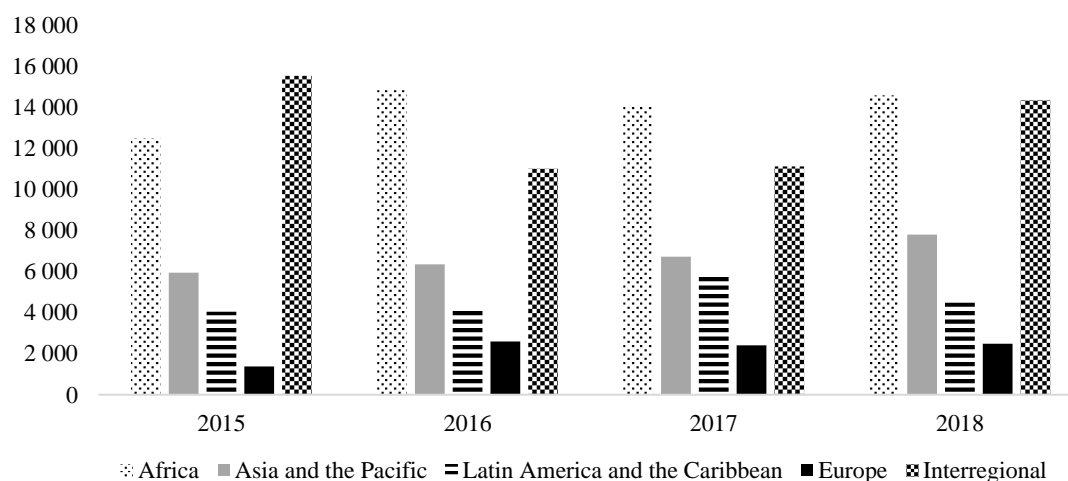
39. In terms of the linkages between technical cooperation products and the Sustainable Development Goals, the table shows that UNCTAD technical cooperation is particularly relevant to three Goals, namely Goal 8 on decent work and economic growth; Goal 9 on industry, innovation and infrastructure; and Goal 17 on partnerships for the Goals. In 2018, an estimated \$22 million, or 51 per cent of total expenditures, under 14 products, directly contributed towards achieving Goal 9; 20 per cent, towards Goal 17; and 12 per cent, towards Goal 8.

C. Geographical distribution

40. About half of the expenditures on regional and country-level projects was spent on projects in Africa, including \$4 million on regional projects and \$10.6 million on country projects. Compared with 2017, expenditures for technical cooperation projects in Africa rose by 3 per cent (figure 6). However, as overall expenditures increased by 9 per cent, the share of African regional and country-level projects in total technical cooperation expenditures decreased from 35 per cent in 2017 to 33 per cent in 2018 (figure 7).

Figure 6
Technical cooperation expenditures for regional and country-level projects by region, 2015–2018

(Thousands of dollars)



Notes: North America is not reflected in the figure, as expenditures only amounted to \$38,491 in 2018.

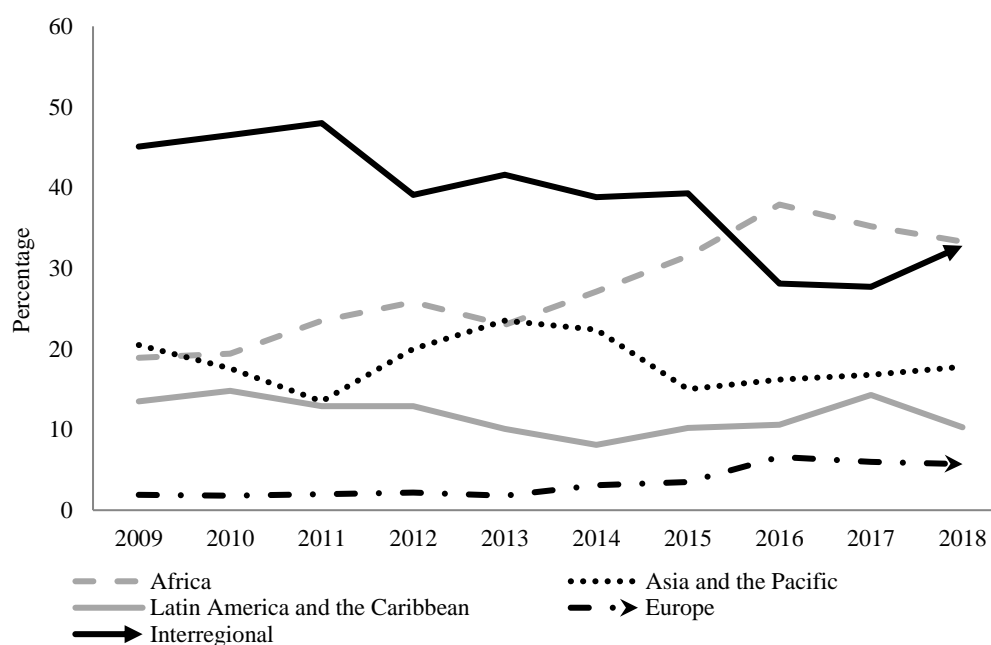
41. Expenditures on regional and country-level projects in Asia and the Pacific amounted to \$7.8 million, up 16 per cent compared with 2017. The share of such projects in Asia and the Pacific in total expenditures further increased to 18 per cent in 2018. Enhanced delivery of a number of technical cooperation products, especially business facilitation, e-commerce and the digital economy, DMFAS and trade facilitation contributed to higher expenditures in the region.

42. Following a significant increase in 2017, expenditures on regional and country-level projects in Latin America and the Caribbean fell by 22 per cent to \$4.5 million in 2018. This is largely due to the decreased delivery of several products, including business facilitation, sustainable and resilient transport, and competition and consumer protection policies and frameworks. As a result, the share of regional and country-level projects in Latin America and the Caribbean in total expenditures dropped from 14 per cent in 2017 to 10 per cent in 2018.

Figure 7

Shares of total annual technical cooperation expenditures, by region, 2009–2018

(Percentage)



Note: Only expenditures on regional and country-level projects are considered in the calculation of regional shares for Africa, Asia and the Pacific, Latin America and the Caribbean, and Europe.

43. Expenditures on regional and country-level projects in Europe stood at \$2.5 million, up 3 per cent compared with 2017. This accounted for 6 per cent of total technical cooperation expenditures in 2018. Decreased delivery under DMFAS and business facilitation was offset by rising expenditures under the ASYCUDA programme.

44. In North America, \$38,491 were spent in 2018 to implement an ASYCUDA project in Saint Pierre and Miquelon.

D. Technical cooperation expenditures in support of the least developed countries

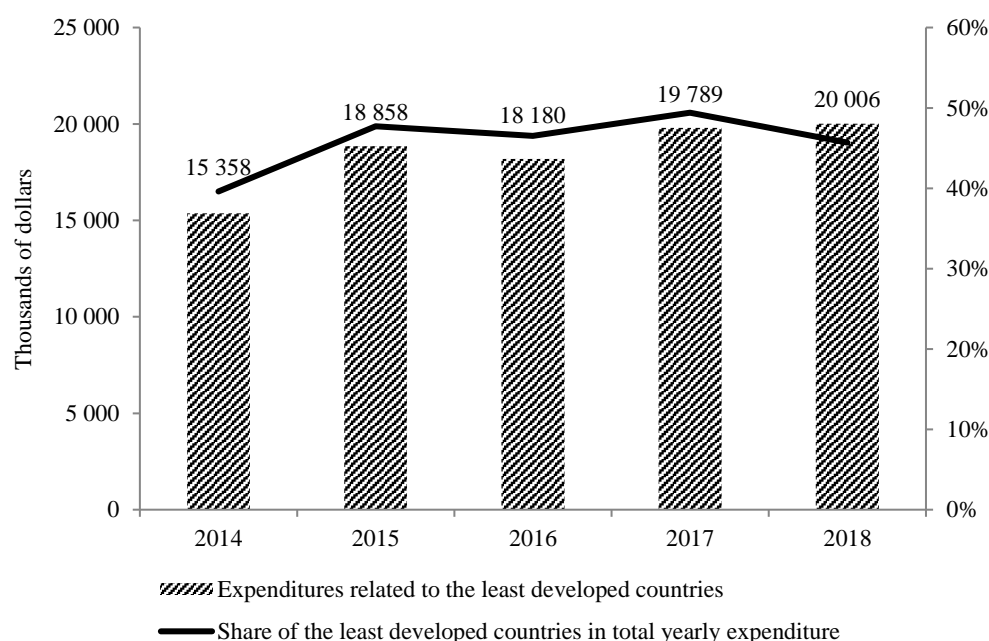
45. The least developed countries are prioritized in the UNCTAD strategy for the delivery of technical cooperation services. In 2018, technical cooperation expenditures in support of such countries maintained a high level of \$20 million, up 1 per cent compared with 2017 (figure 8). As the rate of growth of total expenditures of technical cooperation is much higher, the share of the least developed countries in overall technical cooperation

expenditures fell from a record high of 49 per cent in 2017 to 46 per cent in 2018. Of such expenditures, \$12.5 million (62 per cent) were related to country-level projects in the least developed countries, covering programmes such as ASYCUDA and DMFAS, as well as projects under the Enhanced Integrated Framework and those related to e-commerce and the digital economy.

Figure 8

Technical cooperation expenditures in support of the least developed countries, 2014–2018

(Thousands of dollars and percentage)



46. The Nairobi Maafikiano states that UNCTAD should assist the least developed countries in making use of existing initiatives and programmes, including targeted assistance under the Enhanced Integrated Framework.⁶ In 2018, UNCTAD provided tailored assistance under the Framework to Benin, Cambodia, the Democratic Republic of the Congo, Gambia, Haiti, Myanmar and the Niger through diagnostic trade integration studies, trade policy studies and advice on market access. At the regional level, continued follow-up was provided for two regional projects on trade facilitation, transport and transit: one for Western Africa, the other for Eastern Africa. In addition to the Framework, assistance was also provided to the World Trade Organization group of the least developed countries on geographical indications and rules of origin in collaboration with the European University Institute.

47. Under ASYCUDA, dedicated support has contributed, among others, to increased revenue collection by customs in the least developed countries and other beneficiary countries. In Solomon Islands, for example, customs revenue exceeded \$126 million in 2017 for the first time in the country's revenue history. The implementation of ASYCUDA in June 2015 was a contributing factor.

48. While the least developed countries remained the prioritized group of countries in UNCTAD technical cooperation, the dedicated multi-donor trust fund for such countries had not received any new contributions for four years in a row (2015–2018). The fund balance at the end of 2018 was \$176,725. Developed countries and other development partners in a position to do so are requested to make contributions to the Trust Fund for the Least Developed Countries.

⁶ TD/519/Add.2, para. 38 (s).

III. Structure and functioning

A. Follow-up to intergovernmental decisions

Thematic rationalization

49. UNCTAD has consolidated its technical cooperation activities over the past few years through the development and update of the Toolbox, which currently features 28 technical cooperation products. Correspondingly, donors are encouraged to make less earmarked multi-year contributions, including contributions to the multi-donor thematic trust funds. This will provide UNCTAD with more predictability and flexibility in planning and delivering technical cooperation, addressing in a timely manner the most urgent needs of developing countries in implementing the 2030 Agenda.

50. Currently, most of the trust fund contributions are tightly earmarked by single contributors for specific projects. Only a few trust funds established in UNCTAD share the features of multi-donor thematic funds, such as co-mingled contributions, greater flexibility in fund allocation and consolidated reports.

51. A good example of such funds is the Trust Fund for Capacity-building in Investment for Development. It was launched in 2012 to provide a consolidated package of investment and enterprise products and services to support countries' efforts to increase foreign direct investment. The package consists of the following components: research and analysis of information and data on investment flows and policy trends and options; tailored diagnostic services and targeted ad hoc technical advisory services; consensus-building activities through the exchange of best practices and lessons learned; and interacting with stakeholders at the national, regional and international levels. The marked success of the first three years of the programme resulted in an additional multi-year envelope of donor funds.

52. At the product level, some multi-donor trust funds were also established, including for DMFAS and trade, gender and development. However, more needs to be done to increase the predictability and flexibility of the funds. This is in line with the reform of the United Nations development system, which calls for a fundamental shift in current funding patterns that are characterized by a decline in core resources relative to overall funding, unpredictability and a rising share of tightly earmarked funds for specific activities. Support of funding partners is key in changing these patterns.

53. In 2018, with the support of donors, UNCTAD financially closed 34 projects and started 58 new projects (see TD/B/WP/297/Add.2, tables 15 and 16). In total, there were 253 operational projects with expenditures, 9 projects fewer than in 2008, when measures were initiated to reduce fragmentation.

Synergies among the three pillars of UNCTAD work

54. The Nairobi Maafikiano states that the three pillars of UNCTAD work – research and analysis, consensus-building and technical cooperation – remain of equal strategic importance and that further efforts are needed to increase their linkages and complementarity.⁷

55. In 2018, UNCTAD continued to promote cross-fertilization among its three pillars of work. Greater synergies have been witnessed in many areas of the work of UNCTAD. For example, in the field of competition and consumer protection, UNCTAD conducts voluntary peer reviews of competition and consumer protection laws and policies. The reviews assess a country's legal and institutional framework and enforcement record, and provide insights on major procedural, administrative and legislative changes that might be needed for effective law enforcement and the optimal functioning of competition and consumer protection authorities. The reviews serve as a basis for peer review examination during the annual meetings of the UNCTAD intergovernmental groups of experts on

⁷ TD/519/Add.2, para. 92.

competition and consumer protection laws and policies. The discussion of the peer review report at a meeting of an intergovernmental group of experts is usually followed by the development of a technical cooperation project led by UNCTAD to support the implementation of the key recommendations in the report. The recommendations are later disseminated at the national level among a wide range of stakeholders. In 2018, Morocco benefitted from the first-ever voluntary peer review on consumer protection. Building on the findings and policy recommendations of the peer review report, UNCTAD designed a tailored technical assistance project to reinforce the effectiveness of consumer protection law and policy in that country.

Interdivisional cooperation

56. The Project Review Committee serves as an internal mechanism to enhance interdivisional cooperation and ensure the coherence of UNCTAD technical assistance. In 2018, the Committee held one face-to-face meeting to review the strategy for further deploying the results-based management framework for technical cooperation, the terms of reference of the Project Review Committee and the request database. In particular, the meeting highlighted the necessity of streamlining the reporting of technical cooperation, requested greater involvement of the Committee in the design of a new project management system and suggested the development of a handbook to guide project officers in project management. In addition to formal meetings, members of the Committee, that is, the divisional focal points, were also frequently consulted on all issues related to the effective and coherent delivery of technical cooperation activities, including resources mobilization.

57. Interdivisional cooperation, which builds on the strength and expertise of different divisions, is important for the effective delivery of technical cooperation activities. In 2018, trade and gender was one prominent area where several interdivisional collaborative initiatives were developed. For instance, to assist informal cross-border women traders in building growth-oriented business, while strengthening their awareness about cross-border trade rules and procedures, the Division on International Trade and Commodities and the Division on Investment and Enterprise have been working on an innovative training programme based on the Empretec methodology. To address data challenges in designing gender-responsive trade policy, the Division on Globalization and Development Strategies and the Division on International Trade and Commodities have developed a new project, which brings together the expertise of the former in collecting and analysing data and the strength of the latter in examining the trade–gender nexus.

58. Under a new interdivisional project on transparency in trade regulation and facilitation in the Pacific Agreement on Closer Economic Relations Plus, three divisions of UNCTAD, the Division on International Trade and Commodities, the Division on Investment and Enterprise, and the Division on Technology and Logistics, joined forces in delivering technical assistance activities in trade facilitation, non-tariff measures, trade and gender, and business facilitation. Through interdivisional cooperation, UNCTAD is better able to integrate cross-cutting gender issues into its technical cooperation activities and to handle requests from beneficiary countries more effectively.

Inter-agency cooperation

59. In 2018, UNCTAD further strengthened its partnership and network within and beyond the United Nations system to leverage expertise, share knowledge and data, pool resources and coordinate actions for effectively delivering technical cooperation and supporting developing countries in the implementation of the 2030 Agenda.

60. For instance, UNCTAD worked with the African, Caribbean and Pacific States; Commonwealth Secretariat; Economic Commission for Europe; Food and Agriculture Organization of the United Nations; International Ocean Institute; and United Nations Environment Programme in the successful organization of the second Oceans Forum on Trade-related Aspects of Sustainable Development Goal 14 in July 2018. This coalition promotes consensus-building, identifies technical solutions and undertakes dialogues in addressing complex and sensitive political issues in a non-negotiating mode. In partnership with the International Organization for Migration and the United Nations High Commissioner for Refugees, UNCTAD launched in October 2018 the *Policy Guide on*

Entrepreneurship for Migrants and Refugees, which focuses on the role of entrepreneurship in achieving the positive effects of migration on economic growth and development. UNCTAD is also collaborating with these two agencies and three regional commissions to deliver a project on refugee and migrant entrepreneurship.

61. In the area of non-tariff measures, UNCTAD leads international cooperation – working with the Food and Agriculture Organization of the United Nations, International Monetary Fund, International Trade Centre, Organization for Economic Cooperation and Development, United Nations Industrial Development Organization, World Bank and World Trade Organization – on the development and revision of the *International Classification of Non-tariff Measures*, and with regional and international partners on data collection. This partnership enhances global coordination and helps save resources. UNCTAD also collaborates with the International Trade Centre on the implementation of trade portals. A new module showing country-specific foreign trade statistics developed by the International Trade Centre is now integrated in all national trade portal systems.

Requests from developing countries

62. To enhance transparency, UNCTAD has developed a database on its website to track formal requests for UNCTAD technical assistance⁸ and an internal software application to facilitate the update of request data. This new application will replace the spreadsheets that used to be circulated to Divisions for updating request information. After testing, the application became fully operational in late 2018. UNCTAD received 107 formal requests for technical assistance from 58 countries and 16 regional and international organizations in 2018.⁹

63. Timely response to these requests depends to a large extent on the availability of funding resources. As in previous years, UNCTAD was unable to meet the demand of many developing countries due to funding bottlenecks. For example, in the area of e-commerce and the digital economy, funds were too scarce to meet growing demand for assistance. In the case of trade facilitation, numerous requests for delivering the Empowerment Programme for National Trade Facilitation Committees could not be addressed, as existing contributions were earmarked for specific countries. Throughout 2018, UNCTAD continued to receive an increasing number of requests for support on accession to the World Trade Organization from different countries, including the least developed countries, and those countries in the post-accession phase. Many other areas are facing similar funding constraints, such as competition and consumer protection; science, technology and innovation; sustainable and resilient transport; and investment policy reviews.

64. To bridge the funding gap, UNCTAD has been exploring new funding sources. For example, UNCTAD successfully accessed funding from the 2030 Agenda for Sustainable Development Subfund, which is funded by the Government of China and managed by the Department of Economic and Social Affairs of the United Nations. Two UNCTAD projects with a total budget of \$1.4 million are supported by the Subfund and are currently being implemented. Further, since the establishment of the Agreement on Economic and Technical Cooperation between the Government of China and UNCTAD in May 2017, UNCTAD has been mobilizing funds from the South–South Cooperation Assistance Fund of China.

Strengthening results-based management

65. In 2018, UNCTAD continued its efforts towards enhancing the results-based management framework for technical cooperation, especially by applying minimum results-based management requirements more effectively, developing a project manager handbook and holding results-based management training.

66. A revised version of the project document template and project clearance checklist were shared with UNCTAD divisions in December 2018 for their full application. The new

⁸ <https://unctad.org/projects/tc/en/Pages/Requests.aspx> (accessed 14 June 2019).

⁹ Data retrieved from an internal database of UNCTAD (27 May 2019).

versions considered not only the comments received from project officers, but also recommendations made by the Office of Internal Oversight Services, especially with regard to mainstreaming the Sustainable Development Goals and identifying potential risks and risk-mitigation measures in technical cooperation projects.

67. To provide project officers with an overview of the internal process concerning each step of the project management cycle, a practical project manager handbook was developed in 2018. The handbook, which will be updated regularly, incorporates existing manuals and guidelines on technical cooperation projects.

68. Building on the success of the first results-based management training session held in December 2017, UNCTAD continued to deliver hands-on, practical results-based management training sessions to teams across the organization. In total, over 40 per cent of UNCTAD branches, representing all five subprogrammes, received results-based management training in 2018. These training sessions are aimed at providing a common understanding of key results-based management principles and concepts across UNCTAD. Under the guidance of the Office of the Secretary-General, teams worked together to develop monitoring and evaluation plans. Staff discussed how their work contributes to the achievement of the Sustainable Development Goals and considered the conditions and partnerships that are needed to bring about change and how progress can be measured.

69. Project teams are increasingly investing resources to ensure adequate follow-up on outcomes after the implementation of technical cooperation activities. For example, the Division on Technology and Logistics and the independent Evaluation and Monitoring Unit of UNCTAD organized a focus group meeting in November 2018 on the sidelines of the first African Forum For National Trade Facilitation Committees. The event brought together representatives of national trade facilitation committees that have in recent years benefited from UNCTAD technical assistance to discuss what in particular they found useful, what worked and what did not. It also helped identify the topics, skills and the type of projects that could support such committees in sustaining results. The DMFAS Programme of the Division on Globalization and Development Strategies applies comprehensive results-based management to its strategic planning and project implementation. In 2018, to strengthen the monitoring of results, UNCTAD mandated an independent evaluator to conduct a midterm review of the implementation of the strategic plan 2016–2019 of the programme. The final report of the evaluator underlines the highly positive impact of the programme on core areas of public debt management and makes useful recommendations for further enhancing its impact.

Gender mainstreaming

70. To improve and better coordinate gender mainstreaming activities in UNCTAD, an interdivisional gender task force was established in April 2018, building on the work of the Network of Gender Focal Points. A full checklist for mainstreaming gender equality and women's economic empowerment in technical cooperation projects and a simplified checklist are both available on the Gender Task Force intranet webpage of UNCTAD, allowing project officers to become familiar with these checklists. Support and advice have also been provided by divisional gender focal points and the Trade, Gender and Development Section in identifying possible ways of mainstreaming gender in technical cooperation projects.

71. A new interdivisional project on data and statistics for gender-responsive trade policies was developed. The project will launch pioneering activities to measure trade and gender in collaboration with two regional commissions. It will develop a conceptual framework for measuring the gender aspects of trade and will support pilot countries to test the measurement approach. With funding support from the Development Account, it is expected that the implementation of the project will begin in 2020.

72. Project teams further enhanced their efforts to mainstream gender in technical cooperation. For example, in the area of trade facilitation, a panel on mainstreaming gender in trade facilitation was included in the African Forum for National Trade Facilitation Committees. Based on the discussions, African national trade facilitation committees requested capacity-building on this subject and since early 2019, UNCTAD has been

delivering a special session on gender under its empowerment programme for such committees. In the field of commodities and development, project teams have worked closely with national project focal points, encouraging women to participate in project activities and apply for consultancies.

Fundraising

73. UNCTAD has been consulting member States on the establishment of a new funding mechanism since April 2016. The Deputy Secretary-General of UNCTAD started a series of visits to the capitals of main donor countries in early 2019 to brief them on the technical cooperation activities of UNCTAD and to make concrete cooperation proposals. It is expected that this type of visits will be institutionalized to help raise funds for the operational activities of UNCTAD.

B. Contribution to United Nations system-wide coherence

74. The purpose of this section is to highlight the main contributions of UNCTAD in enhancing the role of the United Nations Inter-Agency Cluster on Trade and Productive Capacity¹⁰ in the context of the “Delivering as one” approach, with operations at the national, regional and global levels. Since its official launch at the twelfth session of the Conference in 2008, the Cluster has emerged as an important and promising inter-agency mechanism capable of responding to the challenges of the 2030 Agenda (see box).

75. At the national level, in 2018, UNCTAD signed a number of new United Nations Development Assistance Frameworks in the following countries: Cabo Verde (2018–2022), Egypt (2018–2022), Lesotho (2019–2023), Nepal (2018–2022), Pakistan (2018–2022), the Republic of Moldova (2018–2022) and Rwanda (2018–2023).

76. These United Nations Development Assistance Frameworks were formulated around the Sustainable Development Goals with proposed assistance from the entire United Nations system. In the case of Lesotho, the assistance provided by the non-resident agencies (18) exceeds by far the one provided by the resident agencies (8).

77. The Cluster¹¹ conducted the following operations at the country level in 2018:

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

(b) Arab States, Middle East and North Africa: Egypt;

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

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

(e) Latin America and the Caribbean: Uruguay.

78. At the regional level, the Cluster continued its efforts to propose integrated assistance under the African Great Lakes Strategic Regional Framework initiative. The Cluster, with the participation of the Food and Agriculture Organization of the United Nations, UNCTAD and the United Nations Development Programme, formulated a concept note for future assistance with a comprehensive approach to address the development and humanitarian nexus.

79. Finally, at the global level, several initiatives were taken to make the assistance from the Cluster better known to stakeholders. In addition to the lectures developed for the trade

¹⁰ See http://unctad.org/en/Pages/TC/TC_United-Nations-Inter-Agency-Cluster.aspx (accessed 14 June 2019).

¹¹ See https://unctad.org/en/PublicationsLibrary/unceb2018d1_en.pdf (accessed 14 June 2019).

policy courses of the World Trade Organization, UNCTAD officialized a new partnership for the Master's programme in management of development of the University of Turin/International Training Centre of the International Labour Organization. The presentations expose in an exhaustive manner the Cluster's inter-agency policy strength that is pertinent to the Sustainable Development Goals.

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

The 2030 Agenda is an imperative for change. Universal in scope, it calls for integrated policy advice, integrated assistance and adequate funding mechanisms. In 2018, the Inter-Agency Cluster on Trade and Productive Capacity rightly positioned itself to address these challenges.

In the field of integrated policies, the Cluster continued to benefit from cooperation between UNCTAD and the International Labour Organization in connection with the memorandum of understanding signed in 2014. The two agencies undertook joint research to understand how labour and macroeconomic policies can contribute to the achievement of the Sustainable Development Goals. The main elements of a consistent policy framework were highlighted at the intergovernmental meetings.

The Cluster has also delivered integrated assistance and contributed to the overall "Delivering as one" approach through its increasing participation in joint programmes at the country level. As shown in the joint programme in the United Republic of Tanzania, this approach is better able to address the complex challenges facing developing countries in implementing the 2030 Agenda and to make the best use of the expertise of non-resident agencies. National partners and stakeholders particularly appreciated the impact of the programme on market integration and on the promotion of responsible tourism, which would increase revenues and contribute to Sustainable Development Goal 8. Follow-up initiatives are being developed in the context of the United Nations Development Assistance Framework in the United Republic of Tanzania that will run until 2021.

To scale up the Cluster's activities, UNCTAD initiated the process to set up a United Nations inter-agency cluster multi-donor trust fund on trade and productive capacity. This fund is expected to support the Cluster in building a more holistic vision of trade and productive capacity and in developing concerted policy initiatives in key thematic areas that will guide the implementation of joint programmes at the country level. In 2018, the Cluster finalized a concept note for the multi-donor trust fund, which was published in April 2019 and is available on the UNCTAD website to widely disseminate the information to all relevant stakeholders (https://unctad.org/en/PublicationsLibrary/tc2010d1rev8add1_en.pdf, accessed 20 June 2019). Donors are invited to support this initiative and provide adequate resources.

IV. Conclusions and the way forward

80. In 2018, total expenditures of UNCTAD technical cooperation reached a five-year high of \$43.7 million, reaffirming the commitment of UNCTAD to enhance technical assistance to developing countries in the implementation of the 2030 Agenda. Nevertheless, the total contributions to UNCTAD trust funds in 2018 continued to trend downwards, totalling \$34.2 million, the lowest level in the past five years.

81. The contrast between expenditures of and contributions to UNCTAD technical cooperation well illustrates the key challenge of such cooperation. For UNCTAD to deliver more and better, the importance of adequate and sustainable funding support from donors cannot be overemphasized. As highlighted in the new funding compact that supports the reform of the United Nations development system, member States are asked to improve the quantity and quality of funding, in particular by increasing their contributions to core

resources and inter-agency pooled funds (for example, the proposed inter-agency cluster multi-donor trust fund on trade and productive capacity) and single-agency thematic funds.

82. As a member of the United Nations Sustainable Development Group, UNCTAD is repositioning itself to make its technical cooperation better able to support the implementation of the 2030 Agenda. Building on the results achieved in 2018, UNCTAD will further improve the functioning of technical cooperation, in particular by further aligning its technical cooperation activities with the United Nations Development Assistance Frameworks; exploring best approaches to tap into funding sources available at the country-level, including through the United Nations Inter-agency Cluster on Trade and Productive Capacity; and enhancing communication with the resident coordinator offices and valuing their inputs in the design and implementation of technical cooperation activities.
