

A NEW PATH FOR THE 2030 AGENDA FOR SUSTAINABLE DEVELOPMENT

- IN A TIME OF PANDEMIC AND BEYOND -



United Nations Inter-Agency Cluster on Trade and Productive Capacity

UNCTAD, UNIDO, FAO, ILO, ITC, WTO, UNDP, the 5 UN Regional Commissions, UNEP, UNOPS, UNCITRAL



The Cluster in brief

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

- A Cluster officially Launched by the Secretary-General of the United Nations during the twelfth session of the United Nations Conference on Trade and Development in April 2008.
- A Cluster active in the reform of the United Nations looking for the enhanced participation of Headquarters and appropriate linkages with country led operations.

Contribution to the UN Reform:

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

Starting in the Delivering Eight One UN Pilot Countries, the Cluster progressively expanded its operations, with different formats and configurations in more than **30 UNDAFs-UNSDCFs worldwide.**

UN@SDG

UNITED NATIONS SUSTAINABLE DEVELOPMENT COOPERATION FRAMEWORK

Global Level

Country Level

Working towards police coherence at Headquarters' level to respond to global challenges with worldwide implications.

The Cluster is supported by a unique inter-agency expertise in trade policy to address the objectives of the 2030 Agenda. Building on the UNIDO led **Trade Capacity Building Resource Guide**, the assistance of the Cluster consists in building the capacity of developing countries to prioritize their trade infrastructure and formulate their own trade policies.

Based on common research and analysis, assistance include global trade advocacy, trade policy development, regulatory frameworks, supply capacity, compliance support infrastructure and services, trade promotion and capacity-building, market and trade information, trade facilitation, trade infrastructure and trade-related financial services

The assistance of the Cluster is particularly relevant to addressing the objectives of SD Goals **8, 9, 10, 12 and 17**.

Goal 8: The Cluster contributes directly to the promotion of sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

Goal 9 + 12: The Cluster supports countries to build resilient infrastructure, promote sustainable industrialization and foster innovation in an inclusive manner with the view to achieve responsible production and consumption

Goal 10: The Cluster aims to reduce inequalities among and within countries.

Goal 17: Finally, the Cluster, an effective coordination mechanism to strengthen the means of implementation at the country level with optimized articulation between the headquarters of United Nations agencies and assistance at the country level, fully contributes to the global partnership for sustainable development.

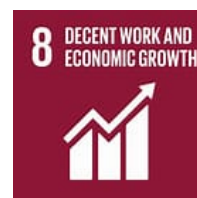
Implementing coherent policies at the country level

The Cluster has a unique expertise in analysing how the global challenges affect the countries and is ready to offer tailored solutions. As an inter-agency mechanism dedicated to the coordination of trade and development operations within the United Nations system the Cluster thus proposes comprehensive solutions with optimized articulation between the formulation of common policy recommendations and their effective translation through joint programmes at the country level.

Approaching the United Nations Resident coordinators and donors

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

In 2022, the Cluster is working on an **optimized outreach towards Governments and United Nations Resident coordinators**, with communications emanating from the **highest representatives of member agencies of the Cluster**, channelled through the **United Nations Development Coordination Office**.



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



The crisis resulting from the coronavirus disease (COVID-19) pandemic puts an acute light on key development issues identified as priority actions for the 2030 Agenda for Sustainable Development. The COVID pandemic put an acute light on the SDGs with the need to rethink and upscale the UN assistance.

The pandemic is thus a wake-up call, requiring a profound systemic move to a more sustainable economy. Overcoming the economic crisis resulting from the pandemic means a new path for development that not only provides countries with punctual economic recovery but also offers more resilient transformation in line with the objectives of the Sustainable Development Goals. It is in this context that the **United Nations Inter-Agency Cluster on Trade and Productive Capacity** is joining forces to reach the United Nations resident coordinators to demonstrate the pertinence of Cluster interventions for enhanced coherence and impact at the country level.

Going beyond the pandemic, the Cluster is **proposing tailored Cluster-led initiatives with joint programmes involving both headquarters and country offices to all interested United Nations Resident coordinators and Donors to support midterm and long-term economic recovery in countries.** The Cluster is convinced that such combined assistance at the country level will help countries overcome the economic crisis and will contribute to a new path for development in line with the ambitions of the 2030 Agenda for Sustainable Development.

A tailor made package

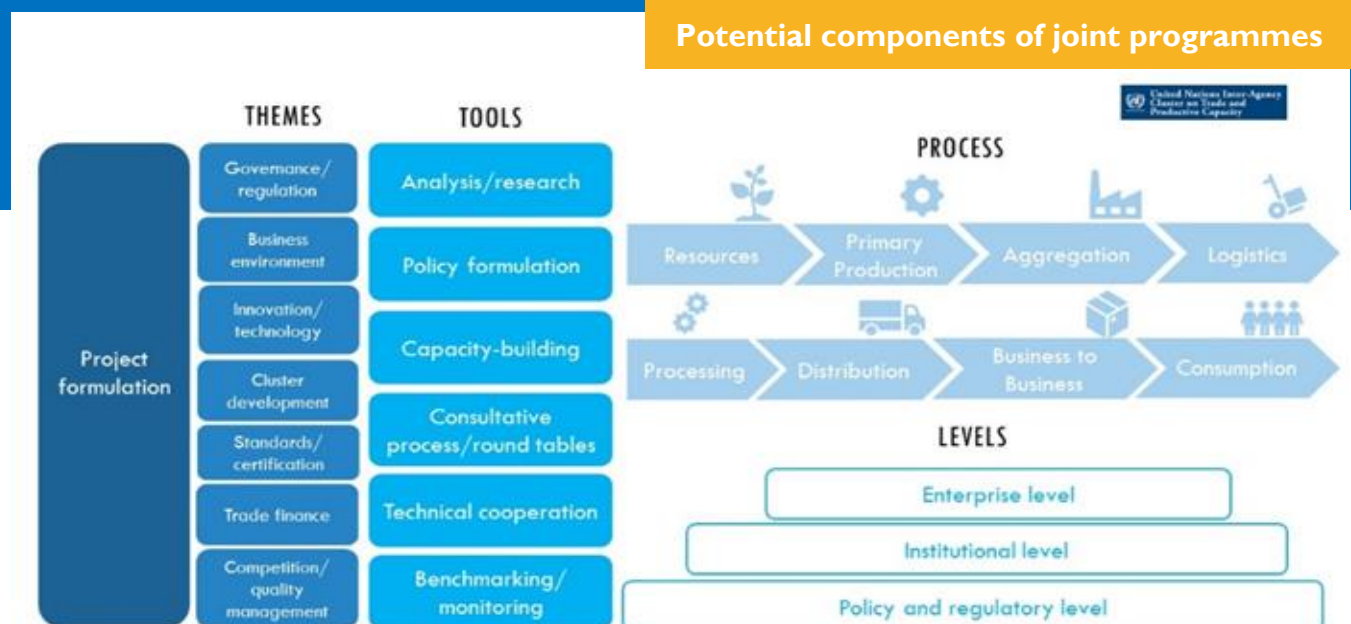
The pandemic being universal and its implications being a long process, UN assistance to be proposed to the UN Resident Coordinators requires a strong global response to be shaped and adapted to the specific needs of the countries.

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

Focusing mainly on small and medium-sized enterprise development, the package benefits the combined expertise of member agencies of the Cluster **at both the headquarters and country levels.** Measures are proposed to ensure appropriate coordination at the substantive level between experts at headquarters working on broad and horizontal policy issues and the country offices of member agencies of the Cluster that will adapt and tailor policy assistance to local situations.

FAO, ILO, ITC UNCTAD, UNDP and UNIDO under the United Nations Inter-Agency Cluster on Trade and Productive Capacity are facilitating the formulation of integrated solutions and joint programmes at the country level. Starting with these five agencies, the joint proposals are open to all members of the Cluster depending on the areas of assistance.

Potential components of joint programmes



EXAMPLES OF CLUSTER INVENTIONS

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

For Micro-, Small and Medium Enterprises (MSMEs) across sectors, borders disruptions have led to collapsing demand and have affected market inputs, including in the agriculture sector, with implications for food production, availability, and access. However, new market opportunities may arise at the local and regional levels, as actors across countries adapt to the new circumstances. MSMEs can seize opportunities if their capacity is strengthened to leverage electronic commerce platforms, embed quality standards, and improve market linkages, among others, which may also have positive effects for the rest of the economy, further facilitating economic recovery.

Contribution areas:

- ✓ **FAO:** Assessment to identify enabling environment measures to support agri-food MSMEs and support their implementation, including through adjustments of business models along agri-food sector value chains to avert further virus transmissions and disruptions to national food supplies, while fostering cooperation between enterprises facing common challenges.
- ✓ **ILO:** Improving incomes, livelihoods and working conditions with a systemic approach that addresses decent work deficits where they matter most in value chains and market systems; building entrepreneurial ecosystems and improving MSME performance by targeted interventions for microenterprises and small businesses and supporting actors in specific economic sectors in skills anticipation and development for trade integration, productivity improvements and economic diversification.
- ✓ **ITC:** Optimizing MSME competitiveness by reinforcing quality and efficiency of supply and production, implementing operational and managerial sustainability practices, driving innovation, and making connections with market opportunities.
- ✓ **UNCTAD:** Entrepreneurship promotion with tailored policy measures for trade, business and investment facilitation aimed at streamlining administrative procedures to adapt to new business environments in the aftermath of the pandemic, including the use of appropriate digital trade platforms linking food producers to existing electronic commerce platforms, as well as the promotion of appropriate transport channels to seize renewed market opportunities at the local and regional levels.
- ✓ **UNDP:** enhancing competitiveness and market linkages of MSMEs (supplier development programme); promoting local production of personal protective equipment; strengthening the weakest links in the value chain, especially MSMEs and women-owned enterprises (business equality programme); providing a one-stop-shop with information, digital tools and collaboration opportunities (MSME action platform); and assessment and advice on policy response to support youth entrepreneurs and livelihoods.
- ✓ **UNIDO:** Re-initiation of food production by MSMEs; productivity, quality, food safety and compliance across food value chains; women's entrepreneurship development, skills development and strengthening of production clusters and value chains for essential food items; and strengthening of local manufacturing capacities for essential medicines and medical waste treatment. as well as strengthening of testing laboratories.

EXAMPLES OF CLUSTER INVENTIONS

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

Support to MSMEs in the face of pandemic-related impacts represents an opportunity to facilitate the uptake of digital solutions and upskilling of the workforce, ultimately enhancing the resilience of MSMEs to future crises. The crisis has similarly brought to the fore the value of specific trade facilitation provisions and mechanisms that help to mitigate the overall impact of trade disruptions caused by the crisis by, for example, speeding up the release of essential goods at customs without compromising critical safety controls. In this context, the crisis lay the foundations for improving the business environment for private sector development in the medium and longer terms, which is particularly important for MSMEs.

Contribution areas:

- ✓ **FAO:** Streamlining food trade processes and market access through electronic certifications, blockchain-based data management platforms and smart contracts; legal, institutional and policy frameworks will be established to ensure all market participants benefit from these technologies, including youth innovators, and to leverage the dynamism of electronic commerce and digitalization along food supply chains; and market-driven skills development programmes will be supported and at least partially adapted to multimedia formats and rolled out through local digital channels and community media.
- ✓ **ILO:** Support collaboration between Governments and social partners to introduce and/or enhance inclusive and gender-responsive policies for an enabling environment for sustainable enterprises; provide policy advice and measures to support the formalization of informal enterprises; support the delivery of entrepreneurship skills and improvements in productivity and working conditions, fostering innovative approaches and digital solutions; and provide rapid assessments of reskilling and upskilling needs in response to the COVID-19 crisis
- ✓ **ITC:** Supporting developing countries in fostering a business environment that is conducive to trade growth by facilitating the inclusion of the private sector perspective into the policy-making process. The agency assists in institutionalising public-private dialogue for the formulation of trade strategies and policies at national and regional levels.
- ✓ **UNCTAD:** Entrepreneurship promotion with policy support and assistance on trade, business and investment issues, including digital trade, transport and customs operations.
- ✓ **UNDP:** Policy advice and business accelerator programmes to support the adoption of innovative business models and improve and scale up impacts in the context of the Sustainable Development Goals.
- ✓ **UNIDO:** Entrepreneurship development, skills development through digital knowledge platforms and digitalization of conformity assessments of products, processes and enterprises.

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