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## Trade and Development Board

### Working Party on the Strategic Framework and the Programme Budget

Seventy-fourth session

Geneva, 28 November–2 December 2016

Item 3 of the provisional agenda

#### **Discussion on a new funding mechanism for UNCTAD technical cooperation activities**

## **Concept note on a funding mechanism for pending technical cooperation requests received by UNCTAD**


### **I. Background/rationale**

1. As the focal point within the United Nations system for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development, UNCTAD addresses these issues through its three pillars of research and analysis, consensus-building and technical cooperation, which form an organic whole and are inherently interlinked. The technical cooperation pillar provides assistance tailored to the needs of developing countries, with special attention to the least developed countries.
2. The importance of technical cooperation as an essential pillar of the work of UNCTAD and of its synergies with the other two pillars was reaffirmed by member States during the fourteenth session of the United Nations Conference on Trade and Development in July 2016 with a view to meeting, in a more comprehensive manner, the objectives of the 2030 Agenda for Sustainable Development.
3. Over the last 16 years alone, UNCTAD has assisted 130 countries through its technical cooperation programmes in the areas mentioned above.
4. UNCTAD technical cooperation activities are financed through the following sources: bilateral funding, including individual Governments, United Nations system and other international organizations, the European Commission and private and public sector donors; the United Nations programme budget; One United Nations funds and other multi-donor trust funds; and the United Nations Development Programme.

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5. In 2015, the overall contributions provided on a voluntary basis by individual Governments, multilateral donors, non-governmental organizations, the private sector and foundations amounted to just over US\$34.6 million, a decrease of 12 per cent compared with the previous year, but in line with the average annual contributions received since 2004.

6. The levels of overall contributions in recent years have covered only a part of the funding requirements of UNCTAD for technical cooperation requests. The number of requests for UNCTAD technical cooperation assistance amounted to 600 in the period from 1 January 2013 to 31 December 2015. Of those requests, 236 are still pending. The backlog in the provision of technical assistance is primarily, but not exclusively, due to inadequate funding.

7. The funding gap, defined as the sum of all costed requests for technical cooperation assistance received by UNCTAD since 1 January 2013, amounted to US\$40.4 million in April 2016, up from US\$32.5 million in September 2015. The gap is in fact higher, as many of the requests have not yet been costed, but also because there are many outstanding technical assistance requests that pre-date January 2013.

8. The lack of a clear funding strategy endorsed by members and of a centralized funding mechanism at UNCTAD has certainly not helped in containing – let alone reducing – the funding gap. This is what the current proposal will address. Combined with other improvements made by the UNCTAD secretariat (e.g. implementation of a new results-based management framework, the *UNCTAD Toolbox*, project proposals, etc.), better instruments for matchmaking between donors and recipients should contribute to quicker and more effective responses to technical assistance requests.

## II. Objective

9. The purpose of a Project Funding Mechanism (hereinafter, the “Mechanism”) is to facilitate donor response to demand from developing countries and the least developed countries for UNCTAD technical assistance and thus to facilitate the matching of donors’ offers and aid priorities with beneficiary countries’ needs; it will thus help to fill the UNCTAD technical assistance funding gap and ensure that developing country requests are not unheard.

## III. Work modalities

10. Under the Mechanism, UNCTAD will periodically circulate, by e-mail, project proposals for technical assistance to recipient and donor countries.

11. Project proposals based on the requests for technical cooperation will be sent to donors every two months. The selection of requests will be made by UNCTAD senior management in compliance with and following the procedure in the new UNCTAD guidelines on results-based management, as well as on the basis of the priorities of the Governments of the recipient countries, as laid out in United Nations Development Assistance Frameworks.

12. The UNCTAD secretariat will also convene donor–recipient coordination meetings, as appropriate and at least every six months, with advance notice of at least 15 working days. For that purpose, UNCTAD will ask the permanent missions representing donor and recipient countries in Geneva, Switzerland, to nominate focal points.

13. The meetings will provide an opportunity to discuss: (a) the list of requests for UNCTAD technical cooperation received since the previous meeting; and (b) the project

proposals based on the requests for technical cooperation. The list of new requests and the project proposals will be shared with the respective recipient and donor focal points at least 15 days in advance of each meeting.

14. At the start of each meeting, the UNCTAD secretariat will present the list of requests and project proposals or set of project proposals; a question-and-answer session will follow; and recipient representatives will be offered the opportunity to elaborate on the specific needs of their technical assistance requests. Donor representatives will then have the opportunity to indicate possible interest.

15. The UNCTAD secretariat is envisaging two different modalities for the donor-recipient coordination meetings:

#### **A. Modality 1: Donor–recipient coordination meeting for a specific programme**

16. Currently, UNCTAD has 29 technical cooperation products. Meetings will be organized for those products that have large numbers of requests and that register an important funding gap. Priorities will be set by UNCTAD senior management. To organize the meeting, UNCTAD will prepare the following:

(a) A list of requests, including requesting country, requesting date and estimated budget.

(b) A concept note at the programme or project level, depending on the homogeneity of the programmes/projects. The UNCTAD secretariat will ensure that concept notes are aligned with UNCTAD strategic priorities.

(c) Results and impact of the programme. One or two past beneficiaries of the programme will be invited to share their experiences.

(d) Identification and invitation of a donor country to fulfil the role of donor facilitator at the donor–recipient coordination meeting and seek its financial support for the programme.

(e) In collaboration with the donor facilitator, preparation of a list of potential donors to be invited to the meeting.

#### **B. Modality 2: Donors round table for a beneficiary country**

17. Meetings will be organized for those recipient countries that have a large number of requests and that register an important funding gap. Priorities will be set by UNCTAD senior management. To organize the meeting, UNCTAD will prepare the following:

(a) A list of requests, including thematic area and programmes, requesting date and estimated budget.

(b) Concept notes at the programme or project level, depending on the homogeneity of the programmes/projects. The UNCTAD secretariat will ensure that concept notes are aligned with UNCTAD strategic priorities.

(c) Results and impact of programmes requested. The recipient country will be invited to present the link to national development plans. Other beneficiaries could be invited to share their experiences.

(d) Identification and invitation of a donor country to fulfil the role of donor facilitator at the donors round table and seek its financial support for at least one of the programmes requested.

(e) In collaboration with the donor facilitator, preparation of a list of potential donors to be invited to the meeting.

18. The modality for each meeting will be proposed by the UNCTAD secretariat and approved by member States at the previous meeting. The first donor–recipient coordination meeting (modality still to be determined) will take place in early 2017.

#### **IV. Midterm high-level event to take stock of and review the results of the Mechanism**

19. The UNCTAD secretariat is also considering organizing a high-level event dedicated to resource mobilization for UNCTAD technical cooperation. The main purpose of the event will be to have detailed presentations of UNCTAD technical assistance programmes to and with the participation of capital-based representatives of donor and recipient countries. It will also aim to discuss achievements in UNCTAD technical cooperation activities and what could be delivered in the medium-term with the support of donors. This will be an opportunity to showcase the impact of UNCTAD technical cooperation activities through the presentation of experiences by beneficiary countries and feedback from donors. It will provide a platform to discuss how to enhance existing partnerships and explore new ways to mobilize funds, including through public–private partnerships, as well as to review the functioning and results of the Mechanism.

20. The present proposal draws on the experiences of other organizations and funding mechanisms.<sup>1</sup>

#### **V. Online database of requests**

21. UNCTAD provides online access to a database comprising all requests for technical cooperation received from member States since 1 January 2013. The database is available at <http://unctad.org/projects/tc/en/Pages/Requests.aspx>.

22. The UNCTAD Technical Cooperation Service is responsible for the maintenance and update of the database on a quarterly basis. Through the database, donor and recipient countries have a comprehensive overview of the number of requests, the identification of member States requesting assistance, the thematic areas and programmes requested and the funding needs. The database is a work in progress.

#### **VI. Budget**

23. The cost of the establishment and operation of the Mechanism will be covered by UNCTAD existing resources.

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<sup>1</sup> Such as the Conference on Building Partnerships for Mobilizing Resources for Development of the World Intellectual Property Organization, held in November 2009 (see [http://www.wipo.int/meetings/en/2009/res\\_dev\\_ge/](http://www.wipo.int/meetings/en/2009/res_dev_ge/)).

## **VII. Contact for information**

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