

**Trade and Development Board
Working Party on the Programme Plan
and Programme Performance**

Eighty-fourth session

Geneva, 3–7 October 2022

Item 3 of the provisional agenda

**Review of the technical cooperation activities of UNCTAD
and their financing***Summary*

In 2021, despite the lingering impact of the coronavirus disease (COVID-19) and related travel restrictions, UNCTAD technical cooperation recovered remarkably from the shock of the pandemic. Both extrabudgetary resources and overall expenditures achieved new highs. Total funding to UNCTAD trust funds for technical cooperation increased by 54 per cent to reach an all-time high of \$51.2 million, thanks to enhanced support from four major funding sources. As a concrete result of the active participation of UNCTAD in the reform of the United Nations development system, for the first time, funds mobilized through “Delivering as one” funding mechanisms amounted to \$1.8 million.

Total expenditures for UNCTAD technical cooperation rose by 33.5 per cent, to reach a record high of \$46.8 million. Forty-one per cent of total technical cooperation delivery, or \$19.1 million, was in support of least developed countries, up 22 per cent compared with expenditures in 2020. The Automated System for Customs Data (ASYCUDA) and the Debt Management and Financial Analysis System (DMFAS) remained the top two technical cooperation products of UNCTAD, with electronic commerce (e-commerce) and the digital economy taking third place, for the first time, in the ranking of products from the 2020 *UNCTAD Toolbox: Delivering Results*, third edition (United Nations publication, Sales No. E.20.II.D.5, Geneva).

In 2021, UNCTAD continued prioritizing COVID-19-related technical assistance, supporting developing countries in recovering better from the pandemic and building their resilience to future crises and shocks. UNCTAD effectively integrated digital delivery modalities in the implementation of technical cooperation activities and used new technologies to enhance the effectiveness, efficiency and sustainability of its technical cooperation.

Furthermore, UNCTAD has made consistent efforts to further enhance interdivisional and inter-agency cooperation, integrate gender equality and women’s empowerment into technical cooperation activities and strengthen results-based management. In particular, significant progress was made in deploying the Integrated Planning, Monitoring and Reporting Solution within the secretariat.



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 taken by the Board from 2008 to 2021. Through these decisions, the Board recommends more structured interaction between the 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 is provided in this report of the technical cooperation activities of UNCTAD and their financing in 2021. 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 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, UNCTAD access to “Delivering as one” funding mechanisms are specifically reported on in chapter I, section C. Contributions to the junior professional officer programme of the United Nations are not included in UNCTAD trust fund resources and are reported on separately in chapter I, section D.

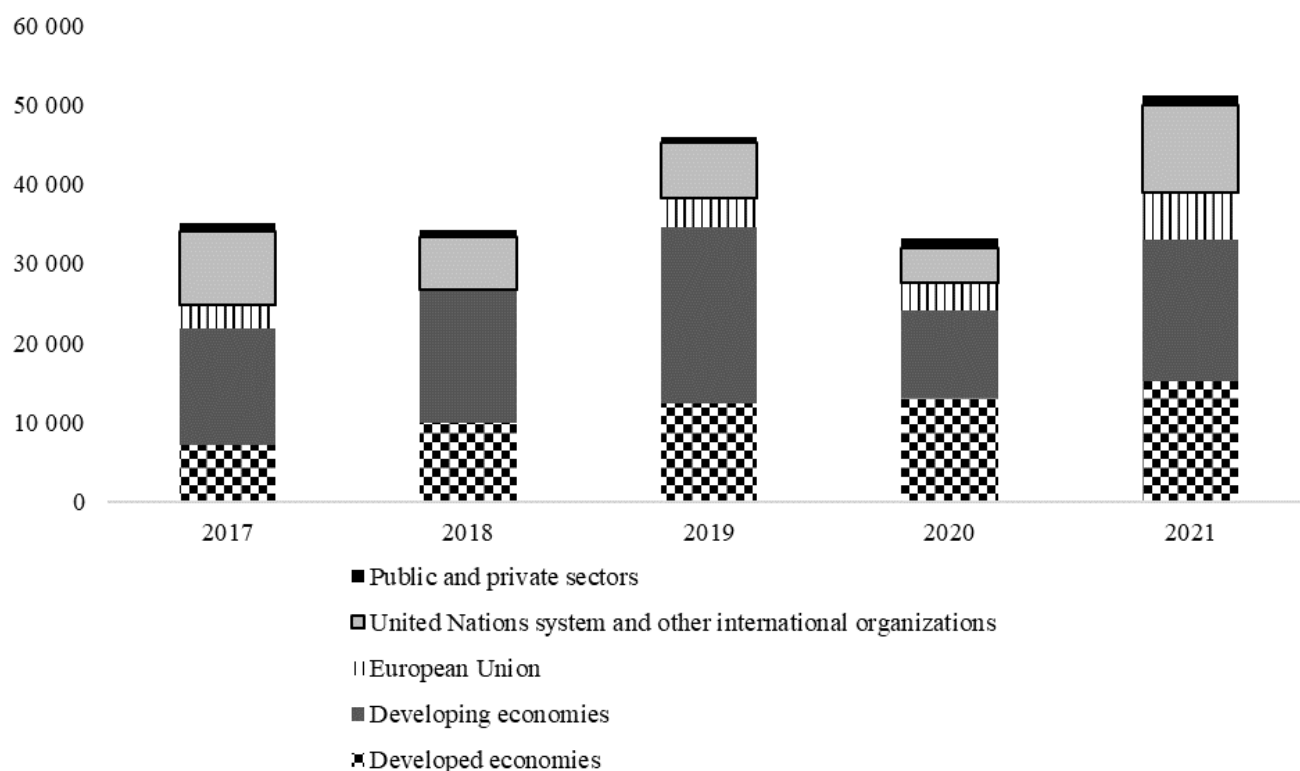
A. Trust fund resources

6. Voluntary funding to trust funds, as essential funding source for UNCTAD technical cooperation, continued exhibiting high volatility. After falling to \$33.3 million in 2020 due to the impact of COVID-19 pandemic, overall funding to UNCTAD trust funds surged to a historic high of \$51.2 million in 2021, registering an impressive increase of 54 per cent (figure 1). Four major sources of funding – developed economies, developing economies, the European Union and the United Nations system and other international organizations – all strengthened their support to UNCTAD technical cooperation in 2021.¹

¹ The classification of economies by development status is intended for statistical convenience and does not express a judgement about the stage reached by a particular country or an area in the development process. Since December 2021, the United Nations Statistics Division no longer maintains the categorization of developing and developed regions in the standard country or area

Figure 1
Origins of UNCTAD trust fund resources, 2017–2021

(Thousands of dollars)



Notes: Total excludes contributions to the United Nations Junior Professional Officers Programme. A major part of funding from developing economies 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/317/Add.2, table 15). Contributions from developed and developing economies for the period 2017–2020 are revised according to the new classification.

7. Contributions of developed economies to UNCTAD trust funds increased for the fourth year in a row to reach \$15.1 million in 2021, up 16 per cent compared with 2020 and representing 30 per cent of the overall voluntary funding. Of \$15.1 million, 0.48 million (or 3 per cent) provided by four developed economies was self-financing for projects in their respective economies. Germany, Switzerland, the Netherlands and New Zealand were the top 4 developed country contributors in 2021, with Germany and Switzerland each contributing close to \$3.6 million to UNCTAD technical cooperation. Together, the contributions from these four countries accounted for 79 per cent of total contributions of developed economies to UNCTAD.

8. With regard to total contributions accumulated over the last five years, Germany, Switzerland and the Netherlands were by far the three largest developed country donors, with the contributions of each ranging from \$10 million to \$15 million (figure 2). They were followed by New Zealand, which registered accumulated contributions of \$4.4 million. In 2021, contributions from developed economies were mainly directed towards areas such as e-commerce and the digital economy; customs management and modernization; debt management; trade facilitation; sustainable trade and the environment; investment for development; non-tariff measures; and the Train for Trade Programme.

9. Funding from developing economies rose from its low of \$11.1 million in 2020 to \$17.8 million in 2021, up \$6.7 million or 60 per cent. The recovery was largely due to a

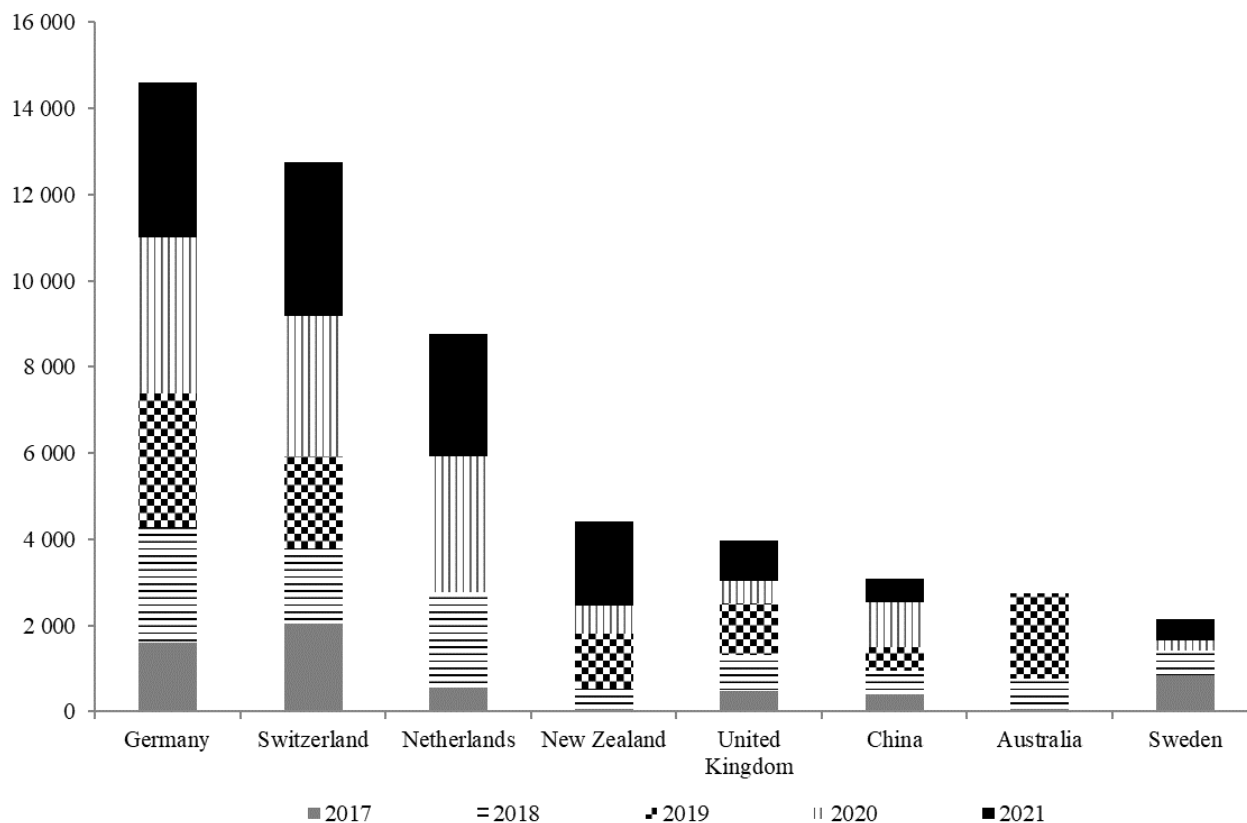
codes for statistical use (M49 standard), but the categorization can continue to be applied. In the classification applied by UNCTAD, the Republic of Korea is part of the developed country group (as recorded at the sixty-eighth session of the Trade and Development Board of UNCTAD (see TD/B/68/3); for more information, see UNCTADstat database, classifications.

contribution of \$5.1 million made by Iraq to implement an ASYCUDA project to modernize customs in Iraq. Consequently, the share of developing economies in total trust fund resources rose from 33 per cent in 2020, to 35 per cent in 2021.

Figure 2

Accumulated contributions by major developed and developing country contributors

(Thousands of dollars)



10. It is noteworthy that 93 per cent of funding from developing economies was allocated to activities in their respective economies, mainly to implement ASYCUDA (84 per cent) and DMFAS (6 per cent) programmes. Four per cent of developing country funding (\$0.7 million) aimed to support UNCTAD technical cooperation that would benefit other developing economies. Within this category, China remained the largest contributor with a contribution that amounted to \$0.55 million, the same as in 2019 and 2018. The remaining 3 per cent was contributed by Barbados (\$0.5 million) to host the fifteenth session of the United Nations Conference on Trade and Development. About one third of total funding to trust funds in 2021 was self-financing for projects in the economies providing that funding.

11. Contributions from the European Union increased by 78 per cent from \$3.4 million in 2020 to \$6.1 million in 2021. This has contributed to the rise of its share in total trust fund resources from 10 per cent in 2020 to 12 per cent in 2021. The contributions were mainly directed to support customs modernization, including a new project entitled “Improving Pacific Islands Customs and Trade (IMPACT)” and the European Union–UNCTAD Joint Programme for Angola, as well as non-tariff measures, debt management and statistics projects. Together, the European Union and its member States contributed \$14 million to UNCTAD, accounting for 27 per cent of total UNCTAD trust fund resources.

12. Contributions from the United Nations system and other international organizations rebounded strongly, from \$4.5 million in 2020 to \$11 million in 2021, up 146 per cent, mainly due to the remarkable increase of contributions from United Nations system organizations. As a result, its share in total trust fund resources rose significantly from 13 per cent in 2020 to 22 per cent in 2021. Within the category, the United Nations Development Programme (UNDP), Trade Mark East Africa, UNDP Multi-Partner Trust Fund Office, United Nations

Office for Project Services and Common Market for Eastern and Southern Africa were the largest contributors in 2021, each contributing between \$1 million and \$2 million to UNCTAD trust funds.

13. In 2021, funding from the private and public sectors amounted to \$1.2 million, 4 per cent less than in 2020, but still 19 per cent higher than the five-year average between 2017 and 2021. Subsequently, its share in total trust fund resources dropped from 4 per cent in 2020 to 2 per cent in 2021. These contributions have supported several projects including a project on blockchain based online dispute resolution system financed by China Silk Road Group; projects on non-tariff measures data collection and update for selected Asia–Pacific Economic Cooperation economies funded by the National Graduate Institute for Policy Studies of Japan; and Train for Trade port training projects funded by port authorities from several countries.²

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

14. United Nations regular 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. In 2021, expenditures under the regular programme of technical cooperation and the Development Account rose by 76 per cent to reach a record high of \$6.7 million, which has led to the increase of the corresponding share of total technical cooperation expenditures from 11 per cent in 2020 to 14 per cent in 2021.

15. Expenditures under the regular programme of technical cooperation increased from \$1.46 million in 2020 to \$1.80 million in 2021, up 24 per cent, 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 2021, two regional courses (one for Eastern Europe and the other for the Middle East and North Africa region) and eight short courses for Geneva-based delegates were successfully delivered.

16. The 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 in the field. In 2021, expenditures under 26 Development Account projects reached \$4.9 million (see TD/B/WP/317 Add.2, table 11), more than doubling the expenditures in 2020. The implementation of four short-term joint COVID-19 response projects largely contributed to the increase.

17. Under the new 15th tranche of the Development Account, three UNCTAD projects with a total budget of \$2.35 million were endorsed for funding by the Development Account Steering Committee, representing 15 per cent of total funding envelope of the Development Account. These projects focus on measuring and reporting South–South cooperation, supporting structural economic progress towards and beyond graduation from least developed country status, and innovative coordination and facilitation of relief consignments through the Automated System for Relief Emergency Consignments. In addition, UNCTAD is actively participating in a joint project, on measuring and curbing illicit financial flows, led by the Economic Commission for Africa. The implementation of these projects is expected to start in 2023 after the approval of the Development Account budget by the General Assembly.

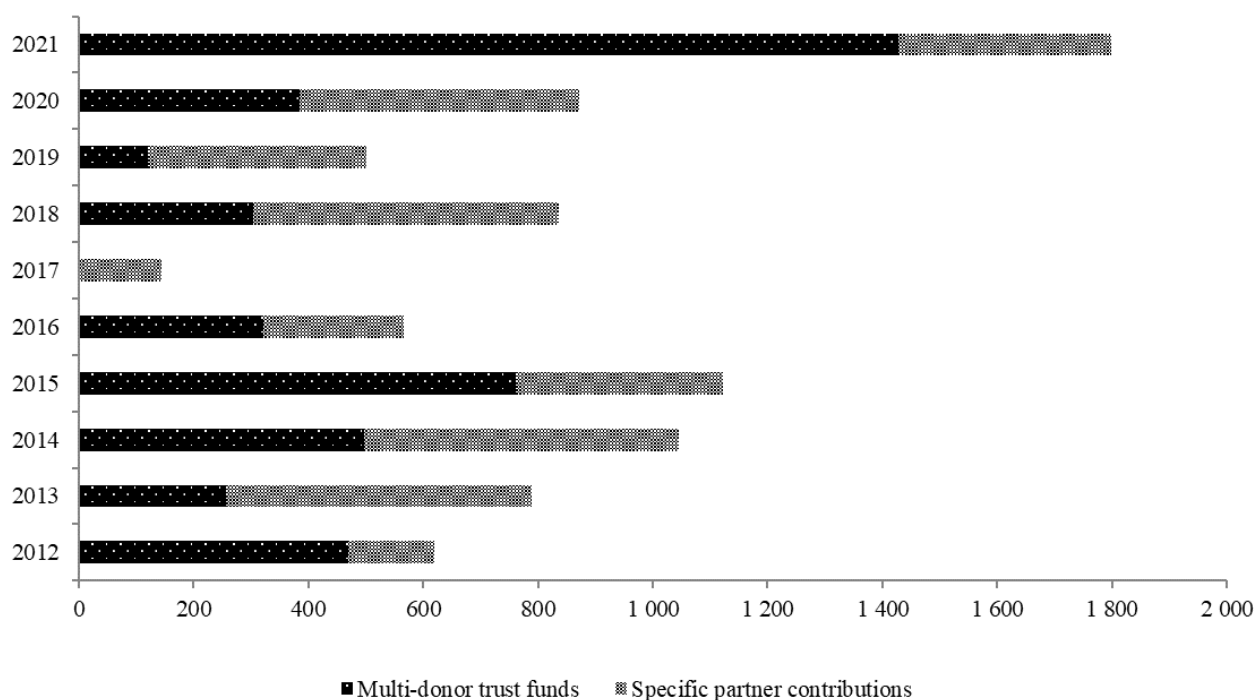
² Contributions from Expertise France are considered as contributions from France in this report, and not counted as public-sector contributions.

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. Over the years, the Inter-Agency Cluster has become a recognized mechanism within the United Nations system to propose a coherent approach on trade and development issues.

19. The Inter-Agency Cluster develops comprehensive solutions including through the formulation of common policy recommendations and the design of joint programmes at the country level for the effective implementation of policy recommendations. It has made a concrete and direct contribution to the reform of the United Nations by coordinating interagency operations in identified countries and by accessing innovative pooled financing mechanisms such as the specific partner contributions and multi-donor trust funds managed by the UNDP Multi-Partner Trust Fund Office.

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 operations. In 2021, UNCTAD continued to promote bilateral partnerships within the United Nations system, including its collaboration with the United Nations Industrial Development Organization, a main partner of the United Nations Inter-Agency Cluster on Trade and Productive Capacity. UNCTAD received an allocation of \$370,588 from the United Nations Industrial Development Organization for the continuation of a joint project in Mozambique on building competitiveness for exports, which was developed in close collaboration with the United Nations Resident Coordinator Office. The best practices emerging from UNCTAD–United Nations Industrial Development Organization cooperation are expected to be replicated with other Inter-Agency Cluster

agencies when delivering on the United Nations Sustainable Development Cooperation Framework.

2. Multi-donor trust funds

21. Multi-donor trust funds are pooled funding mechanisms managed by the UNDP Multi-Partner Trust Fund Office with a structure which involves the representatives of the United Nations system, national governments, and donors. Designed following the guidelines of the United Nations Sustainable Development Group, the multi-donor trust funds aim at complementing the agencies' individual resources.

22. In 2021, UNCTAD received a yearly allocation of \$221,945 from the One United Nations fund for the United Republic of Tanzania, in support of the United Nations Sustainable Development Cooperation Framework 2016–2021. It also received an allocation of \$825,000 from a multi-donor trust fund developed in support of a digital economy programme in the Pacific region and an allocation of \$139,100 from the Joint Sustainable Development Fund for a joint project in Egypt. Finally, UNCTAD received an allocation of \$241,730 for its participation in the Special Trust Fund for Afghanistan.

23. The resources mobilized by UNCTAD through multi-donor trust funds rose sharply to 1.4 million in 2021 (figure 3), the highest level since the Inter-Agency Cluster was established. This confirms the increasing role of multi-donor trust funds in supporting United Nations reform to effectively deliver on the 2030 Agenda for Sustainable Development.

D. Financing of junior professional officers

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

25. In 2021, four countries – China, Germany, Italy and Saudi Arabia – contributed to the UNCTAD junior professional officers programme. Together, they sponsored 5 junior professional officer positions in four UNCTAD divisions (see TD/B/WP/317/Add.2, table 9). Saudi Arabia was the largest contributor of the UNCTAD junior professional officer programme in 2021, sponsoring two junior professional officers. China, Germany and Italy each sponsored one junior professional officer. Affected by COVID-19 pandemic, the total number of junior professional officers decreased by four, compared with 2020. As the world is recovering from the pandemic, the number of junior professional officers in UNCTAD is expected to rise in 2022.

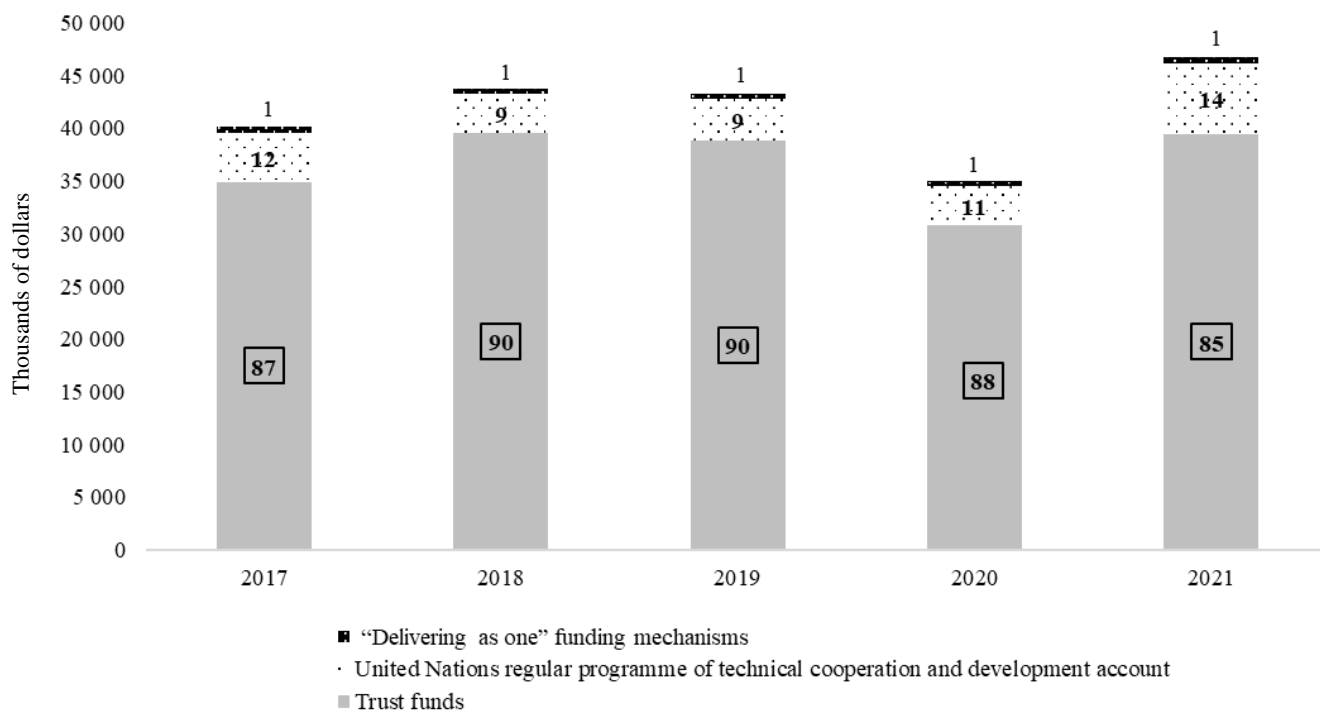
26. The junior professional officers programme offers a unique opportunity for young professionals to participate in the analytical and operational work of UNCTAD. For many of them, the trainings received in UNCTAD have been a springboard to their subsequent career development. The demand by UNCTAD secretariat for junior professional officers far exceeds the supply. The secretariat therefore reiterates the 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

27. In 2021, overall expenditures for UNCTAD technical cooperation activities rebounded strongly from \$35.0 million in 2020 to a record high of \$46.8 million, increasing by 33.5 per cent (see TD/B/WP/317/Add.2, table 2). The increase is witnessed across all funding sources. Expenditures under trust funds rose by 28 per cent to \$39.5 million. Expenditures under the United Nations regular programme of technical cooperation and the Development Account rose by 76 per cent to \$6.7 million, and that under “Delivering as one” funding mechanisms increased by 30 per cent to \$0.61 million. In terms of share of total technical cooperation expenditures, the share of trust funds dropped to 85 per cent in 2021 from 88 per cent in 2020, while that of the United Nations regular programme of technical

cooperation and the Development Account rose from 11 per cent to a high of 14 per cent (figure 4).

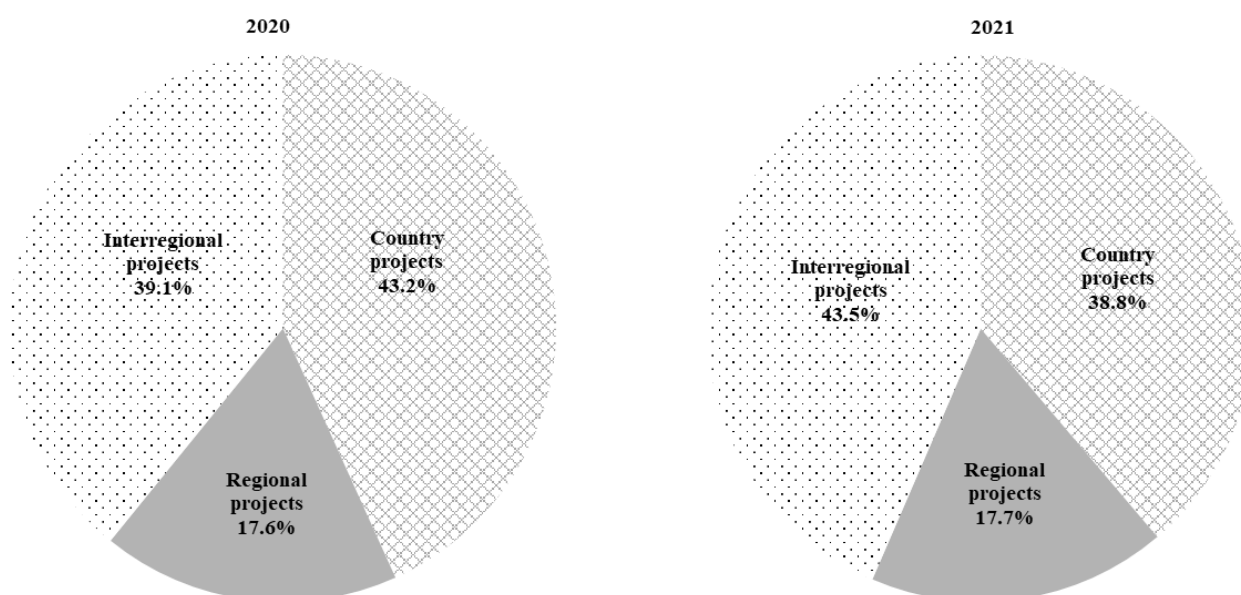
Figure 4
Technical cooperation expenditures, by funding source
(Percentage)



A. Expenditures by type of project

28. UNCTAD technical cooperation projects are delivered at the interregional, regional and country levels. In 2021, expenditures under interregional, regional and country projects all registered a remarkable increase. Nevertheless, the share of country-level projects in total expenditures decreased from 43.2 per cent in 2020 to 38.8 per cent in 2021, while the share of interregional projects increased from 39.1 per cent to 43.5 per cent, and the share of regional projects remained stable at 17.7 per cent in 2021 (figure 5).

Figure 5
Project expenditures as share of total technical cooperation expenditures, by type of project



29. In 2021, expenditures under country-level projects rose by 20 per cent to 18.1 million. Among 111 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 2021, \$9.9 million or 54 per cent of expenditures under country-level projects contributed to the implementation of 54 projects in the least developed countries. Under country-level projects, \$3.6 million or 20 per cent of expenditures related to the delivery of 22 projects in 16 small island developing States.

30. In 2021, expenditures under regional projects rose by 34 per cent to \$8.3 million. This is mainly driven by increased expenditures for regional projects in Asia and Oceania (68 per cent more, with respect to 2020) and in Africa (34 per cent more, with respect to 2020), while expenditures for regional projects in Latin America and the Caribbean fell by 22 per cent in 2021.

31. Interregional projects are thematic projects that would benefit more than one geographic region. In 2021, partly due to the delivery of COVID-19 response projects, under the Development Account, which cover different regions, expenditures under this category increased by 48 per cent, to \$20.4 million. Expenditures under interregional projects have contributed to the delivery of a variety of technical cooperation products.

B. Expenditures by product

32. In 2021, expenditures under the 28 technical cooperation products of UNCTAD amounted to \$41.7 million, accounting for 89 per cent of annual technical cooperation delivery (table 1). ASYCUDA and DMFAS remained the top two products. However, the share of ASYCUDA in total technical cooperation expenditures decreased from 48 per cent in 2020 to 39 per cent in 2021, though the total expenditures under ASYCUDA increased by 10 per cent during the same period. The share of DMFAS remained stable at 12 per cent. For the first time, the share of e-commerce and the digital economy rose to 8 per cent of total delivery, thus becoming the third largest product of UNCTAD. These products were followed

by business facilitation, trade facilitation, entrepreneurship for sustainable development, and sustainable trade and the environment, which, combined, represented 15 per cent of total delivery. Five products each accounted for expenditures at 1–2 per cent of total delivery. The number of products representing less than 1 per cent of total delivery each decreased from 18 in 2020 to 16 in 2021.

33. Despite continued impact of COVID-19 on the delivery of UNCTAD technical cooperation in 2021, the expenditures under the 28 products increased by 32 per cent, with 21 out of 28 products having enhanced their delivery in 2021. In value terms, expenditures under e-commerce and the digital economy increased by 2.1 million to reach 3.7 million in 2021, more than doubling its expenditures in 2020. Expenditures under ASYCUDA, DMFAS and entrepreneurship for sustainable development each increased between \$1 million and \$2 million in 2021.

Table 1
Technical cooperation expenditures in 2021, by theme and product

<i>Product</i>	<i>Sustainable Development Goals</i>	<i>Expenditures 2021 (Thousands of dollars)</i>	<i>Percentage of total</i>
Transforming economies, fostering sustainable development			
Investment policy reviews	8, 17	136	0.29
Services policy reviews	8, 9, 17	10	0.02
Trade policy framework reviews	17	109	0.23
Science, technology and innovation policy reviews	9	337	0.72
E-commerce and the digital economy	8, 9, 17	3 692	7.89
Non-tariff measures	3, 8, 17	882	1.89
Trade negotiations and the international trading system	10, 17	277	0.59
Sustainable trade and the environment	12, 13, 14, 15	1 456	3.11
Investment promotion and facilitation	9, 17	290	0.62
Investment guides	9, 17	65	0.14
Tackling vulnerabilities, building resilience			
Support to graduation from least developed country status	8	174	0.37
DMFAS – Debt Management and Financial Analysis System	17	5 711	12.21
UNCTAD contribution to the Enhanced Integrated Framework	9, 17	552	1.18
Market access, rules of origin and geographical indications for the least developed countries	8, 10, 17	45	0.10
Breaking the chains of commodity dependence	8, 9	247	0.53
Sustainable and resilient transport and logistic services	8, 9, 13, 14	399	0.85
Fostering economic efficiency, improving governance			
Voluntary peer reviews of competition and consumer protection law and policy	8, 10	30	0.06
Competition and consumer protection policies and frameworks	8, 9, 10, 12, 17	885	1.89
Business facilitation	8, 16	2 278	4.87
Trade facilitation	10, 16	1 819	3.89
ASYCUDA – Automated System for Customs Data	9, 15, 17	18 461	39.47
Statistics	17	682	1.46

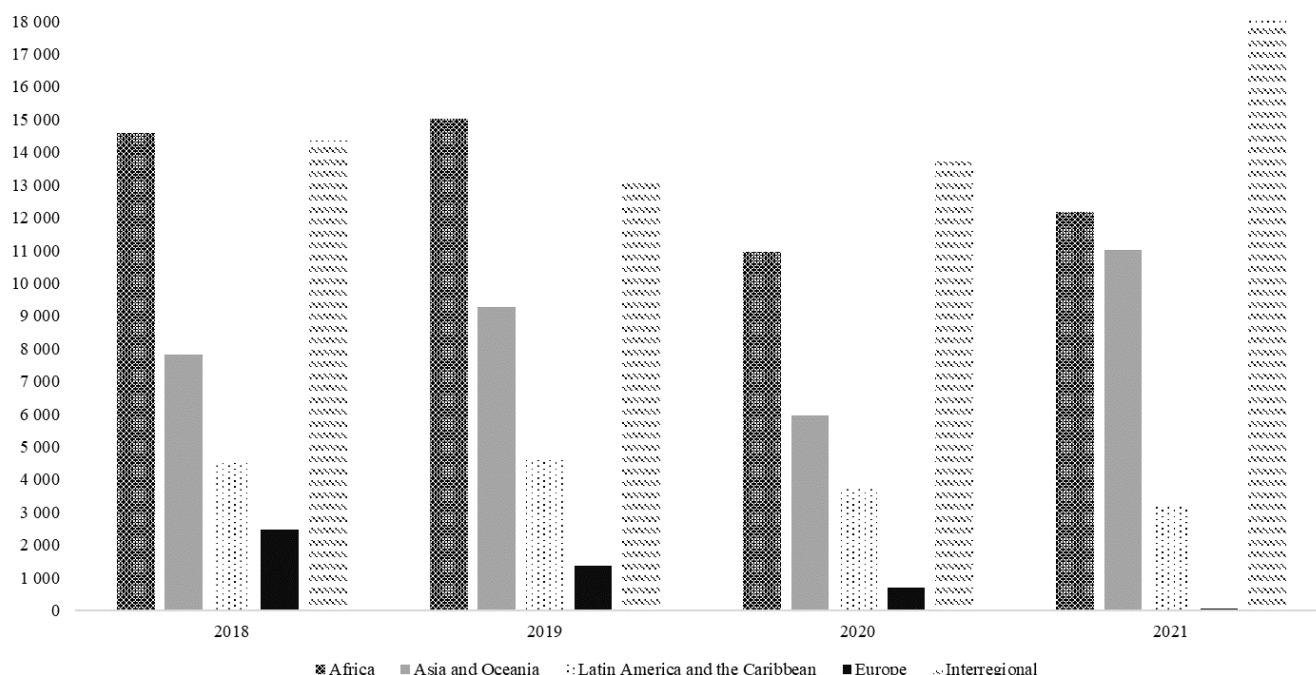
<i>Product</i>	<i>Sustainable Development Goals</i>	<i>Expenditures 2021 (Thousands of dollars)</i>	<i>Percentage of total</i>
Enabling accounting and reporting on the private's sector contribution to implementation of the Sustainable Development Goals	12, 17	211	0.45
Investment and public health	3, 9	47	0.10
International investment agreements	17	303	0.65
Empowering people, investing in their future			
Trade, gender and development	5, 8	383	0.82
Entrepreneurship for sustainable development	4, 8	1 562	3.34
Train for Trade	8, 9, 14, 17	627	1.34
		41 668	89.08

34. Measured by expenditures, UNCTAD technical cooperation is particularly relevant to achieving four Sustainable Development Goals, namely Goal 8 on promoting economic growth and productive employment and decent work; Goal 9 on building infrastructure, promoting industry and fostering innovation; Goal 15 on protecting, restoring and promoting life on land; and Goal 17 on the Global Partnership for Sustainable Development. In 2021, an estimated \$16.9 million or 36 per cent of total expenditures directly contributed towards achieving Goal 17; \$8.9 million or 19 per cent of total expenditures contributed towards achieving Goal 9; 16 per cent contributed towards achieving Goal 15; and 11 per cent contributed towards achieving Goal 8 (see TD/B/WP/317/Add.2, table 5).

C. Expenditures by region

35. Expenditures under regional and country-level projects amounted to \$26.4 million in 2021, up 24 per cent compared with 2020. Forty-six per cent of such expenditures or \$12.2 million was spent in Africa, including \$8.1 million on country projects and \$4.1 million on regional projects. Compared with 2020, the expenditures for technical cooperation projects in Africa increased by 11 per cent (figure 6), whereas the share of African regional and country-level projects in total technical cooperation expenditures fell from 31 per cent in 2020 to 26 per cent in 2021 (figure 7). The increase of expenditures in the region spans many technical cooperation products, especially UNCTAD contribution to the Enhanced Integrated Framework for Trade-Related Assistance for the Least Developed Countries, statistics, trade negotiations and the international trading system, and e-commerce and the digital economy.

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



Note: Only \$8,066 was recorded in North America in 2021. Expenditures of \$0.69 million in Kazakhstan and Turkmenistan in 2021 are recorded under Asia and Oceania.

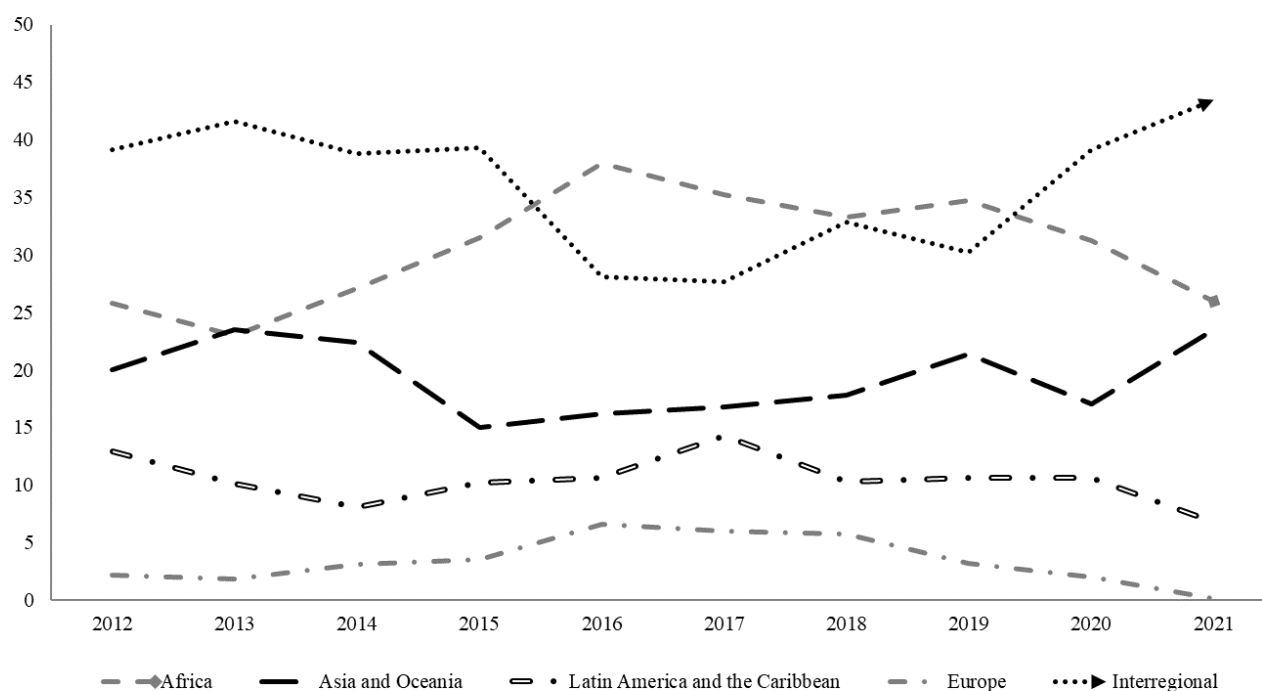
36. Expenditures on country and regional projects in Asia and Oceania rose by 85 per cent to \$11.0 million in 2021, which has contributed to the rise of its share in total expenditures from 17 per cent in 2020 to 24 per cent in 2021. The rise of ASYCUDA expenditures in the region, from \$4.8 million to \$8.2 million, has largely contributed to the higher level of expenditures in Asia and Oceania.³ Some other products, including competition and consumer protection polices and frameworks, entrepreneurship for sustainable development and e-commerce and the digital economy, also increased their expenditures, but to a lesser degree.

37. Expenditures on country and regional projects in Latin America and the Caribbean, on the contrary, continued on a downward trend, registering \$3.2 million in 2021, a drop of 15 per cent compared with 2020. Consequently, the share in total technical cooperation delivery fell from 11 per cent in 2020 to 7 per cent in 2021. Decreased expenditures under ASYCUDA and business facilitation have largely contributed to the decline, even though some products, such as sustainable trade and the environment and investment promotion and facilitation, have increased expenditures in the region.

38. Expenditures on country and regional projects in Europe were \$56,850 in 2021, accounting for 0.1 per cent of total delivery. It should be noted that expenditures in Kazakhstan and Turkmenistan, recorded under Europe in 2020, are recorded under Asia and Oceania in 2021 due to the reclassification of regions. Expenditures in these two countries in 2021 were \$693,087. In North America, a minor expenditure of \$8,066 was recorded in 2021.

³ ASYCUDA expenditures of \$0.59 million in 2021 in Kazakhstan and Turkmenistan are recorded under Asia and Oceania.

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

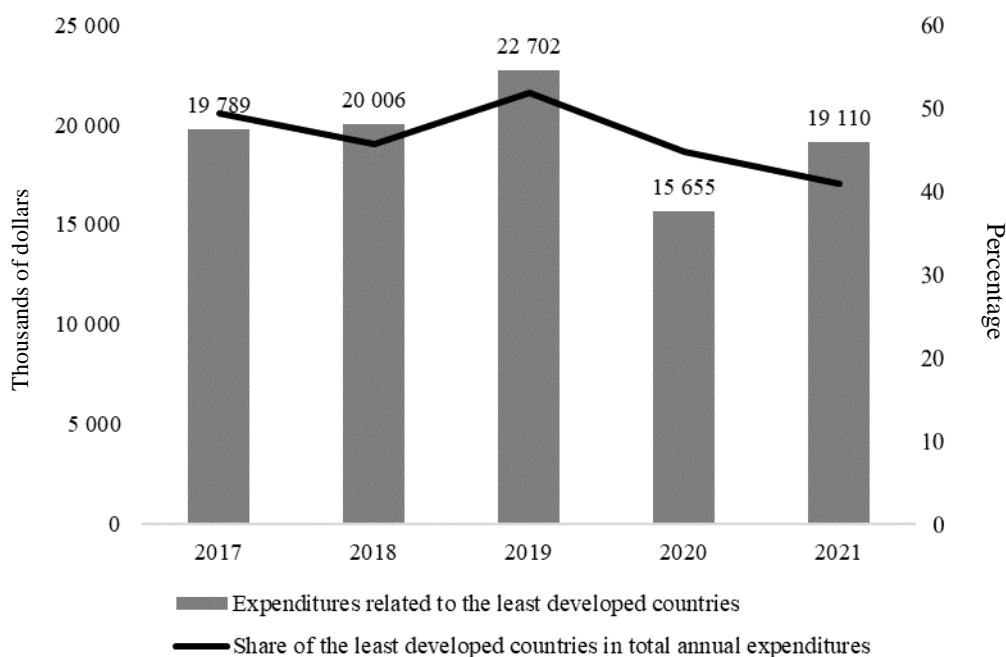


Note: Only expenditures for country-level and regional projects are considered, and the share of North America is not reflected as only the amount of \$8,066 was recorded in 2021. Expenditures of \$0.69 million in Kazakhstan and Turkmenistan in 2021 or 1.5 per cent of total technical cooperation expenditures are recorded under Asia and Oceania.

D. Expenditures in support of the least developed countries

39. The least developed countries are a prioritized group of countries in UNCTAD technical cooperation. Following a decline in 2020 due to the COVID-19 pandemic, technical cooperation expenditures in support of the least developed countries recovered, reaching \$19.1 million in 2021, 22 per cent higher than in 2020. This accounted for 41 per cent of total technical cooperation delivery in 2021, down from 45 per cent in 2020 (figure 8). Of such expenditures, \$9.9 million, or 52 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



40. In 2021, eight least developed countries benefited from UNCTAD technical assistance on business facilitation, and many of them have already achieved concrete results on the ground. For instance, in Benin, thanks to the online single windows launched in 2020 and expanded with new services in 2021, company registrations increased by 91 per cent from 2020 to 2021. Fee income to the Government rose by the same percentage, meaning that the project quickly paid for itself. One third of business owners were women, with one half of them under 30 years of age.

41. Under the Enhanced Integrated Framework, UNCTAD continued its technical assistance in 2021 to Benin, Burkina Faso and the Niger through a regional project, entitled “Facilitating transit, transport and trade in West Africa for better participation in value chains”, and to Cambodia and the Lao People’s Democratic Republic, by delivering a regional project, “A new trade policy and strategy for the least developed countries of the Association of Southeast Asian Nations on market access and related issues”. The projects are on track to achieve the intended results.

42. In 2021, the multi-donor trust fund for the least developed countries only received a contribution from Portugal (\$16,892). Developed countries and other development partners in a position to do so are encouraged to make more contributions to the dedicated 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

43. The Bridgetown Covenant states that UNCTAD technical cooperation should support countries in addressing the challenges exacerbated or revealed as a result of the COVID-19 pandemic and build resilience to future economic shocks, by building productive capacities, and support sustainable development (see TD/541/Add.2, paragraph 116).

44. Since the outbreak of the COVID-19 pandemic, assisting countries, especially the most vulnerable countries, in addressing the socioeconomic fallout of the pandemic and building their resilience to external shocks have been a high priority of UNCTAD technical

cooperation. In 2021, UNCTAD continued to assess the impact of the pandemic on trade, investment and sustainable development, including the impact on macrofinancial conditions of developing countries, on investment in sustainable development, on maritime supply chain, and on ocean economy and trade strategy. Furthermore, tailored policy recommendations, technical advice and capacity-building activities were delivered in a timely manner to the countries in need. For example, UNCTAD piloted rapid scans of trade facilitation preparedness in crisis situations in Zimbabwe in 2021 and initiated such scans in five more countries.⁴ Through rapid scans, beneficiary countries not only receive tailor-made recommendations for COVID-19 recovery, but also recommendations for future crisis preparedness, including a rapid response plan to be deployed in case of future crises. UNCTAD also initiated work towards the development of gap assessments of the national productive capacities of Angola and Zambia in 2021, which can assist the countries in reorienting their development policies towards building productive capacities as a core ingredient of strengthening resilience. In the area of port management, a new training package called “Building port resilience against pandemics” was delivered virtually in 2021 to 1246 port operators, government officials and other stakeholders (37 per cent women) from 105 countries.

45. Facing COVID-19 induced travel restrictions that continued to affect the delivery of technical cooperation during most of 2021, UNCTAD has integrated digital tools in the delivery of capacity-building activities and advisory services. An increasing number of programmes have adopted e-learning methodologies and developed or enhanced online courses, such as Train for Trade, trade facilitation, science, technology and innovation, ASYCUDA, trade and gender, non-tariff measures, competition and entrepreneurship. Moreover, some project teams have integrated digital tools in the technical assistance delivered to beneficiaries. For instance, the Trade Facilitation Reform Tracker, which equips national trade facilitation committees with a professional online project management and monitoring tool to manage and track trade facilitation reform and simplification, has proved to be critical during COVID-19 for the national trade facilitation committees of 19 countries to continue activities. ASYCUDA is another example. The programme provided ad hoc assistance to user countries to further automate procedures, reduce face-to-face interaction and implement fully paperless processes to reduce the impact of the pandemic.

46. COVID-19 has a profound impact on the delivery mode of technical cooperation. It has accelerated the adoption of digital delivery modalities by UNCTAD project teams and also pushed UNCTAD to rethink the way that technical cooperation should be delivered. In a post-COVID world, digital delivery tools, which complement in-person training and capacity-building, will be an integral part of delivery of the UNCTAD technical cooperation strategy.

2. Synergies among the three pillars of the work of UNCTAD

47. 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 (see TD/519/Add.2, paragraph 92). The Bridgetown Covenant stresses that UNCTAD should continue its work through the three pillars, building on the Nairobi Maafikiano and based on the preceding policy analysis of the Bridgetown Covenant (TD/541/Add.2, paragraph 127).

48. In 2021, UNCTAD continued fostering synergies among its three pillars of work to the benefit of member States. One good example concerns UNCTAD work on special economic zones. Based on the research on special economic zones undertaken for the *World Investment Report 2019: Special Economic Zones*,⁵ with the support of the German Agency for International Cooperation, UNCTAD developed a policy handbook to guide Governments with respect to special economic zone planning and operations, with a particular focus on helping zones adjust to the changes brought about due to the implementation of the African Continental Free Trade Area. The handbook was launched at

⁴ For more information, see <https://unctad.org/topic/transport-and-trade-logistics/trade-facilitation/rapid-scan>.

⁵ UNCTAD, 2019 (United Nations publication, Sales No. E.19.II.D.12, Geneva).

the seventh UNCTAD World Investment Forum in 2021. To disseminate the findings and policy recommendations of the handbook, a series of capacity-building events (national workshops and a regional webinar) were organized, involving a diverse audience of policymakers and practitioners. Also, in September 2021, a seminar was held for the Latin American special economic zones SEZ community on the reconfiguration of global value chains and investment in productive capacities. The experience gained from these activities in 2021 will in turn feed into further research and capacity-building events to be held in 2022. The work on special economic zones for sustainable development is further supported through the Global Alliance of Special Economic Zones,⁶ which will pull together the expertise, networks and resources of 7 global, regional and national special economic zone associations, representing 7,000 zones worldwide. In this framework, UNCTAD will continue to examine the potential contribution of special economic zones to sustainable development at the national and global levels. The initiative was welcomed by some UNCTAD member States at the seventy-first executive session of the Trade and Development Board.

3. Interdivisional and inter-agency cooperation

49. In 2021, as in previous years, UNCTAD continued to active promoting interdivisional and inter-agency cooperation to reduce fragmentation, enhance synergies and maximize the impact of technical cooperation activities. By adopting an integrated approach in delivering its operational activities, UNCTAD is better able to leverage the expertise, resources and network to support developing countries in recovering better from the pandemic and implementing the 2030 Agenda for Sustainable Development.

50. As reflected in the annex I of this report, there are many examples of interdivisional and inter-agency cooperation in UNCTAD technical cooperation. One outstanding example is the European Union–UNCTAD Joint Programme for Angola. The programme has provided a platform for the development of comprehensive partnerships with various actors. Internally, the programme is being delivered through the concerted efforts of four divisions⁷ and taking advantage of UNCTAD expertise in seven areas. Externally, UNCTAD works closely with the Resident Coordinator Office in Angola, including in support provided to the development of a smooth transition strategy of Angola and on various technical assistance activities. In addition, the partnership with the European Union extends from financial support to a strategic partnership under various policy and action areas. Joint delivery of technical support, analysis and trainings have also been undertaken with various international partners, including the Food and Agriculture Organization of the United Nations, United Nations Educational, Scientific and Cultural Organization, UNDP, World Bank, African Development Bank and others. At the national level, activities are delivered through the leadership of national institutions or in close collaboration with them, covering most of the ministries and agencies of Angola.

51. The project, Global initiative towards post-COVID19 resurgence of the microenterprise and small and medium-sized enterprise sector, is another salient example demonstrating the added value of interdivisional and inter-agency cooperation. The project brought in the expertise of seven United Nations entities, namely UNCTAD, the Department of Economic and Social Affairs and five regional economic commissions, to jointly facilitate resurgence and strengthen resilience of microenterprises and small and medium-sized enterprises. Within UNCTAD, five teams under two divisions⁸ have provided technical assistance in the areas of entrepreneurship, business facilitation, accounting for microenterprises and small and medium-sized enterprises, trade and gender, and competition policy and laws. The project has adopted a coherent and integrated approach to address some key interrelated issues for creating an enabling entrepreneurship ecosystem for microenterprises and small and medium-sized enterprises. The contributions from different

⁶ Initiative formally launched in May 2022 (see <https://unctad.org/news/new-global-alliance-special-economic-zones-boost-development> and <https://www.youtube.com/watch?v=FJlIayX4qzo>).

⁷ Division for Africa, Least Developed Countries and Special Programmes, Division on International Trade and Commodities, Division on Investment and Enterprise and Division on Technology and Logistics.

⁸ Division on Investment and Enterprise and Division on International Trade and Commodities.

organizations are based on their comparative advantages and complement each other. For instance, Economic Commission for Europe training materials on rationale use of natural resources are incorporated into the business development services portfolio of the Empretec centres of UNCTAD. The UNCTAD network of Empretec centres in about 40 countries, within their national microenterprise and small and medium-sized enterprise networks, provides institutional support for the dissemination and implementation of relevant outputs of other agencies.

4. Requests from developing countries

52. According to data retrieved from the (internal) UNCTAD request database on 23 June 2022, UNCTAD received 62 formal requests for technical cooperation in 2021 from 38 countries and eight regional and international organizations. During the period 2018–2021, there were 202 requests in total for which funding was required. Out of these, the five products registering the highest number of requests with funding required were: business facilitation, e-commerce and the digital economy, competition and consumer protection policies and frameworks, entrepreneurship for sustainable development, and investment promotion and facilitation. There were also nine requests with funding required, but not linked with any of the *UNCTAD Toolbox* products, such as requests in the areas of productive capacities and creative industries.

53. To bridge the funding gap, UNCTAD has been exploring new funding sources and innovative ways of funds mobilization. One good example is the e-commerce and the digital economy programme, which has seen donor contributions received by UNCTAD increase from \$2.2 million in 2020 to \$6.1 million in 2021. To ensure the value for money of interventions, the programme continued strengthening its results-based management approach and monitoring and evaluation framework. In 2021, Switzerland became a new donor of the programme, and a Core Donor Advisory Board was created comprising Germany, the Netherlands and Switzerland, which each contribute more than US\$1 million in non-earmarked programmatic funding with multi-year horizons. In June 2022, Sweden scaled up its support to the programme and joined the Core Donor Advisory Board. The programmatic approach to funding has helped to reduce uncertainty and ensure proper staffing of the programme and continuity of interventions. Furthermore, thanks to close collaboration with the United Nations Capital Development Fund and UNDP in the form of the Pacific Digital Economy Programme, the e-commerce and the digital economy programme has been able to benefit from funding from Australia to undertake activities in the Pacific.

5. Strengthening results-based management

54. Since the launch of the Integrated Planning, Monitoring and Reporting (IPMR) Solution in January 2021, significant efforts have been deployed by the secretariat to adopt this new system, designed to support project officers and managers in planning, managing, monitoring and tracking their projects using results-based management methodology (see box).

Integrated Planning, Monitoring and Reporting Solution: Work in progress

The work of the secretariat in 2021 and early 2022 in adopting the IPMR Solution involves three main streams.

First, providing trainings, guidance material and other support service to enhance the knowledge of project officers on the IPMR Solution. All project officers were requested to complete six mandatory online courses to have a basic understanding of the IPMR Solution. Two additional in-house trainings were offered to project officers in March and May 2021, respectively, to address UNCTAD-specific issues in implementing the Solution. To provide hands-on guidance to project officers, internal guidelines for entering projects into the IPMR Solution were drafted and issued. UNCTAD also made substantive contributions to the development of tailored guidance for Development Account project officers considering the specificities of this type of project. Furthermore, an IPMR Solution

clinic was created in Microsoft Teams, which serves as a repository for IPMR Solution-related files and documents and provides for questions and answers in the chat function.

Second, applying the IPMR Solution in the design and clearance of new UNCTAD projects. Starting from 10 May 2021, all new extrabudgetary project proposals should be entered into the IPMR Solution for them to be considered for approval. Work has also been done to align the UNCTAD trust fund management e-clearance system with the IPMR Solution, including to streamline and minimize the input of data in the e-clearance system. In early 2022, UNCTAD successfully piloted two Development Account projects using the IPMR Solution for project creation and budget allocation.

Third, converting active projects into the IPMR Solution and enriching projects with relevant data. With the support of the Umoja development team in New York, all ongoing UNCTAD extrabudgetary projects were imported into the IPMR Solution. Project officers were then requested to enter missing project data (e.g. the logical framework and compulsory tags – Sustainable Development Goals, geographical, gender, disability, etc.) into the IPMR Solution, thereby making comprehensive project data available through the Solution. This process is ongoing.

For next steps, the focus would be how to make good use of the available data in the IPMR Solution for monitoring and reporting purposes, including the creation of dashboards. In this regard, UNCTAD will make use of the new functions once they are made available by the Umoja development team, with the aim of making the IPMR Solution an effective tool for tracking results.

55. In 2021, divisions further enhanced the results orientation of their operational activities and attached more importance to monitoring and evaluation. For example, in the Division on International Trade and Commodities, based on the project monitoring and evaluation plan, feedback is sought from participants both at the end of an event through an evaluation form and within a period after the event to check if participants are using the knowledge gained from UNCTAD technical assistance. Regular contact is maintained with the beneficiaries to assess the extent to which policy recommendations derived from technical cooperation projects are implemented. In the Division on Technology and Logistics, the trade facilitation team uses a newly created e-learning platform to produce a series of reporting dashboards, conducts end-of-course surveys to assess the quality of courses and further improve the learning experience, and gathers testimonials of trainees to illustrate the impact of the trainings.

56. In the area of e-commerce, to support the effective implementation of the recommendations contained in the eTrade readiness assessments, in 2020, the programme set up an eTrade readiness implementation support mechanism centred on an implementation review to monitor progress in the implementation of recommendations. In 2021, the Programme intensified efforts to foster synergies between development partners by working more closely with the United Nations resident coordinator offices in beneficiary countries to identify technical and financial support for implementation, helping to strengthen multi-stakeholder dialogue and integrate digital-for-development policy recommendations in development cooperation frameworks at the country level. The second implementation review, conducted in 2021, shows that countries have increasingly taken ownership of the implementation process and are making good progress, partly thanks to the support of development partners.

6. Gender equality and women's empowerment

57. In 2021, gender equality and women's empowerment were reinforced in different technical cooperation programmes of UNCTAD. For example, a new teaching module subtitled "Trade and gender linkages: An analysis of least developed countries" was developed by the trade and gender team. Based on this module and volume 1 of the UNCTAD teaching manual on trade and gender, an online course was delivered in 2021 to 163 participants (including 90 women) from 60 countries, including 25 least developed countries. Similarly, the trade facilitation team, in collaboration with UNCTAD trade and gender team, developed an online training course on gender perspectives in trade facilitation reforms which was delivered in 2021 to more than 150 members of national trade facilitation

committees. In the area of investment, in 2021, the Sustainable Stock Exchanges initiative launched a new database on gender equality that tracks gender balance in boardrooms across all stock exchanges in Group of 20 countries. In addition, a Sustainable Stock Exchanges policy brief was published on gender equality.

58. ASYCUDA, as the leading technical cooperation programme of UNCTAD, has consistently encouraged gender balance and women's empowerment in both ASYCUDA local teams and customs national teams as well as in the selection of trainers and trainees. Moreover, the programme drafted a gender parity strategy, outlining its objectives and main areas of focus. The main challenges to achieving gender parity are identified, and measurable targets and milestones to gradually improve the gender ratio are outlined. Areas of intervention to make such changes sustainable are identified and mechanisms to monitor and evaluate the implementation of the strategy are proposed.

7. Technical cooperation strategy

59. The Bridgetown Covenant, the outcome document of the fifteenth session of the United Nations Conference on Trade and Development, states that a comprehensive and coherent technical cooperation strategy should be prepared by the secretariat, in consultations with the membership, which will define the UNCTAD focus for future technical cooperation within its mandate (TD/541/Add.2, paragraph 115). In this regard, member States discussed a draft technical cooperation strategy at the eighty-third session of the Working Party on the Programme Plan and Programme Performance in February 2022 and provided comments. The final UNCTAD technical cooperation strategy was adopted at the sixty-ninth session of the Trade and Development Board (see TD/B/69/4/Add.1).

B. Contribution to United Nations system-wide coherence

60. 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", with initiatives carried out at the national, regional and global levels.

61. The Inter-Agency Cluster coordinates its participation in the United Nations Sustainable Development Group and proposes coherent approach on trade and trade-related issues. In the context of United Nations reform, the Inter-Agency Cluster provides a suitable vehicle to develop modular technical assistance with a view to establishing well-funded and targeted joint programmes, leading to increased coherence and impact at the country level.

62. At the national level, in 2021, UNCTAD was involved in the following United Nations Sustainable Development Frameworks:

- (a) Africa (Eastern and Southern, Western and Central): Angola, Cabo Verde, Comoros, Côte d'Ivoire, Ethiopia, Lesotho, Madagascar, Mozambique, Rwanda, Uganda, United Republic of Tanzania, Zambia and Zimbabwe;
- (b) Arab States, Middle East and North Africa: Egypt, Iraq and Morocco;
- (c) Asia and the Pacific: Afghanistan, Bangladesh, Bhutan, Lao People's Democratic Republic, Myanmar, Nepal, Pakistan, Timor-Leste and Viet Nam;
- (d) Europe and Central Asia: Albania, Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Republic of Moldova, Montenegro, Serbia, Turkmenistan, Türkiye and Uzbekistan;
- (e) Latin America and the Caribbean: Costa Rica, Cuba, Guatemala, Haiti and Uruguay.

63. At the regional level, the Inter-Agency Cluster continued to liaise with regional directors of the United Nations Development Coordination Office and with the regional economic commissions to exchange best practices emerging from the United Nations Sustainable Development Cooperation Frameworks. It also continued cooperation with United Nations resident coordinators in the context of the Great Lakes Regional Strategic Framework.

64. At the global level, a pre-event to the fifteenth session of the Conference dedicated to the United Nations Inter-Agency Cluster on Trade and Productive Capacity was organized on 21 September 2021. Named “Joining forces for a new path of development at the country level”, the event raised awareness on the Inter-Agency Cluster among member States, United Nations resident coordinators and donors.

IV. Conclusions and way forward

65. After the COVID-19 shock in 2020, UNCTAD technical cooperation activities quickly recovered in 2021 both in terms of delivery and funds mobilization. Total trust fund resources reached a new record of \$51.2 million. Major sources of funding, including developed and developing economies, enhanced their financial support to UNCTAD technical cooperation. In terms of delivery, the overall expenditures of technical cooperation rose significantly to a historic high of \$46.8 million. This achievement is remarkable as COVID-19 continued affecting travel in most of 2021, demonstrating the strong capacity of UNCTAD in swiftly adapting to the new operational environment shaped by the pandemic.

66. While the technical assistance of UNCTAD to developing countries in recovering better from the pandemic is ongoing, geopolitical tensions are causing or exacerbating a new triple crisis of food, energy and finance that is impacting the developing world, with the most vulnerable countries hit hardest. To help developing countries build resilience to better address the current and future crises and support their efforts in achieving the Sustainable Development Goals, UNCTAD will design and deliver its technical cooperation in a flexible and innovative way. Building on the first-hand experience gained during the pandemic and a good understanding of the pros and cons of different delivery modalities, UNCTAD will use digital delivery tools in an optimal way to keep its technical cooperation more agile, resilient, efficient, effective and fit for purpose.

67. Sustainable and predictable funding support from member States and development partners is crucial for UNCTAD to deliver its promise on technical cooperation. UNCTAD calls on more donors to make multi-year contributions with fewer earmarks, which can help UNCTAD better plan and improve the synergies of its technical cooperation activities and swiftly respond to the demand of developing countries. At the secretariat level, UNCTAD will enhance the coordination of its fundraising activities, strengthen the relationship with existing donors and further broaden its donor base so that more requests from member States can be addressed in a timely fashion.

68. The year 2021 saw another year of active participation of UNCTAD in the reform of the United Nations development system. For the first time, funds mobilized through “Delivering as one” funding mechanisms reached \$1.8 million. To further enhance UNCTAD access to funding through these increasingly important funding mechanisms, UNCTAD will intensify its engagement with resident coordinator offices, seeking to increase the visibility of UNCTAD in the field, strengthen UNCTAD participation in the United Nations development assistance planning process and better coordinate UNCTAD funds mobilization efforts at the country level.
