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Review of the technical cooperation activities of UNCTAD and their financing

Summary

In 2023, UNCTAD technical cooperation continued to gain momentum. After three years of consecutive growth, total technical cooperation expenditures reached another high of \$57.27 million. Expenditures under “Delivering as one” funding mechanisms rose by 15 per cent and, for the first time, exceeded \$6 million, representing 11 per cent of technical cooperation expenditures. In 2023, 42 per cent of total technical cooperation expenditures benefited the least developed countries.

Voluntary funding to UNCTAD technical cooperation trust funds rebounded, to reach \$49.90 million, the second highest level since 2018 and only 3 per cent below the historic high registered in 2021. The significant increase in funding support from developed economies, the European Union and the public and private sectors largely contributed to this increase.

With regard to the management of technical cooperation, UNCTAD continued to enhance synergies among the three pillars of work, leveraging internal and external partnerships, to strengthen the efficiency and effectiveness of technical cooperation, update the request database in a timely fashion and steadily progress in the design of the overarching results framework in order to enhance the accountability of the work of UNCTAD. In addition, UNCTAD demonstrated commitment in participating in the reform of the United Nations development system through enhanced engagement with the resident coordinator system and the record high of \$2.89 million accessed in 2023 through multi-donor trust funds available at the country level.



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 2023. 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 2023. 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. Finally, conclusions and suggestions for the way forward are provided.

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 frameworks 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 technical cooperation trust funds by individual Governments, the European Union, the United Nations system and other international organizations and the public and private 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 Inter-Agency Cluster in repositioning the United Nations development system to better support the 2030 Agenda for Sustainable Development, UNCTAD access to “Delivering as one” funding mechanisms is 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.

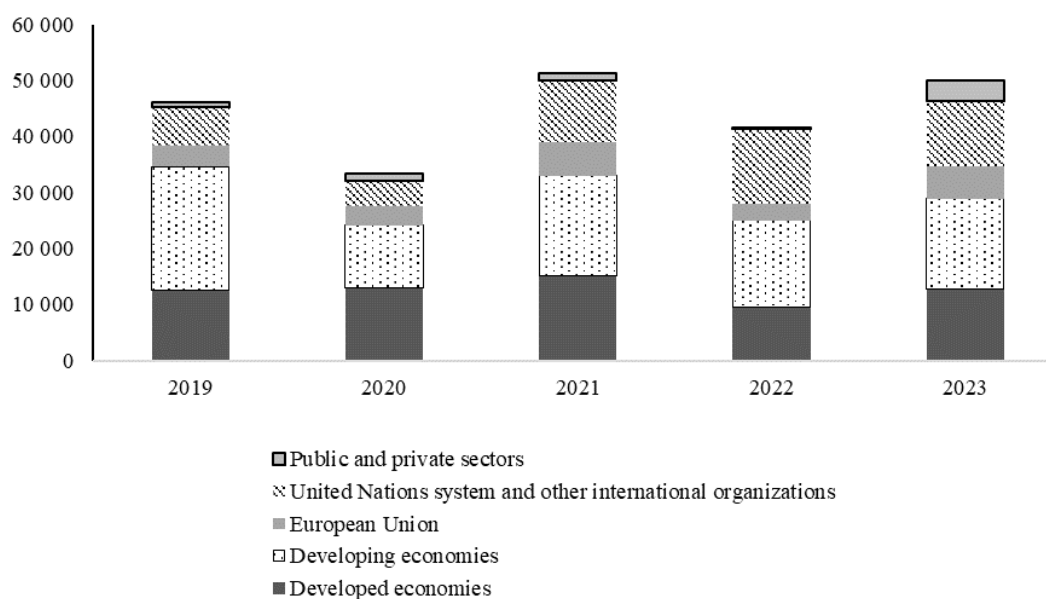
A. Trust fund resources

6. Voluntary funding to UNCTAD technical cooperation trust funds has continued to fluctuate. In 2023, total extrabudgetary resources for technical cooperation amounted to \$49.90 million, an increase of 20 per cent year-on-year and above the five-year average in 2018–2022 by 21 per cent. This increase was driven by increases in the four categories of funding sources, particularly from developed economies, the European Union and the public and private sectors (figure 1).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

Figure 1
Origins of UNCTAD trust fund resources

(Thousands of dollars)



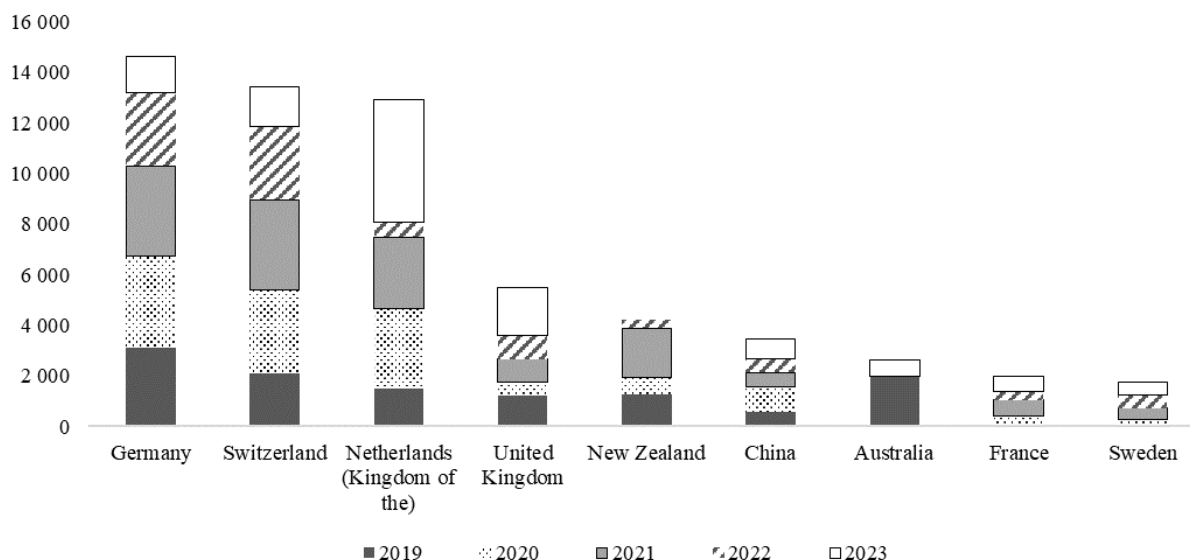
Source: UNCTAD.

Notes: Total excludes contributions to the United Nations Junior Professional Officer 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/332/Add.2, table 15). Contributions from developed and developing economies for the period 2019–2020 have been revised according to the new classification.

7. Contributions of developed economies to technical cooperation trust funds rebounded significantly, from \$9.43 million in 2022 to \$12.74 million in 2023, rising by 35 per cent, and their share of total voluntary funding also increased, from 23 to 26 per cent. In 2023, the Kingdom of the Netherlands was the largest developed economy contributor, with contributions of \$4.84 million. Germany, Switzerland and the United Kingdom of Great Britain and Northern Ireland each contributed between \$1.4 million and \$2 million. Combined, the contributions from these four donors represented 76 per cent of total contributions by developed economies to UNCTAD technical cooperation. About 4 per cent of developed economy contributions were self-financed, such as the contribution of Albania to implement an Automated System for Customs Data (ASYCUDA) project in the customs administration. With regard to total contributions accumulated over the last five years, Germany, Switzerland and the Kingdom of the Netherlands continued to be by far the three largest developed country donors, with the contributions of each ranging from \$12.9 million to \$15 million (figure 2). They were followed by the United Kingdom and New Zealand, which registered accumulated contributions of \$5.49 million and \$4.24 million, respectively. In 2023, contributions from developed economies were mainly directed towards technical cooperation products such as ASYCUDA, business facilitation, the Debt Management and Financial Analysis System (DMFAS), electronic commerce (e-commerce) and the digital economy, sustainable trade and the environment and trade facilitation.

maintains the categorization of developing and developed regions in the standard country or area 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 the classifications in the UNCTADstat database.

Figure 2
Accumulated contributions by major developed and developing economy contributors
 (Thousands of dollars)



Source: UNCTAD.

8. Funding from developing economies increased by 4 per cent from the level in 2022, to \$16.10 million in 2023, representing 32 per cent of total trust fund resources. It is noteworthy that 93 per cent of funding from developing economies was allocated to activities in their respective economies, mainly to implement the ASYCUDA (77 per cent) and DMFAS (4 per cent) programmes. Seven per cent of developing country funding (\$1.13 million) was aimed at supporting UNCTAD technical cooperation to benefit other developing economies. Within this category, China remained the largest contributor.

9. The European Union doubled contributions to UNCTAD technical cooperation, from \$2.92 million in 2022 to \$5.87 million in 2023, close to the high level of \$6.07 million in 2021. Consequently, the share of the European Union in total technical cooperation trust fund resources increased from 7 per cent in 2022 to 12 per cent in 2023. Contributions were mainly directed to supporting a project on capacity-building in international investment agreements and facilitation; ASYCUDA projects in the Republic of Moldova and the member States in the Pacific of the Organization of African, Caribbean and Pacific States; DMFAS; and the European Union–UNCTAD Joint Programme for Angola. Together, the European Union and its member States contributed \$13.81 million to UNCTAD in 2023, accounting for 28 per cent of total UNCTAD trust fund resources, up from 19 per cent in 2022.

10. After two years of consecutive growth, contributions from the United Nations system and other international organizations fell to \$11.57 million in 2023, or 14 per cent below the high level in 2022, yet 36 per cent higher than the five-year average in 2018–2022. Within the category, the three largest contributors are the United Nations Development Programme (UNDP), the UNDP Multi-Partner Trust Fund Office and the World Bank. UNDP contributed \$3.22 million, mainly to finance two ASYCUDA projects, in Afghanistan and Turkmenistan.

11. In 2023, funding from the public and private sectors reached \$3.62 million, the highest level in a decade and nearly four times the average of \$0.83 million in 2018–2022. This increase is largely due to new contributions received from the private sector, including \$0.88 million from a privately held development company in the United Kingdom, made in the framework of the Innovative Private Sector Development Project funded by the World Bank, in which the company is an implementing agency, to support the implementation of a business facilitation project in the State of Palestine.

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

12. 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 2023, expenditures under the regular programme of technical cooperation and the Development Account dropped by 24 per cent, to \$3.64 million, largely due to the decrease of expenditures under the Development Account. Accordingly, their share of total technical cooperation expenditures decreased from 9 per cent in 2022 to 6 per cent in 2023.

13. Expenditures under the regular programme of technical cooperation, used mainly for advisory services and training activities, reached \$1.99 million in 2023, an increase of 17 per cent compared with in 2022. One of the capacity-building activities for which resources under the regular programme of technical cooperation were used was the UNCTAD course on key issues on the international economic agenda, known as the paragraph 166 courses. In 2023, UNCTAD delivered six short courses for Geneva-based delegates and two regional courses, for Eastern Europe and for the Middle East and North Africa. Resources under the regular programme of technical cooperation were also used to support developing countries with e-trade readiness assessments and e-commerce strategies; the group of the least developed countries at the World Trade Organization on rules of origin-related issues, including through the provision of training courses to discuss, prepare and simulate negotiations on rules of origin; and countries graduating from the least developed country category. In 2023, the vulnerability profile of Cambodia was prepared, and advisory services and capacity-building workshops were provided to help equip Cambodia to address the trade-related changes associated with graduation.

14. The Development Account is an important funding mechanism in support of capacity development projects delivered by 10 economic and social entities of the United Nations Secretariat, including UNCTAD. In 2023, 17 Development Account projects were implemented by UNCTAD, including joint projects in which UNCTAD participated. Total expenditures under these projects amounted to \$1.65 million, a decrease of 46 per cent compared with in 2022. Several factors contributed to this decrease, in particular the close of four pandemic-related joint projects implemented in 2020–2022 and the implementation of several joint projects for which a significant part of project funds was allocated to other implementing entities, leading to fewer expenditures recorded by UNCTAD.

15. Under the new 17th tranche of the Development Account, which has a central theme of climate change, three UNCTAD projects with a total budget of \$2.47 million were endorsed for funding by the Development Account Steering Committee. These projects cover issues such as climate-smart trade facilitation; stronger and greener productive capacities for just transitions; and sustainable product export strategies and traceability for a green, sustainable and inclusive economy. In addition, UNCTAD will jointly, with the Department of Economic and Social Affairs, deliver a project on evidence-based climate action through artificial intelligence and data innovation. The implementation of these projects is expected to start in 2025 after the approval of the Development Account budget by the General Assembly.

16. Structurally weak and vulnerable economies, including the least developed countries and small island developing States, are prioritized beneficiaries of UNCTAD projects under the Development Account. For example, among the 14 active projects led by UNCTAD and funded by the 13th to 16th tranches of the Development Account, four are exclusively and seven are partly focused on small island developing States. UNCTAD technical assistance in some small island developing States and the main results are highlighted in the box.

UNCTAD technical cooperation with small island developing States: Building resilience and advancing sustainable development

With funding under the Development Account, UNCTAD supports small island developing States in addressing systemic vulnerabilities, fostering economic diversification, building resilience to external shocks and achieving national and international development goals.

In the Pacific, UNCTAD worked with the Melanesian Spearhead Group to increase the capacity of its four member States, namely, Fiji, Papua New Guinea, Solomon Islands and Vanuatu, to identify and strengthen synergistic linkages between green trade promotion and national sustainable development strategies. By the close of the project at end-2023, 346 stakeholders had participated in national and regional workshops. At the regional level, the secretariat of the Group and its member States had validated the subregional action plan to enhance green and sustainable trade. At the national level, the project recommendations have already brought about policy changes. In Papua New Guinea, for example, a new voluntary sustainability standard for vanilla was issued in March 2024 as a direct result of project implementation.

In the Caribbean, UNCTAD supported Barbados, Belize and Costa Rica in fostering the sustainable trade of products and services in ocean-based economic sectors through the design and implementation of oceans economy and trade strategies. One achievement of the project is the launch and registration in Costa Rica of the collective trademark “Pura vida seafood and aquaculture”, for sustainable and responsible fish and seafood products, the first trademark of this type in the Caribbean and Central America. During the pandemic, project activities had to be adjusted, to help stakeholders assess the impact of the pandemic on key fish and seafood value chains and make recommendations for redevelopment, sustainability and resilience.

In Africa, several projects are being implemented by UNCTAD, covering the areas of technology assessment, sustainable smart ports, e-commerce and the digital economy and external financial resource mobilization beyond the pandemic.

These are some examples of UNCTAD assistance to small island developing States under the Development Account. In 2023, overall, 28 projects focused exclusively on small island developing States and expenditures under these projects amounted to \$9.67 million, representing 17 per cent of total technical cooperation expenditures in 2023.

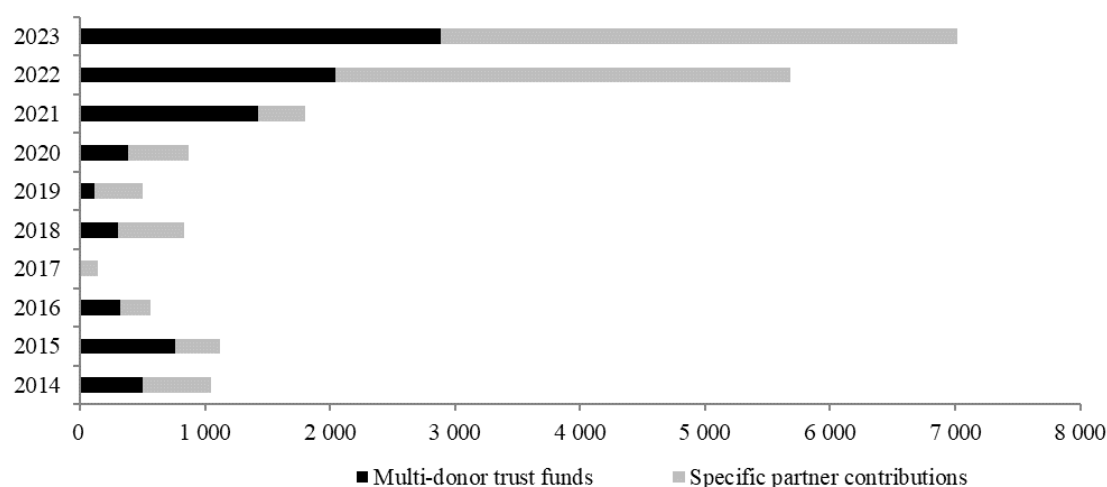
Source: UNCTAD.

C. “Delivering as one” funding mechanisms to support joint programmes of the United Nations Inter-Agency Cluster on Trade and Productive Capacity

17. Led by UNCTAD, with the participation of 15 resident and non-resident United Nations agencies, the Inter-Agency Cluster is an inter-agency mechanism dedicated to the coordination of trade and development operations at the country level. The Inter-Agency Cluster makes a concrete and direct contribution to the reform of the United Nations development system by coordinating inter-agency operations in identified countries and by accessing innovative financing mechanisms such as “Delivering as one” funding mechanisms.

18. In 2023, UNCTAD access to “Delivering as one” funding mechanisms, which consist of specific partner contributions and multi-donor trust funds, reached a new record high of \$7.02 million, registering a strong growth of 23 per cent (figure 3).

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



Source: UNCTAD.

1. Specific partner contributions

19. Specific partner contributions are direct contributions to one or more agencies given by one or more donors to support inter-agency operations. In 2023, UNCTAD received contributions amounting to \$4.13 million. This included several contributions made by other Inter-Agency Cluster agencies through United Nations-to-United Nations transfer agreements, including contributions from UNDP to implement trade facilitation projects in Afghanistan and Turkmenistan.

2. Multi-donor trust funds

20. Multi-donor trust funds are pooled funding mechanisms managed by the UNDP Multi-Partner Trust Fund Office with a structure that involves the representatives of the United Nations system, national Governments and donors. In 2023, UNCTAD access to these funds continued to increase, notably with the yearly allocation received by UNCTAD reaching a new record of \$2.89 million, up by 41 per cent compared with in 2022. These contributions will support UNCTAD participation in several joint projects, including the continuous delivery of a trade facilitation project in Afghanistan, a joint initiative on the data revolution in the Comoros and the Pacific Digital Economy Programme.

D. Financing of junior professional officers

21. 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.

22. In 2023, the number of junior professional officers working at UNCTAD continued to rise, reaching nine, compared with eight in 2022 and five in 2021. They contributed to the work of five UNCTAD divisions, with four officers in the Division on Technology and Logistics, two officers in the Division on International Trade and Commodities and one officer each in the other three divisions.² In 2023, six countries contributed to the programme; China, Germany and Japan each sponsored two officers and France, Italy and the United Kingdom sponsored one officer each. In 2023, France resumed its support to the programme and sponsored one junior professional officer in the ASYCUDA programme.

² See TD/B/WP/332/Add.2, table 9.

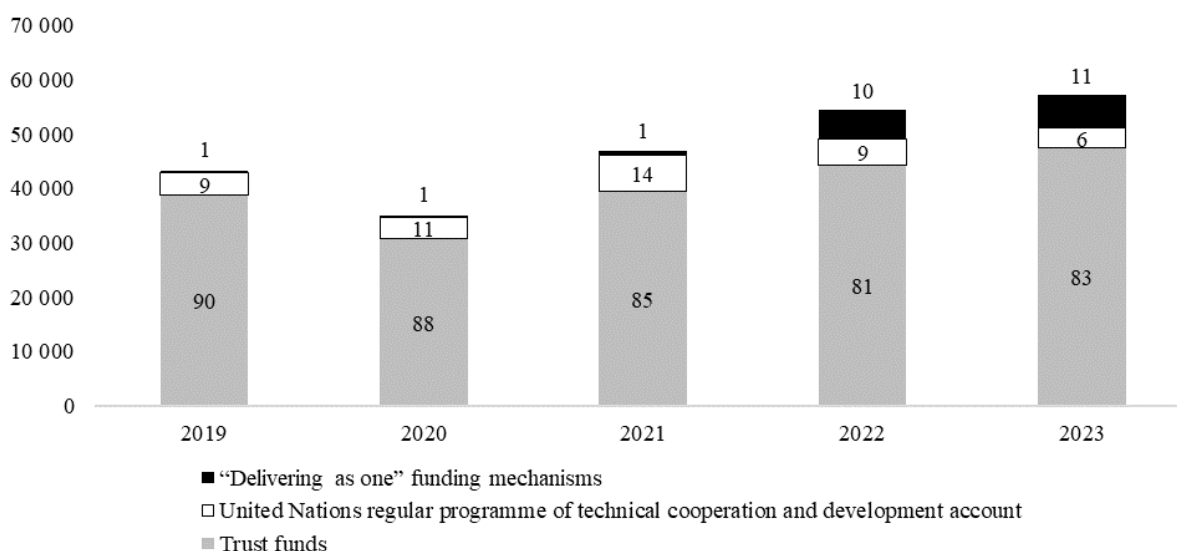
With financial support from Japan, UNCTAD hosted the first two junior professional officers from Japan since 2017.

23. 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 training received at UNCTAD has been a springboard to their subsequent career development. The demand by the 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

24. Following a significant increase in 2022, total technical cooperation expenditures further increased in 2023, reaching a new record high of \$57.27 million, up by 5 per cent from 2022.³ Expenditures under trust funds rose by 7 per cent, to \$47.42 million, representing 83 per cent of total expenditures in 2023. Expenditures under “Delivering as one” funding mechanisms were \$6.21 million, reaching a high of 11 per cent of total expenditures in 2023. By contrast, expenditures under the United Nations regular programme of technical cooperation and the Development Account decreased to \$3.64 million, partly due to the close of pandemic-related joint projects under the Development Account. Accordingly, the corresponding share of total expenditures fell from 9 per cent in 2022 to 6 per cent in 2023 (figure 4).

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



Source: UNCTAD.

A. Expenditures by type of project

25. UNCTAD technical cooperation projects are delivered at the interregional, regional and country levels. In 2023, expenditures increased under each of the three types. In terms of the share of total technical cooperation expenditures, no significant changes were observed between 2022 and 2023. The share of country projects decreased from 46.6 to

³ See TD/B/WP/332/Add.2, table 2.

45.4 per cent; the share of regional projects increased to 18.4 per cent; and the share of international projects increased to 36.3 per cent (figure 5).

Figure 5

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

(Percentage)

(a) 2022



(b) 2023



Source: UNCTAD.

26. After a significant increase in 2022, expenditures under country projects reached \$25.98 million in 2023, a slight increase of 2 per cent. Most 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 2023, \$13.69 million, or 53 per cent of expenditures under country projects, contributed to the implementation of projects in the least developed countries.

27. Expenditures under regional projects rose by 7 per cent, from \$9.82 million in 2022 to \$10.51 million in 2023, mainly driven by the increased expenditures for regional projects in all regions except Africa (there was no regional project in North America in 2022 or 2023).

28. Interregional projects are thematic projects that could benefit more than one geographic region. In 2023, expenditures under this category increased by 8 per cent, to \$20.78 million. Expenditures under interregional projects have contributed to the delivery of a variety of technical cooperation products.

B. Expenditures by product

29. With the increase in overall technical cooperation expenditures in 2023, expenditures under the 28 technical cooperation products of UNCTAD increased by 7 per cent, to \$51.98 million, accounting for 91 per cent of annual technical cooperation delivery (see table). ASYCUDA remained by far the largest technical cooperation product, representing 47 per cent of total technical cooperation expenditures in 2023. The programme was followed by DMFAS and e-commerce and the digital economy, representing 11 and 10 per cent of total delivery, respectively. The top three technical cooperation products all strengthened delivery in 2023, namely, ASYCUDA, by 12 per cent; DMFAS, by 7 per cent; and e-commerce and the digital economy, by 8 per cent. Nine products each accounted for expenditures at 1–5 per cent of total delivery. Combined, they represented 19 per cent of total technical cooperation expenditures. The remaining 16 products accounted for less than 1 per cent each of total delivery, including three products without expenditures in 2023 (the product “Investment guides” has been discontinued and related work has been subsumed under the product “Business

facilitation”). Some of the products with minimal or no expenditures will be merged in the updated version of the UNCTAD Toolbox.

Technical cooperation expenditures in 2023, by theme and product

<i>Product</i>	<i>Related Sustainable Development Goals</i>	<i>Expenditures, 2023 (Thousands of dollars)</i>	<i>Share of total (Percentage)</i>
Transforming economies, fostering sustainable development			
Investment policy reviews	8, 17	78	0.14
Services policy reviews	8, 9, 17	-	0.00
Trade policy framework reviews	17	86	0.15
Science, technology and innovation policy reviews	9	34	0.06
E-commerce and the digital economy	8, 9, 17	5 869	10.25
Investment guides	9, 17	-	0.00
Non-tariff measures	3, 8, 17	1 336	2.33
Trade negotiations and the international trading system	10, 17	448	0.78
Sustainable trade and the environment	12, 13, 14, 15	1 396	2.44
Investment promotion and facilitation	9, 17	461	0.80
Tackling vulnerabilities, building resilience			
Support to graduation from least developed country status	8	105	0.18
DMFAS – Debt Management and Financial Analysis System	17	6 476	11.31
UNCTAD contribution to the Enhanced Integrated Framework	9, 17	874	1.53
Market access, rules of origin and geographical indications for the least developed countries	8, 10, 17	5	0.01
Breaking the chains of commodity dependence	8, 9	-	0.00
Sustainable and resilient transport and logistics services	8, 9, 13, 14	135	0.24
Fostering economic efficiency, improving governance			
Voluntary peer reviews of competition and consumer protection law and policy	8, 10	29	0.05
Business facilitation	8, 16	2 772	4.84
Trade facilitation	10, 16	1 245	2.17
ASYCUDA – Automated System for Customs Data	9, 15, 17	26 663	46.56
Statistics	17	871	1.52
Enabling accounting and reporting on the private sector contribution to the implementation of the Sustainable Development Goals	12, 17	209	0.36
Investment and public health	3, 9	352	0.61
International investment agreements	17	20	0.04
Competition and consumer protection policies and frameworks	8, 9, 10, 12, 17	197	0.34
Empowering people, investing in their future			
Trade, gender and development	5, 8	645	1.13
Entrepreneurship for sustainable development	4, 8	716	1.25
Train for Trade	8, 9, 14, 17	952	1.66
		51 975	90.75

Source: UNCTAD.

30. 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 2023, an estimated \$20.91 million or 37 per cent of total expenditures directly contributed towards achieving Goal 17; \$12.44 million or 22 per cent of total expenditures contributed towards achieving Goal 9; 16 per cent contributed towards achieving Goal 15; and 9 per cent contributed towards achieving Goal 8.⁴

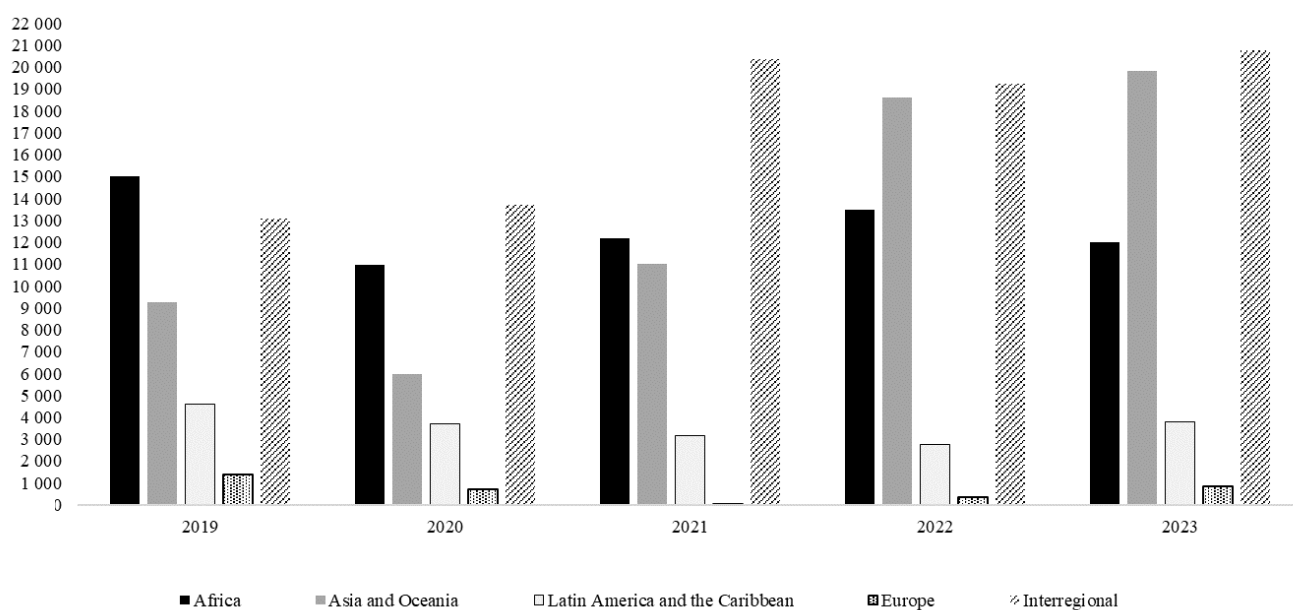
C. Expenditures by region

31. In 2023, expenditures under regional and country projects amounted to \$36.49 million, representing 64 per cent of total expenditures. Of such expenditures, \$12.01 million was spent in Africa, 11 per cent less than in 2022. Consequently, the share of country and regional projects in Africa in total technical cooperation expenditures decreased from 25 per cent in 2022 to 21 per cent in 2023 (figures 6 and 7). Increased expenditures under several products such as trade, gender and development, the UNCTAD contribution to the Enhanced Integrated Framework, investment and public health and sustainable trade and environment did not offset decreased delivery under other products, in particular trade facilitation, statistics, business facilitation and non-tariff measures.

Figure 6

Technical cooperation expenditures, by region, for regional and country projects

(Thousands of dollars)

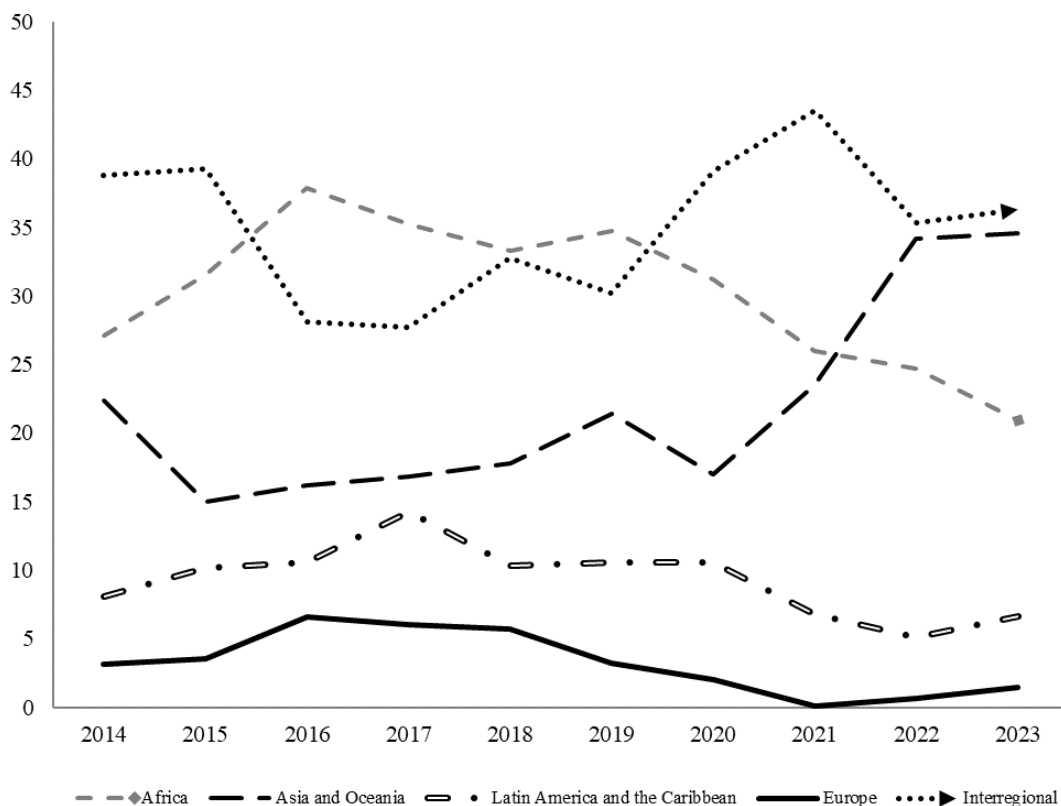


Source: UNCTAD.

Note: In 2023, expenditures in North America totalled \$22,795.

⁴ See TD/B/WP/332/Add.2, table 5.

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



Source: UNCTAD.

Note: Only expenditures for regional and country projects are considered, and the share of North America is not reflected since expenditures in the region in 2023 totalled \$22,795.

32. Following two years of increase, in 2023, expenditures under regional and country projects in Asia and Oceania further rose by 6 per cent, to \$19.82 million. The corresponding share of total expenditures increased slightly, to 35 per cent. In 2023, expenditures increased under several products in the region, in particular, ASYCUDA, which registered an increase of 8 per cent year-on-year, accounting for 79 per cent of expenditures under regional and country projects in Asia and Oceania.

33. Following three years of decrease, expenditures under regional and country projects in Latin America and the Caribbean rebounded to \$3.79 million in 2023, an increase of 37 per cent compared with in 2022. The corresponding share of total expenditures rose from 5 per cent in 2022 to 7 per cent in 2023, mainly led by ASYCUDA, which accounted for 93 per cent of expenditures under regional and country projects in Latin America and the Caribbean in 2023. ASYCUDA increased expenditures by 68 per cent in the region compared with in 2022.

34. Expenditures under regional and country projects in Europe more than doubled in 2023, to reach \$0.85 million, accounting for 1.5 per cent of total expenditures, mainly to implement a regional project to support negotiations on the reform of the dispute settlement mechanism for resolving non-tariff barriers between Parties to the Central European Free Trade Agreement, as well as ASYCUDA projects in Albania and the Republic of Moldova.

35. In North America, \$22,795 in expenditures were recorded in 2023, related to the implementation of an ASYCUDA project in Saint Pierre and Miquelon.

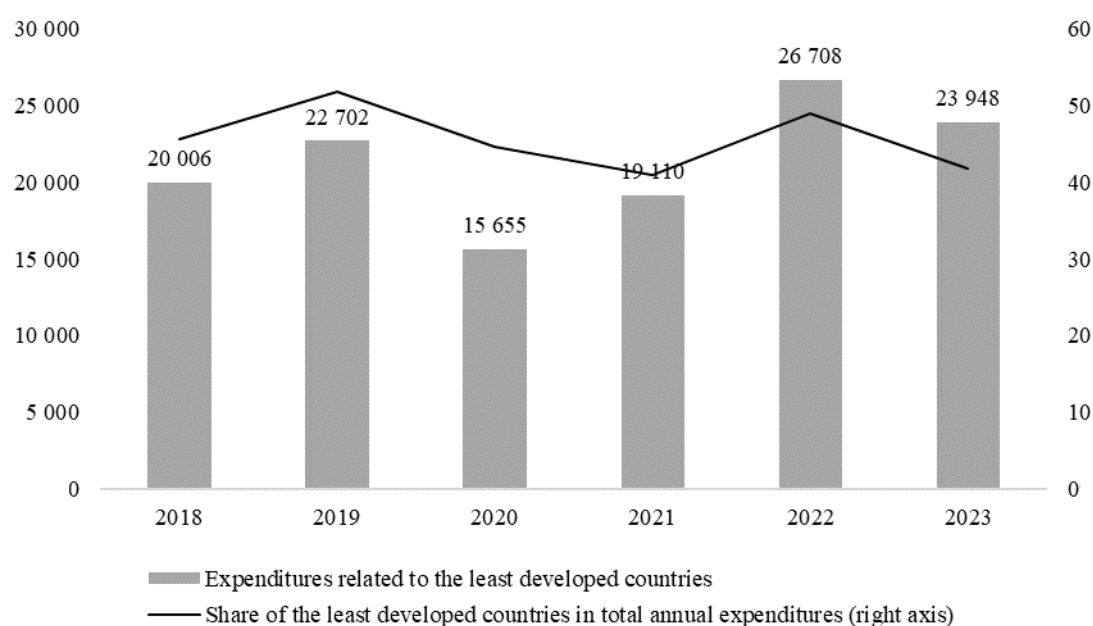
D. Expenditures in support of the least developed countries

36. The least developed countries remain a prioritized group of countries in UNCTAD technical cooperation. After reaching a record high in 2022, technical cooperation expenditures in support of the least developed countries fell by 10 per cent, to \$23.95 million in 2023, but remained 15 per cent higher than the five-year average in 2018–2022. This represented 42 per cent of total technical cooperation expenditures in 2023, down from 49 per cent in 2022 (figure 8). Of such expenditures, \$13.69 million or 57 per cent, were related to the implementation of country projects in the least developed countries, covering products such as ASYCUDA and DMFAS.

Figure 8

Technical cooperation expenditures in support of the least developed countries

(Thousands of dollars and percentage)



Source: UNCTAD.

37. In 2023, with funding from the Enhanced Integrated Framework, UNCTAD continued to deliver trade-related technical assistance and institutional capacity-building for the least developed countries. For example, under a regional project on transit, transport and trade, coordination between beneficiary countries for the implementation of a functional transit programme was improved with the signing of a quadrilateral declaration on the legal convergence of frameworks on transport, intermediation, transit and trade, to enhance regional trade in West Africa, by the trade and transport ministers of Benin, Burkina Faso, the Niger and Togo. Delivery of a capacity development programme for the investment promotion agencies of the least developed countries was noted by beneficiary countries for its usefulness and relevance.

38. In 2023, the multi-donor trust fund for the least developed countries only received a contribution from Portugal (\$21,575). The lack of sustainable funding limits the scope of activities that can be undertaken in support of the least developed countries, despite increasing demands from member States to prioritize activities benefiting this group. It also hinders UNCTAD from developing a more systematic and long-term programme of support for the least developed countries. Developed countries and other development partners in a position to do so are encouraged to make contributions to the dedicated trust fund for the least developed countries.

III. Structure and functioning

A. Follow-up to intergovernmental decisions

1. UNCTAD engagement in the reform of the United Nations development system

39. In 2023, UNCTAD continued its efforts to engage with the resident coordinator system and align UNCTAD technical cooperation activities with the objectives of the reform of the United Nations development system, which aims to make it fit for purpose, to better support Member States in implementing the 2030 Agenda.⁵ UNCTAD can offer its unique expertise in trade and development and interrelated issues in the areas of finance, investment, technology and sustainable development, adding value to the work of United Nations country teams and effectively contributing to sustainable development at the country level.

40. In 2023, with strengthened ties with entities under the United Nations Inter-Agency Cluster on Trade and Productive Capacity, UNCTAD was involved in 39 United Nations sustainable development cooperation frameworks and participated in the development of 18 common country analyses. For example, in the United Republic of Tanzania, UNCTAD assistance was highlighted in the main results of the country cooperation framework presented by the resident coordinator in the context of the evaluation of the sustainable development cooperation framework. UNCTAD access to multi-donor trust fund resources available at the country level continued to trend upwards. In 2023, UNCTAD received allocations of \$2.89 million from multi-donor trust funds, including from the Joint Sustainable Development Goals Fund, compared with \$2.04 million in 2022 and \$1.43 million in 2021.

41. UNCTAD worked to better leverage the resident coordinator system to further align technical cooperation projects with cooperation frameworks. UNCTAD staff continued to benefit from regular training or information material intended to familiarize them with the resident coordinator system, ease collaboration with resident coordinator offices and United Nations country teams and contribute to sustainable development cooperation frameworks and common country analyses. In 2023, UNCTAD operational activities were integrated into the joint workplans of cooperation frameworks in 39 countries. UNCTAD enhanced the reporting of the results of technical cooperation activities at the country level on the system-wide United Nations Info platform, providing inputs to reports directly on the platform or indirectly through resident coordinator offices in 22 countries, and effectively contributed to the achievement of integrated results. To help UNCTAD project managers better understand the method of designing, delivering and reporting on country activities in line with the reform of the United Nations development system, UNCTAD provided tailored advice, facilitated communications with resident coordinator offices and delivered training. UNCTAD-wide training is planned for the second half of 2024.

42. UNCTAD increased access to multi-donor trust funds, yet the funds received are below the level allocated to some large resident agencies. UNCTAD will continue to advocate its unique expertise and actively engage with the United Nations Development Coordination Office, multi-donor trust fund managers and entities under the Inter-Agency Cluster, in order that UNCTAD can increase its share of funding under multi-donor trust funds and scale up participation in the sustainable development cooperation frameworks. UNCTAD will also further equip project managers with knowledge and tools to better engage with resident coordinator offices and country teams in the development, implementation and reporting of country-level operational activities.

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

43. 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

⁵ See <https://reform.un.org/content/un-development-system-reform-101>.

efforts are needed to increase their linkages and complementarity.⁶ The Bridgetown Covenant stresses that UNCTAD should continue its work through the three pillars, building on the Nairobi Maafikiano and based on the policy analysis in the Bridgetown Covenant.⁷

44. In 2023, UNCTAD continued to foster synergies among the three pillars of its work. For example, the design of the technical cooperation project “Mobilizing resources for a green new deal: Partnerships in Asia for a decade of action in the era of coronavirus” drew on discussions in UNCTAD research and at intergovernmental meetings on the new deal and on the role of financial policy and industrial policy. Project outputs generated inputs in 2022 and 2023 to *Trade and Development Report*. In 2022, project findings contributed to discussions at the fifth session of the Multi-year Expert Meeting on Enhancing the Enabling Economic Environment at All Levels in Support of Inclusive and Sustainable Development, and the Promotion of Economic Integration and Cooperation, and, in 2023, project findings supported the negotiation process of the Intergovernmental Negotiating Committee on Plastic Pollution.

45. With regard to sustainability and Goals-related reporting, experiences and lessons learned under the project on enabling policy frameworks for enterprise sustainability and Goals-related reporting in Africa and Latin America contributed to discussions at sessions of the Intergovernmental Group of Experts on International Standards of Accounting and Reporting and to the publication *Tackling the Sustainability Reporting Challenges: A Policy Guide*, issued in 2023. The regional partnerships in Africa and Latin America created as a result of project implementation have been appreciated by member States as an important avenue by which to promote sustainability reporting. Building on the results of the project and in response to increasing requests from member States for capacity-building in sustainability reporting, a new project was designed in 2023 and will be implemented in 2024–2027, to enhance the capacity of public and private stakeholders in sustainability reporting and to further promote regional partnerships.

3. Interdivisional and inter-agency cooperation

46. In the context of the reform of the United Nations development system, UNCTAD project teams are increasingly integrating interdivisional and inter-agency cooperation in the design and delivery of technical cooperation projects. Such internal and external partnerships are important in order to pool technical expertise, mobilize additional resources, reach a wider audience and enhance the synergies of UNCTAD operational activities that have supported and will continue to support developing countries in implementing the 2030 Agenda and building resilience against future shocks.

47. The European Union–UNCTAD Joint Programme for Angola: Train for Trade II, which started in 2017, continued to be featured as one of the largest cross-divisional projects. In 2023, the programme continued to deliver training and technical advice, to support Angola in fostering productive capacities and structural transformation and in linking to global and regional value chains. Led by the Division for Africa, Least Developed Countries and Special Programmes, the programme has enabled four divisions to deliver as one in several areas of trade and development that are of interest to Angola, and has contributed to improved policy coordination, formulation and implementation, by bringing together 23 ministries and public and private institutions. In 2022, the Programme was selected as a global success story in the achievement of the Sustainable Development Goals, and inspired the Transforming for Trade high impact initiative on accelerating progress towards achieving the Goals.

48. In the area of statistics, in 2023, the Statistics Service and the Train for Trade programme continued to join efforts in delivering two e-learning courses on international merchandise trade statistics and on international trade in services statistics in collaboration with the United Nations Statistics Division and the World Trade Organization. The courses have been in high demand by developing countries and are also increasingly attended by

⁶ See TD/519/Add.2, paragraph 92.

⁷ See TD/541/Add.2, paragraph 127.

participants from developed countries. In 2023, 2,494 participants from 174 economies were trained (42 per cent of whom were women), with a satisfaction rate of 90 per cent.

49. In 2023, there were a number of instances of inter-agency collaboration. For example, the DMFAS programme supports a coordinated and harmonized approach with other technical assistance providers in the area of debt management, such as the International Monetary Fund, the World Bank and regional organizations, to avoid duplication and share best practices. In 2023, actions included regular information exchanges on technical assistance activities and the organization of joint workshops and participation in events. To ensure coordination between United Nations agencies, the programme has enhanced information exchanges with resident coordinator offices and, in 2023, collaborated with UNDP, including through continued logistical support and the administration of local staff in three countries for the DMFAS 7 development team.

4. Requests from developing countries

50. According to data retrieved from the (internal) UNCTAD request database on 18 June 2024, in 2023, UNCTAD received 67 formal requests for technical cooperation from 42 countries and three regional and international organizations. The two products that received the highest number of requests were e-commerce and the digital economy and competition and consumer protection policies and frameworks. In 2019–2023, a total of 224 requests were received for which funding was required and, of these, the three products registering the highest number of requests with funding required were investment policy reviews, e-commerce and the digital economy and competition and consumer protection policies and frameworks.

51. The mobilization of funds is key in addressing pending requests. UNCTAD continued to actively explore new funding sources while consolidating the existing funding base. For example, e-commerce and the digital economy continued to benefit from core donor support and raise interest among new donors. In 2023, Australia joined Germany, the Kingdom of the Netherlands, Sweden and Switzerland as the fifth member of the core donor advisory board of the programme. Australia and the Kingdom of the Netherlands committed non-earmarked funding of \$A3 million and US\$6 million, respectively, to support the programme in 2023–2026. New Zealand and the European Union joined Australia in supporting the Pacific Digital Economy Programme. Trinidad and Tobago self-funded a new project on an e-trade readiness assessment that will begin in 2024. E-week 2023 marked the start of UNCTAD collaboration with the African Export-Import Bank.

52. To better address requests from developing countries, UNCTAD has adapted the capacity-building delivery modality, by offering holistic support ranging from physical, online and hybrid workshops to e-learning courses. The number of online workshops and e-learning courses has increased since the pandemic, helping to reduce costs and reach wider audiences. Programmes and projects have included e-learning as an integral part of capacity-building, including leading technical cooperation programmes such as ASYCUDA and smaller programmes, including well-established online training courses such as those on port management and on trade and gender, as well courses on trade facilitation, non-tariff measures and small and medium-sized enterprise development and competition policy. To facilitate access by member States, UNCTAD has established an e-learning portal, to offer an entry point for access to a wide range of trade-related online training resources.

5. Strengthening results-based management

53. UNCTAD work on developing an overarching results framework, including performance indicators, progressed steadily in 2023. At end-2023, the theory of change, the results framework encompassing the three pillars and the indicators for 2021–2023 were defined and measured. At the next step, reporting on selected key performance indicators for all technical assistance projects will become mandatory, to help ensure coherence in reporting on overarching outputs and outcomes and to allow for the clear identification of project contributions to the goals of UNCTAD, namely, the four transformations identified in the Bridgetown Covenant.

54. At the project level, in addition to integrating the logical framework in all technical cooperation projects, efforts were made to enhance the implementation of policy recommendations and reforms by beneficiaries. In 2023, implementation reviews were initiated or conducted, and various online tools were developed or used, to strengthen the monitoring of implementation progress and to support implementation. For example, in 2023, with regard to the voluntary peer reviews of consumer protection law and policy, UNCTAD began the first assessment of the implementation of recommendations issued since 2018; with regard to investment policy reviews, UNCTAD assessed the implementation of recommendations in 21 economies, including two reviews conducted in 2023, showing that, to date, over 550 recommendations had been implemented, and with an implementation matrix made available to beneficiary countries, to strengthen the tracking of reforms and to enhance accountability; and with regard to trade facilitation, the trade facilitation reform tracker has now been deployed in around 25 countries and has effectively contributed to the improved implementation of trade facilitation obligations.

55. With regard to e-commerce and the digital economy, in 2023, to better monitor progress in the implementation of recommendations from e-trade readiness assessments in partner countries, the third review of implementation was issued and a new tool was developed, namely, the e-trade reform tracker, which allows for the tracking of task execution, reporting on the progress of time-bound deliverables and facilitating the monitoring of resource mobilization efforts. At the programme level, given the new programme plan for 2024–2027, an updated monitoring and evaluation plan was prepared, including improvements such as the prioritization of outcome-focused indicators, the inclusion of more qualitative indicators where appropriate and the aim of making better use of the UNCTAD database of statistics on e-commerce and the digital economy, to better capture impacts and results.

6. Gender equality and women's empowerment

56. UNCTAD considers gender equality and women's empowerment as a cross-cutting issue, to be integrated into all technical cooperation projects. In 2023, UNCTAD completed an interdivisional and inter-agency project, led by the Statistics Service, on gender-in-trade statistics, which are important for designing more gender-responsive trade policies. Under the project, six pilot countries in two regions compiled, for the first time, indicators that measured gender equality in international trade. In 2023, UNCTAD issued *Compilation Guidelines for Measurement of Gender-In-Trade Statistics*, aimed at supporting interested countries. The project results will contribute to the release in 2024 of the first global data set of key gender-in-trade indicators by UNCTAD and to mainstreaming gender in United Nations trade statistics manuals as part of updates in 2025.

57. Efforts were made by many UNCTAD project teams to integrate a gender dimension into technical cooperation projects that did not have gender equality as the primary objective. For example, under a project on coherent strategies for productive capacity development delivered by the Division for Africa, Least Developed Countries and Special Programmes in 2020–2023, gender considerations were integrated into the activities as follows: encourage authorities and focal points in beneficiary countries to include women in the list of nominees for workshops; include sessions on gender at workshops and invite women experts as resource persons; and issue a comprehensive policy research report on how to harness the gender potential for productive transformation. These efforts made dialogues at workshops more inclusive and productive, and also contributed to the success of the project.

58. Gender equality has been further mainstreamed into technical cooperation through the overarching results framework and the indicators. The UNCTAD results framework includes an indicator at the output level that reflects the increasing share of women trained through UNCTAD capacity-building, and data under this indicator were collected in 2021–2023 for training sessions that measured the participation of women. Reporting on this indicator will be mandatory for all technical assistance projects, thereby providing more accurate and comprehensive data across all UNCTAD training. In addition, the following outcome relates to gender equality and the achievement of Sustainable Development

Goal 5: “Trade, investment and development policies are more gender responsive and promote gender equality and inclusion”.

7. Update of UNCTAD Toolbox

59. As part of the update of the UNCTAD Toolbox, new programmes have been included and existing programmes with low levels of expenditure or demand have been merged, leading to a reduced number of programmes, thereby strengthening the focus of UNCTAD technical cooperation support. Programmes have been regrouped under four new thematic headers, to make it easier for stakeholders and beneficiaries to identify programmes of interest. New sections with packages of programmes and regional programmes have been included, along with links to the four transformations under the Bridgetown Covenant. The updated version is expected to be issued by end-2024.

B. Contribution to United Nations system-wide coherence

60. This section highlights the main contributions of UNCTAD to 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 global, regional and national levels. The Inter-Agency Cluster coordinates its participation in the United Nations Sustainable Development Group and provides a suitable vehicle for developing coherent inter-agency modalities of assistance on trade and trade-related issues, to better support target countries in achieving the 2030 Agenda.

61. At the national level, in 2023, UNCTAD was involved in the following 39 United Nations sustainable development cooperation frameworks:

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

62. At the regional level, the Inter-Agency Cluster continued to liaise with regional directors of the United Nations Development Coordination Office, resident coordinators and regional commissions. For example, in 2023, UNCTAD strengthened its partnership within the Inter-Agency Cluster in the context of the multi-country sustainable development cooperation framework for the Caribbean.

63. At the global level, the Inter-Agency Cluster continued to develop initiatives to raise awareness of its value added within the United Nations system in collectively achieving the objectives of the 2030 Agenda. In 2023, UNCTAD further strengthened its partnership with the World Trade Organization through the delivery of advanced policy courses for delegates and with the International Labour Organization through the delivery of lectures as part of the master’s degree programme in the management of development at the International Training Centre in Turin, Italy.

IV. Conclusions and way forward

64. In 2023, UNCTAD technical cooperation continued to deliver on its commitments, as reflected in the new record high of \$57.27 million in technical cooperation expenditures. Extrabudgetary resources mobilized for technical cooperation rebounded in 2023, to reach

\$49.90 million, the second highest level since 2018, below only the record high of \$51.23 million in 2021. Such achievements demonstrate the trust of donors and the capacity of UNCTAD to sustain high levels of delivery over time.

65. Six years ahead of the 2030 deadline, the international community is called upon to accelerate the achievement of the 2030 Agenda. More than ever, UNCTAD expertise in trade and development and interrelated issues in the areas of finance, investment, technology and sustainable development can play an important role in accelerating the achievement of the Sustainable Development Goals. Building on its 60 years of experience in supporting developing countries, UNCTAD will continue to deliver technical cooperation in an agile and innovative way, including by combining different delivery modalities, to better address the technical assistance needs of developing economies, in particular structurally weak and vulnerable economies.

66. There remain many unmet requests due to funding constraints. Despite increased voluntary funding in 2023, extrabudgetary resources for technical cooperation remain volatile and unpredictable. UNCTAD calls on more donors to provide sustainable and predictable funding, such as less-earmarked multi-year contributions, to UNCTAD technical cooperation, including to the trust fund for the least developed countries. This can help UNCTAD better plan technical cooperation activities, swiftly respond to demand from developing countries and improve synergies in its work.

67. Active participation by UNCTAD in the reform of the United Nations development system has led to results. In 2023, the financial resources received and the funds expended under “Delivering as one” funding mechanisms both reached historic highs. To scale up results, UNCTAD will further leverage the partnerships established through the United Nations Inter-Agency Cluster on Trade and Productive Capacity, strengthen participation in the United Nations development assistance planning process at the country level and further engage with the resident coordinator system in the design and implementation of technical cooperation projects.
