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## **Management response to the in-depth evaluation of UNCTAD's technical cooperation activities dedicated to least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies**

### **Introduction**

1. The UNCTAD secretariat welcomes the in-depth evaluation of UNCTAD's technical cooperation activities dedicated to least developed countries, landlocked developing countries, small island developing States and other structurally weak, vulnerable and small economies (SWVSEs) (TD/B/WP/223, TD/B/WP/223/Add.1 and TD/B/WP/224) and wishes to thank the evaluation team for its work.
2. The secretariat has noted the main findings and recommendations of the evaluation. In particular, the secretariat is encouraged by the overall positive findings of the evaluation, namely that “beneficiary countries perceive the relevance, effectiveness, impact and sustainability of UNCTAD's programmes to be satisfactory”. The secretariat has also noted the evaluators' finding that UNCTAD's efficiency in the implementation of its technical assistance needs to be improved.
3. The secretariat will give full attention to any recommendations that member States wish to endorse, and will use this guidance in order to inform an optimal approach forward on this front.
4. In considering the report of the independent evaluators, the secretariat wishes to present to member States some additional information with regard to its technical cooperation work for least developed countries (LDCs), landlocked developing countries (LLDCs), small island developing States (SIDS) and other SWVSEs.

## **I. Relevance of UNCTAD's work to beneficiary countries**

5. The evaluators conclude that UNCTAD's technical cooperation activities have "very strong relevance" (paras. 27 and 56) to the needs of the beneficiary countries, with the results of the survey conducted confirming that the objectives of implemented programmes as being "almost completely in line with countries' priorities and usually take into consideration the specific nature of the country" (para. 29). Nonetheless, the evaluators also conclude that there are "insufficient specific, customized and packaged offers" dedicated to LDCs, LLDCs SIDS and other SWVSEs, which "suggests that country-specific characteristics are not fully taken into account" (para. 58).

6. UNCTAD's technical assistance is always demand-driven, and customized as appropriate. For instance, there are examples across all divisions of technical assistance that is customized for each beneficiary, even within regional and inter-regional projects. Take for example the interregional "Capacity-Building Project on Good Governance in Investment Promotion and Facilitation", implemented by the Division on Investment and Enterprise, that included support to both Zambia and the Lao People's Democratic Republic on the design and implementation of each of their Client Charters. Also, the interregional Support for Accession to the World Trade Organization (WTO) project delivers advisory services and capacity-building activities to individual countries as requested.

7. Notably, independent evaluations of both UNCTAD's programme on WTO accession in 2006, and on UNCTAD's investment advisory services in 2007, found such interventions to be "very relevant, focused and timely, pro-development, and responsive to the changing needs of the beneficiary countries" (TD/B/WP/190; 21 July 2006). More specifically with regard to the investment guides and the GGIP Projects which benefited LDCs, it was noted that "Private and public providers offer Investment Guides for many countries. However, for LDCs, only few such guides are available. Here, UNCTAD's Investment Guides fill an important gap that in their absence would not necessarily be filled by other", and "the mid-term evaluation confirms the relevance of the [Programme on Good Governance on Investment Promotion and Facilitation] GGIP to the national economic development needs, opportunities and priorities of LDCs in pursuit of their goal of attracting, retaining and strengthening multinational enterprises and other private sector investment".

8. In general, UNCTAD aims to adapt all its projects to the needs of beneficiary countries through extensive consultations from the conceptual stage. It should be noted that, in the case of projects such as DMFAS and ASYCUDA, there are limits to the customization that can be done to the software, as they have been developed on a generic basis. Despite the fact that requests from users are taken into account in updating and developing new versions of this software, there is sometimes a trade-off between generating economies of scale in developing the software and taking into account individual requirements. UNCTAD is aware of these constraints and has aimed to reduce them by allowing for specific add-on modules and starting to move to open software architecture. Further customization also takes place at the implementation stage, when particular services such as database management are included in the technical assistance packages as required by beneficiaries.

## **II. A clearer focus on LLDCs and SIDS**

9. With regard to the first recommendation, the independent evaluators noted in their report that "the focus on LLDCs and SIDS is not clear enough and should be better established" (para. 61). The secretariat supports the thrust of this recommendation and has in fact enunciated clear goals with regard to its work with these countries in the

biennial Strategic Framework (for example, A/63/6 (Prog. 10)). These objectives are based on the clear mandates given by member States in the Accra Accord. For instance with regard to LLDCs, the Accra Accord states:

“107. UNCTAD should provide technical assistance to landlocked developing countries and transit developing countries to help them ensure that adequate and efficient infrastructure and services, as well as effective transit transport arrangements, are in place to support trade.”

“150. Investment guides should be produced for all landlocked developing countries requesting one, subject to the availability of extrabudgetary resources. “

“165. UNCTAD should undertake research to develop policy recommendations that will enable developing countries to cut transport costs and improve transport efficiency and connectivity. The research should pay special attention to the needs of the most vulnerable economies, and in particular to the development and implementation of coherent transit systems that will benefit landlocked developing countries and transit developing countries, taking into account the Almaty Ministerial Declaration and Programme of Action. Attention should also be paid to the promotion of multimodal transport.”

10. In this regard, since 2008, research and analytical outputs in the area of trade facilitation, transport and related services of interest to LLDCs has focused on a wide range of issues, including transport costs, and the determinants of developing countries' access to global shipping networks. The ASYCUDA programme launched a new regional collaboration project with the secretariat of the Economic and Monetary Community of Central Africa to develop and implement a system for the monitoring of international transit between the member States of the Community, which will facilitate trade for landlocked countries – the first of its kind worldwide. Also, an Investment Guide for Zambia is forthcoming.

11. It should also be noted that the Special Programmes Section of Subprogramme 5 has clearly enunciated its objectives with regard to these categories of countries. For LLDCs, the main goal is to help relevant countries re-orientate their economies toward activities that will be less dependent on physical movements of goods. For SIDS, the objective is to enhance the capacity of countries to secure the international support they need for resilience-building.

### **III. Strengthening internal coordination on technical cooperation activities for LDCs, LLDCs, SIDS and other SWVSEs**

12. With regard to the recommendation in paragraph 63 (a), the secretariat agrees that inter-divisional cooperation and coordination is important. In this connection, the Project Review Committee is an inter-divisional mechanism to monitor all issues relating to technical cooperation. Through its regular meetings, the Committee seeks to promote information-sharing on technical cooperation-related matters, including reviewing new project proposals with a view to enhance inter-divisional cooperation and coherence with UNCTAD's mandates and the technical cooperation strategy. The members of the Project Review Committee are the focal points nominated by each division, including the Division on Africa, LDCs and Special Programmes, plus the Technical Cooperation Service.

#### **IV. Customization of interventions**

13. With regard to the recommendation in paragraph 63(b), the DMFAS Programme is pleased to report that it recently completed the development of its new version of the DMFAS software – DMFAS 6 – which not only responds to the latest best practices in debt management, but is also based on an open software architecture. DMFAS 6 contains a web interface that provides centralized access to all DMFAS modules, information, applications, data and links that are commonly used by its users. In addition, the new architecture allows customized features to be added according to specific country needs. The open technology used to develop DMFAS 6 also allows it to be interfaced with other governmental software as well as all the standard analytical tools used in all user countries.

14. DMFAS 6 was presented to the Programme’s beneficiaries and donors during the DMFAS Advisory Group meeting in November 2009. Implementation of DMFAS 6 in beneficiary countries started in 2010. At the time of the evaluation, Zambia and El Salvador still had the previous version of the DMFAS software (DMFAS 5.3.). Implementation of DMFAS 6 in all beneficiary countries is a key objective for the Programme.

15. As the evaluators noted in their report (TD/B/WP/224), ASYCUDA is a demand-driven programme that takes into account, to the extent possible, the specific needs of beneficiary countries. For instance, in Zambia, the software installed incorporates specific functionalities designed for LLDCs. The secretariat welcomes the finding that officials from the Zambian Revenue Authority reported that the programme has helped “in improving overall fiscal revenues through higher income from customs” and “reducing transit time at border posts” (para. 58) – both key elements in trade facilitation for LLDCs. With regard to the provision of an open software architecture, this has been and remains an important, continuous objective of the programme, within the boundaries of security aspects that are critical in the area of customs.

#### **V. Reporting on activities undertaken by UNCTAD in LDCs, LLDCs, SIDS and other SWVSEs**

16. With regard to the recommendation in paragraph 64, the secretariat agrees that detailed information on activities carried out in individual countries belonging to the four categories of countries will contribute to make a complete assessment of UNCTAD’s technical cooperation activities regarding specific categories of countries. This information can be provided through regular briefings and contacts with delegations by the responsible divisions.

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