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**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^{1,2}**

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² The submission of the present document was delayed because the independent evaluation team has sought to be comprehensive in its review, which included analysing a significant number of documents, speaking to a large sample of UNCTAD staff concerned, and interviewing beneficiaries, including at the country level.

Executive summary

This evaluation of UNCTAD's technical cooperation activities dedicated to least developed countries (LDCs), landlocked developing countries (LLDCs), small island developing States (SIDS) and other structurally weak, vulnerable and small economies (SWVSEs) has been done in three steps: a broad desk review of UNCTAD's technical assistance, a beneficiary survey on UNCTAD programmes and an in-depth analysis of 10 selected programmes, including two field visits. The desk review shows that – while in monetary terms, UNCTAD's technical assistance is very small compared to total international technical assistance – out of its total technical assistance, the share of UNCTAD programmes dedicated to these four categories of countries is high. However, most of these programmes are regional projects. UNCTAD is a niche player in technical assistance and its advantage lies in the absence of conflict of interest between itself and the beneficiary government. Beneficiary countries perceive the relevance, effectiveness, impact and sustainability of UNCTAD's programmes to be satisfactory, while the lack of inter-divisional coordination is undermining the efficiency of UNCTAD's technical assistance programmes.

The first recommendation is that the combination of UNCTAD's niche and the relevance of activities would suggest that UNCTAD needs more resources and its efforts should be enhanced for these specific categories of countries, with more focus on specific activities with a competitive advantage. The second recommendation is that detailed activities and amounts spent on individual countries belonging to the four categories of countries considered should be fully and more transparently reported. Last, but not least, a major issue is to improve UNCTAD's efficiency in the implementation of its technical assistance.

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Abbreviations

| | |
|---------|---|
| ALDC | Division for Africa, Least Developed Countries and Special Programmes |
| ASYCUDA | Automated System for Customs Data |
| CDP | Committee for Development Policy |
| DDA | Doha Development Agenda |
| DFID | United Kingdom Department for International Development |
| DIAE | Division on Investment and Enterprise |
| DITC | Division for International Trade in Goods and Services, and Commodities |
| DMFAS | Debt Management and Financial Analysis System |
| DTL | Division on Technology and Logistics |
| FDI | foreign direct investment |
| GDP | gross domestic product |
| GDS | Division on Globalization and Development Strategies |
| GNI | gross national income |
| IMF | International Monetary Fund |
| JITAP | Joint Integration Technical Assistance Programme |
| LDC | least developed country |
| LLDC | landlocked developing country |
| OECD | Organization for Economic Cooperation and Development |
| SIDS | small island developing State |
| SWVSE | structurally weak, vulnerable and small economy |
| TA | technical assistance |
| TAC | Thierry Apoteker Consultants |
| WEO | IMF World Economic Outlook |

Introduction

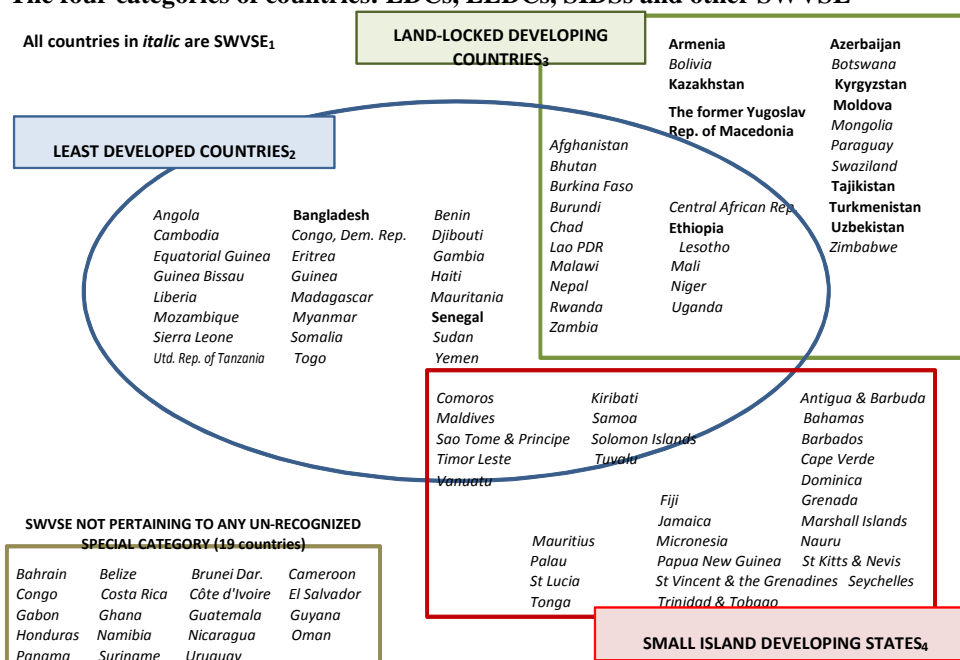
A. Context

1. UNCTAD has a specific mandate to support designated categories of developing countries through technical assistance. Indeed, the mandates for UNCTAD's work on least developed countries (LDCs), landlocked developing countries (LLDCs), small island developing States (SIDS) and other structurally weak, vulnerable and small economies (SWVSEs) originate mainly from the "Programme of Action for the Least Developed Countries for the Decade 2001–2010" adopted by the Third United Nations Conference on the Least Developed Countries, the Accra Accord and Declaration, the "Programme of Action for the Sustainable Development of Small Island Developing States", and the "Almaty Programme of Action" and the various resolutions and decisions of the United Nations General Assembly and Economic and Social Council.

2. These four categories of countries are defined and shown in figure 1.

Figure 1

The four categories of countries: LDCs, LLDCs, SIDSs and other SWVSE



Source: UNCTAD ALDC division/TAC.

Notes:

¹ Ninety-one countries informally identified on the basis of "smallness" (gross domestic product (GDP) under \$32 billion in 2005) and "Structural weakness and vulnerability" (a score outside the quartile of countries faring most favourably under the United Nations' index of exposure to external shocks running through 130 developing countries).

² Official United Nations list of LDCs (49 countries after the 2006 review of the list and after Cape Verde had graduated from LDC category in 2007).

³ United Nations-recognized category of LLDC based on geographical grounds (31 countries).

⁴ UNCTAD's unofficial list of SIDS, for analytical purposes only (29 countries).

3. Table 1 summarizes simple economic and demographic indicators for the four categories of countries considered in this study. The group with the highest population and the lowest level of development is clearly the group of 49 LDCs.

Table 1

Data for the four categories of countries: LDCs, LLDCs, SIDS and other SWVSEs

| | Number of countries | Population 2009 (total, \$ million) | Total GDP 2009 (total, \$ billion) | GNI per capita 2008 (in dollars, average weighted by population) |
|-----------------------------|------------------------------------|--|---|---|
| LDC ^a | 49 | 834 | 535 | 580 |
| LLDC | 31 | 395 | 428 | 936 |
| SIDS ^b | 29 | 18 | 75 | 4 360 |
| Other SWVSE ^c | 19 | 123 | 345 | 2 767 |

^a 49 countries.

^b UNCTAD's unofficial list of SIDS.

^c SWVSEs not belonging to any other category.

Source: IMF WEO, World Bank.

4. The fifty-third session of the Working Party on the Strategic Framework and the Programme Budget requested the UNCTAD secretariat to conduct an external in-depth evaluation of the technical cooperation activities dedicated to LDCs, LLDCs, SIDS and other SWVSEs.

5. The objective of this evaluation is to draw conclusions, make recommendations and identify lessons learned for the future orientation of UNCTAD's work to benefit these categories of countries, and contribute towards the effective implementation of its Accra Accord mandates. The evaluation will also contribute towards discussions in the course of preparations for the Fourth United Nations Conference on LDCs, to be held in 2011.

6. The traditional approach aims at assessing the relevance, effectiveness (including impact), efficiency and sustainability of the dedicated technical cooperation activities for LDCs, LLDCs, SIDS and other SWVSEs carried out under all UNCTAD subprogrammes. In this respect, the evaluators would like to highlight the fact that technical assistance (TA) provided by UNCTAD is limited in absolute amounts, spread over a relatively large number of small activities, and substantially tilted towards capacity-building, policy advice and administrative/software support. There are too many "other factors" influencing the overall impact of UNCTAD's technical assistance, in particular in the volatile field of trade and investment.

7. The evaluation process also has to give specific attention to the geographic characteristics of the assistance provided, and needs to assess what is specific and more country-adapted or country-focused in UNCTAD's TA to the four designated categories of countries. This suggests taking into consideration the overall importance of the categories of countries in UNCTAD's total TA and the changes over the recent years.

8. Among the three pillars of UNCTAD (research and analysis, intergovernmental consensus-building and technical cooperation), this evaluation study focuses on technical cooperation dedicated to LDCs, LLDCs, SIDSs and other SWVSEs. Nevertheless, the evaluators would like to note that this focus does not mean that the two other pillars would not be useful and important for these four country categories.

B. Methodology

9. The methodology includes three complementary steps: a broad analytical review, a beneficiary countries survey and an in-depth examination of a short sample of “representative” programmes.

10. The broad analytical review of UNCTAD’s overall TA directed to the designated categories of countries was a statistical exercise based on available data provided by UNCTAD, as well as a thorough examination of UNCTAD’s annual reviews of technical cooperation activities.

11. A web-based survey was designed and conducted for a sample of TA provided to the designated categories of countries. It was sent to the beneficiary countries only. This survey concentrated on general questions on the relevance or customization of programmes, the perceived efficiency, and the perceived influence on policymaking and on the critical gaps or deficiencies noted in the programme implementation or effectiveness. TA programmes for the survey were selected according to the following criteria: (a) still active in 2009 (to ensure a rapid identification of the beneficiary contact details); (b) started before 2008 (to ensure that results are measurable); and (c) either country programmes directly targeting countries in the four categories under review or regional programmes where at least one country belonging to one of these four groups is mentioned as beneficiary. Seventy-nine programmes were initially identified. The evaluators then got contact details in beneficiary countries for 47 programmes and, finally, 310 individuals who had benefited from or participated in the activities in the beneficiary countries were surveyed. Forty-two answers were received and used in the analysis, covering 22 of the 47 programmes. (Detailed results of the survey are included in the document TD/B/WP/223/Add.1, “Supporting materials”.)

12. The third step was an in-depth examination of a short sample of 10 “representative” programmes for the targeted categories of countries. The selection included two programmes or activities for each UNCTAD’s Division. LDCs were concerned in 8 of these 10 programmes, LLDCs by 6, SIDS by 2 and other SWVSEs by 2. Two programmes/activities targeted Latin American and Caribbean countries, two targeted Asia/Pacific countries and six targeted Africa. For these 10 programmes, the methodology included the following: (a) study of relevant materials available (such as UNCTAD documents, programmes’ reports, publications, etc.); (b) interviews with direct beneficiaries in two countries chosen as “case studies” on the grounds that they had benefited from more than one programme (four programmes in Zambia, and two programmes in El Salvador); and (c) interviews with relevant UNCTAD staff.

Table 2
List of 10 representative programmes assessed

| Ref. | Division | Programme (cluster) | Country | Region | Category of country |
|------|----------|--|----------------------------------|--------|---------------------|
| a | GDS | DMFAS, El Salvador (cluster 11) | El Salvador | LAC | Other SWVSE |
| b | GDS | DMFAS, Zambia (cluster 11) | Zambia | A | LDC, LLDC, SWVSE |
| e | DITC | Joint Integration Technical Assistance Programme Phase II, Regional Africa (cluster 1) | Operation in Zambia | A | LDC, LLDC, SWVSE |
| f | DITC | Strengthening institutional and capacity-building in the area of competition and consumer law and policy, Latin American countries (cluster 4) | Operation in El Salvador | LAC | Other SWVSE |
| h | DIAE | Blue Book, Zambia (cluster 7) | Zambia | A | LDC, LLDC, SWVSE |
| i | DIAE | Strengthening Investment Promotion and Facilitation (cluster 7) | Operation in Ethiopia | A | LDC, LLDC |
| j | DTL | Transit Corridors, Lao People's Democratic Republic (cluster 12 - part of Development Account project M4 Capacity-building in trade and transport facilitation for land-locked and transit developing countries) | Lao People's Democratic Republic | AP | LDC, LLDC, SWVSE |
| m | DTL | Migration to ASYCUDA++, Zambia (cluster 12) | Zambia | A | LDC, LLDC, SWVSE |
| r | ALDC | Ongoing support to Government of Maldives in the context of Maldives' expected graduation from LDC status (general budget resources) | Maldives | AP | LDC, SIDS, SWVSE |
| s | ALDC | <i>Programme de renforcement des services du commerce et de l'investissement</i> (cluster 17) | Comoros | A | LDC, SIDS, SWVSE |

I. Review of UNCTAD's technical cooperation activities

13. The review of UNCTAD's technical cooperation activities dedicated to LDCs, LLDCs, SIDS and other SWVSEs was based on a statistical exercise using available data provided by UNCTAD, as well as on a thorough examination of UNCTAD's annual reviews of technical cooperation activities since 2002.

14. The evaluation is focused on UNCTAD's technical assistance dedicated to four categories of countries (LDCs, LLDCs, SIDSs and other SWVSEs). But except for LDCs, the annual reviews of technical cooperation activities do not provide any breakdown of expenditures by categories of countries. Moreover, the computation of these amounts is difficult because of the following reasons. First, organizational structure has changed in UNCTAD since 2002 (changes in divisions and in clusters): there is no homogenous and

reliable electronic historical database of projects available at UNCTAD. The evaluation team created a database of 210 active UNCTAD projects from a publicly available list on UNCTAD website. Secondly, and as shown in the following paragraphs, a large share of UNCTAD technical assistance is provided through regional projects, and therefore the disaggregation of these expenditures by categories of countries cannot be precisely calculated.

15. UNCTAD does an annual assessment of technical assistance in the “Review of the technical cooperation activities of UNCTAD and their financing”. As shown in table 3 below, technical cooperation in the form of country-based activities is low and close to 13 per cent on average since 2002 (with a peak of 17 per cent in 2008). But for the reasons mentioned earlier, a review of technical assistance dedicated to LDCs cannot rely only on country projects, and estimates of the share of regional programmes dedicated to LDCs were taken into account. As a result, the average share since 2002 was 36 per cent and reached 41 per cent in 2008. Unfortunately, these annual reviews do not provide the same estimates for the three other categories of countries (LLDCs, SIDS and other SWVSEs).

Table 3

Technical cooperation related to least developed countries, 2002-2008
(\$ million)

| Category | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|---|------------|------------|-------------|-------------|-------------|-------------|-------------|
| Country projects in LDCs | 2.8 | 2.9 | 2.7 | 3.6 | 4.7 | 4.5 | 6.6 |
| UNCTAD estimate of inter-country project expenditures directed towards LDCs | 3.5 | 5.9 | 7.7 | 7.8 | 8.1 | 8.5 | 9.1 |
| Total expenditures related to LDCs | 6.3 | 8.8 | 10.4 | 11.4 | 12.8 | 13.1 | 15.7 |
| Total UNCTAD technical cooperation expenditures | 21.8 | 27.8 | 30.6 | 30.5 | 35.2 | 31.5 | 38.3 |
| Share of LDCs in UNCTAD's technical cooperation | 29% | 32% | 34% | 37% | 36% | 41% | 41% |

Sources: Reviews of the technical cooperation activities of UNCTAD and their financing.

16. Tables 4 and 5 show that the great majority of projects (94 per cent of total amount and 84 per cent of total numbers of projects) are concentrated on four divisions and a small number of clusters: DITC (cluster 1), GDS (cluster 11), DTL (cluster 12) and ALDC (cluster 16). The tables also show that there are roughly as many regional programmes covering at least one “relevant” country in our four groups as country programmes for the relevant countries, but that the total amounts of regional programmes are, unsurprisingly, larger than the country-based ones. The breakdown between regional and country programmes is highly heterogeneous, with a massive share of country programmes for DTL, while DITC and ALDC show a large dominance of regional programmes and very few country ones (only one identified for DITC and four for ALDC).

Table 4
Technical cooperation expenditures by group of country and division
(cumulated amounts for the period 2000–2009, \$ thousand)

| | | DITC | DIAE | GDS | DTL | ALDC | EDM | Total |
|---------------------|----------|--------|-------|--------|--------|--------|-----|--------|
| LDCs | country | 227 | 36 | 1,401 | 21,626 | 399 | 304 | 23,993 |
| | regional | 17,887 | 6,037 | 19,672 | 9,044 | 11,979 | 73 | 64,691 |
| LLDCs | country | 227 | 36 | 303 | 12,529 | 22 | 248 | 13,365 |
| | regional | 13,900 | 1,184 | 0 | 3,687 | 178 | 73 | 19,022 |
| SIDS | country | 0 | 0 | 0 | 2,647 | 92 | 23 | 2,762 |
| | regional | 2,640 | 282 | 0 | 1,757 | 324 | 73 | 5,076 |
| Other SWVSEs | country | 0 | 204 | 687 | 4,976 | 0 | 0 | 5,867 |

Sources: UNCTAD, TAC.

Table 5
Technical cooperation programmes by group of country and division
(number of programmes for the period 2000–2009)

| | | DITC | DIAE | GDS | DTL | ALDC | EDM | Total |
|---------------------|----------|------|------|-----|-----|------|-----|-------|
| LDCs | country | 1 | 1 | 8 | 30 | 4 | 2 | 48 |
| | regional | 13 | 8 | 2 | 10 | 5 | 1 | 39 |
| LLDCs | country | 1 | 1 | 4 | 12 | 1 | 1 | 20 |
| | regional | 6 | 5 | 1 | 5 | 1 | 1 | 19 |
| SIDS | country | 0 | 0 | 0 | 6 | 1 | 1 | 8 |
| | regional | 1 | 1 | 0 | 1 | 3 | 1 | 7 |
| Other SWVSEs | country | 0 | 2 | 3 | 6 | 0 | 1 | 12 |

Sources: UNCTAD, TAC.

17. LDCs are the only category of countries for which information can be found in UNCTAD's review of technical cooperation activities, and even there, many data and figures are estimates, and the detail of activities for these specific countries in the context of regional or inter-country programmes is not very well documented.

18. Consequently, a first conclusion from the evaluation exercise is that there is a need to have better monitoring and reporting procedures at UNCTAD so that the identification of activities (such as content, outputs, budgets and resources, among others) can be made at a more detailed and refined level for the specific categories of countries under review.

II. Broad analytical assessment

A. UNCTAD technical cooperation in the context of overall trade-related assistance

19. Table 6 summarizes trade-related assistance flows in Aid for Trade categories "trade policy and regulations" and "building productive capacity" to the four categories of countries included in this evaluation (source: Organization for Economic Cooperation and Development (OECD)/CRS DAC Database). It is clear that total absolute amounts provided by UNCTAD are very small compared to the grand total. For example, \$2.385 billion are

provided by all OECD DAC reporters to LDCs in 2008, while UNCTAD expenditures are evaluated to be close to \$15.7 million – that is, less than 1 per cent of the total.

20. The activities dedicated to these four categories of countries do, however, represent a large share of UNCTAD’s overall technical cooperation activities. It does reflect the importance given by UNCTAD to these countries, as well as the priorities of donors, and fits with the most pressing needs of these countries. This is particularly true for LDCs.

21. The very limited overall trade-related assistance provided to SIDS and the limited number of UNCTAD interventions for these countries would suggest that more should be done for this category of countries, even though, on average, SIDS (as well as other SWVSEs) have already reached a higher level of development and do not face the same poverty issues than the LDCs and most LLDCs.

Table 6
OECD/CRS DAC reports, trade-related assistance^a 2000–2008
(\$ million and % of total assistance)

| | | 2000 | 2001 | 2002 | 2003 | 2004 | 2005 | 2006 | 2007 | 2008 |
|--------|------------|-------|------|------|------|-------|-------|-------|-------|-------|
| LDCs | \$ million | 1,046 | 805 | 744 | 931 | 1,155 | 1,687 | 2,156 | 2,032 | 2,385 |
| LLDCs | \$ million | 700 | 515 | 737 | 722 | 994 | 1,275 | 1,732 | 1,756 | 1,891 |
| SIDS | \$ million | 110 | 138 | 172 | 136 | 104 | 206 | 165 | 181 | 251 |
| Other | | | | | | | | | | |
| SWVSEs | \$ million | 245 | 235 | 300 | 287 | 341 | 404 | 352 | 751 | 676 |

^a Categories 1 and 4: Trade policy and Regulation and Building Productive Capacity
Source: OECD/CRS DAC Database, TAC.

B. Global assessment

22. The broad assessment of UNCTAD’s technical cooperation activities targeting the four specific categories of countries is based on the experience of the Evaluation Team, the results of the analysis of 10 selected projects as well as of a survey results on 42 different projects, and on their analytical review of the activities.

23. The reputation, large representativeness and collective expertise in the field of trade and development and related issues make UNCTAD unique among international organizations and bilateral donors. Given its mandate and expertise, UNCTAD is strongly positioned as the “missing link between trade on one side, development and poverty on the other side” (Zambian Minister for Trade, Industry and Commerce, meeting with the team of evaluators, Lusaka, 1 July 2010).

24. UNCTAD is perceived as having no potential conflict of interest with beneficiary countries, and being a more neutral development partner than bilateral or other large aid institutions. Indeed, as the other institutions have substantial financial exposure to the countries, they are considered as being both “judge and party” in any discussion or negotiation process. Furthermore, UNCTAD has built a very strong reputation for its fundamental analytical background and expertise on LDC specific interests and issues, as evidenced by the number and quality of the overall studies published by UNCTAD (for example, the *World Investment Report*, *Trade and Development Report*, *Economic Development in Africa Report*, and the *Least Developed Countries Report*).

25. Small size of programmes is both a limitation (on impact and actual consequences for the beneficiary countries’ development path) and an advantage, as it allows filling critical but “small” gaps, notably in terms of capacity-building, focused support to local administration and policy advisory support.

III. Relevance

26. Assessing the global relevance of UNCTAD's technical assistance for the four categories of countries analysed in this study is a difficult task, particularly because issues are very different for each category of country considered. For LDCs, development, poverty, institutional difficulties, links between trade and poverty and graduation to non-LDC status can be considered as key issues, while regional integration and transport are more important for LLDCs. Limited resources and isolation from trade flows matter for SIDS and vulnerability to shocks/natural disasters for "other SWVSEs". In spite of these differences and even though category-specific programmes are not a vast majority in UNCTAD's technical cooperation, its assistance is usually considered as highly relevant by beneficiary countries. This is shown not only by the very favourable readings of the survey regarding the questions on relevance (average score of 4.2 on a scale from 1 to 5, and the highest across the five broad themes explored by the survey), but was repeatedly stressed by almost all interlocutors met in beneficiary countries during this evaluation. Moreover, there is a strong consensus on the huge needs of the four categories of countries in terms of technical assistance, because of difficulties they have in integrating into the world trading system and especially when there is a huge volatility and/or regular shocks on economic activity. Therefore, the overall capacity-building nature of UNCTAD fits well with the needs and the lack of resources of the four categories of countries considered in this evaluation.

27. Most of the activities implemented in the four categories of countries are demand-driven, with a large component of "shared" design and definition of activities with beneficiary countries. This is related to the very strong relevance of UNCTAD's technical cooperation activities, seen from an analytical perspective (analysis of the countries' needs and requisites for a better integration into world trading mechanisms and flows) as well as from the beneficiary countries' own perception and feedback.

28. Beneficiary countries would gladly receive more technical assistance from UNCTAD, both deeper and broader (i.e. in existing programmes or new ones), but they were in most cases aware of the limited resources available.

29. The survey confirms that the objectives of implemented programmes are almost completely in line with countries' priorities and usually take into consideration the specific nature of the country. Moreover, the standard deviation is very low for all questions, and therefore, only a very small share of respondents would rate the relevance as "moderate" while most of them evaluate it as "totally relevant". Table 7 illustrates the survey results on the Relevance dimension.

Table 7
Survey results on Relevance
 (from 1 = low/poor to 5 = high/good)

| Relevance of programmes | Average | Standard deviation | Number of answers |
|--|----------------|---------------------------|--------------------------|
| Q1 - Are the objectives of the project in line with your country's needs and priorities? | 4.4 | 0.6 | 37 |
| Q2 - Has the design of the project/activity you were involved in with UNCTAD explicitly taken into consideration the specific nature of the development, trade or investment challenges of your country, in particular its status as a LDC, LLDC, SIDS or other SWVSE? | 4.2 | 0.7 | 36 |
| Q3 - Have the activities of the project adequately taken into consideration this specific nature, in particular its status as LDC, LLDC, SIDS or other SWVSE? | 4.1 | 0.7 | 36 |
| Mean average | 4.2 | 0.7 | 36 |

Source: TAC/UNCTAD Survey, June 2010.

30. As previously stated, key issues are different for each category of country considered (LDCs, LLDCs, SIDS and other SWVSEs), but the objectives of UNCTAD's technical assistance are also very different between projects and are not homogenous among clusters/divisions. Therefore, table 8 below summarizes the links between the 10 projects selected for an in-depth evaluation, their main objectives and activities, and a decomposition of these objectives into three independent components of country capacity-building: institution-building, human resources development and collaborative network establishment. It is interesting to see that all projects have the objective to impact institution-building (policy measures, legislation measures, creation of new organizations, departments, introduction of new methodologies and techniques, new software, etc.), most of them to promote human resource development; and only a limited number of them to establish collaborative networks.

Table 8
Country capacity-building and main objectives and activities for the 10 projects evaluated

| Ref. | Programme | Institutional building | Human resources development | Collaborative network establishment |
|------|---|------------------------|-----------------------------|-------------------------------------|
| a | DMFAS, El Salvador (cluster 11) | • | • | |
| b | DMFAS, Zambia (cluster 11) | • | • | |
| e | JITAP, Phase II, Zambia (cluster 1) | • | • | • |
| f | COMPAL, El Salvador (cluster 4) | • | • | • |
| h | Blue Book, Zambia (cluster 7) | • | | |
| i | Investment Promotion & Facilitation, Ethiopia (cluster 7) | • | • | • |
| j | Transit Corridors, Lao People's Democratic Republic (cluster 12) | • | • | • |
| m | Migration to ASYCUDA++, Zambia (cluster 12) | • | • | |
| r | Support to Government of Maldives (regular budget resources) | • | | |
| s | Programme de renforcement des services du commerce et de l'investissement, Comoros (cluster 17) | • | • | • |

Source: UNCTAD, TAC.

31. Table 9 below shows a different classification of these projects, according to their background: Is the project demand-driven? Is it of common design? And are there specific components dedicated to the different categories of countries (LDCs, LLDCs, SIDS and other SWVSEs)? Interestingly, if most projects are demand-driven and most of them share a common design (mainly because UNCTAD has developed an expertise in a wide range of services), it is particularly satisfying to see that there are also a number of components dedicated to the specificities of the four categories of countries analysed in this evaluation.

Table 9

Background on the 10 projects selected for an in-depth evaluation

| Ref. | Programme | Demand-driven | Common design | Specificities for the category of country |
|------|---|---------------|---------------|---|
| a | DMFAS, El Salvador (cluster 11) | • | • | |
| b | DMFAS, Zambia (cluster 11) | • | • | |
| e | JITAP, Phase II, Zambia (cluster 1) | | • | |
| f | COMPAL, El Salvador (cluster 4) | • | • | |
| h | Blue Book, Zambia (cluster 7) | • | | • |
| i | Investment Promotion & Facilitation, Ethiopia (cluster 7) | • | • | |
| j | Transit Corridors, Lao People's Democratic Republic (cluster 12) | • | • | • |
| m | Migration to ASYCUDA++, Zambia (cluster 12) | • | • | |
| r | Support to Government of Maldives (general budget resources) | | | • |
| s | Programme de renforcement des services du commerce et de l'investissement, Comores (cluster 17) | • | • | • |

Source: UNCTAD, TAC.

IV. Effectiveness and Impact

32. Evaluating the global impact of UNCTAD's technical cooperation activities in the four categories of countries considered is particularly difficult, because the impact of technical assistance on trade and development might be non-measurable for a number of reasons, related to the small amounts of funding expended by UNCTAD, the nature of activities and existence of other donor programmes. It cannot be expected that the total investment in a beneficiary country would increase because of a report on investment, external debt would decrease because of the implementation of software for the management of public debt or trade would increase because of new software for the customs. What could surely be expected is better debt management, a more reliable public debt database, a better understanding of links between investment and economic activities, key elements to stimulate FDI or a better monitoring of trade flows.

33. Our evaluation confirms that most activities targeting the four categories of countries have been satisfactorily implemented. Considering the dire need of technical assistance in the specific categories of countries under consideration, the absence of substantial domestic administrative capabilities to tackle the trade and development issues and multiple trade negotiations in most of these countries (for example, DDA, bilateral/regional agreements such as the economic partnership agreements negotiated with

the European Union, our analytical review of the activities implemented and the feedback from beneficiary countries suggest that UNCTAD is indeed providing substantial and useful background elements as well as operational support to help policymaking at high levels of government/administration, in particular in the smaller and least developed countries.

34. The in-depth evaluation of 10 programmes and the field missions carried out in El Salvador and Zambia confirmed the effectiveness and positive impact of UNCTAD's technical assistance, notably in terms of stimulation of local activity, as a catalyst. COMPAL El Salvador (I & II), as well as DMFAS El Salvador and Zambia, Blue Book Zambia and ASYCUDA Zambia are good examples of programmes with very positive local outcomes. Local beneficiaries clearly expressed their satisfaction with these programmes, and highlight the positive implications for the country, such as the creation of the *Superintendencia de Competencia* in El Salvador with COMPAL or the reconciliation of transit cargo in Zambia with ASYCUDA.

35. However, beneficiary countries also mention a number of difficulties, relative to local staff limitations and rotations, which sometimes diminish the impact of programmes. UNCTAD's technical assistance, particularly when this assistance is software, requires high skills (economics, management, statistics, database management, manipulation of large datasets, management of networks of workstations/servers, etc.). This technical assistance is usually done by highly qualified experts and/or highly skilled computer professionals, but unfortunately, most of the time, the vast majority of local officials do not have this expertise, and the technical knowledge provided by UNCTAD through training sessions/workshops is concentrated on a few local experts. Therefore, beneficiary countries expressed the need for additional training sessions, particularly when staff rotates. Beneficiary countries sometimes do these trainings themselves, which demonstrates that they have reached a good level of capacity, or they seek assistance from international consultants (for example, in the case DMFAS/El Salvador, assistance of the Government of the United States of America at no cost for the country).

36. Review meetings in Geneva are also very much appreciated by the beneficiaries. However, the issue of participation cost was raised by them. Therefore, they suggested regional meetings and online forums as useful means for exchange of experiences and best practices, particularly for software-related technical assistance and competition policy.

37. In some countries, particularly the LDCs, receiving equipment such as computers (workstations and servers), printers, copy machines, scanners and software (particularly for database management, such as Oracle) are appreciated as part of the technical assistance, as they may not be available from domestic resources.

38. Beneficiaries thank UNCTAD officials for their great flexibility and good communication with local staff. However, they sometimes regret the lack of dedicated activities or activities specifically tailored for their category of countries. Even though almost all of UNCTAD's technical assistance and cooperation is demand-driven, the "generic" form of the largest programmes provided by UNCTAD (e.g. DMFAS or Asycuda) makes the exact fit between the demand expressed by beneficiary countries and the "supply" provided by UNCTAD more difficult to achieve.

39. The survey shows that the objectives of projects are usually considered to be achieved and the different components delivered as agreed. These results (as shown in table 10) confirm the message delivered by beneficiary countries on the 10 projects selected for in-depth evaluation and during the field missions in El Salvador and Zambia.

Table 10
Survey results on Effectiveness
 (from 1 = low/poor to 5 = high/good)

| Relevance of programmes | Average | Standard deviation | Number of answers |
|--|----------------|---------------------------|--------------------------|
| Q4 - To what extent have the agreed objectives of the project been achieved? | 3.8 | 0.8 | 36 |
| Q7 - To what extent have the components of the project been delivered as agreed? | 3.8 | 0.9 | 35 |
| Mean average | 3.8 | 0.9 | 35 |

Source: TAC/UNCTAD Survey, June 2010.

40. Although the global evaluation of the impact of UNCTAD's programmes is also close to good, findings are fairly mixed. Indeed, the weak point is the lack of precise identification of policy decisions that were influenced by the programme that UNCTAD implemented, while at the same time people mention that UNCTAD's programmes influence policymaking in the country, that the outputs are discussed at the senior level of policy-making, and there is clear and useful presentation of the outputs to the management. For a large majority of those surveyed, these technical cooperation activities contribute positively to capacity development and the strengthening of their institution, and this positive impact justifies the continuation of the activities undertaken. Table 11 presents the survey results on the Impact dimension.

Table 11
Survey results on Impact
 (from 1 = low/poor to 5 = high/good)

| Relevance of programmes | Average | Standard deviation | Number of answers |
|---|----------------|---------------------------|--------------------------|
| Q10 - How has the programme influenced policy making in your country? | 3.7 | 0.9 | 32 |
| Q11 - To what extent have the conclusions/results/outputs of the programme been discussed at a senior level of policy making in your organization or country? | 3.8 | 0.9 | 33 |
| Q12 - Have there been clear/useful presentations of the outputs and results of the programme to your management? | 3.8 | 1.0 | 32 |
| Q13 - Could you mention/identify policy decisions that were influenced by the programme that UNCTAD implemented? | 3.4 | 0.8 | 31 |
| Q14 - To what extent does UNCTAD's intervention contribute to capacity development and the strengthening of your institution? | 3.6 | 0.7 | 34 |
| Q15 - To what extent does the positive impact justify continuing the activities undertaken or supported by the programme? | 4.2 | 0.6 | 32 |
| Mean average | 3.7 | 0.8 | 32 |

Source: TAC/UNCTAD Survey, June 2010.

41. UNCTAD's comparative advantages on the 10 projects selected for an in-depth evaluation can be summarized as follows:

(a) Obviously, the access to donor financing is a crucial element for all projects, and indeed, this point was always mentioned during the discussions with beneficiary countries;

(b) Ongoing cooperation is also a crucial element as a lot of projects already had a successful first phase (or previous implementation). This is particularly true for the software updates or upgrades but also for projects in phase II (for example, COMPAL or JITAP);

(c) Not surprisingly, the good image of and confidence in UNCTAD in beneficiary countries are key elements of its comparative advantage. This is particularly true for the well-known UNCTAD software already installed successfully in a large number of countries (DMFAS and ASYCUDA);

(d) Finally, the proximity to policymakers is a key element in a number of projects related to investment, graduation to non-LDC status, consumer protection and competition law.

42. On the whole, while the impact and effectiveness of UNCTAD's technical cooperation are satisfactory, the niche appears to be poorly exploited, with insufficient specific, customized and packaged offers dedicated to these countries, apart from the advisory work conducted by ALDC. There is a large concentration of UNCTAD's technical cooperation activities for LDCs and LLDCs (and to a lesser extent for SIDS and other SWVSEs, because of the low level of activities) on regional/interregional programmes and/or more "generic" programmes (e.g. DMFAS, ASYCUDA). Even if the actual implementation of such programmes takes into consideration each country's specificity (and therefore some of the characteristics of the categories of countries under review), this still suggests that such specificity is not fully taken into account, at least in the design and preparation phases of the programmes.

V. Efficiency

43. There are substantial issues pertaining to the efficiency of technical cooperation activities undertaken by UNCTAD for the four categories of countries under review. This efficiency is perceived by beneficiary countries as the weakest point in UNCTAD's interventions, with issues ranging from flexibility (such as software, response to immediate needs or challenges, amongst others) to cost elements (such as overheads in joint projects with other donor agencies and intervention costs compared to other donor agencies amongst others), and including occasional communication difficulties and serious resource limitations.

44. This perceived lack of efficiency of technical assistance dedicated to the four categories of countries is partly a result of the institutional setting of UNCTAD and perceived "competition" between divisions. There is a lack of interdivisional coordination of technical assistance dedicated to the four categories of countries, and the poor monitoring of interregional activities dedicated to these countries is an obstacle to more transparent and coordinated programmes.

45. Except for ALDC, UNCTAD's technical assistance is not "category-specific" (LDCs, LLDCs, SIDS or other SWVSEs) but organized in different thematic clusters. Moreover, a major part of this technical assistance to the four categories of countries is concentrated on a few divisions, but again, without any coordination and real time monitoring of what is done at UNCTAD level for these four categories.

46. The evaluation team's meetings with UNCTAD officers have given a strong perception of both dedication and flexibility. Most beneficiary country officials interviewed during this evaluation have confirmed these qualities in their relationship with UNCTAD; however, they have also suggested in many instances that they would like to have UNCTAD officers be more involved in support of policy formulation. In a limited number of cases, they have mentioned a difficulty in identifying the right interlocutor at UNCTAD and a difficulty in follow-up when staff is changed from one division to another within UNCTAD.

47. Even if the price (or fee) paid by beneficiary countries for the implementation of projects is usually very low or null, total costs and charges of projects appear to be high, particularly for software updates. Moreover, beneficiaries mention that UNCTAD has competitors who are offering similar software or international experts for free (for instance, Commonwealth Secretariat, and the United States of America Department of the Treasury).

Table 12
Survey results on Efficiency
 (from 1 = yes/low/poor to 5 = no/high/good)

| Relevance of programmes | Average | Standard deviation | Number of answers |
|---|----------------|---------------------------|--------------------------|
| Q5 - Were there critical gaps for achieving the objectives, which were not tackled by UNCTAD? | 2.5 | 0.9 | 33 |
| Q6 - Were there unforeseeable reasons for not achieving the objectives of the project? | 2.4 | 1.2 | 33 |
| Q8 - Could the same objectives have been achieved with a different intervention? | 2.0 | 1.0 | 35 |
| Mean average | 2.3 | 1.0 | 34 |

Source: TAC/UNCTAD Survey, June 2010.

48. The conclusions on the lack of efficiency of UNCTAD's technical assistance programmes are confirmed in the survey (see table 12 above). The ratings provided by beneficiary countries to the three questions related to the efficiency are the lowest among the 20 questions: on average, the score for efficiency is 2.3 on a scale from 0 to 5 (5 being the best). The weakest point raised by survey respondents is that the same objectives could have been achieved with a different intervention. Moreover, they mention that a number of critical gaps were not addressed by UNCTAD. However, the survey also shows that this issue of efficiency also has the largest standard deviation among the four aspects investigated, meaning that such efficiency is highly heterogeneous across programmes, at least seen from the beneficiary country's perspective.

49. But part of the inefficiency may be beyond UNCTAD's control, because of the importance of unforeseen events in observed "failures" (or funding difficulties when requests come from beneficiary countries amongst others), and the efficiency issue is not cross-cutting all activities. On the contrary, very positive results or appreciations coexist with much more negative examples or perceptions.

VI. Sustainability

50. The sustainability of UNCTAD's technical assistance refers to the ability of beneficiary countries to sustain the benefits of a project on a long-term basis.

51. Although local ownership is a key element influencing the sustainability of technical assistance provided by UNCTAD to the four categories or countries studied in this report, the lack of financial resources and skills, particularly in LDCs, can be a difficult obstacle to tackle. In UNCTAD's case, these needs are reinforced, because of the large share of UNCTAD's technical assistance dedicated to software and capacity-building. Indeed, they not only require technical skills (rarely available locally), but also hardware and other software (such as Oracle) that beneficiary countries have to finance.

52. Most beneficiary countries say they would like to continue to receive technical assistance from UNCTAD, partly because of donors' financing and partly to ensure the sustainability of implemented programmes on a medium-term basis through a continuation of UNCTAD's assistance. But again, the cost issue is raised most of the time. Even if UNCTAD's technical assistance is appreciated most of the time, and the absence of conflict of interest between UNCTAD and beneficiary countries is a competitive advantage, the cost

for the continuation of a project is a critical element influencing the renewal and, therefore, the medium-term sustainability.

53. The survey confirms the good perception on the sustainability of UNCTAD's programmes by beneficiary countries. But again, the question of limited resources available for UNCTAD's TA is raised and therefore, among the four questions related to the sustainability of UNCTAD's technical assistance, three presented very positive answers, as shown in table 13, and can be summarised as follows:

(a) Beneficiaries want to keep facilities operational and to continue activities, they acknowledge the participation of local management in the planning from the start, ensuring a local engagement, and the technology used is considered to be appropriate to the country; and

(b) On the other hand, beneficiary organizations are not really able to keep facilities operational and to continue activities on their own.

Table 13

Survey results on Sustainability
(from 1 = low/poor to 5 = high/good)

| Relevance of programmes | Average | Standard deviation | Number of answers |
|--|----------------|---------------------------|--------------------------|
| Q16 - Is your institution/management willing to keep facilities operational and to continue activities? | 4.5 | 0.7 | 33 |
| Q17 - Is your institution/management able to keep facilities operational and to continue activities on their own? | 3.3 | 0.9 | 33 |
| Q18 - Did you and/or your management participate in the planning and implementation of the intervention to ensure local engagement from the start? | 4.1 | 0.9 | 33 |
| Q19 - Is the technology utilized in the intervention appropriate to the economic, social and cultural conditions in your country? | 4.1 | 0.8 | 32 |
| Mean average | 4.0 | 0.8 | 33 |

Source: TAC/UNCTAD Survey, June 2010.

VII. Conclusions and recommendations

A. Conclusions

54. UNCTAD's technical cooperation activities targeting the specific countries that are LDCs, LLDCs, SIDS or other SWVSEs are not properly monitored and reported, which makes a thorough and comprehensive evaluation very difficult, in particular because of the importance of such activities conducted within larger (regional or interregional) programmes. The only category for which information can be found and structured is LDCs and even there, many data and figures had to be estimated, and the details of activities for

these specific countries in the context of regional or interregional programmes are not very well documented.

55. These activities do, however, represent a large share of UNCTAD's overall technical cooperation activities, far larger than what is observed with other actors engaged in trade-related assistance. This reflects the importance given by UNCTAD, and donors, to these countries, and fits well with the most pressing needs of these countries. This is particularly true for the LDC category. The very limited overall trade-related assistance provided to SIDS, coupled with the limited number of interventions by UNCTAD for these countries would suggest a stronger focus (on SIDS), even though, on average, SIDS (as well as other SWVSEs) have already reached a higher level of development and do not face the same poverty issues as the LDCs and most LLDCs.

56. Most of the activities implemented in support of the four categories of countries are demand-driven, with a large component of "shared" design and definition of activities with beneficiary countries. This is not unrelated to the very strong relevance of UNCTAD's technical cooperation activities, seen from an analytical perspective (analysis of the countries' needs and requisites for a better integration into world trading mechanisms and flows) as well as from the beneficiary countries' own perception and feedback.

57. UNCTAD has both the mandate and the expertise to position itself as a critical catalyst enabling a better link between trade issues and negotiations on one side, and development and poverty reduction on the other side. This is particularly true because of the perceived absence of conflict of interest between UNCTAD and beneficiary countries, a major difference with bilateral donors or other international organizations. UNCTAD therefore has a "niche" in supporting LDCs, LLDCs, SIDS and other SWVSEs in their efforts to integrate into the world trading system and to increase the economic benefits derived from such integration.

58. However, this niche appears to be not fully exploited, with insufficient specific, customized and packaged offers dedicated to these countries, apart from the advisory work conducted by ALDC. There is a large concentration of UNCTAD's technical cooperation activities for LDCs and LLDCs (and a lower level of activities for SIDS and other SWVSEs) on regional/interregional programmes which are deployed to all countries and are therefore not specifically tailored for the categories of countries under review. This does not diminish the high relevance of such activities, and the evaluators are not in a position to show that the lack of specific characteristic of the programme in relation to the specific categories of countries has been detrimental to the results. However, it still suggests that country-specific characteristics are not fully taken into account. This has been verified in our in-depth investigation of the sample of 10 projects, but is also visible in the overall structure of UNCTAD technical cooperation activities, as most of them are channelled through "generic" support, notably when implying the installation of software and related capacity-building activities.

59. There are substantial issues pertaining to the efficiency of the technical cooperation activities undertaken by UNCTAD for the targeted categories of countries. Efficiency is perceived by beneficiary countries as the weakest point in UNCTAD's interventions, with issues ranging from flexibility (such as software, response to immediate needs or challenges, amongst others) to cost elements (overheads in joint projects with other agencies, intervention costs compared to other agencies, amongst others), and including occasional communication difficulties and serious resource limitations. It is partly a result of the institutional setting of UNCTAD and perceived "competition" between divisions. Part of the inefficiency may be beyond UNCTAD's control (impact of unforeseen events in projects observed to have "failed", funding difficulties when request come from beneficiary countries, amongst others), and the efficiency issue is not cross-cutting all activities. On the

contrary, as indicated above, very positive results or appreciations coexist with much more negative examples or perceptions.

60. Most of the activities targeting the four categories of countries have been satisfactorily implemented. However, it is not possible to assess the overall impact of such activities on the countries' integration process into world trade flows and mechanisms, as the absolute amount of support and the low number of programmes makes any causal relationship impossible to establish. From a purely analytical perspective, it seems fair to say that UNCTAD's combination of research and analysis, intergovernmental consensus building and technical cooperation is providing substantial and useful background elements as well as operational support to help policy making at high levels of government/administration, in particular in the smaller and least developed countries.

B. Recommendations

61. The combination of UNCTAD's niche and the relevance of its technical cooperation activities would suggest that UNCTAD needs more support for these specific categories of countries. The higher concentration on LDCs is warranted because of the critical needs and limitation on domestic resources in these countries, but the focus on LLDCs and SIDS is not clear enough and should be better established. The case for other SWVSEs is less clear, because of stronger domestic capabilities, and because their major vulnerability stems from their exposure to natural disasters, which UNCTAD may not be well-equipped to deal with. In any case, a clearer strategy and path should be established for each category of countries explaining the focus of UNCTAD's activities. Considering the limited amount of resources available, the evaluation team believes that the definition of priorities should be established, both in terms of targeted countries and in terms of activities, based on UNCTAD's specific comparative advantage, other donors' interventions and beneficiary countries' national priorities and requests.

62. UNCTAD's capabilities/expertise, and the absence of conflict of interest, suggest that the focus for technical cooperation activities targeting the four categories of countries should, among others, be related to:

- (a) Trade and investment policy formulation and capacity-building in related stakeholders' institutions;
- (b) Trade negotiation capabilities;
- (c) Upstream identification of beneficiary countries' needs in order to maximize the positive relationship between trade and development in broad policy direction;
- (d) Support towards the management of trade-related critical points, including assistance to LLDCs on trade facilitation;
- (e) Support towards the management of international financial relations regarding debt negotiations and debt management, possibly including domestic debt issues.

63. A major issue, then, is to improve UNCTAD's efficiency in delivering its technical cooperation activities. From the evaluators' perspective, three areas should be examined, which could enhance UNCTAD's efficiency:

- (a) In institutional terms, a stronger focus on the four categories commensurate to their level of economic development and national priorities and the need to establish a clearer path and strategy at UNCTAD suggest that the role and resources of ALDC should be reinforced. The interaction between the other divisions and ALDC should be enhanced and all technical cooperation activities with countries belonging to the four categories

should incorporate inputs from ALDC at the inception stage. Considering the human and budget constraints for ALDC, this would require greater resources;

(b) In terms of the adequacy of interventions to the specific categories of countries, UNCTAD should draw on its past experience and close relations with beneficiary countries to design specific packages, covering the recommended areas of intervention, designed to adapt and customize its intervention in order to better match the specific needs and characteristics of the four categories of countries. For the largest UNCTAD interventions for the targeted categories of countries (ASYCUDA, DMFAS), this would suggest to move to a more open software architecture, allowing specific add-ons or modules;

(c) In terms of funding, a clear constraint on UNCTAD's efficiency is the lack of multi-year and larger funding pools that UNCTAD could tap to react more rapidly and to enhance its flexibility regarding the countries' needs. The sheer limitation on administrative capacities in beneficiary countries strongly suggest that UNCTAD should be able to offer a "rapid reaction" capability, and this cannot be achieved without a longer-term and more predictable flow of financial resources.

64. Detailed activities and amounts spent for individual countries belonging to the four categories of countries should be fully and transparently reported in the context of interregional and regional programmes, so that a regular assessment on such activities can be made. The detailed information (per country) available today for country programmes should be reported and made available for activities implemented in interregional programmes. It is only when such information is made available that a complete assessment of UNCTAD's technical cooperation activities regarding specific categories of countries can be made.