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MODEL MEDIUM-TERM PLANS

Report of the Secretary-General

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I. BACKGROUND

1. The Committee for Programme and Co-ordination (CPC) carried out an in-depth study of the planning process in the United Nations at its nineteenth session on the basis of a report by the Secretariat 1/ and a report by the Joint Inspection Unit. 2/ After an extensive debate the Committee formulated a set of principles to guide the programme planning process. 3/ In addition it made a number of recommendations to the Economic and Social Council and the General Assembly. 4/ These principles and recommendations were endorsed by the Economic and Social Council in decision 1979/66 and the General Assembly in resolution 34/224.

2. For its twentieth session the Committee requested the Secretariat "to provide model medium-term plan programmes on the basis of the general principles and specific recommendations formulated by the Committee at its nineteenth session". 5/ In the same paragraph the Committee stated that the two programme areas for the preparation of models should be selected from the list of programmes identified by the Committee at its eighteenth session. 6/ The Secretariat selected the commodities programme of UNCTAD and the transnational corporations programme from this list.

3. The report of the Joint Inspection Unit mentioned above was not submitted to the CPC in time for the Secretary-General to make his comments available to the Committee at its nineteenth session, although members of the Secretariat made comments and responded to questions on it during the course of the discussion. The official comments of the Secretary-General on this report have now been issued 7/ and discussed in the General Assembly prior to its adoption of resolution 34/224.

1/ E/AC.51/97 and Add. 1-2.

2/ A/34/84.

3/ A/34/38 (Part I), para. 71.

4/ Ibid., para. 72.

5/ Ibid., para. 73.

6/ A/33/38, para. 10.

7/ A/34/84/Add.1.

II. ISSUES AND CONCLUSIONS

A. General issues

1. The status of the medium-term plan

4. General Assembly resolution 31/93, paragraph 3 (c) states that "after approval by the General Assembly, the medium-term plan will constitute the principle policy directive of the United Nations". This was reaffirmed by General Assembly resolution 34/224, paragraph 2 (c).

2. The major programmes of the plan

5. The report of the Committee for Programme and Co-ordination on its nineteenth session states 8/ that the present broad programme structure of the plan is acceptable. As a consequence, it is the intention of the Secretary-General to retain for the next medium-term plan the same major programme structure unless the General Assembly decides henceforth to launch during the interval new activities of a major programme size, or to drastically reduce activity in certain present major programmes.

3. The three-level structure of the plan

6. The three-level analytical presentation in the current plan is based on the following considerations: 9/

(a) The major programme level derives from the requirement of presenting the plan in terms of sectors of activity rather than organizational units as in the programme budget;

(b) The programme level derives from the need to have one level in the plan that provides a simple link with the programme budget and with administrative units. The programme level is in almost all cases equivalent to an appropriation line in the budget. Since the plan is conceived as providing the framework for the programme budget some link between programme categories and organizational units at one of the four programme levels will remain needed. The existing link has proved easy to understand and to operate;

(c) The subprogramme level was conceived as the main unit of analysis in the plan, the level at which medium-term objectives and strategies were to be specified. While the actual subprogramme objectives in past plans leave a great deal to be desired, it is difficult to visualize time-limited objectives at the major programme or programme levels. As a consequence, the existence of a programming level between that of the programme and that of the programme element would still appear to be a logical necessity for programme planning in the United Nations.

8/ A/34/38, para. 28 (f).

9/ A/34/84/Add.1, para. 14.

7. The Secretary-General intends to continue to organize the narratives within each chapter of the next plan by programme and subprogrammes although the content of these narratives will differ from that in the current plan and the subprogramme structure within a number of programmes should be different since an attempt will be made to define objective-based subprogrammes (see sect. B.1 below).

8. Narratives at the programme element level will appear only in the proposed programme budget.

4. The link between the plan and the programme budget

9. The plan will continue to serve as the programme framework for the formulation of the programme budgets for the biennia covered by it, as affirmed by General Assembly resolution 34/224, paragraph 2 (i). On the one hand, the programme narratives in the proposed budget for those organizational units that are subject to planning will continue to use the programme and subprogramme structure of the plans for those units. On the other hand, the set of programme elements and outputs proposed under each subprogramme in the budget narratives should represent meaningful steps towards the achievement of the objectives of the subprogramme as stated in the medium-term plan. Although it has not been explicitly reaffirmed in resolution 34/224, the Secretary-General understands that the principle set out in resolution 31/93, paragraphs 6 and 7, still applies, namely that the General Assembly urges the sectoral, functional and regional programme-formulating bodies to

"refrain from undertaking new activities not programmed in the medium-term plan and the subsequent programme budget unless a pressing need of an unforeseeable nature arises as determined by the General Assembly;"

and

"requests the Secretary-General to ensure compliance with the planning and programme-budgeting procedure referred to above."

10. Financial indications in the next plan will be along the lines recommended by the Advisory Committee on Administrative and Budgetary Questions, 10/ as stated in resolution 34/224, paragraph 2 (r). It is the understanding of the Secretary-General that this instruction supersedes that of resolution 31/93, paragraph 3 (iii), (iv) and (v).

5. Priority setting

11. The Secretary-General, while aware of the difficulties faced by intergovernmental bodies in setting priorities, wishes to point out that the guidance on relative growth rates given to him by the CPC at its sixteenth 11/ and

10/ A/33/345, paras. 7-11.

11/ A/31/38, paras. 86-88.

eighteenth 12/ sessions was incorporated in the instructions for the formulation of relevant proposed programme budgets. In the absence of any such guidance there would be no quantitative link between the plan and the budget.

B. Issues illustrated by the model plans

1. The objectives and strategies of the plan

(a) The feasibility of an "objective-based" programme structure

12. An "objective-based" programme structure was found to present fewer difficulties for the model plan for the commodities programme than for that on transnational corporations (TNCs). As a consequence it was possible to formulate a model plan on commodities that has an objective-based structure while the structure of that for transnational corporations remains based essentially on administrative units. As explained in the in-depth study of the planning process, submitted by the Secretary-General to the nineteenth session of CPC, 13/ general conclusions cannot be drawn from experience with only two programmes. However, the conception appears somewhat less problematical than it did before it was tested, although the difficulties experienced in the transnational corporations programme would probably be encountered in other programmes.

13. In the case of the transnational corporations programme objectives for the work of the United Nations in this area were formulated by the Commission on Transnational Corporations in the report of the Commission on the work of its second session. 14/ These objectives are:

(a) To further understanding of the nature and the political, legal, economic and social effects of the activities of transnational corporations in home countries and host countries, and in international relations, particularly between developed and developing countries;

(b) To secure effective international arrangements for the operation of transnational corporations designed to promote their contribution to national developmental goals and world economic growth while controlling and eliminating their negative effects;

(c) To strengthen the negotiating capacity of host countries, in particular the developing countries, in their dealings with transnational corporations.

Those objectives are applicable to both the work of the Secretariat and that of the relevant intergovernmental bodies so that an attempt was made initially to base the model plan on them. Had it been feasible such a plan would have had three subprogrammes, one for each of the objectives. The strategy for the

12/ A/33/38, paras. 53-54.

13/ E/AC.51/97/Add.2. Introduction.

14/ E/5782.

subprogramme on strengthening the negotiating capacities of most countries, for example, would have provided an account of all of the technical co-operation activities of the Centre and those aspects of the work on international instruments, the information system and research which contribute to the realization of the objective. This, however, would create serious difficulties since it can be cogently argued that the negotiating capacity of host countries will be greatly assisted by the existence of a Code of Conduct and other international instruments and by the comprehensive information system on transnational corporations, which contains inter alia information on laws and negotiations and contracts and agreements on TNCs. Much of the Centre's research work also contributes directly or indirectly to strengthening the negotiating capacity of host countries. As a result the strategy statement for a subprogramme with this objective would have covered most of the work of the Centre. A similar situation occurred when an attempt was made to describe the strategy the Centre is following to achieve the first objective, namely to further understanding of the nature and effects of TNCs. The technical co-operation activities and the information system as well as the research activities of the Centre all contribute to this objective. It was concluded that, although the activities of the Centre are undoubtedly directed to achieving these three objectives, the attempt to use them as the main structural principle of a plan would result in strategy narratives of a highly repetitive nature.

14. Another difficulty with such an objective-based structure for the transnational corporations programme is that even if it was used for the plan many programme elements in the subsequent budget would be found to contribute to several objectives so that their allocation to subprogrammes would be arbitrary. For example the Centre on Transnational Corporations is due to present a report to the Commission in 1982 on "Negotiating experience with transnational corporations". If an objective-based structure was adopted for the plan then in the subsequent budget this output would have to be placed under either the objective of "furthering the understanding of the nature of the activities of transnational corporations" or that of "strengthening the negotiating capacity of host countries". Both are equally applicable. This difficulty is avoided in the model plan where this work is presented as part of the subprogramme on research.

15. In the case of the commodities programme the objectives are those embodied in UNCTAD resolution 93 (IV) and reiterated, with a different emphasis, in UNCTAD resolution 124 (V). Although the market stabilization and commodity development are aimed at in each resolution, they are considered in different parts of these resolutions and clearly have different time horizons. The market problems are relatively short-term while commodity development is a longer term objective. The two subprogrammes are differentiated chiefly by their time horizon.

16. The situation in these two programmes is not representative of the majority of United Nations programmes. It is more normally the case that there are a multitude of resolutions which contain requirements governing the work of each programme or even subprogramme which no intergovernmental body has formulated as a set of synthetic objectives. The formulation of objectives in the plan by the Secretariat usually places the burden of such interpretative synthesis on the

Secretariat. Should the General Assembly wish to do so it could encourage the functional, sectoral and regional intergovernmental bodies to share or take up this task of formulating such synthetic objectives for their areas of competence.

17. The adoption of an objective-based programme structure will generally mean that there will be a divergence between this structure and that of the administrative units of the organization conducting the programme. This means that in general there will be no unit designated as responsible for the accomplishment of any one objective. However, individual responsibility will continue to coincide with the plan at the level of the set of objectives within a given programme. In the case of the commodities programme of UNCTAD in the medium-term plan for the period 1980-1983 ^{15/} there was a divergence between the subprogramme structure and the administrative organization of the Division as described in paragraph 8 of annex I. The suggested structure of the model, however, would not achieve a stricter correspondence between subprogrammes and branches. Branches of the Commodities Division chiefly responsible for negotiations on market issues may be called upon to participate in the preparation of studies on commodity development questions; the findings of the Development and General Studies Branch serve as input into the negotiations. In both the current and proposed structures no single unit could be designated as solely responsible for the accomplishment of one objective and several outputs could be placed under either market stabilization or commodity development. In the commodities field issues are closely interrelated and it would be difficult to imagine a set of discrete objectives each of which would be served by distinct outputs.

18. In general even where it is possible to have an objective-based programme structure this will not cover the entire work of the programme. Wherever continuing functions are presented as a separate subprogramme, as in the model plan on commodities, it will not be possible to formulate any but the most tautological objectives to cover these functions and so it is recommended that no objectives be given for such subprogrammes. The work of the joint units between the Centre on Transnational Corporations and the regional commissions is another case in point. It is desirable for budgetary clarity to provide for a separate identification of this work as is done in the model plan even though it could all be subsumed under the other three objectives.

(b) The feasibility of time-limited objectives and strategies

19. It has not been found possible to formulate time-limited objectives at the subprogramme level even where, as is the case in both model plans, the intergovernmental objectives are relatively precise. However, it has been possible to formulate subsidiary objectives which are time-limited.

20. The model plans show that there are at least four types of precise objective:

^{15/} A/33/6/Rev.1, paras. 18.48 to 18.73.

- (i) Time-limited in the strict sense, in which a date for accomplishment can be set. In general objectives at this level of precision will only be possible for a portion of the work of the subprogramme. They will often be objectives for the accomplishment of an intergovernmental action, such as the coming into existence of an international agreement, or the accomplishment of an extensive Secretariat activity, such as making the information system of the transnational corporations programme operational.
- (ii) Time-limited objectives for which a period during which the objective is expected to be accomplished can be stated, even though no date can be given.
- (iii) Objectives that specify a definite state of affairs toward which the subprogramme is to strive but for which no date or time-limit can be set. Normally in cases like this it should be possible to specify a phased strategy in the plan so that if the subprogramme were to be evaluated in the future there would be a sequence of actions in the plan which could act as a standard against which to compare the actual results. The attainment of an international agreement for any one of the commodities listed in foot-note 4 of the commodities model plan is an example. When first launched the Integrated Programme for Commodities had a target of reaching, through phases, formal agreement for 14 commodities. However, no definite time-limit could be set for this subprogramme because its activities were subject to major changes resulting from decisions taken at sessions of the Conference and, between sessions, by decisions of the permanent machinery of UNCTAD, by preparatory meetings and negotiating conferences and even, in some cases, by bodies outside UNCTAD, such as decisions to request the Secretary-General of UNCTAD to convene conferences to renegotiate existing commodity agreements taken by the autonomous commodity councils concerned. None the less when its implementation was reviewed after five years 16/ the consideration of how far each commodity had advanced along the programme's phases proved to be a sufficient standard to permit an assessment of the degree of success of the programme. This type of objective, in which there is a specification of states of affairs to be realized (such as the establishment of a formal commodity agreement) and in addition the specification of a strategy to be followed in terms of phases, is likely to be the most important for planning in the United Nations since more precise objectives will be either rare or so detailed as to be essentially the accomplishment of a programme element.
- (iv) Objectives which are not time-limited in any sense but for which quantitative achievement indicators are possible, such as response times in technical assistance operations, as in a subsidiary objective of subprogramme 3 of the model plan for transnational corporations.

16/ See TD/228.

2. A fixed or rolling basis?

21. The strategy narratives in the model plans are statements of the precise actions or sequences of action to be undertaken in the plan period rather than lists of intended output. Such narratives will be valid for most subprogrammes for several biennia so that, if this approach is adopted, the main reason for the rolling nature of previous plans will no longer apply.

22. The recent experience of revising the plan for the period 1980-1981 is also of relevance to this issue. The revision, which focused on significant changes in objectives, problems addressed or strategies, resulted in a text that was only one tenth the size of the plan itself so that it is clear that there is a great saving of effort, as well as a focusing of attention, in biennial revisions to a fixed plan in comparison with biennial reformulations of the entire plan.

3. Variations in presentation within the plan

(a) Variations in the programme level narratives

23. The programme level narratives in the model plans follow the format of the current plan with two exceptions:

- (i) There are no lists of expected completions since this aspect of Secretariat activities will be covered in the description of the situation at the beginning of the plan period. Subsequently more detailed information on actual completions will be given in the programme performance reports;
- (ii) There is no table showing the allocation of resources to subprogrammes. This will continue to be shown in both absolute and percentage terms in the proposed programme budget where such figures can be based on detailed proposals at the programme element level. In the plan such calculations have proved to be too speculative to be of value.

24. In the case of the model plan for commodities there is a programme narrative on the orientation of the programme as a whole. This will usually be necessary where, as with UNCTAD's work on commodities, the intergovernmental bodies have provided an explicit framework within which all activities in the programme are to be considered.

(b) Treatment of continuing functions

25. Following a suggestion of the JIU continuing functions are identified in both model plans. However the treatment of continuing functions differs in the two models. In the commodities plan they form a separate subprogramme with a brief narrative that simply describes these activities without attempting to formulate the objectives or the problem that they address. In the model plan for transnational corporations the continuing functions are identified as separate

subsidiary objectives but otherwise presented as contributing to the broad objectives of the subprogrammes of which they form a part. Both treatments have their virtues and it does not seem necessary to choose one over the other for the sake of uniformity.

(c) Subprogramme narratives

26. The main divisions of the subprogramme narratives in the model plans are the same as those in the current plan, with two exceptions:

- (i) The narrative on activities of marginal usefulness has been dropped since the identification of such activities is more appropriately carried out in the preparation of the proposed programme budget and in the programme performance report;
- (ii) The section on "expected impact" has been reformulated in the model plan on transnational corporations, with a much more precise text giving the means of obtaining indicators to be used in assessing work under the subprogrammes wherever these are feasible.

27. In addition new activities will be identified as such in any future plans.

4. Size of the plan

28. The model plans represent a significant improvement over the current plan in terms of content but they are not significantly shorter than the current narratives. If these models are to be taken as the basis for future plan narratives then the next plan will be approximately the same size as the current one, namely at least 1,000 pages in length. A different plan could be conceived, where only broad orientations and indications about alternative strategies and relative emphasis would be given at the major programme level, combining in the same narrative regional and global activities. Under this conception the plan would become little more than an expanded introduction and its links with the Programme budget would be tenuous. From the debates in the CPC and the Fifth Committee it is the understanding of the Secretary-General that this is not the type of plan that Member States expect.

Annex I

MODEL PLAN ON INTERNATIONAL TRADE, PROGRAMME 2:
UNCTAD: COMMODITIES

A. Orientation of the programme as a whole

1. UNCTAD IV in resolution 93 (IV), on an integrated programme for commodities (IPC), initiated a new strategy in the field through the use of intergovernmental negotiations aimed at reaching agreements on international action designed to improve market structures in international trade of commodities. The IPC was conceived as an over-all and integrated approach to commodity problems, in contrast to the earlier commodity-by-commodity approach. Its integrating elements were:

- a common framework of agreed objectives
- an identification of the international measures required to achieve the objectives
- defined procedures and a time-frame for implementation
- the negotiation of a Common Fund to finance buffer stocks and other measures
- a new intergovernmental body to oversee the entire exercise (the Ad hoc Intergovernmental Committee on the Integrated Programme for Commodities).

2. Between UNCTAD IV and UNCTAD V, under the policy guidance of the Ad Hoc Committee, activities under the programme were almost entirely geared to supporting a very large number of preparatory meetings and negotiations on individual commodities and on the Common Fund. In the meetings on individual commodities attention was mainly, although not exclusively, focused on the problem of market stabilization.

3. When assessing the progress achieved so far a/ UNCTAD V was aware that the original time-table embodied in resolution 93 (IV) for the negotiations on individual commodities (end 1978) although subsequently extended to the end of 1979, was much too short to allow for sufficient results, and as a consequence by its resolution 124 (V) decided:

(a) That after the end of the time-bound frame of IPC, any further preparatory meetings and negotiations in fulfilment of resolution 93 (IV) should become part of the regular work programme of UNCTAD (para. IV.2);

a/ A review of implementation of the IPC was submitted to UNCTAD V in document TD/228.

(b) That other activities included in IPC, i.e. the longer-term developmental aspects of the commodity programme, from which emphasis had been shifted in favour of negotiations on market stabilization, should in the next medium-term period receive more attention;

(c) That these activities should in due course be conducted under the policy guidance of the Committee of Commodities, which was to resume its regular series of meetings after a hiatus of approximately four years and "within a framework of international co-operation" (paras. III.1 and III.4).

4. The consequences of such decisions are the following:

(a) The preparatory work and negotiations on individual commodities are to be pursued without time limitations until agreements are reached or a decision is taken to suspend or terminate them;

(b) The relative priority to be granted to activities related to longer-term commodity development questions versus the shorter horizon market problems would be determined by further discussions in the competent intergovernmental organs.

5. It will be clear from the foregoing comments that the IPC, which at present accounts for the bulk of activities under this programme, encompasses both shorter-term and longer-term objectives. For this reason, although the integrated approach to commodity problems initiated by Conference resolution 93 (IV) will be maintained, activities under the IPC have been divided, for the purposes of the medium-term planning exercise, among subprogrammes having different time horizons.

B. Organization

1. Intergovernmental review

6. The work of the secretariat in this programme is considered by the Trade and Development Board (TDB) and its appropriate subsidiary bodies, particularly the Committee on Commodities and the Ad hoc Intergovernmental Committee for the Integrated Programme for Commodities, b/ by the subsidiary bodies of the Committee

b/ Up to December 1975, the work of the secretariat was considered mainly by the Committee on Commodities and its subsidiary bodies. In October 1976, the Trade and Development Board, by its decision 140 (XVI), decided to establish, pursuant to Conference resolution 93 (IV), an Ad hoc Intergovernmental Committee, to co-ordinate the preparatory work and negotiations, to deal with major policy issues that might arise and to co-ordinate the implementation of the measures under the IPC. In the period 1976-1979, the Committee on Commodities did not meet, some of its functions being exercised by the Trade and Development Board, while the Ad hoc Intergovernmental Committee held nine sessions. In October 1979, at its nineteenth session, the Trade and Development Board decided, by resolution 200 (XIX), to continue the Ad hoc Intergovernmental Committee until the end of 1980 and to entrust the responsibility for further work under the IPC beyond this date to the Committee on Commodities.

on Commodities, c/ and by conferences and preparatory and other meetings on commodities convened both within and outside the framework of the IPC.

2. Secretariat

7. The secretariat unit responsible for this programme is the Commodities Division, in which there were 36 Professional staff members on 1 January 1980. None of the posts was supported from extrabudgetary sources. The Division had the following structure as of 1 January 1980:

<u>Organizational unit</u>	<u>Professional staff</u>		<u>Total</u>
	<u>Regular budget</u>	<u>Extrabudgetary sources</u>	
Office of the Director*	6	-	6
Development and General Studies Branch	11	-	11
Minerals and Metals Branch	5	-	5
Agricultural Commodities Branch	14	-	14
Total	36	-	36

* Including IPC Negotiations Unit (see next para.).

3. Divergencies between current administrative structure and proposed programme structure

8. The basic administrative structure of the Commodities Division, as shown above, is compatible with the proposed programme structure. From September 1977 to September 1979 a number of task forces (four covering agricultural commodities, two for minerals and metals and one for the Common Fund) were superimposed on the basic administrative structure in order to strengthen the secretariat's activities in respect of the more technical activities required at the earlier stages of the IPC's implementation. In October 1979, when implementation of the Programme had moved to the more advanced preparatory and negotiating stages, the task forces

c/ Subsidiary bodies of the Committee on Commodities include the Permanent Sub-Committee on Commodities, which last met in 1967, and the Permanent Group on Synthetics and Substitutes, which last met in 1974. The Committee on Tungsten, which also reports to the Committee on Commodities, is scheduled to hold its twelfth session in February 1980.

were discontinued, some members being reabsorbed into the substantive branches and others being assigned to a newly created Negotiations Unit, attached to the Office of the Director, designed to provide support in a flexible manner to the negotiating process.

C. Co-ordination

1. Formal co-ordination within the secretariat and within the United Nations system

/Co-ordination would be described at the level of UNCTAD as a whole and not at that of different programmes/

2. Units with which significant joint activities are expected during the period

9. It is expected that the UNCTAD secretariat will continue to receive co-operation on agricultural commodities from FAO. Co-operation with the regional commissions covers the preparation of country studies and the holding of regional seminars and workshops. In accordance with Conference resolution 125 (V), a detailed study for the operation of a complementary facility for commodity-related shortfalls in export earnings will be carried out in consultation with the International Monetary Fund. In accordance with Conference resolution 124 (V), studies on various aspects of commodity development will be undertaken in consultation with the relevant producer/consumer bodies and international organizations, including FAO, UNIDO and the World Bank. Studies on food trade will be carried out, in co-operation with relevant international organizations, including FAO and the World Food Council.

D. Subprogramme narratives

SUBPROGRAMME 1: COMMODITY ANALYSIS (Continuing functions)

10. General review and analysis of the commodity sector including information on the current situation and trends, long-term projection of supply and demand, general perspectives of the commodity economy and information on existing infrastructure and technology.

11. Information is made available in the following publications, inter alia: monthly commodity price bulletin; tungsten statistics (quarterly); trade projections for individual commodities; studies at the country or individual commodity level.

12. It is proposed to publish in future an annual Commodity Review, comparable to the annual Commodity Survey published by UNCTAD in the 1960s. The output from this subprogramme serves mainly as inputs into the other subprogrammes. The primary users are national governments, intergovernmental bodies and research institutions.

/...

SUBPROGRAMME 2: DEVELOPMENTAL AND GENERAL ASPECTS OF THE COMMODITY ECONOMY

(a) Objectives

13. The main long-term over-all objective of this subprogramme is to promote a stable growth of the export earnings of commodity-producing developing countries. This over-all objective can be divided into subsidiary partial objectives which address separately various aspects or causes of the existing unfavourable situation, the attainment of any one which would contribute to the attainment of the over-all objective stated above. They include the following:

- (i) a. To improve productivity in the commodity sector of developing countries;
- b. To improve the competitiveness of natural primary products against synthetic substitutes;
- (ii) To increase the participation of developing countries in the processing of their products;
- (iii) To increase the participation of developing countries in the marketing and distribution of their products;
- (iv) To liberalize market access for processed commodities.

14. The attainment of these objectives will require action at both the national and international levels. The scope of international action, whether through formal intergovernmental agreements or otherwise, will emerge in the course of discussions and negotiations in the appropriate fora.

15. Additional mandated objectives of this subprogramme are contributions to the improvement of conditions in international trade in food and to the solution of problems which might arise in the markets for certain minerals and metals as the result of production from the sea-bed.

(b) Problems addressed

16. The marketing and distribution system for commodities exported by the developing countries are mostly under foreign control; returns to producers are generally low as a proportion of the final cost to consumers; the proportion of raw materials undergoing processing in the developing producing countries is very low in comparison to what may be considered as desirable; processed and semi-processed commodities face import barriers in consuming countries, undue dependence on markets in developed countries, and competition from substitutes for natural products. International food trade is not organized so as to contribute as effectively as it could to solving the problems of hunger, malnutrition and food security. Mineral production from the sea-bed may have adverse effects on the markets for some minerals and metals.

(c) Legislative authority

17. General Assembly resolution 1995 (XIX), TDB decision 7 (I) and Conference resolutions 51 (III), 105 (V), 124 (V) and 125 (V).

(d) Strategy

(i) Situation at the beginning of the plan period

18. As noted previously, d/ activities under this subprogramme received relatively little emphasis between UNCTAD IV and UNCTAD V. They are at an early stage and have not yet been considered by the Committee on Commodities.

(ii) Strategy for the plan period

19. As required by the resolution, the first step towards establishing a framework of international co-operation in pursuance of the objectives stated above will be the preparation of studies on the situation of commodity economy and the conditions under which improvements could be brought about. These studies will be undertaken in consultation with the relevant international organizations and the relevant producer/consumer bodies. These initial studies could also serve as a basis for the provision, upon request, of assistance to developing countries in the formulation of national commodity development policies. At a later stage, further studies might be required, exploring in greater detail the scope for international action, the forms which such action might take and the machinery and methods appropriate for its implementation.

20. It is not possible to forecast if or when a negotiating stage will be reached in respect of the issues identified by the activities referred to in the preceding paragraph. It will be for governments to decide at the appropriate time to convene preparatory meetings or negotiating conferences on individual commodities, to which conclusions derived from these studies would be made available, or whether further work is required within the permanent machinery of UNCTAD.

21. In accordance with Conference resolution 105 (V), and in co-ordination with relevant international organizations, reports aimed at formulating effective solutions to problems of international food trade and sea-bed mineral production will be submitted to the Trade and Development Board or its subsidiary bodies.

SUBPROGRAMME 3: PREPARATORY WORK, NEGOTIATIONS AND FOLLOW-UP ACTIVITIES ON THE COMMON FUND AND INDIVIDUAL COMMODITIES

22. This subprogramme covers individual commodities which are both inside and outside the IPC. The objectives, over-all strategy, and sequence of actions are

d/ Para. 2 above.

basically the same for both categories. It should be noted that the objectives of subprogramme 2 may also be pursued through preparatory work and negotiations on individual commodities. However, the emphasis of this subprogramme is on the negotiation of market-stabilization agreements.

(a) Objectives

23. The basic objectives of this subprogramme are to achieve stable conditions in commodity trade, including avoidance of excessive price fluctuations, to improve and sustain the real income of individual developing countries through increased export earnings, and to protect them from fluctuations in export earnings, especially from commodities.

(b) Problems addressed

24. On average, developing countries depend on exports of primary commodities for over 70 per cent of their export earnings. For some countries, dependence exceeds 90 per cent. Commodity markets are characteristically unstable, experiencing excessive fluctuations in demand, supply and prices. Consequently, developing countries face uncertainties regarding the level and stability of export earnings and thus uncertainties in their economic and social development. Instability of commodity markets has been a problem for developed market-economy countries also, particularly through its impact on inflation and the business cycle.

(c) Legislative authority

25. General Assembly resolution 1995 (XIX), TDB decision 7 (I) and Conference resolutions 78 (III), 104 (V), 124 (V) and 126 (V).

(d) Strategy

(i) Situation at the beginning of the plan period

26. In the light of the agreement reached in March 1979 on the basic elements of the Common Fund, it is expected that negotiations on the Fund will be completed in 1980.

27. To date, negotiations for one new commodity agreement, on natural rubber, have been completed in the framework of the IPC. By the end of 1979, preparatory and other meetings had been held on all the remaining commodities (except bananas and bauxite), listed in Conference resolution 93 (IV) and not already covered by existing commodity agreements. e/ In the case of some commodities,

e/ The commodities listed in Conference resolution 93 (IV) are bananas, bauxite, cocoa, coffee, copper, cotton and cotton yarns, hard fibres and products, iron ore, jute and products, manganese, meat, phosphates, rubber, sugar, tea, tropical timber, tin, and vegetable oils, including clive oil, and oilseeds. Cocoa, coffee, sugar, tin, olive oil and rubber are covered by existing and new commodity agreements.

preparatory work has been concentrated wholly or largely on seeking solutions to the problem of market instability. In other cases, it was recognized at an early stage that the commodity was not readily amenable to stabilization techniques and that attention would be more usefully directed towards other developmental measures, which might be eligible for financing through the Second Account of the Common Fund.

28. As regards commodities not included in the IPC, negotiations under UNCTAD auspices to conclude an international arrangement to replace the International Wheat Agreement 1971, as extended, were adjourned in February 1979, and have not yet been resumed; Conference resolution 126 (V), acknowledged the urgency of reviewing unresolved issues, with a view to resuming the negotiations. Tungsten has been under active consideration in UNCTAD for many years; the possibility of convening a negotiating conference with a view to concluding an international agreement has been envisaged, but no firm decision has yet been taken.

(ii) Strategy for the plan period

29. The negotiation of commodity agreements involves the following phases: f/

a. Preparatory phase

Conducting studies related to technical or policy questions; holding expert group meetings; holding preparatory meetings. The preparatory work ends when it has advanced enough for the negotiating conference to start, i.e. the nature and extent of the international action required is identified, and the prospect for an international agreement to be concluded on such action seems good.

b. Negotiating phase

During that phase, the secretariat plays the role of an "honest broker" assisting Governments in resolving major issues in the negotiation, and provides background analyses, studies and draft articles of agreement. As a rule, the agreement, valid for a limited period, is administered by a body independent of the United Nations, having its own secretariat. At the end of the agreement life, participating Governments usually come back to UNCTAD for a renegotiation.

c. Follow-up implementation

After the coming into force of Agreements, UNCTAD activities during the implementation period consist of: following the operation of the preparatory commissions established by negotiating conferences; following the operation of the Agreement proper; assessing the results and difficulties and reporting on them to the Committee on Commodities and the Trade and Development Board.

f/ In the case of commodities covered by existing commodity agreements, the preparatory phase is carried out in the commodity body concerned; in most cases, the negotiating conference is then convened in UNCTAD.

30. When a commodity agreement of the conventional type does not appear to be within reach for the time being, alternative solutions such as informal and non-binding arrangements, may be sought. In some cases, it may be decided to pursue further efforts through the machinery of autonomous producer-consumer groups.

31. The sequence of actions within this strategy is fairly well established, and should follow a broadly similar pattern irrespective of the commodity. However, it is not possible to predict, in each case, when one phase will end and the following one start, which commodities will be taken up next, what will be the frequency of meetings, what exact type of agreement or arrangement will be arrived at, etc. In certain cases putting a time horizon to a series of negotiations may even prove counter-productive. As a consequence, the subject and timing of supportive studies requested from the secretariat, or from individual member States as input to the discussions is not amenable to any medium-term programming.

Annex II

MODEL PLAN ON TRANSNATIONAL CORPORATIONS

PROGRAMME: CENTRE ON TRANSNATIONAL CORPORATIONS AND ITS
 JOINT UNITS WITH THE REGIONAL COMMISSIONS

A. Organization

1. Intergovernmental review

1. The work of the Secretariat in this programme is reviewed by the Commission on Transnational Corporations (a subsidiary body of the Economic and Social Council), which meets once every year and by the regional commissions in so far as the Joint Units are concerned.

2. Secretariat

2. The Secretariat units responsible for this programme are the Centre on Transnational Corporations and the Joint Units established between the Centre on Transnational Corporations and the regional commissions. The administrative organization of the Centre on Transnational Corporations and the Joint Units, and the established Professional posts authorized as of 31 December 1979 were as follows:

	<u>Professional posts</u>		
	<u>Regular</u>	<u>Extrabudgetary</u>	
	<u>budget</u>	<u>sources</u>	<u>Total</u>
<u>Centre on Transnational Corporations</u>			
Office of the Executive Director	5 a/	1	6
Information Analysis Division	13	-	13
Policy Analysis Division	11	-	11
Advisory Services	4	2	6
	<u>33</u>	<u>3</u>	<u>36</u>
<u>Joint Units</u>			
Joint CTC/ECA Unit	3	-	3
Joint CTC/ECE Unit	2	-	2
Joint CTC/ECLA Unit	3	-	3
Joint CTC/ECWA Unit	2	-	2
Joint CTC/ESCAP Unit	3	-	3
Subtotal	<u>13</u>	<u>-</u>	<u>13</u>
Total	<u>46</u>	<u>3</u>	<u>49</u>

a/ The Deputy Executive Director is also the head of the Policy Analysis Division; the Associate Director in charge of the Office of the Executive Director is also head of the Advisory Services.

B. Co-ordination

1. Related intergovernmental activities

3. There are intergovernmental activities under the auspices of UNCTAD on restrictive business practices and transfer of technology.

2. Formal co-ordination within the Secretariat

4. The work programmes of the Joint Units established between the Centre on Transnational Corporations and the regional commissions are prepared jointly by the Centre and the Units. A co-ordinating meeting with the Joint Units is held once a year.

3. Formal co-ordination within the United Nations system

5. Interagency meetings on programmes connected with transnational corporations are held within the framework of ACC. Separate co-ordination requirements have been identified with each of the organizations or agencies involved for each subprogramme.

4. Units with which significant joint activities are expected during the period 1980-1983

6. Significant joint activities are expected with the regional commissions (Joint Units), the Department of International Economic and Social Affairs, DTCD, UNCTAD, UNIDO, UNDP, FAO, ILO and WTO.

SUBPROGRAMME 1: SECURING EFFECTIVE INTERNATIONAL ARRANGEMENTS

(a) Objectives

7. The objectives of this subprogramme are:

(i) General objective of the United Nations

To secure effective international arrangements for the operation of transnational corporations designed to promote their contribution to national developmental goals and world economic growth while controlling and eliminating their negative effects;

(ii) Time-limited subsidiary objectives of the United Nations

(a) To complete a Code of Conduct on transnational corporations during the plan period;

(b) To complete an International Agreement on Illicit Payments during the plan period;

(c) To complete formal international arrangements on accounting and reporting standards during the plan period;

(iii) Continuing subsidiary objectives of the United Nations

To monitor the Code of Conduct and the International Agreement on Illicit Payments and other formal international arrangements once they are brought into existence;

(iv) Continuing subsidiary objectives of the Secretariat

(a) To service intergovernmental meetings directed toward the securing of effective international arrangements on transnational corporations;

(b) To assume whatever responsibilities for monitoring these arrangements that are assigned to the Secretary-General.

(b) Problem addressed

8. The international community, despite several efforts, has not yet established comprehensive "rules of the game" regarding foreign direct investment and the international activities of transnational corporations, as has been done in the fields of international trade and monetary affairs.

(c) Legislative authority

9. The legislative authority of this subprogramme is derived from Economic and Social Council resolutions 1908 (LVII), 1913 (LVII), 1978/71 and 1979/44 and the resolutions of the Council approving reports of the commission on transnational corporations.

(d) Strategy during the plan period

(i) Intergovernmental strategy

10. Code of Conduct. The Intergovernmental Working Group on the Code of Conduct will continue negotiating a consensus text on the basis of the text prepared by the Chairman. At the time of drafting this plan it was not possible to characterize the likely legal nature of the Code, its main provisions or the method of monitoring it once established, although it is probable that the Centre will be called upon to support the implementation of the Code.

11. Agreement on Illicit Payments. A conference of plenipotentiaries is expected to be convened in 1980 in order to conclude an international agreement on illicit payments. At the time of drafting this plan it was not possible to characterize the likely legal status, main provisions or method of monitoring of the Agreement.

12. International Standards of Accounting and Reporting. The Ad Hoc Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting will continue its work. At the time of drafting this plan it was not possible to characterize the legal status, main provisions or method of monitoring of the international arrangements it is expected to recommend.

(ii) Secretariat strategy

13. The Secretariat strategy of this subprogramme consists in providing substantive support and servicing to the intergovernmental bodies charged with the formulation of international agreements or arrangements on transnational corporations by the preparation of background documentation providing analysis of issues useful for the formulation of a code, agreements or arrangements, and the preparation of documentation reviewing and appraising the implementation of the agreements or arrangements, and assistance in the preparation of negotiating texts.

(e) Indicators of performance and impact

14. The immediate indicator of achievements under this subprogramme would be completion of the formal international arrangements mentioned above. If the monitoring procedures incorporated in these arrangements call for reports on their implementation then the information in such reports would constitute a second level of indicators.

SUBPROGRAMME 2: RESEARCH

(a) Objectives

15. The objectives of this subprogramme are:

(i) General Objective of the Secretariat

To assist Member States' policy-makers, governmental bodies, national economic entities and organizations concerned in the formulation and implementation of policy and of international arrangements, in giving a better understanding of the economic, social, political and legal effects of the activities of transnational corporations, and to improve their capability for dealing with transnational corporations by supplying them with research findings.

(ii) Time-limited subsidiary objectives of the Secretariat

To complete studies on key issues and cross-sectoral analysis regarding transnational corporations by 1983.

(iii) Continuing subsidiary objectives of the Secretariat

(a) To publish an integrated study of the political, legal, economic and social effects of transnational corporations every five years;

(b) To provide intergovernmental bodies with such other studies on transnational corporations as they request.

(b) Problem addressed

16. The growing role of transnational corporations in internal development and international relations has prompted Member States to assess closely the economic, social, legal and political impact of transnational corporations in formulating both national and international policies. However, there is an insufficient understanding of the transnational corporations' potential contribution to and impact on the national and world economies. This is due partly to the novelty and complexity of the phenomenon and partly to the lack of adequate and systematic information-gathering on the activities of transnational corporations. While some studies exist, they are not focused on many of the concerns of home and host countries, leave many gaps and are often based on inappropriate assumptions or data yielding doubtful conclusions. Comprehensive studies and reliable and comparable information on transnational corporations are not available and are needed to facilitate the formulation and implementation of policies vis-à-vis transnational corporations by the Member States.

(c) Legislative authority

17. The legislative authority of this subprogramme is derived from Economic and Social Council resolutions 1908 (LVII) and 1913 (LVII) and the resolutions of the Council approving reports of the Commission on Transnational Corporations.

(d) Strategy for the plan period

18. The research subprogramme is geared to supporting the goals of subprogrammes 1 and 4.

19. General and cross-sectoral studies. A comprehensive survey on transnational corporations in world development will be produced every five years. The survey will be based on the findings of all the research studies and the output of the comprehensive information system. Various other cross-sectoral studies will be published in response to requests of the Commission. The main thrust of these studies will be on: (i) linkages, both forward and backward, created by transnational corporations with the host economy, particularly in developing countries; (ii) social and political impact of TNCs; (iii) international financial transfers, including the local operations of transnational banks in developing countries and the operations of off-shore financial centres; (iv) balance of payments, including the analysis of the outcome of specific policies; (v) intra-firm trade, its dimensions and its responsiveness to external factors, the problems of transfer pricing; (vi) competition and corporate strategy and the extent to which competition is increasing, decreasing or changing in character in various sectors; (vii) implementation of policies and measures to strengthen the negotiating capacity of developing countries, including participation in the interregional project on primary commodity exports.

20. Sectoral studies. From a review of available data, the Centre has established that 12 manufacturing industries figure importantly in the development plans of developing countries and, at the same time, have substantial participation by

transnational corporations: petroleum processing, petrochemicals, synthetic fibres, fertilizers, mineral and metal refining and processing, rubber, electrical equipment, electronics, transportation equipment, non-electrical machinery (particularly machine tools and instruments), food and beverage processing and pharmaceuticals. Basic studies on them will be completed by 1983.

21. Special issues and policies. Studies will be published on special topics at the request of the Commission.

(e) Indicators of performance and impact

22. Responses to questionnaires on selected publications will be recorded and analysed in order to draw conclusions for the improvement of the activities of this subprogramme.

23. No indicators of impact appear feasible for this subprogramme.

SUBPROGRAMME 3: COMPREHENSIVE INFORMATION SYSTEM

(a) Objectives

24. The objectives of this subprogramme are:

(i) General objectives of the Secretariat

To develop comprehensive information about and knowledge of the operations of transnational corporations and to provide this to home and host countries in order to enable them to have a better understanding of the nature and socio-economic, political and legal effects of their activities of transnational corporations, to strengthen the negotiating capacity of host countries and to promote the contribution of such corporations to national development goals and global economic growth;

(ii) Time-limited subsidiary objectives of the Secretariat

(a) To complete studies on the activities and role of transnational corporations in sectors of special significance to host countries, particularly developing countries, by 1983;

(b) To build an adequate data base for all components of the information system on transnational corporations and have all aspects of it operational by 1981;

(iii) Continuing subsidiary objectives of the Secretariat

(a) To publish an annual review of the salient features of and trends in the activities of transnational corporations, including capital and technology flows in various sectors and in different countries and regions;

(b) To publish periodically a survey of national legislation and regulations relating to transnational corporations;

(c) To publish periodically bibliographies and directories of information on transnational corporations;

(d) To provide such other studies and information on transnational corporations and their activities as may be required to intergovernmental bodies, including regional bodies, and to governments and institutions at the national level;

(e) To develop institutional arrangements for the exchange of information on transnational corporations between the Centre's system and regional and national information systems;

(f) To maintain up-to-date information on transnational corporations in order to respond to requests for information by external and internal users.

(b) Problem addressed

25. The growing importance of transnational corporations necessitates a continuing analysis of their activities in host and home countries. However, the lack of adequate and comparable information on these corporations has limited the ability of Member States to assess the implications and impact of such activities and to negotiate effectively with them.

(c) Legislative authority

26. The legislative authority of this subprogramme is derived from Economic and Social Council resolutions 1908 (LVII), 1913 (LVII) and 1979/44 and the resolutions of the Council approving reports of the Commission on Transnational Corporations.

(d) Strategy for the plan period

27. The comprehensive information system is designed to support the goals of subprogrammes 1 and 4. It is being developed with respect to the components indicated in the paragraphs which follow.

28. Policies, laws and regulations on matters related to transnational corporations. The Centre will continue to collect information and publish studies on legal enactments, administrative provisions, policy statements relating to transnational corporations, the implementation of such laws and procedures and their impact on industrialization and on capital and technology flows through transnational corporations.

29. Trends in activities of transnational corporations. Aggregate data relating to capital and technology flows through transnational corporations will continue to be analysed so as to assess the trends and implications of such flows and related matters.

30. Industry studies. These studies are intended to provide an over-all analysis of the participation of transnational corporations in particular sectors and will

cover growth trends, competitive structure, changing patterns of ownership and other matters related to the operations of such corporations in each sector. The industry studies will concentrate on sectors of special significance to host countries, particularly developing countries, such as industries based on natural resources; manufacture of machinery and equipment including mechanical, electrical and transport equipment and other sectors such as electronics, petroleum processing and petrochemicals. The Centre has completed studies on certain branches of industry under these categories, including aluminum and copper. Studies on heavy electrical equipment, agricultural equipment and fertilizers are expected to be completed during 1980. The analysis of the role and activities of transnational corporations in the other selected sectors will be completed by 1983.

31. Information on individual corporations. This information is collected in two parts: general corporate information (primarily on financial statement items for the enterprises as a whole, and identification of foreign affiliates) on a large number of corporations, and in-depth corporate information on a limited number of major corporations in sectors of special significance to host developing countries.

32. Information on specific areas. Information will continue to be collected on various specific aspects of financial and structural practices and of technology transfer through transnational corporations including capital movements, local borrowing and restrictive business practices.

33. Contracts and agreements. Priority will be given to information on contracts and agreements between host country entities and transnational corporations, including an analysis of various provisions of different types of contracts.

34. Information on data and information sources. The Centre will maintain an updated bibliography on transnational corporations, a survey of research and various special directories of information and of institutions dealing with matters related to transnational corporations.

35. While each component of the system is essential, the specific priorities vary for individual countries or groups of countries. The information system will be kept broad enough to meet the different information needs of Governments, the primary users of the system. The system is intended to be flexible enough to accommodate any future changes in the priority of components as more information becomes available in the system and as more experience is gathered on the specific needs of principal users under various components. In the meantime, reflecting the needs of Governments expressed in the last survey, highest priority will be accorded to (i) information on policies, laws and regulations relating to transnational corporations, (ii) contracts and agreements between transnational corporations and host country entities and (iii) industry analyses.

36. Information stored in the system will be used to respond to ad hoc requests from external and internal users. In addition, it will be disseminated as a series of publications such as annual reports, surveys, studies and directories as well as through the CTC Reporter.

(e) Indicators of performance and impact

37. The following records will be kept and analysed in order to draw conclusions for the improvement of the activities of this subprogramme:

- (i) A log of requests for information from external users showing the nature of the request and the category of user;
- (ii) Responses to questionnaires on selected publications including the CTC Reporter.

38. No indicators of impact appear feasible for this subprogramme.

SUBPROGRAMME 4: ADVISORY SERVICES

(a) Objectives

39. The objectives of this subprogramme are:

(i) General objective of the Secretariat

To provide advisory services aimed at strengthening the capabilities of host countries, in particular developing countries, to deal with matters related to transnational corporations;

(ii) Continuing subsidiary objectives of the Secretariat

(a) To respond to ad hoc requests by governments for advisory missions with an average response time between the receipt of a request by the Centre and the arrival of the experts in the requesting country of less than two months.

(b) To continue to conduct workshops and round table discussions on all issues relevant to regulatory measures concerning, and negotiations with, transnational corporations.

(b) Problems addressed

40. The existence of a possible divergence of interests and objectives between transnational corporations and host countries implies that host countries, when formulating general economic and social development policies must, implicitly or explicitly, adopt policies on foreign direct investment - typically by transnational corporations - and on transnational corporations as suppliers of technology and managerial know-how. The adoption of policies is normally reflected in legislation or regulations which by intention or implication often leave open for negotiation certain aspects of the terms of entry and operation of transnational corporations. Developing countries need assistance both in establishing general policies and in negotiating with individual TNC's concerning these terms of entry and operation.

(c) Legislative authority

41. The legislative authority for this subprogramme is derived from Economic and Social Council resolutions 1908 (LVII), 1913 (LVII) and resolutions of the Council approving reports of the Commission on Transnational Corporations.

(d) Strategy for the plan period

(i) Advisory projects

42. A great many requests from Governments must be implemented urgently since they concern forthcoming negotiations or legislative action. The Centre's strategy in this regard will continue to be to maintain three complementary sources of expertise: full-time staff, part-time professionals on retainer and a roster of outside experts for ad hoc assistance needs. Missions by individual experts or multidisciplinary groups of experts are expected to continue to fall into two main categories:

a. Projects related to policies, laws and regulations which may involve:

- assistance in the formulation or revision of laws and regulations related to the activities of TNCs either in general, or in specific sectors (e.g., natural resources), or on specific issues (e.g., transfer pricing);
- assistance in the examination of over-all policy options vis-à-vis TNCs, or in connexion with specific issues such as ownership and control, transfer of technology, transfer pricing and fiscal and financial questions: this may be either in the context of national development goals or in the context of developmental policies for specific natural resources, manufacturing or service sectors;
- assistance to Governments in elaborating or strengthening evaluation, screening and monitoring guidelines for projects involving equity or non-equity foreign participation, as well as for developing or strengthening the relevant governmental infrastructure, procedures and information system in this regard;

b. Projects related to issues in specific arrangements with TNCs, which may involve:

- assistance to Governments in evaluating, within the context of specific projects, the alternative merits of various types of contractual arrangements such as joint ventures, licensing, management contracts and production sharing agreements;
- assistance to Governments in analysing and reviewing draft agreements and contracts involving equity or non-equity participation of TNCs in natural resources, manufacturing or service sectors;

- assistance to Governments by providing staff support in preparation for negotiations with TNCs;
- responding to inquiries from Governments for specific information on policies, legislation, practices and experience of other Governments on specific TNCs; or on various contractual arrangements arrived at by other countries in similar projects.

(ii) Training programmes

43. In general, meetings with senior officials in each region, subregion or country will be held in conjunction with the joint units in order to determine the needs of the countries of that region prior to conducting activities in their areas.

44. Workshops. Workshops will continue to be of two types: general workshops on the regulation of and negotiation with TNCs on a cross-sectoral basis and specialized workshops on either specific economic sectors, such as mining, petrochemicals and fisheries, or technical issues such as information and disclosure or transfer pricing. The workshops will be organized at the interregional, regional, subregional or national levels, and be held at venues in developing countries. They will continue to treat such topics as relevant legislative and administrative frameworks, issues of ownership, control and the division of gains, alternative forms of foreign participation, taxation, transfer pricing, transfer of technology, regional co-operation, the nature of TNCs' structures and operations and negotiating procedures and techniques. Special attention is given to the policies, legislation, approach and experience of other developing countries.

45. Interregional round table discussions. Such discussions, which bring together senior government officials with extensive practical experience at the highest level on matters related to TNCs for the purpose of exchanging experiences and drawing conclusions regarding government/TNC relationships concerning specific issues, will continue. The proceedings of such round tables will be disseminated so that Governments, in particular those of developing countries, can benefit from the experience and views of high level officials from other countries.

(iii) Other activities

46. Support will be provided to other organizations conducting meetings or training sessions on matters related to TNCs, and to national educational institutions in their efforts to develop teaching programmes related to TNCs. Fellowships aimed particularly at facilitating the exchange of experience among developing countries will be awarded to developing country officials. Efforts will also be made to:

(a) Inform relevant Government officials on the range of services available under the technical co-operation programme;

(b) Develop material of a relatively standard nature, in the form of manuals and technical papers dealing with practical issues arising on a recurring basis, for use by government officials.

(e) Indicators of performance and impact

47. The following records will be kept and analysed in order to draw conclusions for the improvement of advisory services:

- (i) The response time for each short-term project;
- (ii) The assessments by Governments of experts sent to assist them;
- (iii) Responses of participants to questionnaires on workshops.

48. No indicators of impact appear feasible for this subprogramme.

SUBPROGRAMME 5: REGIONAL ACTIVITIES

(a) Objective

49. The objective of this subprogramme, apart from assisting the work of the Centre, is to assist in alleviating those problems that Member States face in their dealings with transnational corporations that are unique to the respective regions.

(b) Problem addressed

50. Although the activities of transnational corporations concern all Member States and are spread over all regions the nature of problems varies from region to region and, in some cases, a regional approach to their alleviation is needed.

(c) Legislative authority

51. The legislative authority for this subprogramme is derived from Economic and Social Council resolution 1961 (LIX) and relevant resolutions and decisions of the regional commissions.

(d) Strategy for the plan period

52. In the African region, studies will be conducted on the policies of the Governments vis-à-vis transnational corporations with a view to achieving harmonization, strengthening of the bargaining capabilities of host countries, and finding ways and means of deriving maximum benefit from the activities of transnational corporations. The studies will also aim at yielding possible alternatives to transnational corporations for collective self-reliant development.

53. In the European region, studies will be undertaken and information collected, on the impact of transnational corporations on market structures and practices, on trends in the development of East-West co-operative arrangements in which transnational corporations are involved and on a number of key economic sectors.

54. In the Latin American region, analytical studies will be conducted on the impact of TNCs in areas such as technology transfers, balance of payments and

regional co-operation with a view to strengthening the ability of Governments to deal with the activities of TNCs.

55. In the Western Asian region, research will focus on the activities of transnational corporations in the petroleum industry and a number of selected key sectors. Corporate profiles will be widened and updated. A study of national and international regulations, including the code of conduct on TNC activities, and their implementation will also be conducted.

56. In the Asian and Pacific region, emphasis will be placed on specific subregional and regional co-operation efforts to strengthen the bargaining position of host Governments. In this connexion, research will be conducted and the results utilized in training and advisory services activities.

57. In addition, an interregional project (financed from extrabudgetary sources by UNDP) on nine primary commodities will be carried out jointly by the ESCAP, ECLA and ECA Joint Units. This project will yield empirical case studies on the selected commodities and integrated sectoral and cross-sectoral studies as well. The project is designed to assess the distribution of gains between transnational corporations and host Governments and to strengthen the capacity of the latter in the negotiation and monitoring of agreements in these areas.

(e) Indicators of performance and impact

58. Indicators of the performance or impact of this subprogramme do not appear feasible.
