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PROPOSED PROGRAMME BUDGET FOR THE BIENNIUM 1988-1989

Revised estimates under section 15, United Nations Conference on
Trade and Development; section 31, Staff assessment; income
section 1, Income from staff assessment; and income section 2,
General income

Seventh quadrennial session of the United Nations Conference on
Trade and Development

Preparatory work for bringing the Common Fund for Commodities
into operation

Report of the Secretary-General

Introduction

1. As indicated in paragraph 15.1 of the programme budget proposals for the United Nations Conference on Trade and Development (UNCTAD) (A/42/6 (Sect. 15)), a revised submission of the proposals was to be prepared in response to decisions taken at the seventh quadrennial session of UNCTAD, held from 9 July to 3 August 1987. The revised proposals are presented in section I of this document. In section II, revised estimates are given in the light of developments for bringing the Common Fund for Commodities into operation.

* A/42/150.

I. SEVENTH QUADRENNIAL SESSION OF THE UNITED NATIONS
CONFERENCE ON TRADE AND DEVELOPMENT

2. The proceedings of the seventh session of UNCTAD and the adoption by consensus of its Final Act can be seen as an important step in the evolution of the activities of UNCTAD on the basis of the initial mandate given to it by the General Assembly in resolution 1995 (XIX). Although not covering the whole range of UNCTAD's concerns, the Final Act gives new impetus to work by Governments and the secretariat in several key areas of activity.

3. While providing substantive support to Governments in implementing, adapting and strengthening agreed policy approaches and concrete measures, the UNCTAD secretariat must also enhance its capacities for policy-oriented research, analysis and conceptual innovation so as to continue to be able to prepare substantive proposals on issues coming within the purview of UNCTAD for intergovernmental deliberation and negotiation in the future. Moreover, the secretariat is called upon to strengthen its capacity to respond to the growing need of developing countries for technical co-operation in areas where UNCTAD can furnish substantive expertise.

4. The revision affects five programmes and focuses on the programmatic aspects: programme 1 (Money, finance and development); programme 2 (Commodities); programme 3 (Manufactures and semi-manufactures); programme 7 (Trade among countries having different economic and social systems); and programme 8 (Least developed, land-locked and island developing countries). One new programme element (programme 8, element 1.2) has been added, the priority designation of five programme elements changed, three programme element titles revised and 54 programme outputs reformulated or newly introduced. They are proposed to be implemented within the financial resources requested in the context of the programme budget for the biennium 1988-1989 (A/42/6 (Sect. 15)).

5. These revisions are the first response of the UNCTAD secretariat, within the constraints of the time available since the end of the seventh session of UNCTAD and the structural framework of the medium-term plan, to the demands placed upon it at the seventh session. They relate to the responsibilities involved in carrying out the specific tasks assigned to the secretariat by the Final Act of the seventh session of UNCTAD. The broader task of revitalizing and reorienting the overall work programme of UNCTAD to respond to current and foreseen demands, including concomitant deployment of resources, taking account of the new emphasis and orientations provided by the Final Act of the seventh session will require more time. It will be guided by the evaluations of the seventh session currently under way in Governments and in the secretariat, as well as by the comprehensive processes of reform in progress within the United Nations as a whole. Action to these ends will be pursued in the coming months in conjunction with the forthcoming preparation of the next medium-term plan.

6. The secretariat is expected to meet these demands in a climate of financial stringency and growing resource constraints. It is therefore compelled to intensify its efforts to deploy available resources to the maximum effect in pursuit of the objectives and mandates of UNCTAD. In the first instance, in order

to maintain the level of substantive activities, arrangements are under way for the streamlining of administrative functions including those relating to the management of technical co-operation and for the modification of arrangements for meetings servicing. The Secretary-General is also reviewing the possibility of streamlining and enhancing the functions of Executive Direction and Management.

7. As a response to decisions taken at the seventh quadrennial session of the United Nations Conference on Trade and Development, the Secretary-General recommends that the General Assembly approve the following revision to the proposed programme budget for the biennium 1988-1989 (A/42/6 (Sect. 15)).

Section 15, United Nations Conference on Trade and Development

Programme 1. Money, finance and development

1. Page 21, subparagraph (b) (Reference), last line should read

para. 313; Final Act of the seventh session of UNCTAD, paras. 34-69.

2. Page 21, programme element 1.2 (Output), fifth line should read

techniques of lending such as quasi-equity lending and the fostering of non-debt-creating instruments (third quarter, 1988).

3. Page 22, programme element 1.5:

- (a) Output (i), second line should read

including the question of burden and overall requirements for a successful debt strategy and need for relief measures, debt ...

- (b) Output (ii) should read

(ii) Report to the Trade and Development Board on implementation of Board resolution 222 (XXI) (first quarter, 1988);

- (c) For (ii) read (iii)

- (d) For (iii) read (iv)

4. Page 22, programme element 1.6, last paragraph should read

Activities also include maintenance of the research capacity in this area, in particular the latest research on the functioning of the international monetary system and its relationship to development of the world economy, taking into account the exchange rate system, interest rates and the liquidity needs of developing countries.

5. Page 23, subparagraph (b) (Reference), last line should read

paras. 16.15-16.18, as revised by A/41/38, para. 145 (a); Final Act of the seventh session of UNCTAD, paras. 4-32 and 34-69.

6. Page 24, subprogramme 3, subparagraph (b) (Reference), last line should read

para. 313; Final Act of the seventh session of UNCTAD, paras. 4-32 and 44-46.

7. Page 24, programme element 3.2, text should read

No final output. Provides inputs to the work relating to monitoring and management of problems of external indebtedness using computer-based systems and quantitative methods of analysis for the evaluation of balance of payments and indebtedness situations of individual developing countries in pursuance of Trade and Development Board resolution 222 (XXI), including quantitative support to the preparations for the Secretary-General of UNCTAD's participation in Paris Club meetings and to technical co-operation activities in this area.

Programme 2. Commodities

8. Page 30, subparagraph (b) (Reference), last line should read

para. 313; Final Act of the seventh session of UNCTAD, paras. 74-80 and 94-99.

9. Page 30, programme element 1.1

- (a) Title of programme element should read

1.1 Consultations, intergovernmental review meetings, preparatory meetings, negotiations and follow-up action on commodities not covered by existing international commodity agreements*

- (b) Output (i) should read

(i) Substantive servicing of comprehensive consultations with producing and consuming countries on individual commodities or groups of commodities included under Conference resolution 93 (IV) and not covered by international agreements/arrangements for the purpose of preparing a schedule of ad hoc review meetings and/or preparatory meetings on them (10 consultations during the biennium).

(c) Output (ii) should read

(ii) Reports to the consultations covering the particular characteristics and situation of each commodity and options for international action (2 reports each quarter, 1988 and first quarter, 1989);

(d) Output (iii) should read

(iii) Substantive servicing of (a) ad hoc review and/or preparatory meetings on individual commodities convened in accordance with the consultations referred to above (one in each quarter, 1988; two in each quarter, 1989); (b) other intergovernmental meetings on individual commodities which may be requested by Governments (one in second and fourth quarters, 1988 and 1989); (c) the Committee on Tungsten (fourth quarters, 1988 and 1989);

(e) Output (iv) should read

(iv) Reports to intergovernmental meetings on the market situation for individual commodities and on policies and measures covered by the Integrated Programme for Commodities; technical and research reports on factors affecting supply, demand and international trade for individual commodities, taking into account the competitive situation with respect to synthetics and substitutes as applicable (3 reports each quarter, 1988 and 1989);

(f) For (iii) read (v)

(g) Output (vi) should read

(vi) Reports to the Committee on Commodities reviewing the situation regarding the disposal of Government-held non-commercial stocks of primary products (fourth quarters, 1988 and 1989).

10. Page 31, programme element 1.3, Output (ii) should read

(ii) Reports to these conferences on the functioning of the agreements and factors affecting them, respectively (first and third quarters, 1988; first and third quarters, 1989);

11. Page 31, subparagraph (b) (Reference), last line should read

para. 313; Final Act of the seventh session of UNCTAD, paras. 81-93.

12. Page 31, programme element 2.1, output should read

i) Reports to the Committee on Commodities and/or the Intergovernmental Group of Experts on Compensatory Financing for Export Earnings Shortfalls reviewing the operation of existing national,

regional and international mechanisms aimed at compensating export earnings shortfalls in particular from commodities (third quarter, 1988; fourth quarter, 1989).

(ii) Report to the Trade and Development Board on any new facility that may be recommended by the Intergovernmental Group of Experts, taking into account the implications of export earnings shortfalls and the various institutional options (fourth quarter, 1988).

13. Page 32, programme element 2.2 should read

2.2 International co-operation on diversification, processing, marketing and distribution

Output: Reports to the Working Party on Processing, Marketing and Distribution, including Transportation, of the Committee on Commodities analysing issues, including proposals on policies and measures, in particular relating to: (a) programmes of assistance to countries or groups of countries for diversification as well as for processing, marketing and distribution, including in this connection the improvement of information flows to aid investment decisions and technical co-operation projects and programmes, particularly for human resources development (third quarters, 1988 and 1989); (b) reviews of the medium-term and long-term financing requirements for the implementation of diversification programmes, including processing, marketing and distribution activities and, in this context, the adequacy of official, bilateral and multilateral resources as well as private resources, including private investment, as well as the possibility of special facilities for this purpose (third quarters, 1988 and 1989).

14. Page 32, programme element 2.3, output, second line should read

technologies on commodity production, processing, trade and consumption (fourth quarters, 1988 and 1989).

15. Page 32, programme element 2.4

(a) Output (i) should read

(i) Reports to the Committee on Commodities analysing the issues relating to access to markets as they affect primary and processed commodities with account taken of developments in the General Agreement on Tariffs and Trade (GATT) with respect to tropical products, natural resource-based products and agriculture (fourth quarters, 1988 and 1989).

(b) Delete output (ii)

16. Page 32, Programme element 2.5 should read

2.5 Expansion of commodity trade**

Output: Reports to the Committee on Commodities on structural factors affecting the supply and demand patterns of commodity trade (fourth quarters, 1988 and 1989).

17. Page 33, subparagraph (b) (Reference), should read

medium-term plan 1984-1989 (A/37/6 and Corr.1), para. 16.36; Final Act of the seventh session of UNCTAD, paras. 81-89.

18. Page 33, programme element 3.1, output, delete point (c)

19. Page 33, programme element 3.3 should read

3.3 Substantive support to technical co-operation activities

No final output. Activities include substantive support to short-term advisory missions and seminars on import procurement of food commodities (two missions each quarter, 1988 and 1989; one seminar each of first and third quarters, 1988; one seminar, third quarter, 1989) (b) substantive support to national or regional programmes of diversification and on processing, marketing and distribution of commodities.

20. Page 33, programme element 3.4, output should read

Output: Substantive servicing of: (a) Trade and Development Board (third quarters, 1988 and 1989); (b) Permanent Sub-Committee of the Committee on Commodities (third quarters, 1988 and 1989); and (c) Committee on Commodities (fourth quarters, 1988 and 1989); (d) Working Party on Processing, Marketing and Distribution, including Transportation of Commodities (third quarters, 1988 and 1989); (e) third session of the Intergovernmental Group of Experts on Compensatory Financing of Export Earnings Shortfalls (third quarter, 1988).

Programme 3. Manufactures and semi-manufactures

21. Page 39, subparagraph (b) (Reference), last line should read

309 (XXX) and 310 (XXX); Final Act of the seventh session of UNCTAD, part 2 C, para. 105 (1)-(24).

22. Page 39, programme element 1.1

(a) Output (i) should read

(i) Report to the Trade and Development Board containing analytical studies on the international trading system, recommendations on principles and policies related to international trade and proposals for strengthening and improving the trading system, particularly as it relates to developing countries, including developments and issues in the Uruguay round of particular concern to them, bearing in mind that a stable and supportive international economic environment is essential for the smooth functioning of the international trading system and taking account of the interrelationship between trade policies and other economic policies affecting growth and development and of the need for the policies in the areas of monetary and financial matters, technology and in other relevant areas to be compatible and consonant with the international trading system (first quarter, 1989);

(b) Delete output (iii)

(c) For (iv) read (iii)

23. Pages 39 and 40, programme element 1.2

(a) Output (i) should read

(i) Reports to the Trade and Development Board on consideration and actions by Governments relating to the establishment of transparent mechanisms at the national level to evaluate protectionist measures sought by firms/sectors and the implications of such measures for the domestic economy as a whole and their effects on the export interests of developing countries and on the possible role and functions of these mechanisms (first quarters, 1988 and 1989);

(b) Output (ii) should read

(ii) Reports to the Trade and Development Board on changes in trading conditions to assist it in monitoring the implementation of Conference resolution 159 (VI) and the relevant provisions of the Final Act of the seventh session of UNCTAD with particular reference to agreements and commitments in the field of international trade, including those relating to the standstill and roll-back of quantitative restrictions and measures having similar effect (first quarters, 1988 and 1989);

(c) Output (iii) should read

(iii) Reports to the Trade and Development Board on the provision in the Final Act concerning observance of multilaterally agreed commitments with respect to trade in goods not being made conditional on receiving concessions in other areas (first quarters, 1988 and 1989);

(d) Output (iv) should read

(iv) Reports to the Trade and Development Board on improvement in access to markets, particularly for the products of export interest to the developing countries, including manufactures and semi-manufactures, liberalization of trade in tropical products and in natural resource-based products and reduction and elimination of escalation of tariff and non-tariff barriers, particularly affecting the products of export interest to the developing countries (first quarters, 1988 and 1989);

(e) Output (v) should read

(v) Reports to the Trade and Development Board on the further liberalization of trade in textiles and clothing and on the modalities which should be formulated which would permit the eventual integration of this sector into GATT on the basis of strengthened GATT rules and disciplines (first quarters, 1988 and 1989);

(f) For (ii) read (vi)(g) For (iii) read (vii)(h) For (iv) read (viii)(i) For (v) read (ix)(j) For (vi) read (x)

24. Pages 40 and 41, programme element 1.4

(a) Output (i) should read

(i) Reports to the Trade and Development Board analysing the principal elements and effects of structural adjustment policies, taking into account the experience of individual countries, including trade policies, and the various policy options, keeping in mind the importance of resources and technology in the process of development and national development priorities and objectives and of a favourable international economic environment and relevance of domestic policies, in particular those having a large influence on the world economy (first quarters, 1988 and 1989);

(b) Output (iii) should read

(iii) Reports to the Trade and Development Board on actions and measures to bring more disciplines and predictability to world agricultural trade by correcting and preventing restrictions and distortions including those related to structural surpluses so as to reduce the uncertainty, imbalances and instability in world agricultural markets; and on strengthening the participation of developing countries in agro-industrial production and trade (first quarters, 1988 and 1989);

25. Page 41, programme element 1.5

(a) Output (i) should read

(i) Reports to the Trade and Development Board on the role of services in the development process, identifying the policies and underlying factors affecting structural adjustment and trade in services and keeping in view the special problems of the least developed countries (first quarters, 1988 and 1989);

(b) Output (ii) should read

(ii) Reports to the Trade and Development Board analysing from the point of view of developing countries and in the context of overall development objectives the implications of the issues raised in the context of trade in services and exploring appropriate problematics for trade in services, keeping in view the technological changes in the field of services (first quarters 1988 and 1989).

26. Pages 41 and 42, programme element 1.6

(a) Output (ii) (new) should read

(ii) Report to the Intergovernmental Group of Experts on Restrictive Business Practices on possible approaches to ensuring transparency in the field of restrictive business practices and elements of consultation procedures (third quarters, 1988 and 1989);

(b) Renumber the remaining items accordingly.

27. Page 42, subparagraph (b) (Reference), last line should read

paras. 16.43-16.46; Final Act of the seventh session of UNCTAD, part 2 C, para. 105 (1)-(24).

28. Page 42, programme element 2.3

(a) Output (i) should read

(i) Reports to the Special Committee on Preferences on the Operation, Stability and Effectiveness of the Generalized System of Preferences (GSP), including the impact of change from the Customs Co-operation Council Nomenclature to the Harmonized System Nomenclature, (second quarters, 1988 and 1989);

(b) Output (ii) should read

(ii) Reports to the Special Committee on Preferences on Improvement of GSP Schemes, inter alia, through the expansion of product coverage and in strict compliance with multilaterally agreed principles relating to

their generalized, non-discriminatory and non-reciprocal character (second quarters, 1988 and 1989);

(c) Output (iii) should read

(iii) Report to the Working Group on Rules of Origin on measures for further harmonization, improvement and simplification of the GSP rules of origin (second quarter, 1989).

Programme 7. Trade among countries having different economic and social systems

29. Page 79, subparagraph (b) (Reference), last line should read

decisions 297 (XXIX) and 321 (XXXI); Final Act of the seventh session of UNCTAD, paras. 25-29.

30. Page 79, programme element 1.1, output (i) should read

(i) Reports to the Trade and Development Board analysing the latest trends and policies in trade of the Socialist countries of Eastern Europe, with both the developing countries and the developed market economy countries, bearing in mind the provisions of the Final Act; further analysis of developments in the area of trade among countries with different systems, in particular East-South trade, on the basis of improved statistics and with due regard to its product structure and geographical coverage, including the participation in this trade of individual developing countries (first quarters, 1988 and 1989);

31. Page 79, programme element 1.2

(a) Output (i), fifth line should read

régimes of member countries, innovations in foreign trade management and the schemes of preferences of the Socialist countries of Eastern ...

(b) Output (ii) should read

(ii) Reports to the Trade and Development Board containing a review and analysis of new developments in ways and means of, and proposals for, a programme to promote further intersystems trade, particularly East-South trade, with particular consideration of the interests of developing countries (third quarters, 1988 and 1989);

32. Page 80, programme element 1.4, output (ii), first line should read

(ii) Reports to the Trade and Development Board containing studies, including case studies, identifying ...

33. Page 80, programme element 1.5, output, third line should read

social systems, including possibilities for increasing the variety of and flexibility in payments ...

34. Page 80, programme element 1.6

- (a) Output, first line should read

Output: Reports to the Trade and Development Board on results achieved during bilateral and multilateral ...

- (b) A new second paragraph should read

In addition, assistance will be given to the Secretary-General of UNCTAD in his consultations with Governments on further strengthening intersystems trade, particularly East-South trade.

- (c) The former second paragraph should become the third paragraph.

35. Pages 80 and 81, programme element 1.7, second paragraph should read

In addition, substantive support is provided to: (a) operational activities, including workshops and seminars, for the development of trade and economic relations between developing countries and the Socialist countries of Eastern Europe, with particular reference to the least developed countries, (one in each quarter, 1988 and 1989); and (b) developing countries on request in the formulation of projects and programmes for technical co-operation (one advisory mission in each quarter, 1988 and 1989).

36. Page 81, subparagraph (b) (Reference), last line should read

para. 313; Trade and Development Board decision 297 (XXIX) and 321 (XXXI); Final Act of the seventh session of UNCTAD, paras. 25-29.

37. Page 81, programme element 2.1, output, second line should read

expanding economic and technical co-operation and containing proposals for its further promotion, including (a) industrial ...

Programme 8. Least developed, land-locked and island
developing countries

38. Page 87, subparagraph (b) (Reference), last line should read

chapter 16, and A/41/38, para. 145; Final Act of the seventh session of UNCTAD, paras. 106-153.

39. Pages 87 and 88, subprogramme 1

Programme elements 1.1 to 1.5 should read

1.1 Implementation of the Substantial New Programme of Action for the 1980s for the least developed countries

Output:

(i) (a) Report to the General Assembly and the Trade and Development Board reviewing progress in the implementation of the Substantial New Programme of Action (third quarter, 1989); (b) annual report: the least developed countries (third quarters, 1988 and 1989);

(ii) Substantive servicing of four sessions of the Trade and Development Board (first and third quarters, 1988 and 1989).

1.2 Preparation for the United Nations Conference on the Least Developed Countries, 1990*

Output:

(i) Reports to intergovernmental preparatory meetings; Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries, (third quarter, 1988); the Intergovernmental Group on the Least Developed Countries (third quarter, 1989); and inter-agency consultations on least developed countries (third quarters, 1988 and 1989);

(ii) Report to the Conference containing a review and assessment at the global level of the implementation of the Substantial New Programme of Action, including an analysis of potentials for and constraints on economic development and proposals for action (fourth quarter, 1989);

(iii) Substantive servicing of the Meeting of Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries (fourth quarter, 1988); the Intergovernmental Group on the Least Developed Countries (fourth quarter, 1989); two sessions of inter-agency consultations on least developed countries (fourth quarters, 1988 and 1989).

1.3 Substantive contribution to individual review meetings for the least developed countries

Output: Report to the meeting of the Governmental Experts of Donor Countries and Multilateral and Bilateral Financial and Technical Assistance Institutions with Representatives of the Least Developed Countries and to the Intergovernmental Group on the Least Developed Countries containing evaluations of the results of country review meetings (third quarters, 1988 and 1989).

In addition, substantive inputs will be provided to country review meetings on request; activities also include participation in round-table meetings and consultative groups and provision of substantive support to short-term advisory missions.

1.4 Specific trade and development issues**

Output: Technical publications: (a) case studies on short-, medium- and long-term effects of national structural adjustment policies on economic performance and growth and on the achievement of social objectives; (b) analysis of economic performance in and constraints faced by least developed countries; (c) export potentials; (d) diversification of exports in terms of both products and destination; (e) import cost-saving measures; (f) the role of the enterprises sector in least developed countries, including appropriate incentive systems (third and fourth quarters, 1988 and 1989).

In addition, substantive support will be provided to short-term advisory missions and seminars.

1.5 Evaluation of financial flows and technical assistance, and analysis of aid conditions and absorptive capacity

Output: Reports to the Trade and Development Board and the Intergovernmental Group on the Least Developed Countries containing (a) evaluations of external financial flows to the least developed countries including the potential for expanding such flows and (b) analyses of aid conditions, terms and modalities as applied to the least developed countries as well as ways of strengthening aid effectiveness (third quarters, 1988 and 1989).

In addition, it is planned to help the least developed countries to identify the technical assistance available multilaterally and bilaterally to improve their planning and administrative capacity.

40. Page 88, programme element 1.5

For 1.5 read 1.6

II. PREPARATORY WORK FOR BRINGING THE COMMON FUND FOR COMMODITIES INTO OPERATION

8. The Agreement Establishing the Common Fund for Commodities was adopted by the United Nations Negotiating Conference on the Common Fund at its fourth session on 27 June 1980. During that session, the Negotiating Conference also adopted a resolution establishing a preparatory commission. That resolution, inter alia, called on the Secretary-General of UNCTAD, after consultation with the Chairman of the Preparatory Commission, to establish a special unit for the servicing of the Commission. The Negotiating Conference also decided that, pursuant to General Assembly decision 34/416, the expenses incurred by the work of the Preparatory Commission and the Special Unit, with the exclusion of expenses incurred by members of and participants in the Commission in attending its meeting, might be met from the funds advanced by the General Assembly, which would be repaid by the Fund as soon as possible after the entry into force of the Agreement.

9. In its resolution 35/226 A of 17 December 1980, the General Assembly appropriated an amount of \$1,750,500 under section 15, UNCTAD, of the programme budget for the biennium 1980-1981 to finance an advance required for the preparatory work for bringing the Common Fund into operation. The Assembly, in resolution 35/226 B, also approved an estimate of income in the same amount under income section 2, General income, of the 1980-1981 programme budget, reflecting the reimbursement due to the United Nations from the Common Fund upon its entry into force. The arrangement was extended by General Assembly resolutions 36/240 A and B to the biennium 1982-1983 and by Assembly resolutions 38/236 A and B to the biennium 1984-1985.

10. At its fortieth session, the General Assembly considered a note by the Secretary-General contained in document A/C.5/40/79 and, by its resolution 40/253 A, appropriated an amount of \$942,000 under section 15 of the programme budget for the biennium 1986-1987, which represented the unspent balance of the advance of \$1,750,500 that it had approved under the 1980-1981 programme budget. By resolution 40/253 B, the Assembly also approved an amount of \$1,750,500 under income section 2 of the programme budget for the biennium 1986-1987, representing the reimbursement for expenditures of \$808,500 incurred against the advance in the bienniums 1980-1981 and 1982-1983 and the appropriation of \$942,200 made for the biennium 1986-1987.

11. No expenditures were incurred in the biennium 1986-1987 from the advance of \$942,000 appropriated. The Preparatory Commission did not meet during the biennium, and its substantive work was held in abeyance since the conditions for entry into force of the Agreement were not met. This unspent amount of \$942,000 is being surrendered in the context of the second performance report on the programme budget for the biennium 1986-1987.

12. For the Agreement Establishing the Common Fund for Commodities to enter into force, it must be signed and ratified, accepted or approved by at least 90 States, whose total subscriptions of shares of directly contributed capital must be equivalent to not less than two thirds of the total subscriptions of shares of directly contributed capital allocated to all States specified in schedule A to the

Agreement. At the conclusion of the seventh session of UNCTAD, 95 States had ratified the Articles of Agreement accounting for 59.39 per cent of the directly contributed capital and a further 7 States accounting for a total of 7.56 per cent of directly contributed capital indicated their intention to do so before the end of 1987. Consequently, it is confidently expected that the conditions for entry into force of the Agreement will be met by the end of 1987 and that the meetings of the Preparatory Commission originally foreseen for 1986-1987 will be held in 1988. In order to service these meetings and to provide such support as the Fund may require pending receipt of the subscriptions of members of the Common Fund, it is estimated that the unspent balance of the advance of \$1,750,500 amounting to \$942,000 would be required in the biennium 1988-1989.

13. The Secretary-General, therefore, recommends that the General Assembly approve the following revised estimates to the proposed programme budget for the biennium 1988-1989 in the light of developments in bringing the Common Fund into operation.

Section 15. United Nations Conference on Trade and Development

1. Page 3, table 15.1

(1) Regular budget should read

(Thousands of United States dollars)

1986-1987 appropri- ation	Estimated additional requirements								1988-1989 estimates
	Revaluation of 1986-1987 re- source base (at revised 1987 rates)		Resource growth (at revised 1987 rates)		Inflation in 1988 and 1989		Total increase		
	\$	%	\$	%	\$	%	\$	%	
69 278.1	(3 530.0)	(5.0)	84.2	0.1	915.5	1.3	(2 530.3)	(3.6)	66 747.8

Analysis of real growth (at revised 1987 rates)

(1) Total revalued 1986-1987 resource base	Resource growth				Rate of real growth (5) over (1)
	(2) Actual	(3) Less non-recurrent items	(4) Plus delayed growth (new posts)	(5) Adjusted	
65 748.1	84.2	942.0	-	(857.8)	(1.3)%

2. Page 4, table 15.1, Total direct costs

For 88 187.5 read 89 129.5

3. Pages 7 and 8, table 15.3

(Thousands of United States dollars)

Programme	1986-1987 appro- priation	Estimated additional requirements					1988-1989 estimates	Rates of real growth %
		Revaluation	Resource	Infla-				
		of	growth	tion				
		1986-1987 resource base (at revised 1987 rates)	(at revised 1987 rates)	in 1988 and 1989	Total increase \$	%		
(a) 2. Commodities <u>should read</u>	10 679.4	(1 269.8)	796.1	108.0	(365.7)	(3.4)	10 313.7	(1.5)
(b) Total <u>should read</u>	69 278.1	(3 530.0)	84.2	915.5	(2 530.5)	(3.6)	66 747.8	(1.3)

4. Page 9, table 15.4

(Thousands of United States dollars)

Objects of expenditure	1986-1987 appro- priation	Estimated additional requirements					1988-1989 estimates	Rates of real growth %
		Revaluation of 1986-1987 resource base (at revised 1987 rates)	Resource growth (at revised 1987 rates)	Inflation in 1988 and 1989	Total increase			
(a) Grants <u>should read</u>	942.0	(942.0)	942.0	-	-	942.0	-	
(b) Total <u>should read</u>	69 278.1	(3 530.0)	84.2	915.5	(2 530.3)	66 747.8	(1.3)	

5. Page 27, table 15.10

(1) Regular budget should read

(Thousands of United States dollars)

Main objects of expenditure	1986-1987 appropriation	Estimated additional requirements				1988-1989 estimates
		Revaluation of 1986-1987 resource base (at revised 1987 rates)	Re-source growth (at revised 1987 rates)	Inflation in 1988 and 1989	Total increase	

- (a) Grants should read 942.0 (942.0) 942.0 - - 942.0
- (b) Total should read 10 679.4 (1 269.8) 796.1 108.0 (365.7) 10 313.7
- (c) Analysis of real growth (at revised 1987 rates) should read

(1) Total revalued 1986-1987 resource base	Resource growth				Rate of real growth (5) over (1)
	(2) Actual	(3) Less non-recurrent items	(4) Plus delayed growth (new posts)	(5) Adjusted	
9 400.6	796.1	942.0	-	(145.9)	(1.5)%

6. Page 28, table 15.10, Total

For 10 571.7 read 11 513.7

7. Page 30, subprogramme 1, resource requirements should read

Regular budget: \$4,950,600 (48.0 per cent of programme total).

8. Page 31, programme element 1.4 should read

1.4 Support for the Common Fund

Output:

(i) (a) Substantive servicing of the Preparatory Commission and/or the first meeting(s) of the Governing Council (first and second quarter of 1988); (b) Assistance to the Governing Council in the servicing of intergovernmental meetings on individual commodities convened to draw up or to revise project proposals for financing through the Second Account (one in each quarter, 1988 and 1989);

(ii) Reports on organizational and administrative and technical matters to the Preparatory Commission and/or to the Governing Council (five in first half of 1988) and technical reports required for meetings on individual commodities (four in 1988; four in 1989).

9. Page 31, subprogramme 2, resource requirements should read

Regular budget: \$3,609,800 (35.0 per cent of programme total).

10. Page 33, subprogramme 3, resource requirements should read

Regular budget: \$1,753,300 (17.0 per cent of programme total).

11. Page 35, after paragraph 15.15 add

Grants

15.15 (a) The extension from 1986-1987 to 1988-1989 of the non-recurrent advance of \$942,000 is required to provide for the substantive servicing of the Preparatory Commission on the Common Fund for Commodities and/or the Governing Council of the Common Fund for Commodities on its establishment and to meet the initial administrative expenses of the institution pending the receipt of contributions from its member States. The resources advanced by the General Assembly will be repaid by the Common Fund as soon as possible after the entering into force of the Agreement.

Section 31, Staff assessment

Income section 1, Income from staff assessment

Income section 2, General income

14. The provision of \$942,000 in the 1988-1989 budget of section 15, UNCTAD, together with the expenditures in the bienniums 1980-1981 and 1982-1983 of \$808,500, would be fully offset by an amount of \$1,750,500 under income section 2 of the 1988-1989 programme budget, representing the reimbursement due the United Nations from the Common Fund once the Agreement enters into force. Such reimbursement will have first claim against the revenues of the Common Fund. Provision for staff assessment estimated at \$49,700 would also be required under section 31, offset by a corresponding amount in income section 1 of the 1988-1989 programme budget.
