

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**Report of the Working Party on the Medium-term Plan
and the Programme Budget on its
thirty-third session**

held at the Palais des Nations, Geneva,
from 25 to 29 January 1999



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Annex

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INTRODUCTION

(i) The thirty-third session of the Working Party on the Medium-term Plan and the Programme Budget was held at the Palais des Nations, Geneva, from 25 to 29 January 1999. In the course of the session, the Working Party held two plenary meetings - the 129th to 130th meetings. All other meetings were informal and held in private.

Chapter I

TEXTS ADOPTED BY THE WORKING PARTY AT ITS THIRTY-THIRD SESSION

**Agreed recommendations on the draft programme budget
for the biennium 2000-2001**

At its thirty-third session, the Working Party reviewed the proposed work programme for the 2000-2001 biennium in line with paragraph 107 of "A Partnership for Growth and Development" inviting the Secretary-General of UNCTAD to consult with member States at an early stage of the programme planning process, and in line with standing United Nations instructions on the preparation of the programme budget calling for consultation with specialized intergovernmental bodies governing the work of the various United Nations departments concerned. For this purpose, the Working Party had before it the draft Programme of Work for the 2000-2001 biennium, and the outcome of the *ex-ante* survey conducted among all member States of publications proposed therein. In its review, the Working Party benefited from presentations by, and discussion with, the programme managers responsible for the work of the subprogrammes in the UNCTAD work programme.

The Working Party recommends that the Secretary-General of UNCTAD should:

(i) Amend the draft programme of work as indicated in the text in document UNCTAD/ISS/Misc.200/Rev.1;

(ii) Reflect in the Overview of the Programme the fact that UNCTAD, in the pursuit of its objectives, will promote policy dialogue and exchange of experiences among Governments, cooperation with other international organizations, and the participation of non-governmental organizations, academia and the private sector and other actors of development in its activities;

(iii) Strengthen the capacity to provide timely global macroeconomic analysis, if necessary through redeployment of resources;

(iv) Ensure that the financial and human resources available to subprogramme 5, Office of the Special Coordinator for the Least Developed, Land-locked and Island Developing Countries, are identical to those in the 1998-1999 programme budget and that sufficient resources are made available in view of the Third United Nations Conference on the Least Developed Countries, to be convened in 2001;

(v) Ensure, in implementing the work programme and particularly in extending technical assistance, that LDCs have priority in the assistance provided by UNCTAD, and that specific needs of certain developing countries with structurally weak and vulnerable economies are addressed, and that UNCTAD continues to provide technical assistance to economies in transition;

(vi) Ensure that important issues such as poverty alleviation and employment generation are fully taken into account in the implementation of all subprogrammes;

(vii) Ensure that the gender dimension of development is included in the implementation of the work of the five subprogrammes as required by "A Partnership for Growth and Development" which calls for the question of the empowerment of women, to achieve equality between women and men in all sectors of the economy, to be handled as a cross-sectoral issue and thus reflected in the work of all subprogrammes, and promote initiatives towards this end in all of them;

(viii) Ensure that the outcome of the Trade and Development Board's consideration of the results of the meeting on Partners for Development held at Lyon in November 1998 is reflected in the work of the relevant subprogrammes and that any future implications for the programme of work will be submitted to the Board for approval;

(ix) Provide the Working Party at its future sessions, with documentation similar to that provided at its thirty-third session, which was welcomed by the members of the Working Party as a good basis for their review of the draft work programme;

(x) Provide electronic on-screen text-editing at future UNCTAD intergovernmental meetings, as provided at the current session of the Working Party;

(xi) Make the necessary arrangements to enable the Working Party to meet in resumed session to examine section 11 A of the proposed programme budget of the Secretary-General of the United Nations for the biennium 2000-2001.

**Agreed conclusions on the financial sustainability of
selected technical cooperation programmes**

In accordance with paragraph 13 of decision 455 (XLV) of the Trade and Development Board, the Working Party reviewed proposals for partial cost recovery for selected UNCTAD technical cooperation programmes (ACIS, ASYUDA and DMFAS) and reached the following conclusions:

1. It recalled that in "A Partnership for Growth and Development", adopted at UNCTAD IX, the secretariat was "requested to explore means to make [various] programmes financially self-sustainable". The Board, in its decision 444 (XLIV) requested the secretariat, in the light of its proposals in this regard, to report to the thirty-second session of the Working Party with "details of alternative cost-recovery options which might be applied, as well as the possibility of special arrangements for least developed countries". In its mid-term review of the implementation of "A Partnership for Growth and Development", the Board at its eighteenth executive session agreed that cost recovery should be examined for certain technical cooperation programmes involving updating, maintenance and continuing servicing, account being taken of the situation of the least developed countries and low-income countries.

2. The ACIS, ASYCUDA and DMFAS programmes provide management information systems for cargo tracking, customs administration and debt management, respectively, together with associated advice, training and ongoing maintenance support from the secretariat. Members of the Working Party agreed that each of the three programmes makes a valuable and essential contribution towards enhancing institutional capacities and generating economic and financial benefits

in developing countries and in countries with economies in transition. They noted the large number of new requests from member States for technical cooperation in those areas. Given that demand, and the fact that existing users are requesting continuous support from the UNCTAD secretariat in post-project use and maintenance, the Working Party agreed that appropriate arrangements to ensure the programmes' financial sustainability are necessary.

3. Each programme is managed by a central support team linked to the related analytical work of the secretariat. The functions of each team include: software development; post-installation maintenance and hotline service to users; training; and general programme management. As a major undertaking, the teams prepare, negotiate and backstop the implementation of country-specific or regional technical cooperation projects that install the software and provide the related advice and training.

4. Members of the Working Party were concerned at the precarious financial situation facing each of the central support teams: that situation has arisen in part from a lack of capacity to meet the continued growth in demand for all the services of each programme and in part from constraints on the existing sources of funding for the programmes.

5. The Working Party agreed that the financial sustainability of the three programmes will be based on: (i) programme budget resources; (ii) programme support resources; (iii) extrabudgetary resources from donors; and (iv) annual maintenance fees.^{1/}

6. The Working Party also agreed that the precise arrangements for annual maintenance fees require further consideration, prior to their introduction. To this end, the Working Party requested the secretariat to refine the calculations on which the level of maintenance fees would be based, by undertaking, on a pilot basis, cost accounting for each programme in order to assess the actual level and composition of central costs incurred by the secretariat, including in the provision of maintenance services. The results of that exercise should be communicated to the twenty-first executive session of the Trade and Development Board in June 1999, in order to arrive at an early decision on the matter.

7. The Working Party requested the Secretary-General of UNCTAD to provide to the Trade and Development Board at the same time: (i) an evaluation of possibilities for increasing the budgetary resources allocated to these programmes, including the financing of additional staff members; and (ii) information on the percentage of programme support resources that will be allocated to these programmes.

8. The Working Party agreed that it should review arrangements for annual maintenance fees three years after their introduction. On the basis of the results achieved after the first year of implementation, the possibility of any exemption from the system could be taken up by the Working Party. The Working Party also agreed that such arrangements should not create any precedent for other technical cooperation activities of UNCTAD.

^{1/} i.e. contributions by beneficiaries to the actual cost of maintenance services provided by the central teams, in accordance with the provisions of para. 6.

9. The Working Party expressed its appreciation to those donors which had supported the central support teams. It appealed to them to continue such support and invited other potential donors to consider providing similar support.

10. The Working Party noted that developing countries already contribute to technical cooperation projects involving the installation of the software and associated advice and training. Some countries are borrowing from the international financial institutions for this purpose. It noted that least developed countries, given their precarious financial situation, may find it difficult to finance the cost of maintenance fees. It also noted that other countries with structurally weak and vulnerable economies may face a similar situation in this regard. The Working Party therefore agreed that the partial cost recovery contributions on behalf of such countries could be made by donors invited to do so.

Decision on UNCTAD's technical cooperation plan for 1999-2001

The Working Party takes note of UNCTAD's Technical Cooperation Plan for 1999-2001, as included in document TD/B/WP/112, and requests the secretariat to revise it, taking into account comments made by delegations, for transmission to the twentieth executive session of the Trade and Development Board.

Agreed conclusions on the in-depth evaluation of the Trade Point programme

The Working Party on the Medium-term Plan and the Programme Budget,

1. Expresses its appreciation to the Government of Switzerland which provided funding for the preparation of the in-depth evaluation of the Trade Point Programme, as well as for the work undertaken by the evaluation team ; and reiterates its interest in and support for programme evaluation, in particular with respect to impact evaluation;
2. Reaffirms the importance it attaches to the Trade Point Programme and recognizes the work achieved so far by UNCTAD in this area;
3. Notes the conclusion of the evaluation report (TD/B/WP/110 and Add.1) that the Trade Point Programme appeared to be valued quite highly by Governments, Trade Point managers and end-users of the Trade Point services and that in some cases the Trade Points have been able to act as a catalyst for improvements in trade efficiency within government as well as in the local business community;
4. While recognizing the difficulty of the task, the time limitation faced and the efforts made by the evaluation team, regrets that the report does not provide sufficient information on the concept and design of the Programme at the time of its launching as well as its actual impact;
5. Decides that the implementation of the Trade Point Programme should be refocused on more realistic objectives, to concentrate primarily on the consolidation of the basic functions of the Programme as well as on providing the necessary support required by the Trade Points; in this respect, member States

should be consulted regularly within the framework of relevant UNCTAD intergovernmental bodies;

6. Expresses concern that interconnectivity among Trade Points, one of the key components of the Programme, has not been achieved and that exchange of information and experience among Trade Points as well as, on a collective basis, between Trade Points and the UNCTAD secretariat is, to date, limited; and encourages the secretariat to facilitate exchanges among the Trade Points;

7. Decides that the work on the Secure Electronic Authentication Link (SEAL) should be interrupted taking into account the analysis contained in the evaluation report;

8. Regrets that the United Nations Trade Point Development Centre (UNTPDC), designed to assist Trade Points, appears rather to have impeded their efforts to market their products and services;

9. Invites the secretariat to prepare a Trade Point Programme strategy for further consideration by the Working Party, thereby paying particular attention to the content of the evaluation report and to the deliberations of the Working Party thereon; this strategy should contain proposals on the financial and technical feasibility of the implementation of the recommendations contained in the report; requests in this context the secretariat to prepare a comprehensive report detailing all the activities undertaken to implement various mandates entrusted to it since the inception of the Trade Point Programme;

10. Invites the Secretary-General of UNCTAD to consider convening, within his current budgetary provisions, a meeting which would involve in particular Trade Point managers and end-users to advise him on the proposals to be made by the secretariat with respect to the implementation of the recommendations contained in the evaluation report, and to advise on future actions aimed at enhancing programme delivery, especially with regard to the assistance to be provided to the Trade Points; its conclusions should be transmitted for consideration to the fourth session of the Commission on Enterprise, Business Facilitation and Development;

11. Invites further the Secretary-General of UNCTAD to report to the thirty-fourth session of the Working Party on the follow-up action pursuant to the recommendations in the evaluation report as well as on the implementation of these agreed conclusions;

12. Decides to review on a regular basis, under the item on evaluation of technical cooperation programmes, reports by the secretariat on the implementation of the agreed recommendations and related follow-up action arising from evaluation reports.

Chapter II

REVIEW OF THE WORK PROGRAMME: (a) DRAFT PROGRAMME BUDGET FOR THE BIENNIUM 2000-2001; (b) IMPLEMENTATION OF PUBLICATIONS POLICY

(Agenda item 3)

1. For its consideration of this item, the Working Party had before it the following documentation:

"Draft programme of work for the 2000-2001 biennium"
(UNCTAD/ISS/Misc.200);

"Progress report on the implementation of UNCTAD's publications policy:
Report by the UNCTAD secretariat" (TD/B/WP/114).

"Results of the survey on UNCTAD publications in the proposed programme budget for 2000-2001: Prepared by the UNCTAD secretariat"
(UNCTAD/ISS/Misc.210).

2. The **Deputy Secretary-General of UNCTAD** said that, with regard to the work programme for the 2000-2001 biennium, the standing instructions for the preparation of the United Nations programme budget called for the submission of the programme of work to the specialized intergovernmental body concerned - in UNCTAD's case, the Working Party. Furthermore, paragraph 107 of "A Partnership for Growth and Development" invited the Secretary-General of UNCTAD to consult with member States at an early stage in the programme planning process. The work programme being proposed conformed to the standard presentation for the United Nations as a whole and, in line with the programme planning rules of the United Nations, included the entire set of activities, irrespective of source of funding. Once adopted by the General Assembly, the document became the mandate for the biennium concerned and provided the basis for both planning and assessment of work. However, since UNCTAD X would be taking place in February 2000, the work programme would need to be revised to take into account the Conference's outcome.

3. The spokesperson for the **Latin American and Caribbean Group** (Brazil) regretted that the draft programme of work did not include resource information. If that information could not be made available at this stage, the Working Party might wish to review the complete proposed programme budget for UNCTAD later in the year once the Secretary-General of the United Nations had finalized his proposals for review by CPC and ACABQ. She requested an explanation as to how the outcome of the Mid-term Review and the distribution of responsibilities in the macroeconomic work of the United Nations between UNCTAD and the Department of Economic and Social Affairs had been reflected in the draft programme of work. She also pointed out that it was not clear whether the term *ad hoc* expert meetings as used in the draft programme budget referred to expert meetings convened by the Commissions or meetings convened by the Secretary-General of UNCTAD.

4. The spokesman for the **African Group** (Egypt) stressed the importance of ensuring that UNCTAD's work led to the effective participation of developing countries in the world economy. He attached particular importance to the review

of the implementation of the Programme of Action for the Least Developed Countries, which would take place at the Third United Nations Conference for the Least Developed Countries in the year 2001, and to the follow-up to the High-level Meeting on Integrated Initiatives for the Least Developed Countries' Trade Development in 1997. He agreed on the need to have the outcomes of *ad hoc* expert group meetings brought to the attention of member States.

5. The representative of the United States of America said that it would be useful for the Working Party to have information on resource distribution, in addition to the draft programme of work before it, and she asked whether there would be any significant shifts in resource allocation among subprogrammes or categories of expenditure from the current to the next biennium. She stressed that all proposed activities should be formally authorized by mandates and sought clarification as to how the secretariat decided whether or not it had a mandate to programme specific activities. She expressed concern about the large number of proposed *ad hoc* expert group meetings, and asked whether or not the number of such meetings had increased after UNCTAD IX, as it was important to make sure that the reduction in intergovernmental meetings had not led to an increase in *ad hoc* expert group meetings. She also requested information on the average cost of convening each *ad hoc* expert meeting.

6. The representative of Sweden thanked the secretariat for the detailed information provided but said that it would have been useful to have data on resources. He pointed out that the proposed work programme was tentative, as UNCTAD X could set a new direction which would need to be reflected subsequently. Member States should assist in the identification of priorities in the light of the need to maximize efficiencies and the impact of programmes.

7. The representative of Kenya, noting the absence of resource information, asked whether the work programme had been reduced in scope or whether there would be any restriction on programme implementation due to lack of resources. The number of advisory missions proposed in each area of activity was less than the number of developing countries, and he wished to know the criteria for the selection of countries for advisory services.

8. The Deputy-Secretary-General of UNCTAD, referring to the role of the Working Party, said that, while the provision of detailed resource information at this stage was not in line with standing instructions on the preparation of the programme budget, which stated specifically that only the programme of work, without resource information, could be submitted to specialized intergovernmental bodies such as the Working Party, the Working Party could choose to meet again after the Secretary-General of the United Nations had finalized his submission to CPC and ACABQ, and it would then have before it the proposed programme budget as submitted to those bodies. The Working Party could then transmit its views and comments directly to those bodies. It should be noted, however, that at the Mid-term Review, member States had concluded that the deliberations of the Working Party were likely to have the greatest impact before the Secretary-General of the United Nations had finalized his programme budget submission and that the impact of deliberations at a later stage had proved to be minimal. He also noted that the Working Party would need to meet again after UNCTAD X to revise the work programme to reflect the outcome of the Conference.

9. With regard to the nature and purpose of *ad hoc* expert groups, these were convened by the Secretary-General of UNCTAD to advise him, whereas expert meetings were convened by the Commissions of the Trade and Development Board to

advise them. With respect to mandates, these were sometimes general and implied, and they did not always call for specific documents or work to be produced. In practice, the General Assembly had always recognized a degree of flexibility for the work of the United Nations Secretariat, on the understanding that programme managers used it judiciously. Intergovernmental governing bodies could judge whether that was the case when they reviewed work programmes, as the Working Party was doing.

Informal discussions

10. The Working Party pursued its deliberations in informal meetings.

Proceedings of the closing plenary

(a) *Draft programme budget for the biennium 2000-2001*

11. At its closing plenary, on 29 January 1999, the **Working Party** adopted agreed recommendations (TD/B/WP/L.89), by which, among other things, it recommended changes to the draft programme of work for the biennium 2000-2001 (UNCTAD/ISS/Misc.200/Rev.1). (For the text of the agreed recommendations, see chapter I above.)

12. The spokesperson for the **Latin American and Caribbean Group** (Brazil) said that the proposed reduction in the number of posts in the Trade Division was a matter for concern, and although it was understood that everything would be done to maintain the quality of work in the Division, particularly with regard to commodities, every effort should nevertheless be made to increase the resources available to the Division at the earliest possible moment. In addition, the secretariat should provide information on how it intended to strengthen the analytical capacity of UNCTAD.

13. The representative of the **United States of America** said that his delegation did not understand the rationale behind the proposed reduction in the number of posts in the Trade Division either, since that Division's analysis should constitute the core of UNCTAD's work. Work on the positive agenda was essential, and the Division's resources should be at least identical to those of the current biennium. Another concern was that a significant amount of work mandated by the Board and its subsidiary bodies remained undone, while at the same time the secretariat had engaged in work that had not been mandated. For example, the basic needs of Trade Point users had been neglected, while unmandated work had been done on SEAL and ETOs. The focal point in the United Nations system for technical cooperation in trade promotion, including trade information, was ITC, and it was not appropriate for the UNCTAD secretariat to assume that it could engage in activities of its choice as long as member States did not object. With regard to the Partners for Development Summit, the Deputy Secretary-General's willingness to work with member States to develop clear guidelines for partnerships, especially with the private sector, was welcome, and the Pilot Seminar on the Mobilization of the Private Sector in order to Encourage Foreign Investment Flows towards the Least Developed Countries was a good example to follow. Such activities should be demand-driven, and partnerships should not be such as to give rise to legal questions and concerns. Finally, though the proposed increase in UNCTAD's programme budget was relatively small, every agency should maintain a policy of zero nominal growth, and UNCTAD could achieve this by reconsidering its proposal to deploy personnel to New York and by reducing its reliance on outside consultants and experts.

14. The representative of **Japan** said that the wording of paragraph (ix) of the draft agreed conclusions in document TD/B/WP/L.89 did not reflect her delegation's proposal which had been accepted during the Working Party's informal discussions. The Working Party should be supplied with fuller information for its work on the programme budget.

15. The **Chairman** said that the text as adopted fully reflected what had been agreed. The only changes that had been made were necessary editorial changes. However, to reflect the concerns of the Japanese delegation, in paragraph (ix) the word "work" would be replaced by the phrase "review of the draft work programme". This should not be seen as a precedent for the Working Party's future work.

16. The representative of the **United States of America** said that her delegation strongly sympathized with the concerns of Japan. The Working Party should be supplied with as much information as possible, and documentation should be provided in good time.

17. The representative of the **United Kingdom** agreed that it would be useful for the Working Party to have more information for its work on the programme budget, but United Nations rules and regulations had to apply.

18. The **Deputy Secretary-General of UNCTAD** said that the Working Party had been supplied with all the information that it was entitled to receive under existing United Nations rules and regulations. It would be entitled to look at all aspects of the proposed programme budget in April, once the Secretary-General of the United Nations had made it available to the relevant bodies at Headquarters.

19. The representative of **Spain** said that the secretariat should provide member States with a detailed account of the legal basis for the Working Party's consideration of budgetary issues.

(b) Implementation of publications policy

20. The **Chairman**, summarizing the Working Party's informal discussions under this item, said that in conducting its review of the implementation of UNCTAD's publications policy in accordance with Board decision 449 (EX-17) of 8 May 1998, the Working Party had had before it the progress report on the implementation of UNCTAD's publication policy (TD/B/WP/114) and had benefited from discussion with representatives of the UNCTAD secretariat.

21. The following principal points had been made: delegations welcomed the progress made in the implementation of publications policy and of the Board's decision thereon (449(EX-17)). They recognized UNCTAD's efforts in seeking to have publications, in addition to parliamentary documents, issued in as many official languages as possible. While noting that resource constraints were a limiting factor, they nevertheless felt that the secretariat should intensify efforts in this area. Furthermore, they encouraged the secretariat to take all possible measures to ensure timely dissemination of the flagship reports in all official languages. Delegations generally appreciated the utility of the survey of proposed publications conducted among all member States in November 1998 and regretted the low rate of response. While they recognized that the information provided on each publication and the design had been improved and provided a useful basis for the Working Party's review of the work programme under item 3 (a), they encouraged the secretariat to devise additional methods to ensure

greater levels of participation and feedback from member States in order to provide better guidance to the secretariat in its planning. Developing countries, in particular, should play a significant role in this process taking into account that, (i) as the output of a development institution, UNCTAD's publications tended to be of greater interest to them than to developed countries, and (ii) developing countries did not always have a level of capacity for research and policy analysis which matched their needs. One method suggested was to supplement existing mechanisms with periodic meetings between the different country groupings, in particular those of developing countries, and the programme managers concerned to discuss their respective publications programmes and obtain feedback. While appreciating that all parliamentary documents were now available on UNCTAD's Website four weeks prior to the meeting concerned, delegations encouraged the secretariat to improve the use of electronic dissemination of publications. They also stressed the need for suitable pricing of sales publications in order to ensure wide dissemination, as well as monitoring of sales and of requests for secretariat publications as a means of assessing their usefulness. Noting that these aspects were not entirely within UNCTAD's control, they requested that, at the resumed session of the Working Party foreseen for 29-30 April 1999, the secretariat should arrange for a senior UNOG official to brief the Working Party.

22. The **Deputy Secretary-General of UNCTAD** said that the process involved in the preparation of the publications programme was complex and time-consuming, and the results were mixed. From the secretariat's point of view, the process had proved useful, particularly in terms of enhancing its publications planning, and member States of UNCTAD received far more information on publications than elsewhere in the United Nations system, but the response rate to the questionnaire on publications had been low, and a more systematic effort to obtain feedback would require resources that the secretariat did not have. Member States might wish to reflect on the experience acquired and to consider whether the process could not be improved and simplified.

23. The representative of **Egypt** said that, during the informal discussions, the question of the languages in which publications were issued had been raised, and the secretariat had undertaken to look at the proposed publications programme again with a view to improving its linguistic spread. His delegation expected improvements to be made in that respect and would follow the matter over the next biennium.

24. The representative of **Japan** said that countries which had not replied to the publications questionnaire should be encouraged to do so.

Chapter III

**REPORT OF THE CHAIRMAN OF THE WORKING PARTY AT ITS
THIRTY-SECOND SESSION ON HIS INFORMAL CONSULTATIONS**

(Agenda item 4)

25. The **Chairman of the Working Party at its thirty-second session** reported that his informal consultations had taken place on 14-15 January 1999 and had resulted in agreement on three texts: agreed conclusions on the financial sustainability of selected technical cooperation programmes (TD/B/WP/L.85), a decision on UNCTAD's technical cooperation plan for 1999-2001 (TD/B/WP/L.86), and agreed conclusions on the in-depth evaluation of the Trade Point programme (TD/B/WP/L.87).

26. The representative of the **United States of America** noted that the technical cooperation plan included a large project relating to electronic commerce and asked for further information on the nature of the project so that interested Governments could consider participating.

27. The **Working Party** adopted the agreed conclusions and decision presented by the Chairman of the Working Party at its thirty-second session. (For the texts of the agreed conclusions and decision, see chapter I above.) It further took note of the Chairman's summary of the Working Party's informal discussions on the in-depth evaluation of the Trade Point programme and decided that it should be incorporated into the Working Party's report. (For the text of the summary, see paras. 29-50 below.)

28. The **Chairman of the Working Party at its thirty-second session** said that, with regard to the Working Party's agreed conclusions on the in-depth evaluation of the Trade Point programme, one delegation had emphasized that the preparation of the comprehensive report on Trade Point programme activities referred to in the second half of paragraph 9 should precede the preparation of the Trade Point programme strategy referred to in the first half of the paragraph. It should also be noted that the conclusions of the meeting referred to in paragraph 10 of the same text would be transmitted to the Commission on Enterprise, Business Facilitation and Development in the form of a conference room paper because of the time constraints.

**In-depth evaluation of the Trade Point programme - Summary of
the discussions prepared by the Chairman of the Working Party
of the thirty-second session of the Working Party**

General comments

29. All delegations expressed appreciation and thanks to the Government of Switzerland for providing the funding for the in-depth evaluation (TD/B/WP/110 and Add.1), as well as to the evaluation team for their efforts and work.

30. Many delegations considered the report as a good basis for discussion. Several delegations felt that the report should have contained more analytical

information in particular with respect to the impact of the programme and the degree of client satisfaction. They felt that a number of questions remained to be answered, such as the basis for the report's claim that the programme had been a success, and the role UNCTAD had played in this success. These delegations called for a follow-up to the current evaluation, with particular emphasis on the programme's impact. Some other delegations considered that the report contained sufficient basic data on the implementation of the programme and its results and suggested focusing on the implementation of the specific recommendations contained in the report.

31. One delegation would have liked to see in the report more explicit discussion on the programme concept and mandates so as to have allowed member States to discuss these aspects, given the technological advances and other developments that had occurred since the concept had first been introduced and the mandates provided. Another delegation would have liked to see in the report more explicit discussion on UNCTAD's comparative advantage, i.e. on whether the programme should be an operational one, trying to catch up with technological development, or a normative one, setting standards and policies. Another delegation stated that the Trade Points in its country had faced difficulties because there was no mechanism for the selection of traders and trade information, and that UNCTAD had no business infrastructure or connections comparable to private service providers.

32. Many delegations stated that they attached particular importance to the programme. Several delegations insisted that the programme should be refocused on more realistic objectives, concentrating on the reinforcement of its basic aspects. In this respect the secretariat should consult the UNCTAD membership on a regular basis, within the framework of UNCTAD's intergovernmental machinery.

33. Many delegations recognized the challenges that the programme faced, including rapid technological development and financial sustainability. They attached importance to proper and timely technical support from the UNCTAD secretariat, and some delegations regretted that such assistance had not always been forthcoming, as seen from the experience of the Trade Points in their countries. Many delegations called strongly for the enhancement of technical support, including maintenance and operation, through measures such as those recommended in the report.

34. One delegation noted the difficulties for LDCs to achieve self-financing of Trade Points, although this would be the long-term goal. Another delegation stated that, although Governments should support Trade Points financially, assistance from UNCTAD in various forms was equally important.

35. Delegations expressed concern that the interconnectivity among Trade Points, one of the key components of the programme, had not been achieved and that exchange of information and experience among Trade Points, and with the UNCTAD secretariat, had been limited. Some delegations called for improvements in the secretariat's role in this respect.

36. Some delegations questioned the work of the secretariat on Secure Electronic Authentication Link (SEAL) and sought clarifications. They called for a closer follow-up on the implementation of the programme by member States. One delegation questioned the work of UNCTAD on electronic trading opportunities (ETOs), while others indicated that the secretariat had a mandate to develop ETOs. Further, noting with concern the report's conclusion that the

United Nations Trade Point Development Centre (UNTPDC), which was designed to assist Trade Points, had impeded their efforts to market products and services, a number of delegations pointed out that they awaited with interest the outcome of the OIOS investigation referred to in paragraph 69 of the report.

Comments on the recommendations

37. Paragraph 25: Most delegations agreed with the evaluation team that a knowledge management framework was one of the most important recommendation for the UNCTAD secretariat to implement, as it would address the concerns of many countries with respect to the lack of information flows. Concern was expressed by several delegations, however, with regard to the cost of implementation. Having been informed that it would greatly depend on the size of the system, ranging from US\$ 500,000 to several million, these delegations requested the secretariat to come up with a concrete proposal with a clear indication of resource requirements. Some delegations suggested that, given the importance of this recommendation in addressing the one real concern of the Trade Points, the work could begin gradually.

38. Paragraphs 31, 32: Many delegations supported the recommendations regarding simplification in the certification of Trade Points. One delegation attached particular importance to this recommendation.

39. Paragraphs 34, 35: Some delegations felt that setting up Trade Point federations could increase bureaucracy and that the role of the UNCTAD secretariat vis-à-vis such federations was not clear. Other delegations cited the positive experience of regional federations in Latin America and the Caribbean. Several delegations agreed with the recommendation that, at this stage, the effort should be aimed at establishing regional federations and servicing regional needs, rather than attempting to establish a global federation.

40. Paragraph 38: Several delegations stated that the ETO system was a very important and useful component of the Trade Points in their countries, and supported the recommendation. Some other delegations considered that UNCTAD had neither the mandate nor the capacity to develop or upgrade the ETO system. They considered that ETOs should be better dealt with by the private sector and possibly ITC.

41. Paragraph 47: There was consensus the work on SEAL should be interrupted. One delegation indicated that it was not ready to accept any recommendation relating to SEAL.

42. Paragraph 52: Some delegations supported the recommendation for an expert meeting so as to cover the more technical aspects. Some other delegations opposed this on the grounds that it was not for an expert meeting to discuss the mandate of the secretariat, that the Working Party could not have an expert meeting shoulder its responsibility for programme questions, or that the expert meeting should discuss broader substantive issues rather than technical cooperation provided by the programme. Several delegations supported the proposal of one delegation for an *ad hoc* expert group of the Secretary-General of UNCTAD or some similar mechanism.

43. Paragraph 53: Some delegations indicated that, while this paragraph was not under the heading "Recommendations", its content was important and needed to be taken into account by the secretariat.

44. Paragraph 56: Most delegations considered the recommendation to enhance technical assistance as very important and fundamental. One delegation suggested that other models of technical assistance or training could also be looked into. While some delegations would have liked to see the assistance in the context of this paragraph extended not only to Trade Points in the development stage but also to those in operation, another delegation felt that some prioritization might be necessary and the needs of Trade Points in operation could be better addressed by such measures as those recommended in paragraphs 60 and 62. Some delegations could not support the recommendation to establish preconditions for technical assistance as contained in paragraph 58, while some other delegations supported it.

45. Paragraph 60: Some delegations considered the recommendation on added-value trade information services important or interesting in terms of its potential for revenue creation. Some others expressed reservations, considering that the recommendation was too ambitious and too expensive. A member of the evaluation team pointed out that this recommendation needed to be read in conjunction with the outcome of the ITC evaluation on trade information.

46. Paragraph 62: Some delegations expressed doubt as to whether an intergovernmental organization should conduct negotiations with the private sector on behalf of Trade Points. One delegation pointed out that, aside from this general reservation, if anything it appeared more appropriate for ITC rather than for UNCTAD to engage in such an activity. Other delegations considered such activities as useful and recalled that UNCTAD undertook similar activities elsewhere (RBPs). The representative of ITC explained that ITC did not negotiate on behalf of Trade Points but only assisted them in such negotiations.

47. In the context of the recommendations in paragraphs 56, 57 and 60, reinforced cooperation between UNCTAD and ITC was called for. Delegations noted the evaluation of the ITC programme on trade information; there had been consultations between UNCTAD and ITC on both evaluations, including meetings between the UNCTAD evaluation team and the ITC evaluator, and the ITC evaluation would be discussed at a separate meeting convened by ITC later in the year. Several delegations indicated that the two secretariats should better delineate their respective areas of activity so as to avoid duplication, in line with the recommendation contained in paragraph 57.

48. Paragraphs 64, 65: Several delegations supported the recommendations on assistance on budget planning and in fund raising. Other delegations considered that Trade Points should be commercially viable and therefore that such activities should be left to their initiative and to the support provided by the private sector. One delegation questioned the usefulness of a newsletter. Another delegation wished to have a recommendation, or a conclusion by the Working Party, to call for increased financial support for Trade Points by the international community.

49. Paragraphs 67 and 68: Some delegations expressed strong reservations on a possible role for the secretariat as a bridge between the private sector and the Trade Points on technological developments and considered that Trade Points themselves should enhance cooperation with industry. Other delegations stressed

that, while the ultimate aim would be to achieve self-sustainability, Trade Points in developing countries still needed UNCTAD's assistance in this area.

50. Paragraphs 70, 71 and 72: Several delegations recalled their position that the work on SEAL should be interrupted. Delegations suggested that UNCTAD conduct research and analysis on electronic commerce issues related to development. A few delegations pointed out that UNCTAD should not be engaged in "research and development" (para. 72) but rather in "research and analysis".

Chapter IV

ORGANIZATIONAL MATTERS

A. Opening of the session

51. The thirty-third session of the Working Party was opened on 25 January 1999 by Mr. Lahcen Aboutahir (Morocco), Chairman of the Working Party at its thirty-second session.

B. Election of officers

(Agenda item 1)

52. At its 129th (opening) plenary meeting, the Working Party elected Mr. Philippe Merlin (France) as its Chairman and Mr. Hasnudin Hamzah (Malaysia) as its Vice-Chairman-cum-Rapporteur.

C. Adoption of the agenda and organization of work

(Agenda item 2)

53. Also at its 129th plenary meeting, the Working Party adopted the provisional agenda for its thirty-third session (TD/B/WP/113). The agenda was thus as follows:

1. Election of officers
2. Adoption of the agenda and organization of work
3. Review of the work programme:
 - (a) Draft programme budget for the biennium 2000-2001;
 - (b) Implementation of publications policy
4. Report of the Chairman of the Working Party at its thirty-second session on his informal consultations
5. Provisional agenda for the thirty-fourth session of the Working Party
6. Other business
7. Adoption of the report of the Working Party to the Trade and Development Board

**D. Provisional agenda for the thirty-fourth session
of the Working Party**

(Agenda item 5)

54. At its 130th (closing) plenary meeting, on 29 January 1999, the Working Party approved the provisional agenda for its thirty-fourth session (see annex I).

**E. Adoption of the report of the Working Party to the
Trade and Development Board**

(Agenda item 7)

55. At the same meeting, the Working Party adopted its draft report (TD/B/WP/L.88), subject to amendments to summaries of statements by the delegations concerned, and authorized the Rapporteur to complete the report with coverage of the proceedings of the closing plenary meeting.

ANNEXES

Annex I

PROVISIONAL AGENDA FOR THE THIRTY-FOURTH SESSION

1. Election of officers
2. Adoption of the agenda and organization of work
3. Review of the technical cooperation activities of UNCTAD and their financing
4. Evaluation of technical cooperation programmes: Competition law and policy
5. Provisional agenda for the thirty-fifth session of the Working Party
6. Other business
7. Adoption of the report of the Working Party to the Trade and Development Board.

Annex II

ATTENDANCE */

1. The following States members of UNCTAD, members of the Working Party, were represented at the session:

| | |
|----------------------------|---|
| Brazil | Malaysia |
| Bulgaria | Netherlands |
| China | Philippines |
| Egypt | Russian Federation |
| Ethiopia | Slovakia |
| France | Turkey |
| Guatemala | United Kingdom of Great Britain and Northern Ireland |
| Iran (Islamic Republic of) | United States of America |
| Japan | Uruguay |
| Kenya | |

2. The following States members of UNCTAD, not members of the Working Party, were represented as observers at the session:

| | |
|------------|-------------|
| Belarus | Mauritius |
| Canada | Mongolia |
| Chile | Morocco |
| Cuba | Norway |
| Ecuador | Portugal |
| Finland | Singapore |
| Germany | Spain |
| Ghana | Sri Lanka |
| Haiti | Sweden |
| Indonesia | Switzerland |
| Italy | Tunisia |
| Jordan | Venezuela |
| Madagascar | Zambia |

3. The following intergovernmental organization was represented at the session:

Organization of African Unity

4. The following international organization was represented at the session:

World Trade Organization

*/ For the list of participants, see TD/B/WP/INF.40.