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and the Programme Budget
Thirty-fourth session
Geneva, 27 September 1999
Agenda item 7

**DRAFT REPORT OF THE WORKING PARTY ON THE MEDIUM-TERM PLAN
AND THE PROGRAMME BUDGET ON ITS THIRTY-FOURTH SESSION**

Vice-Chairman-cum-Rapporteur: Mr. Pavel Chrobák (Slovakia)

Speakers:

Deputy Secretary-General of UNCTAD
Guatemala (for Latin American and Caribbean Group)
Finland (for European Union)
Egypt
Kenya

Note for delegations

This draft report is a provisional text circulated for clearance by delegations.

Requests for amendments should be communicated by **Friday, 8 October 1999 at the latest** to:

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INTRODUCTION

The thirty-fourth session of the Working Party on the Medium-term Plan and the Programme Budget was held at the Palais des Nations, Geneva, from 27 September to 1 October 1999. In the course of the session, the Working Party held ... plenary meetings - the 132nd to meetings. All other meetings were informal and held in private.

Chapter I

REVIEW OF THE TECHNICAL COOPERATION ACTIVITIES OF UNCTAD AND THEIR FINANCING

(Agenda item 3)

EVALUATION OF TECHNICAL COOPERATION PROGRAMMES

(Agenda item 4)

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

“Review of technical cooperation activities of UNCTAD” (TD/B/46/3 - TD/B/WP/117);

“Review of activities undertaken in 1998” (TD/B/46/3/Add.1 - TD/B/WP/117/Add.1);

“Statistical tables” (TD/B/46/3/Add.2 - TD/B/WP/117/Add.2);

“Evaluation of the programme of technical cooperation activities on competition law and policy” (TD/B/WP/119 and Add.1);

“Follow-up to the evaluation of the Trade Point programme: Trade Point Programme Strategy (TD/B/WP/120 and Add.1);

“Activities undertaken to implement various mandates for the Trade Point programme since its inception” (TD/B/WP/121);

“Follow-up action pursuant to the recommendations in the evaluation and implementation of the agreed conclusions of the thirty-third session of the Working Party” (TD/B/WP/122).

2. The **Deputy Secretary-General of UNCTAD**, introducing agenda item 3, stressed the importance of UNCTAD’s technical cooperation activities and underlined that this year’s review was of particular relevance, as it was the last before UNCTAD X. In this respect he invited members of Working Party to taking into account in their deliberations the report of the Secretary-General of UNCTAD to the Conference (TD/380) and in particular its discussion of technical cooperation. He expressed appreciation for the generous support of contributors to Trust Funds. He outlined the main activities undertaken by the UNCTAD secretariat, the continued priority given to LDCs, and the efforts made to strengthen relations with UNDP and other organizations engaged in trade-related technical cooperation, particularly with a view to strengthening cooperation at the field level. On the question of the financial sustainability of selected UNCTAD technical cooperation programmes, he stressed the need for the Working Party

to make a recommendation to the Board on arrangements with respect to the introduction of annual maintenance fees, as one among other funding sources, to ensure the financial sustainability of the programmes in question.

3. With regard to agenda item 4 (a) on the evaluation of the competition law and policy programme, he summarized the findings of the independent evaluator and the recommendations made as regards the future priorities and direction of the programme, as contained in document TD/B/WP/119. Finally, under agenda item 4 (b) on the follow-up to the evaluation of the Trade Point Programme, he drew the attention of the Working Party to the Trade Point Strategy, as contained in documents TD/B/WP/120 and TD/B/WP/120/Add.1, and to the activities undertaken to implement the various mandates since the inception of the Trade Point Programme, contained in document TD/B/WP/121.

4. The spokesperson for the **Latin American and Caribbean Group** (Guatemala) underlined the importance that her Group attached to the issue of technical cooperation and to the need to strike a balance between the regions. She expressed concern at the continuing decrease in expenditures in her region. She noted, however, that activities were in the pipeline and expressed the hope that the necessary resources could be secured to allow for the implementation of planned activities. She expressed satisfaction at the close cooperative links established between UNCTAD and other agencies and stressed the importance of coordination. On the question of the financial sustainability of selected UNCTAD technical cooperation programmes, it would be important to be realistic as to what could be expected from developing countries. Regarding the evaluation of the competition law and policy programme, she said the Working Party should seek solutions with a view to ensuring benefits to all developing countries, particularly those in most urgent need.

5. The representative of **Finland**, speaking on behalf of the **European Union**, said that technical cooperation should focus exclusively on the requirements of developing countries, in particular LDCs, and should be demand-driven. UNCTAD should not promote its own technical cooperation, and its activities should focus on areas where it had a clear comparative advantage. He stressed the need for increased cooperation with WTO and ITC to maximize the use of available resources. In implementing its technical cooperation activities, UNCTAD should ensure that no competition took place with the private sector. On the question of evaluation, he stressed the need for regular evaluations of individual technical cooperation projects, and these evaluations should include analysis of impact. In this connection, projects should be subject to cost-accounting, and publications should continue to be scrutinized. He suggested that the Secretary-General of UNCTAD should take steps to install a coordinating mechanism for technical cooperation. With regard to the three-year rolling plan, a distinction should be made between long- and short-term projects. Finally, he expressed concern at the distribution of technical cooperation resources and at the decrease in the LDCs' share, and asked that steps be taken to remedy the situation.

6. The representative of **Egypt** said his country attached great importance to UNCTAD's technical cooperation and reaffirmed the need to continue to adapt it to developing countries' needs, taking into account the financial situation in those countries. In this context, financial sustainability had to be ensured without any discrimination among developing countries. He expressed concern at the decline in the overall technical cooperation budget and the continuous decline in UNDP contributions. UNCTAD's technical cooperation resources needed to be increased to respond to the increasing requests and needs of developing countries. The decline in the share of technical cooperation resources going to the African region was unacceptable. He expressed appreciation to the European Union and other donors for their support for the very useful activities carried out by UNCTAD. Finally, he expressed concern at the unbalanced geographical distribution of experts and consultants involved in the implementation of technical cooperation projects, both between developed and developing countries and among developed countries. Developing countries should be increasingly involved, and the share of experts from developing countries should increase.

7. The representative of **Kenya** said that his Government attached paramount importance to UNCTAD's technical cooperation activities. It was encouraging to see that the Trust Fund for LDCs had reached the target of US\$ 5 million. He expressed appreciation to those donors who had contributed to the Trust Fund, and urged other donors to do so. He hoped the Trust Fund would be regularly replenished so as to make the technical cooperation of UNCTAD more predictable and sustainable. He expressed great disappointment at the decline in the resources available for technical cooperation and in particular at the decline in the share of Africa and LDCs. This alarming situation went against the declared policy of UNCTAD's technical cooperation strategy and he urged donors to make extra efforts to reverse the decline. He expressed concern at the incompatibility between some of the special modules and software programmes used in UNCTAD's technical cooperation programmes. With regard to LDCs issues, he was doubtful whether the cross-sectoral treatment of this issue, agreed upon at Midrand, was functioning. The staffing situation of the Office of the Special Coordinator for LDCs was of particular concern, and his delegation intended to raise the issue with the Board. Finally, performance indicators were useful instruments, but the variables and guidelines to be employed would have to be agreed upon.

8. The **Deputy Secretary-General of UNCTAD** took note of the concerns expressed regarding regional distribution of resources and said there was a need for a more structured dialogue between donors and beneficiaries. Although technical cooperation activities were being financed from extrabudgetary resources, the regular budget was constantly called upon to subsidize these activities. A clearcut distinction between regular budget and extrabudgetary activities was difficult to make. This, however, was not considered a major problem, as both activities had always been complementary. He shared the view on the need to reverse the direction taken by the technical cooperation programme of UNCTAD, though he underlined the difficulty of striking the correct balance between demand-driven activities that relied on commitments from donors. There was a need to identify an appropriate methodology and move towards in-depth programming.

9. A practical implication of the drive towards results-based budgeting was the need to focus more on the impact of technical cooperation, and UNCTAD had been consulting other development agencies on that matter. For the evaluation of the competition law and policy programme, at the request of the secretariat the independent evaluator had attempted to measure impact as much as possible.

Chapter II

ORGANIZATIONAL MATTERS

A. Opening of the session

10. The thirty-fourth session of the Working Party was opened on 27 September 1999 by Mr. Hasnudin Hamzah (Malaysia), Vice-Chairman-cum-Rapporteur of the Working Party at its thirty-third session.

B. Election of officers

(Agenda item 1)

11. At its 132nd (opening) plenary meeting, the Working Party elected Mrs. Angelina Catalina (Philippines) as its Chairperson and Mr. Pavel Chrobák (Slovakia) as its Vice-Chairman-cum-Rapporteur.

C. Adoption of the agenda and organization of work

(Agenda item 2)

12. Also at its 132nd plenary meeting, the Working Party adopted the provisional agenda for its thirty-fourth session (TD/B/WP/116). The agenda was thus as follows:

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:
 - (a) Competition law and policy
 - (b) Follow-up to the evaluation of the Trade Point Programme
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

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

(Agenda item 5)

[To be completed]

E. Other business

(Agenda item 6)

[To be completed]

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

(Agenda item 7)

[To be completed]