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

held at the Palais des Nations, Geneva,  
from 27 September to 1 October 1999



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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 2 plenary meetings - the 132nd to 133rd meetings. All other meetings were informal and held in private.

## Chapter I

### DECISION ADOPTED BY THE WORKING PARTY AT ITS THIRTY-FOURTH SESSION

#### Evaluation of technical cooperation programmes

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

#### *Competition law and policy*

1. Welcomes the evaluation of the programme of technical cooperation activities on competition law and policy (TD/B/WP/119), commends the quality of the work undertaken by the consultant and the secretariat in preparing the report, agrees with the recommendations contained therein, and requests the secretariat to implement them, taking into consideration the comments made by the members of the Working Party, in particular regarding paragraph 89 of the evaluation;
2. Invites the Secretary-General of UNCTAD to report at the autumn session of the Working Party in the year 2000 on the implementation of the recommendations arising from the evaluation report and urges him to reinforce UNCTAD's evaluation processes;

#### *Follow-up to the evaluation of the trade point programme*

3. Welcomes the proposed Trade Point programme strategy as contained in document TD/B/WP/120 and Add.1, commends the quality of the documentation prepared by the secretariat, suggests that similar presentations based on the logical framework be used elsewhere in preparing relevant UNCTAD documentation, considers the Trade Point programme to be of great importance, and requests the secretariat to implement the strategy in close cooperation with ITC, taking into consideration the comments made by the Working Party;
4. Invites the secretariat to explore options for a suitable non-profit organization, including an international Trade Points federation, to manage the ETO system, taking into account the views of Trade Points worldwide on this issue, and requests the secretariat to present these options to the Working Party for decision at the autumn session in the year 2000;
5. Invites the Secretary-General of UNCTAD to report to the autumn session of the Working Party in the year 2000 on progress in the implementation of the strategy, including on the work undertaken and to be undertaken, as well as on training activities for Trade Points in core services and on the strategy's financial aspects;
6. Agrees that the implementation of the strategy will be reviewed annually within UNCTAD's intergovernmental machinery;

*Future evaluation*

7. *Decides* that an in-depth evaluation of the EMPRETEC programme will be considered at the session of the Working Party in 2000 dealing with technical cooperation.

## Chapter II

### 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, 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.

### *Competition law and policy*

10. The **Chief of the Programme, Planning and Assessment Unit** informed the Working Party about ongoing discussions in the United Nations and elsewhere on result-oriented programme planning and assessment. He underscored the importance of designing programmes and projects with clear objectives and subsequent evaluation in mind from the outset. While the UNCTAD secretariat had been using such tools as the logical framework for this purpose, it intended to do so more intensively, and in fact had been playing a leading role in the United Nations in that connection. He stressed the role of member States, both donor and beneficiary countries, in ensuring the use of such tools, in making necessary provisions for assessment activities, and in identifying suitable performance indicators. His Unit would continue to provide advice in this endeavour and to promote the use of the logical framework within the secretariat at both the programme and the project level.

11. The **independent evaluator**, Professor B. Johns, presenting his report, noted that, in recent years, the demand for technical assistance in the area of competition law and policy had markedly increased and the needs of recipient countries had shifted from introductory seminars to training tailored to local conditions. The concept and design of the programme was even more relevant today than at the time of its inception, reflecting the increased liberalization and privatization of economies. The quality of assistance was generally well regarded by beneficiaries, and the positive impact was evidenced from the progress made by many of the recipient countries in establishing competition authorities. Another benefit brought about by the programme was its positive influence on the thinking of business sectors in respect of competition, which contributed to the promotion of a “competition culture”. While a number of features of the programme could be improved, as indicated in his recommendations, for example through the more intensive use of case studies in seminars, overall the programme had been performing well in recent years.

12. The representative of **France** said his country attached great importance to the issue of competition law and policy, and more attention should be paid to it in UNCTAD. As regards the possible establishment of a regional training centre in Africa, mentioned in paragraph 93 of the evaluation (TD/B/WP/119), he proposed that Geneva be considered as a possible alternative site for seminars.

13. The representative of **Japan** said that the Directory of Competition Authorities on the programme’s homepage on Internet should be updated and revised more frequently, and it should contain more historical information on each country. He endorsed the recommendation in paragraph 90 on the evaluation to increase the transparency of criteria, and he expressed the willingness of his country to be involved in this effort. With regard to the regional training centre in Africa, he requested more concrete information, for example on target countries, area of coverage and required resources.

14. The representative of the **United Kingdom** welcomed the recommendation in paragraph 91 of the evaluation to strengthen cooperation with other relevant agencies through the exchange of project information, but he expressed his concern about an overly bureaucratic approach. Project information could simply be posted on the Internet. He endorsed the recommendation in paragraph 88 to attach low priority to arrangements for personnel from

developing countries to work for a period in an established competition authority; that recommendation was in line with experience acquired in his country. As for the regional training centre in Africa, alternative options should also be explored and examined by the Intergovernmental Group of Experts on Competition Law and Policy.

### *Informal meetings*

15. The Working Party pursued its consideration of agenda items 3 and 4 in informal meetings.

### *Action by the Working Party*

16. With respect to agenda item 3, at the closing plenary on 1 October the **Chairperson** reported that it had not been possible to reach an agreed outcome on that item. It had been agreed, however, that there was a need for an integrated approach to the question of ensuring the financial sustainability of the three technical cooperation programmes in question. It had also been agreed to express appreciation to the United Kingdom Government for its contribution to UNCTAD with regard to pilot cost-accounting for the three subprogrammes. She would report to the Board on the Working Party's discussions under agenda item 3, summarizing all the views and concerns expressed.

17. With respect to agenda item 4, at its closing plenary the Working Party adopted a decision on the evaluation of technical cooperation programmes (for the text of the decision, see chapter I above).

### **Chapter III**

#### **ORGANIZATIONAL MATTERS**

##### **A. Opening of the session**

18. 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)

19. 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)

20. 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:
  - (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)

21. At its closing plenary meeting, on 1 October 1999, the Working Party approved the provisional agenda for its thirty-fifth session (see annex).

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

(Agenda item 7)

22. At its closing plenary meeting, the Working Party adopted its draft report (TD/B/WP/L.92 and Add.1) and authorized the Rapporteur to complete the report in the light of the proceedings of the closing plenary.

**Annex I**

**PROVISIONAL AGENDA FOR THE THIRTY-FIFTH SESSION  
OF THE WORKING PARTY**

1. Election of officers
2. Adoption of the agenda and organization of work
3. Review of the UNCTAD section of the United Nations Medium-term Plan for the period 2002-2005
4. Review of the UNCTAD programme of work for the biennium 2000-2001, in the light of the outcome of the tenth session of the Conference
5. Provisional agenda for the thirty-sixth 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 :

Argentina	Jordan
Australia	Madagascar
Belarus	Mexico
Burundi	New Zealand
Chile	Nigeria
Colombia	Portugal
Cuba	Slovenia
Denmark	Spain
Finland	Switzerland
Germany	Uganda
Italy	

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

Organization of the Islamic Conference

4. The International Trade Centre UNCTAD/WTO was represented at the session.

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\* For the list of participants, see TD/B/WP/INF.41.