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**ANALYSIS OF SAVINGS RESULTING FROM THE IMPROVED OVERALL COST-EFFECTIVENESS ACHIEVED PURSUANT TO THE NINTH SESSION OF THE CONFERENCE, INCLUDING THE RESTRUCTURING OF THE INTERGOVERNMENTAL MACHINERY AND THE REFORM OF THE SECRETARIAT AS REQUESTED BY GENERAL ASSEMBLY RESOLUTION 52/220 OF 27 DECEMBER 1997  
AND  
PROPOSALS PURSUANT TO GENERAL ASSEMBLY DECISION 52/462 OF 28 MARCH 1998**

**REPORT OF THE SECRETARY-GENERAL**

**Introduction**

- Part I. Review of the resource situation including savings in the 1996-1997 biennium**
- Part II. Proposals for allocation of \$5.5 million pursuant to General Assembly decision 52/462 of 28 March 1998**

## INTRODUCTION

1. The present report is submitted pursuant to two specific requests of the General Assembly. In paragraph 54 of resolution 52/220 of 22 December 1997, the Secretary-General was requested to prepare expeditiously a report, in consultation with the Working Party of the United Nations Conference on Trade and Development, on the proposals that he had made in the programme budget for the 1998-1999 biennium regarding the utilization of savings incurred in the preceding biennium as a result of the “improved overall cost-effectiveness achieved pursuant to the ninth session of the Conference, including the restructuring of the intergovernmental machinery and the reform of the secretariat”, and to submit it to the General Assembly at its first resumed fifty-second session for its consideration.

2. In the course of the first part of its resumed fifty-second session, the General Assembly, in its decision 52/462 of 28 March 1998, reviewed the unspent balance of funds remaining at the end of the 1996-1997 biennium and decided to retain a balance “with a view to financing the activities of the United Nations Conference on Trade and Development, as requested in resolution 52/220, taking into account the recommendations of the Secretary General in this regard.” The balance in question amounts to \$5,526,600.

3. In accordance with the above, the present report is divided into two parts. Part I of the document contains an analysis of the resource situation and resource utilization in the 1996-1997 biennium, including a review of how any savings incurred in the biennium were “re-allocated” in the context of the programme budget for the current biennium. Part II of the document contains proposals for the allocation of the balance of unspent resources remaining at the end of the 1996-1997 biennium.

## **Part I. REVIEW OF THE RESOURCE SITUATION INCLUDING SAVINGS IN THE 1996-1997 BIENNIUM**

4. The initial resources appropriated for UNCTAD at the outset of the 1996-1997 programme budget were set at \$124,145,100. At the close of the biennium, expenditures of \$103,794,100 and an unencumbered balance of \$179,300 had been recorded, being \$20,351,000 less than the initial appropriation (see table 1). The difference between initial resources and final expenditures reflects a series of factors which intervened during the course of the biennium. Not all of these could be considered “savings” in the normal sense of the word. Only one of the factors related to “savings” achieved as a result of the restructuring of the intergovernmental machinery and the reform of the secretariat carried out as a follow-up to the decisions taken at the ninth session of the Conference (Midrand). The reduction in resources may be attributed to a number of causes, as explained below.

5. The first cause is the General Assembly itself, which at its fiftieth session decided, after approving a provisional budget of \$2.7 billion for the United Nations as a whole for the 1996-1997 biennium, that the total level of expenditure for that biennium must not exceed \$2.6 billion and then called upon the Secretary-General to identify economies in all sections of the budget (resolution 50/215). The ninth session of the Conference, which took place shortly thereafter, was the occasion of a number of decisions which resulted in a revision of the work programme for the biennium and in the endorsement of the restructuring of the secretariat.

6. At its resumed fiftieth session in August 1996, the General Assembly had before it document A/C.5/50/57/Add.1 which contained the proposals for the implementation of resolution 50/215. In the case of UNCTAD, the Secretary-General proposed a reduction in the level of resources allocated for the 1996-1997 programme budget from \$124,145,100 to \$116,400,900, or a reduction of \$7,744,200 (item (a) and (b) in table 1 below). At the same time it was stated that the programme of work of UNCTAD was being revised in the light of the decisions taken at the ninth session and that it was anticipated that the revised programme of work adopted by the Conference could be implemented within the reduced level of resources. The General Assembly proceeded to amend the appropriation pertaining to the UNCTAD budget on the basis of the above document, without determining the precise amount which could be identified as being solely related to the implementation of the decisions of the Midrand Conference. Consequently it may be stated that the restructuring resulting from the decisions of Midrand facilitated the realization of economies which needed in any event to be identified in order to comply with the requirements of resolution 50/215. However, a characterization of the \$7,774,200 of “savings” as due either to Midrand or to the implementation of decision 50/215 requires a judgement which the Secretariat is not positioned to take.

Table 1: Evolution of UNCTAD budget from  
initial appropriation to final expenditures 1996-1997

Initial appropriation before deduction for 6.4% vacancy factor	\$124,145,100	
(a) Vacancy adjustment approved at the fiftieth session of the General Assembly		(\$2,219,800)
Initial appropriation after deduction for 6.4% vacancy factor	121,925,300	
Changes (1996)		
(b) Reductions pursuant to General Assembly resolution 50/214 shown in A/C.5/51/57/Add.1 in conjunction with (a) above		(5,524,400)
(c) Exchange rate as per 1st Performance Report (A/C.5/51/38)		(6,290,400)
(d) Inflation as per 1st Performance Report (A/C.5/51/38)		(563,100)
(e) Adjustment to standards as per 1st Performance Report (A/C.5/51/38)		1,744,800
(f) Fifth Committee report as per A/51/750; ICSC recommendations		(1,065,900)
Revised appropriation	110,226,300	
Changes (1997)		
(g) Exchange rate as per 2nd Performance Report (A/51/750)		(5,101,300)
(h) Inflation as per 2nd Performance Report (A/51/750)		(156,600)
(i) Other changes (A/51/750)		(995,000)
		(20,171,700)
Proposed 1996-1997 final appropriation	103,973,400	
(j) Unencumbered balance	(179,300)	
(k) Final level of expenditure	103,794,100	

## **Reductions in conference-servicing requirements attributable to the restructuring of the intergovernmental machinery**

7. It was decided at Midrand that the formal intergovernmental process of UNCTAD would be tightly structured so as to reduce the number of meetings and encompass all important areas of the work programme (para. 105 of "A Partnership of Growth and Development"). The restructuring resulted in intergovernmental machinery with no more than 500 meeting units per year at its disposal. In order to measure the impact of this on conference support resources, a comparison may be made between the conference servicing requirements of the intergovernmental machinery in the biennium 1994-1995, when the machinery was functioning in full in accordance with the Cartagena Commitment, and the projected calendar of conferences for the 1998-1999 biennium, when it is expected that the new structure will be fully operational.

8. A total of 1,026 meeting units were utilized in the 1994-1995 biennium, as compared to 391 in 1996-1997 and an anticipated 500 in the current biennium. Thus, the changes introduced by the ninth session of the Conference have resulted in a reduction of 526 meeting units in 1998-1999 as compared to the number of meeting units required in the 1994-1995 biennium. This reduction in the conference servicing requirements of UNCTAD is directly traceable to the reform undertaken at Midrand. These services were, however, to have been provided from the overall resources of conference services at UNOG. Such "savings" as might have been realized in connection with this were either absorbed in servicing other offices or were surrendered at the close of the biennium.

## **Other reductions during the biennium 1996-1997**

9. United Nations budget procedures allow for the amounts approved under a given budget section to be modified in the course of the biennium to take into account changes in budget parameters such as exchange rate, inflation, and other adjustments. As regards UNCTAD, these changes were as follows: exchange rates (-\$11,391,700 (items (c) and (g) in table 1 above)), inflation (-\$719,700 (items (d) and (h))), and other adjustments (-\$316,100 (items (e), (f) and (i))). In total, this accounted for a net reduction in requirements of \$12,427,500. These changes are reflected in A/C.5/51/38 and Fifth Committee reports A/51/750 A/52/743 and Add.1.

## **Reallocation proposals in the 1998-1999 programme budget**

10. It is recalled that, under current financial Regulations and Rules and normal United Nations budgetary practices, resources are not "reallocated" from one biennium to another. It may thus be misleading to refer to a "reallocation" of the 1996-1997 savings in the 1998-1999 programme budget. Instead, the Secretary-General endeavoured in the context of the 1998-1999 budget proposals to implement the mandate expressed by the Conference in paragraphs 103 and 107 of "A Partnership for Growth and Development" by increasing resources under some objects of expenditure such as general temporary assistance, consultants/experts and equipment under the UNCTAD budget (\$580,000 in total). He also included an increased level of activity and resources under the regular programme of technical cooperation (\$1.3 million) to provide increased advisory services to developing countries through field missions, pilot technical cooperation activities, and the organization of additional seminars and workshops.

## **Part II. PROPOSALS FOR ALLOCATION OF \$5.5 MILLION PURSUANT TO GENERAL ASSEMBLY DECISION 52/462 OF 28 MARCH 1998**

11. This part of the document contains the Secretary-General's proposals on the activities to be undertaken and the related allocation of resources. The proposed activities aim primarily at reinforcing existing elements of the work programmes and enlarging their scope in view of the availability of additional funding. However, all the new activities are self-contained and limited to the resources provided for in this report. Mindful of the provision of paragraph 103 of "A Partnership for Growth and Development" that savings be utilized to strengthen UNCTAD's capabilities, including in the area of technical cooperation, the proposals relate not only to parts of the work programme dealing with substantive activities but also to technical cooperation activities normally funded from the regular programme of technical assistance where additional resources are proposed for allocation. All the activities and related resources have been grouped under the various headings and subprogrammes of the UNCTAD work programme.

### **Policy-making organs: \$1,229,000**

#### **(a) Expert meetings of the Commissions**

12. In partial implementation of paragraph 114 of "A Partnership for Growth and Development", it is proposed to utilize part of the new resources to enhance the level of expertise of the deliberations of the expert meetings of the Commissions. This would be accomplished through the funding, on an experimental basis, of the participation of experts at the above meetings, in accordance with the model already in effect for the Commission on Investment, Technology and Related Financial Issues. Under this type of arrangement, up to 16 experts would be invited to attend each meeting. They would be expert advisers serving in their individual capacity, selected from both developed and developing countries from a list to be submitted to the Trade and Development Board (TDB) by all interested member States. The list would be approved annually by the TDB under an arrangement to be determined as soon as possible by the latter.

13. An amount of \$1,088,000 would be devoted to this purpose taking into account the fact that four meetings out of the maximum number of 20 per biennium will have taken place by May of this year. A report will be presented to the TDB at the end of the biennium on the implementation of this part of the proposals, together with an assessment of its impact on the quality of the deliberations of the expert meetings.

#### **(b) Preparations for UNCTAD X**

14. UNCTAD X is being conceived as a United Nations system-wide event aiming at undertaking a collective policy reflection and action-oriented deliberations on the development problematique at the beginning of the next millennium. This implies a review of development policies of the last decades, their successes or their failures and the need to investigate new approaches in this field. For this purpose the Secretary-General intends to enhance the analytical capabilities of UNCTAD by using high-level outside experts to assist in the review of such issues as the interrelationship between globalization and development, the recurrent financial crises, the inability of weaker countries to benefit from the globalization process, and the persistence of long-standing challenges such as poverty, excessive dependence on commodities and the lack of trade competitiveness in many countries.

15. Toward this end it is proposed to organize four brainstorming meetings involving around

seven high-level experts each, as well as senior representatives of United Nations programmes and agencies involved in development work, to carry out extensive analysis drawing from past experience in order to identify remedial measures and basic policy approaches that could provide the foundation of a new international consensus on development. The meetings will discuss issues such as new policy approaches in the field of trade, investment/technology, and enterprise development. At least two sessions will be devoted to broader cross-sectoral issues such as the development problematic in the context of a globalizing world economy on the one hand and LDC issues on the other. An amount of \$141,000 would be devoted to this.

### **Executive Direction and Management: \$100,000**

16. An amount of US\$100,000 is requested to fund 10 w/m of outside consultants to provide independent expert evaluation of selected UNCTAD technical cooperation projects. This is in response to a TDB decision requiring the secretariat to carry out in-depth independent evaluation of a given project selected each year by the TDB, with a report being made to the TDB at its second following session. Two such evaluations, i.e. of the ASYCUDA and the TRAINFORTRADE projects, have already taken place and shown that consultant resources made available under this programme were insufficient for the requirements of in-depth evaluations. Members of the Working Party on the Medium-term Plan and the Programme Budget have expressed satisfaction with the approach adopted and called for its renewed use in the future, as the use of the skills of outside consultants makes it possible to ensure an independent, credible review which also extends to evaluation aspects not normally reviewed under the traditional evaluation process of OIOS.

### **Subprogramme 1. Globalization and Development: \$760,000**

17. The proposals under this programme are aimed essentially at enhancing existing activities in four distinct areas:

- (i) Enhancing support for development financing;
- (ii) Portfolio investment;
- (iii) Improving connectivity within UNCTAD and with Governments and relevant non-governmental actors;
- (iv) South-South conference on trade, investments and finance.

18. Resource allocation:

- (a) Under item (i), an allocation of \$300,000 in general temporary assistance funds would allow the recruitment for 18 work-months of a Senior Financial Economist of international reputation with established links with academia and private financial circles and a profound knowledge of the international monetary and financial system, as well as \$150,000 for 15 work-months of consultancies. These resources would strengthen UNCTAD's work on current issues in the area of international finance and support UNCTAD's contribution to the implementation of General Assembly resolution 52/179.
- (b) Under item (ii), an allocation of \$100,000 for 10 work-months of consultancies for

econometric modelling of portfolio investment and advanced research on the subject of portfolio investment as a follow-up to the expert meeting on the same subject. The amount would cover the cost of setting up and utilizing a database in this regard.

- (c) Under item (iii), an allocation of \$150,000 to enhance UNCTAD-wide connectivity by purchasing, installing and start training staff in the use of the Lotus Note programme, a recent computer programme aimed at using a data base programme to enhance information sharing, transparency and communication between the various programmes of UNCTAD itself, as well as with Governments and other relevant non-governmental actors.
- (d) Under item (iv), an allocation of six work-months, costed at \$60,000, for studies on South-South cooperation issues (paragraph 35 of General Assembly resolution 52/182).

19. In summary, the allocation proposed under this subprogramme would be divided as follows:

General temporary assistance	\$300,000
Consultants	\$460,000
Total allocation:	----- \$760,000

**Subprogramme 2. Investment, enterprise, development and technology: \$360,000**

20. The proposals under this programme are to enhance existing activities in four areas:

- (i) Investment issues;
- (ii) Hearings on a possible multilateral framework for investment;
- (iii) Development of an accounting module on medium-sized enterprises;
- (iv) Development of an agri-business component.

21. Resource allocation:

- (a) Under item (i), an allocation of \$240,000 for 12 work-months of consultancies and 12 work-months of GTA will enable the provision of technical expertise on investment issues, more specifically to undertake policy-oriented research on FDI and the location of economic activities, and the analysis of the impact on development of a possible MFI with a view to preparing a comprehensive document for submission to UNCTAD X. The expected output would be the report for UNCTAD X, as well as an input to the *World Investment Report 1999*.
- (b) Under item (ii), an allocation of \$50,000 to finance hearings on a possible multilateral framework for investment as a contribution to consensus- building in this area.

- (c) Under item (iii), an allocation of \$20,000 for two work/months of consultancy for the development of a small and medium-sized enterprise accounting module.
- (d) Under item (iv), an allocation of \$50,000 for five work/months of consultancy for the development of an agri-business component of EMPRETEC.

22. In summary, the following resources are requested:

General temporary assistance	\$ 120,000
Consultants	\$ 190,000
Ad hoc expert groups	\$ 50,000
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Total amount requested	\$ 360,000

**Subprogramme 3. International trade in goods and services and commodities: \$680,000**

23. The proposals under this programme are to enhance existing activities in three areas:

- (i) The development of a positive agenda for future trade negotiations. During the Uruguay Round, many developing countries felt at a disadvantage because they were negotiating from a position of weakness, in that they did not have an agenda of their own, but were merely reacting to the proposals of their trading partners. Having recognized this weakness, they have approached UNCTAD to assist them in formulating a negotiating agenda of their own for future trade negotiations. They wish to seize the initiative and present a “positive” agenda of their own. In order to assist them in this important endeavour, UNCTAD needs to analyse a number of sectors in which the next round of negotiations will be held, drawing out the points of special concern to the developing countries. The next round will also be required to deal with the “built-in” agenda left over from the Uruguay Round. Finally, negotiations on agriculture will start earlier than the other negotiations, and it is imperative that the UNCTAD trade policy simulation model for agriculture be brought up-to-date in order for it to be of assistance to developing countries in these negotiations.
- (ii) Settlement of disputes in international trade and investment. The goal is to develop a training course on the settlement of disputes in international trade and investment for lawyers and businessmen in the LDCs. The rationale for the proposals is twofold: (a) trade and investment are more and more integrated, but the machinery for the settlement of disputes is fragmented; and (b) lack of knowledge about procedures is an added expense to traders and Governments of LDCs.
- (iii) Small island developing countries. Following on the mandate for UNCTAD to assist developing countries in setting up their trade policy, the focus is on the

commitments made under the General Agreement on Trade and Services by the 16 small island developing countries that are members of WTO with a view to analysing the link between these commitments and the strategies of these countries for developing trade in services.

24. Resource allocation:

- (a) With regard to (i), a total allocation of \$280,000 for the following: sectoral studies on goods and services (4 work-months); analysis of developing countries' opportunities in the built-in agenda (6 work-months); updating the agricultural trade policy simulation model (4 work-months); strengthening of MAST (data entry 8 work-months and data-processing 6 work-months); \$270,000 for three regional, subregional or interregional workshops on the positive agenda (one each in Asia, Africa and Latin America) of 30 participants each; \$40,000 for official travel of staff for technical missions on positive agenda issues and on the organization of the national training courses mentioned below;
- (b) With regard to (ii), an allocation of \$30,000 for a high-level expert meeting to study the contents of a training workshop for LDC participants on the complexities of settlement of disputes in international trade and investment (10 participants);
- (c) With regard to (iii), an allocation of \$60,000 to cover a 6 work-months consultancy to study the commitments made under the General Agreement on Trade in Services by the 16 small island developing States that are members of WTO, with a view to analysing the link between these commitments and the strategies of these countries for developing trade in services.

25. In summary, the following resources would be allocated:

Consultants	\$ 340,000
Ad hoc experts	\$ 300,000
Staff travel	\$ 40,000
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Total amount requested	\$ 680,000

**Subprogramme 4. Services infrastructure for development and trade efficiency: \$510,000**

26. The proposals under this subprogramme are to enhance the activities in the area of customs, Trade Points, electronic commerce, TRAINFORTRADE and transport.

- (i) Customs. UNCTAD's work in this area, through the ASYCUDA programme, has a major impact on the competitiveness of enterprises in developing countries, the modernization of a key public administration and the increase of government revenue. The large customer base of ASYCUDA (over 80 countries) creates a

high level of demand for technical support services, which places considerable stress on the resources available for the development of the system. It is proposed that additional resources be used to recruit highly qualified technical staff to work on additional ASYCUDA modules to further enhance the capabilities of ASYCUDA and to keep the system abreast of evolving information technology. One such module should be the transit transport monitoring module requested by the Expert Meeting on the Use of Information Technologies to Make Transit Arrangements More Effective. This module would contribute to exploiting the synergies between ASYCUDA and other existing IT systems and networks (including ACIS and the Trade Point Network), in particular in the context of proposals in the area of transport.

- (ii) Trade Points. Since the launching of the Trade Point Programme in 1994, the number of requests for assistance in the establishment and operation of Trade Points has grown exponentially. The secretariat has undertaken significant fund-raising activities. However, resources available are still not commensurate with demand from Trade Points in developing countries, particularly concerning the aspects of Trade Point operations related to electronic networks and information technology. UNCTAD needs to improve its capacity to provide operational support to the efforts of developing countries to participate in electronic commerce through Trade Points.
- (iii) TRAINFORTRADE. A recent external evaluation pointed out that this programme suffers from a chronic lack of adequate resources (professional staff), which results in a serious limitation of UNCTAD's capacity to support TRAINFORTRADE's national counterparts. As a consequence, the potential long-term impact on development of this human resources development programme has never been fully realized. There is strong demand for TRAINFORTRADE courses. In order to increase the size of the target population, plans are being made to enter into partnerships with academic centres and private sector institutions.
- (iv) The restructuring of UNCTAD in October 1996 resulted in an increase in the regular resources allocated to Trade Points and to human resource development activities (which include TRAINFORTRADE). However, this programme requires fairly specialized technical skills which staff reassigned from other areas of UNCTAD's work did not always have. This was compounded by difficulties in attracting new and skilled staff into the United Nations. It is expected that in the medium term these problems will become less serious, as current efforts to upgrade the secretariat's skills bear fruit and new staff are recruited. However, in the meantime, there is an urgent need to ensure that Trade Points and TRAINFORTRADE centres receive the technical support which they demand from UNCTAD and which the organization is not fully equipped to provide.
- (v) Review of bilateral regional and subregional transit transport agreements.

27. Resource allocation:

- (a) \$180,000 for 18 work-months of general temporary assistance to hire highly specialized IT staff to work on the development of the new ASYCUDA module (transit transport module). The expected output would be the design of the transit transport monitoring module. The results would be to assist the efforts of developing countries and countries in transition, particularly the land-locked, in improving their transit arrangements;
- (b) \$120,000 for 12 work-months of general temporary assistance to hire highly qualified technicians, with expertise in global networks and electronic commerce, to provide advice and technical support to Trade Points and to develop solutions to move the GTPNET from a pre-transactional to a full electronic trade transaction phase;
- (c) \$120,000 for 12 work-months of general temporary assistance, to support the TRAINFORTRADE programme and its national counterparts, and to develop new distance-learning material. The expected output would be the development of distance-learning material. The results would be the increased outreach of the programme;
- (d) An amount of \$30,000 for official travel of staff has been allocated to support the activities relating to the above programme;
- (e) With regard to item (v), an allocation of \$60,000 for 6 work-months' consultancy for assisting the land-locked and transit developing countries in the African region in reviewing their bilateral and subregional transit transport agreements.

28. In summary, the following resources would be allocated:

General temporary assistance	\$ 420,000
Consultants	\$ 60,000
Staff travel	\$ 30,000
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Total amount requested	\$ 510,000

**Subprogramme 5. Office of the Special Coordinator for the Least Developed, Land-locked and Island Developing Countries: \$340,000**

29. The proposals under this programme are to enhance the activities of the Office of the Special Coordinator as regards the preparations for the Third United Nations Conference on LDCs. It is proposed to allocate \$340,000 for 34 work-months of consultants/experts to assist LDCs in undertaking at the country level an assessment of the results of the Programme of Action for the 1990s for presentation at the Third United Nations Conference on LDCs to be held in the year 2001. This assessment would entail the following activities:

- (i) Assistance to LDCs in assessing the impact of the Programme of Action;

- (ii) Consultations with the Governments and development partners of LDCs;
- (iii) Involvement of civil society and NGOs in the preparatory process.

30. In summary, the total proposed allocation of resources under all programmes of UNCTAD is summarized as follows:

General temporary assistance	\$840,000
Consultants	\$1,550,000
Ad hoc expert groups	\$431,000
Travel of participants to official meetings	\$1,088,000
Official travel of staff	70,000
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Total	\$3,979,000

**Regular programme of technical cooperation (\$1,550,000)**

31. Under the regular programme of technical cooperation, UNCTAD provides advisory services to developing countries. For the past several biennia, activities have been limited on account of the amount of resources provided (about \$1.3 million in the 1996-1997 biennium). Partially as a result of UNCTAD IX, the allocation was increased in the present biennium, 1998-1999, to \$2.3 million. In accordance with the programme narrative, these resources will be used for advisory work, group training and field projects in the areas of globalization and development, investment enterprise development and technology, and international trade in goods and services and commodities.

32. The additional allocation now proposed is aimed essentially at enhancing the capacity of UNCTAD to provide advisory services by doubling from three to six the number of interregional advisors, increasing the number of advisory missions and expanding the scope of the missions. Additional training courses and pilot technical cooperation activities can be envisaged and organized which draw on the outcome of both the intergovernmental and expert meetings in the context of the deliberations of the Commissions. As a result, UNCTAD will make a more direct, practical and effective contribution to development at the country and regional levels. As the existing 72 work-months of advisors cover only three of the five programmes, it is expected that the increased resources will enable coverage of the remaining two and to strengthen assistance being provided, in particular to the least developed countries.

33. In particular, the allocation of the additional resources would be in support of the following activities:

- (i) Enhancing developing country capabilities in the field of commercial diplomacy through targeted training programmes. Under these advisory services one

particular training programme envisaged is in the area of enhancing developing country capabilities in the field of commercial diplomacy. Active participation in the multilateral trading system is an essential element of the development strategies of all developing countries. However, many developing countries are too poorly equipped in terms of institutional infrastructure and human resources to participate effectively. A major effort is required on their part to upgrade and develop the specialized skills of those - from both the public and private sectors - involved in the development of trade strategies and in the negotiation of multilateral, regional and bilateral trade agreements. They are urgently seeking the assistance of UNCTAD to help develop this capacity. In order to assist them, UNCTAD needs both to develop course material which can subsequently be used domestically for training purposes, and to conduct workshops in the various regions to build up training capacity;

- (ii) Advising developing countries on services infrastructure for development and trade efficiency, including the application of information technology to render the process of trading and transport more efficient, and the provision of training and human resource development programmes for capacity-building in these areas;
- (iii) Advising least developed countries on the implementation of the Integrated Framework for Technical Cooperation launched at the October 1997 High-Level Meeting on Integrated Initiatives for LDCs Trade Development with the support of UNCTAD as well as ITC, IMF, UNDP, the World Bank and WTO; and
- (iv) Group training in the implementation of the results of UNCTAD expert meetings in such areas as: commodity risk management; accounting, particularly environmental accounting; food processing; investment agreements; electronic commerce; and support structures for small and medium-size enterprises.

34. Resource allocation:

- (a) Under (i), (ii) and (iii), a total of 54 work-months of advisory services at the L-6 level for an amount of \$900,000, and a total of 36 work-months for support staff at the general service level to assist in the preparation/organization of seminars and workshops/group training at a total estimated cost of \$240,000;
- (b) Under (i) and (iv), 10 group training sessions of approximately 7 participants each at a total estimated cost of \$200,000;
- (c) A provision of \$210,000 to cover the travel requirements of the additional three interregional advisors.

35. In summary, the total proposed allocation of resources for the regular programme on technical cooperation is summarized as follows:

General temporary assistance	\$1,140,000
Staff travel	\$210,000
Training/workshops	\$200,000
Total amount requested	<u>\$1,550,000</u>