

Distr.  
RESTRICTED

TD/B/47/CRP.3  
5 October 2000

Original: ENGLISH

TRADE AND DEVELOPMENT BOARD  
Forty-seventh session  
Geneva, 9 October 2000  
Item 4 (b) of the provisional agenda

**Review of the status of the preparatory process for the Third United Nations  
Conference on the Least Developed Countries**

**FINANCIAL SITUATION OF THE PREPARATORY PROCESS FOR THE  
CONFERENCE**

1. The present note responds to the request of the Intergovernmental Preparatory Committee for LDC III for an updated statement on the financial situation of the preparatory process (A/CONF.191/2, para. 125).
2. The preparatory process involves a series of activities undertaken by member States and international organizations in individual countries, at the regional level and at the global level. The different interested parties or stakeholders finance such activities from a variety of sources. This note is confined to those activities undertaken by UNCTAD in its capacity as secretariat for the Conference.
3. Activities undertaken by UNCTAD in this regard are described in the report of the Secretary-General of the United Nations to the current session of the General Assembly ("Status of the preparatory process for the Third United Nations Conference on the Least Developed Countries" (A/55/222)). This document is also before the current session of the Trade and Development Board under agenda item 4(b).

4. Such activities are financed in part from the programme budget of the United Nations and in part from extrabudgetary resources made available to UNCTAD for this purpose.
5. The General Assembly, at its fifty-fourth session, agreed to make available from the 2000-2001 United Nations programme budget additional resources for the preparatory process in the amount of \$616,400 under section 11A (UNCTAD) and \$30,000 under section 26 (public information). Of the amount allocated to UNCTAD, it is estimated that, as of 4 October 2000, about \$365,000 has been spent and/or committed.
6. A number of member States and organizations have made and/or pledged contributions to UNCTAD for the LDC III preparatory process and/or directly to least developed countries to assist in country-level preparations. The secretariat is greatly appreciative of all these contributions, without which the Conference's preparatory process could not have been undertaken.
7. The following member States have made voluntary contributions to UNCTAD for the purposes of facilitating all aspects of the preparatory process for the Conference: Belgium (in two contributions of BF 10 million and BF 15 million); Finland (2 million Finnish markkaa); France (FF 450,000); Holy See (US\$ 6,000); Italy (in two contributions of 200 million lire and US\$ 100,000); Norway (US\$ 1 million); and Sweden (3,978,750 Swedish kronor). All these contributions have been or will be paid into the multidonor UNCTAD Trust Fund for Least Developed Countries.
8. In addition, the Netherlands has made a contribution of 2,115,000 Netherlands guilders to the preparatory process.
9. Spain has furthermore informed the secretariat of the possibility of a contribution to the preparatory process. The specific purpose of the contribution is being discussed with the Spanish authorities. The Governments of Germany and Norway have indicated their interest in contributing to the organization of two interrelated preparatory events on investment and private sector development.
10. In addition, the European Commission has informed the secretariat that each least developed country member of the African, Caribbean and Pacific grouping of States may, if it so wishes, utilize up to 80,000 euros from national European Development Fund (EDF) allocations for the purposes of facilitating its preparations at the national level. For the Asian LDCs, the European Commission will support the country-level preparatory process up to an amount of 1 million euros.
11. The following LDCs have agreed with UNDP to utilize UNDP resources for the purposes of country-level preparations: Bhutan, Bangladesh, Nepal, Sudan, and Yemen.
12. The European Commission has indicated its intention to make a generous grant to the UNCTAD secretariat for the purposes of: (a) enabling the participation of two officials from each least developed country at the Conference itself; (b) finalizing preparations for the NGO

Forum, to be held in association with the Conference itself; the Forum is being organized by the NGO Liaison Committee, with the full support of the UNCTAD secretariat and of the United Nations Non-Governmental Liaison Service (NGLS); in this connection, the European Commission has already provided the NGLS with 200,000 euros in the year 2000 to initiate the preparations for the NGO forum; and (c) facilitating as wide a participation as possible of other officials from least developed countries, including journalists, city mayors and other participants in the civil society events associated with the Conference. The total value of the contribution, which will include costs incurred by the European Commission as host organization for the Conference itself, is of the order of 4.5 million euros.

13. The question naturally arises as to the sufficiency of the extrabudgetary resources presently available to the secretariat to complete the preparatory process in a satisfactory manner. Of the amounts mentioned in paragraphs 7 and 8 above, it is estimated that, as of 2 October 2000, uncommitted funds and pledges total slightly less than \$2 million (about \$1,995,000). The preparatory activities to be undertaken between now and the Conference itself include the organization, convening and servicing of:

- Country-level preparations, including inter-agency coordination;
- Regional expert-level meetings;
- Intergovernmental preparatory meetings; it should be noted in this connection that an additional formal session of the Intergovernmental Preparatory Committee has been requested by the Tenth Annual Ministerial Meeting of LDCs (New York, 18 September 2000);
- Thematic meetings on gender issues, on investment-related issues and on services;
- Final meeting of the High-level Panel established by the Secretary-General of UNCTAD;
- Preparations for the NGO forum; and
- The organization and convening of civil society events associated with the Conference.

14. It is estimated that there are sufficient extrabudgetary resources available or pledged to enable the secretariat to complete the above-mentioned preparatory activities, except for:

- The preparation and organization of the thematic preparatory meeting on gender, the costs of which are estimated at \$247,696; and
- Resources to defray the travel costs of two officials from least developed countries to a third session of the Intergovernmental Preparatory Committee, for which an estimated amount of \$589,000 would be required.

15. It would be helpful to recall the background to the latter issue. In its resolution 54/258B of May 2000, the General Assembly decided, in paragraph 3, that:

“As a precautionary measure, should sufficient extrabudgetary resources not be immediately available for the financing of the first session of the Preparatory

Committee, use would be made, on a provisional basis, of the contingency fund, on the understanding that the contingency fund would be replenished by these extra budgetary resources as soon as they are available”.

16. The travel of officials from least developed countries to the first session of the Intergovernmental Preparatory Committee for the Conference, held in New York in July 2000, was in fact financed out of the UNCTAD Trust Fund for LDCs from the contributions referred to in paragraph 6 above. The announcement by Norway on this matter at the time was greatly appreciated.

17. In paragraph 4 of the same resolution, the General Assembly also decided to “revert to the question of the financing of the second session of the Preparatory Committee and the Conference itself at the fifty-fifth session of the General Assembly”.

18. On present assumptions, the secretariat estimates that there are sufficient extrabudgetary funds in the UNCTAD Trust Fund for LDCs to finance the travel of two officials from each LDC to one further session of the Preparatory Committee. The efforts by the UNCTAD secretariat to mobilize extrabudgetary funds for the preparation of the Conference have been guided by the provisions of General Assembly resolution 54/235 (“Implementation of the Programme of Action for the Least developed Countries for the 1990s”) in which the Assembly decided, *inter alia*, that the meeting of the Intergovernmental Preparatory Committee would be held in two parts. It has now been proposed that a third session is required.

### **Summary**

19. The UNCTAD secretariat wishes to inform the Trade and Development Board that the extrabudgetary resources currently available or receivable for the purposes of facilitating the LDC III preparatory process are sufficient to meet most of the costs of the remaining preparatory work. However, there are insufficient resources to cover the costs of both the thematic preparatory meeting on women and the participation of two officials from each least developed country for a third session of the Intergovernmental Preparatory Committee. Additional resources in the order of \$836,696 would be required for the UNCTAD secretariat to implement these activities.

20. As regards a third session of the Preparatory Committee, it therefore follows that either extrabudgetary contributions would have to be provided to UNCTAD to defray the costs of participation of LDC officials at that third session, or the matter would have to be referred back to the General Assembly in the context of its above-mentioned resolution.