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UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

**Report of the Working Party on the Medium-term Plan  
and the Programme Budget on its thirty-seventh session  
(first part)**

held at the Palais des Nations, Geneva,  
from 15 to 19 January 2001



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## I. AGREED CONCLUSIONS

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

#### A. Review of the work programme: Draft programme budget for the biennium 2002 – 2003

*Having reviewed* the proposals for the draft work programme for the biennium 2002-2003,

1. *Concurs* with the amended text as contained in document UNCTAD/EDM/Misc.148/Rev.1;
2. *Expresses* satisfaction with the presentations made by the secretariat on the various areas of work, as well as with the detailed information provided in response to questions posed by the Working Party;
3. *Welcomes* the integration of the logical framework approach in the preparation and presentation of the work programme for the biennium 2002-2003 and *stresses* its importance, in the new format, as a management tool in the hands of the Secretary-General;
4. *Invites* the secretariat to continue its efforts in the future aimed at a better definition of expected accomplishments and at a refinement of indicators of achievement, taking into account the comments made by the Working Party;
5. *Recommends* that subprogramme 9.5 (Least developed countries, landlocked developing countries and small island developing States) be reviewed, within the appropriate United Nations bodies, in the light of the outcome of the Third United Nations Conference on the Least Developed Countries;
6. *Decides* to reconvene to review the UNCTAD section of the Proposed Programme Budget of the Secretary-General of the United Nations for the biennium 2002-2003, with emphasis on subprogramme 9.5 in the light of the outcome of the Third United Nations Conference on the Least Developed Countries;
7. *Reiterates* the need for subprogramme 9.1 B (Development of Africa) to develop its analytical capacity in line with the provisions of the Plan of Action of UNCTAD X, and *recommends* that appropriate resources be devoted to this area, in particular in the context of the biennium 2002-2003;
8. *Invites* the Secretary-General of UNCTAD to ensure coordination within the secretariat with respect to the preparation of press releases and participation at press conferences and lectures so as to avoid duplication and unnecessary expenditure;
9. *Reiterates* the importance it attaches to horizontal coordination within the secretariat, as well as to enhanced inter-divisional collaboration, in particular on cross-sectoral issues;

10. *Supports* the efforts of the Secretary-General of UNCTAD to fill the current vacant posts rapidly, taking into account in particular the requirements relating to gender balance and equitable geographical distribution;

11. *Considers* the surveys of UNCTAD publications to be important in determining the publications' usefulness and quality and *looks forward* to the continuation of discussions within UNCTAD on its publication policy;

**B. Follow-up to the implementation of paragraph 166 of the UNCTAD X Plan of Action**

13. *Welcomes* the presentations of the detailed costed proposals mandated by paragraph 166 of the UNCTAD X Plan of Action (TD/B/WP/137) and *takes note* of their content;

14. *Recommends* that UNCTAD implement a pilot phase of the training programme in a timely manner and keep the Working Party informed about the evaluation of the pilot project as it relates to the extension of future training courses at the regional level;

15. *Urges* the Secretary-General of UNCTAD to take appropriate steps to maximize the synergies existing in the secretariat for the effective implementation of paragraph 166 of the Plan of Action of UNCTAD X;

**C. DMFAS Trust Fund**

16. *Welcomes* the decision to establish the DMFAS Trust Fund and *takes note* of the report prepared by the UNCTAD secretariat (TD/B/WP/136);

17. *Urges* the UNCTAD secretariat to prepare a detailed project document by the end of March 2001 concerning the funding of the Trust Fund, including options for financial sustainability, namely programme budget resources, programme support resources, extrabudgetary resources from donors and cost-sharing mechanisms, as well as reporting procedures;

18. *Recommends* to the Secretary-General of UNCTAD that he organize the second DMFAS Advisory Group meeting in June 2001 and report thereon to the Working Party.

## II. GENERAL STATEMENTS

19. The **Deputy Secretary-General of UNCTAD** said that, with regard to agenda item 3, the draft programme budget had been presented in line with the established practice whereby the Secretary-General of UNCTAD consulted member States on the programme of work prior to its finalization in New York. To facilitate the review, the results of the ex-ante survey on the potential usefulness of proposed publications had been distributed. Feedback was of prime importance for the secretariat to better reflect the wishes of the membership.

20. The draft programme budget had been prepared in line with the *Regulations and Rules Governing Programme Planning, the Programme Aspects of the Budget, the Monitoring of Implementation and the Methods of Evaluation* (ST/SGB/2000/8, 19 April 2000) and related instructions, and included all activities, irrespective of source of funding. A significant departure from the past was that the presentation of the work programme was based on a logical framework and a result-based approach, as endorsed by the General Assembly in December 2000. UNCTAD had pioneered that approach in the United Nations.

21. The final proposal of the Secretary-General of the United Nations for the programme budget would also contain resource information, including post distribution and estimates of regular budget and extrabudgetary expenditures. The Working Party might wish to meet again later in the Spring to review the final proposal and to transmit any views and comments directly to the General Assembly's review bodies, as it had done in the past.

22. The proposed work programme had been prepared with a view to advancing the implementation of the Bangkok Plan of Action. The overarching priorities and work allocations thus remained those endorsed by the Working Party in the spring of 2000, when it had discussed the medium-term plan and the revised work programme for 2000-2001. The current programme and its logical framework approach sought to enhance the link between the three pillars of UNCTAD's work, namely, research and analysis, intergovernmental deliberations and technical assistance. It reflected the additional mandate for analytical work on Africa in Subprogramme 1B, reiterated the importance of a gender perspective in the logical framework for each subprogramme, and incorporated views and concerns of civil society.

23. With regard to the DMFAS Trust Fund (TD/B/WP/136), the purpose in establishing the Fund was to ensure the proper funding of the central operation of the DMFAS Programme and its activities, including software development, maintenance and implementation, training in debt management, and networking. He recalled that the Working Party had agreed that appropriate arrangements to ensure the programme's financial sustainability were necessary, based on (i) programme budget resources; (ii) programme support resources; (iii) extrabudgetary resources from donors; and (iv) annual maintenance fees.

24. Finally, concerning the implementation of paragraph 166 of the Bangkok Plan of Action, the Working Party had before it in document TD/B/WP/137 proposals on the content, organization and financing of the training courses concerned. The Advisory Body envisaged

in paragraph 166 had now been constituted and would be beginning its work on finalizing preparations for the first course.

25. The representative of **Sweden**, speaking on behalf of the **European Union**, stressed the importance of substantive bodies, such as the Working Party, being able to influence the substantive contents of the programme budget while it was being prepared. The task in front of the Working Party was to ensure that the Bangkok Plan of Action was translated, as comprehensively as possible, into a complete work programme. In this regard, it would be important for the programme to reflect cross-cutting issues, such as the LDCs or gender mainstreaming, and to provide for follow-up to paragraph 109 (iv) of the Plan of Action on the issue of sound public administration. The presentation of the programme budget should reflect paragraph 171 of the Plan of Action in respect of such elements as objectives, expected outcomes and timeframes. Finally in this connection, priority setting among programme elements was always difficult but was also important.

26. Agenda items 4 and 5 raised a number of institutional issues such as the relationship between the Working Party and informal bodies such as the DMFAS Advisory Group and the Advisory Body provided for in paragraph 166 of the Bangkok Plan of Action. The role of the formal decision-making bodies of UNCTAD should not be undermined.

27. With regard to the DMFAS Trust Fund, she welcomed the discussions that had taken place in the DMFAS Advisory Group on issues such as the financial sustainability of the DMFAS Programme, and in that connection asked when similar advisory groups would be set up for ASYCUDA and ACIS.

28. Lastly, the European Union would welcome information on the progress made in filling the vacant posts at the Director level.

29. The representative of **South Africa**, speaking on behalf of the **African Group**, underlined that the objectives of programmes should be based on the Bangkok Plan of Action. Subprogramme 9.1B (Development of Africa) should have more than one objective, and sufficient resources should be allocated to it. On Subprogramme 9.2 (Investment, Enterprise and Technology), he stressed the importance of investment issues to the African countries and the value of studies on investment in Africa, investment guides on LDCs, science, technology and innovation policy reviews and investment policy reviews. The subprogramme should explicitly include a contribution to the United Nations New Agenda for the Development of Africa. On Subprogramme 9.3 (International Trade), there should be more linkages between analytical work and technical cooperation activities, the special situation of African countries with regard to their integration into the multilateral trading system should be taken into account, and the coverage of future seminars and workshops on the positive agenda should be geographically balanced.

30. Concerning the DMFAS Trust Fund, the special situation of LDCs should be taken into account when addressing issues such as cost-sharing. The long-term financial sustainability of the DMFAS programme should be assured, and he appealed to donors to continue to make contributions to that end.

31. His Group attached importance to the speedy implementation of paragraph 166 of the Bangkok Plan of Action. The lack of resources for the second and third courses was a matter for concern, and the secretariat should continue to seek means of addressing the problem. The long-term solution lay in the provision of funding in the programme budget.

32. Finally, the African Group supported the financing of expert participation from developing countries in UNCTAD's expert meetings, and would encourage the Secretary-General of UNCTAD to continue to seek the necessary resources, as agreed by the Trade and Development Board.

33. The representative of the **United States of America** said that he appreciated the focus on LDCs in the work programme, as well as the use of the logical framework in the presentation of the programme. At the same time, the indicators of achievement were vague and needed to be improved. Strong leadership would be required to implement the work programme, and he expressed concern about the vacancies at the Director level in the secretariat. Issues that required further discussion included the support provided to the Group of 24 under Subprogramme 9.1, the positive trade agenda, and financing participation in UNCTAD expert meetings. With regard to DMFAS, he shared the concern of the European Union that informal bodies such as the Advisory Group could dilute decision-making at the formal level in the Working Party.

34. The representative of **Japan** expressed his appreciation for the structure of the new budget presentation and emphasized the importance of evaluation, the methods for which should be clarified in advance. Indicators must be more objective and, to the extent possible, quantifiable. When quantification was not possible, the methodology to be used must be clearly defined. The timing of UNCTAD XI would greatly influence the programme budget, and the dates of the Conference should be determined as a matter of urgency. Consideration should also be given to changing the timing of the Working Party's session so as to reflect maximally the view of the Working Party in the budget submission to Headquarters. *Ad hoc* expert group meetings should be limited to those that were essential in implementing the Bangkok Plan of Action. The Office of the Special Coordinator for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States should be strengthened to follow up the outcome of the Third United Nations Conference on Least Developed Countries effectively. On Programme Support, he encouraged timely submission of documents and the use of information technology. He sought clarification as to why there was no reference in the programme budget to the Advisory Body called for in paragraph 166 of the Bangkok Plan of Action or to how UNCTAD would be involved with the Trade Point programme after its transfer to the International Trade Points Federation.

35. The representative of **Switzerland**, referring to DMFAS, expressed concern about the very slow progress made on cost-sharing.

36. The representative of **China** said that the task before the Working Party was to formulate a work programme which corresponded to the second phase of implementing the Bangkok Plan of Action. That phase included the mid-term review by the Trade and Development Board and the preparatory process for the next Conference. The proposed work programme well reflected the Plan of Action. Coordination would be important, and the

Working Party should ensure that the Plan of Action would be fully implemented in a comprehensive manner. Regarding the implementation of paragraph 166, he hoped that proper financing would be put in place and be implemented before the end of 2001.

37. The **Deputy Secretary-General of UNCTAD**, responding to points raised by delegations, said that, on the filling of vacancies at the Director level, the selection of the candidate for one post had been completed as far as UNCTAD was concerned, and the matter was now being reviewed in New York. For the other two posts, the Secretary-General of UNCTAD had set up a high-level advisory panel for the selection of candidates. There was a shortage of qualified female candidates, on which the advisory panel was also being consulted. On the timing of the Working Party meeting, it had not been feasible to convene it before the submission of the programme budget proposal to Headquarters, but the secretariat was aware of the need to ensure that the views of the Working Party would be well reflected in the proposed work programme. On indicators of achievement, it was difficult to come up with meaningful, workable and precise indicators, and he would welcome advice from member States. He agreed that the use of questionnaires would be one way to measure achievements, but obtaining a meaningful response rate had been found to be difficult. The Advisory body for paragraph 166 had not been referred to in the UNCTAD programme budget since it was not a formal body. Finally, concerning the relationship between informal advisory bodies and formal intergovernmental bodies, the experience so far with the DMFAS Advisory Group had been positive, but member States' advice on the matter would be appreciated.

### **Informal meetings**

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

### III. ACTION BY THE WORKING PARTY AND CLOSING STATEMENTS

39. At its 141<sup>st</sup> (closing) plenary meeting, the Working Party approved the draft programme narrative as contained in document UNCTAD/EDM/Misc.148/Rev.1. It further decided to hold a resumed session for about two days, tentatively on 11-12 June 2001, in order to review the draft biennium budget as submitted to the General Assembly by the Secretary-General of the United Nations.

40. At the same meeting, the Working Party adopted its agreed conclusions (TD/B/WP/L.99), as reproduced in chapter I above.

#### Closing statements

41. The representative of **Cuba**, speaking on behalf of the **Group of 77 and China**, emphasized the importance of financing the participation of experts from developing countries in UNCTAD expert meetings on a predictable and stable basis; it was of paramount importance to have resources provided from regular budget resources for that purpose. The use of resources allocated by the General Assembly from the savings for the biennium of 1999-2000 had demonstrated the significant and positive effect of this financing on the quality of expert meeting discussions. Expert meetings were the foundation of intergovernmental work in UNCTAD. According to the Secretary-General of UNCTAD, the use of resources from savings had nearly doubled the participation of experts from developing countries, meaning, however, that developing countries continued to finance the participation of some of their experts at their own expense. The mechanism devised to utilise these resources had guaranteed equitable geographical distribution, including from least developed countries, and had provided for better gender distribution. He welcomed the support expressed by a number of developed countries for the use of a stable source of funding to finance the participation of developing country experts, and he also welcomed the announcement by the secretariat that the Secretary-General of UNCTAD had submitted to New York a request for regular budget resources for this purpose in accordance with the Board decision 465 (XLVII). He urged that this request be taken fully into consideration and reflected in the programme budget for the biennium of 2002-2003. He expressed the commitment of the Group of 77 and China to any full, or very comprehensive, and durable solution to this issue.

42. The representative of **Sweden**, speaking on behalf of the **European Union**, said that she would like clarification from the secretariat on the relationship between informal advisory groups and formal decision-making bodies, and that the advisory groups for the ACIS and ASYCUDA programmes should be established promptly. On the issue of financing the participation of experts, the scope of financing was limited to experts from developing countries, in particular from least developed countries, and to participation in expert meetings. Attention should also continue to be paid to the geographical distribution and gender balance of experts. While the use of extrabudgetary resources for this purpose would be acceptable, the use of regular budget resources required consensus among the membership, and the final decision must be made by the appropriate bodies in New York. While she recognized the specificity of UNCTAD's expert meetings and their important

contribution, introducing such a financing scheme could set a system-wide precedent and must be considered in a UN-wide context. Although some members of the European Union could consider the use of regular budget resources for this purpose, this view was not shared by all its membership and therefore the European Union as such could not take such a position. The position of the European Union would hence be the same as the language used in Board decision 462 (XLVII), namely that the Secretary-General of UNCTAD was invited to seek all options for financing the participation of experts.

43. The representative of the **United States of America** requested that the logical framework be applied for Executive Direction and Management and shared with member States. This would help to improve management, including house-wide coordination of activities, for example on cross-cutting issues, and human resource management, for example by expediting the filling of vacancies at the senior levels and improving the gender balance in the staffing table. On the issue of financing the participation of experts, he applauded those countries which had made voluntary contributions but reiterated the position of the United States that regular budget resources should not be used for this purpose. On the new work programme for the biennium 2002-2003, he underscored the need for work on strengthening the democratic basis of institutions and ensuring sound public administration, as States had a critical role to play in reducing poverty and increasing trade and development. Finally, the new demands being made on the organization had to have resource implications that should be reviewed at the Working Party's resumed session.

44. The representative of **Senegal**, speaking on behalf of the **African Group**, said that the outcome of the Working Party's session should contribute to implementation of the Bangkok Plan of Action, addressing the core issues for developing countries in integrating into the world economy. The African Group had welcomed the establishment of the subprogramme on Development of Africa, and it urged the secretariat to allocate the necessary resources to it. The African Group strongly advocated the financing of the participation of experts from developing countries in expert meetings on a more sound, stable and predictable basis. It had been demonstrated that the active participation of experts from developing countries had contributed to the work of UNCTAD. He urged the Secretary-General of UNCTAD to continue his efforts to obtain funding from regular budget resources, though he also welcomed voluntary funding by developed countries for this purpose. He attached great importance to the implementation of paragraph 166 of the Bangkok Plan of Action, and welcomed the Working Party's decision to launch a pilot phase of this programme. He expected that this initial phase would be adequately funded and monitored so as to ensure follow-up on a sustainable basis and lay the foundation for regional training programmes and the use of information technology. He reiterated the importance attached by the African Group to the Third United Nations Conference on Least Developed Countries and called for vacancies in the Office of the Special Coordinator to be filled quickly. After the Conference, the Working Party should not only review the subprogramme on LDCs, but also try to translate it into operational measures for LDCs. Such a commitment would clearly send a strong signal to all stakeholders in the Conference, and would induce concrete steps towards operationalizing all of the commitments made by the international community for LDCs.

45. The representative of **Japan** hoped that the new work programme for the biennium 2002-2003 would be accepted promptly by Headquarters. It reflected a sound implementation of the Bangkok Plan of Action. Effective evaluation of programme performance should be undertaken in accordance with the objectives, expected accomplishments and indicators contained in the work programme. In order to implement the work programme in a rational manner, the dates of the next Conference had to be decided on urgently. On the issue of financing the participation of experts, he recognized the contribution of experts from developing countries, as well as countries with economies in transition, to the quality of expert meetings. However, the use of regular budget resources for this purpose might result in a cut back in resources for other substantive activities and, therefore, the participation of experts should be financed with extrabudgetary funds. The position of Japan on this issue was a matter of principle, and it was not about the merits of particular activities in UNCTAD alone. He hoped to receive information at a later stage on the actual financing of the participation of experts.

46. The representative of **Egypt** said that the work programme approved by the Working Party reflected the Bangkok Plan of Action. He underscored the importance of the programme on the Development of Africa, financing the participation of experts in expert meetings, and the need to revisit the work programme on the least developed countries to take into account the outcome of the Third United Nations Conference on the Least Developed Countries. Financing the participation of experts was a crucial issue, and the proposed programme budget of the Secretary-General of the United Nations should include provision for such financing. He supported the paper prepared by the secretariat on the implementation of paragraph 166 of the Bangkok Plan of Action, and stressed the importance of trying to finance the participation of trainees in the courses.

47. The representative of **Switzerland** called on the development partners to contribute to solving the problem of the financial sustainability of the DMFAS programme quickly.

48. The representative of **Mexico**, speaking on behalf of the **Latin American and Caribbean Group**, welcomed the inclusion of financing for the participation of experts from developing countries in the budget proposal. She also welcomed the proposal on the implementation of paragraph 166 of the Bangkok Plan of Action and the attempts made to obtain resources. This issue was particularly important for the countries in her region. She hoped that all participants to the courses organized in the context of paragraph 166 would be financed. She considered that the new work programme for the biennium 2002-2003 as agreed by the Working Party clearly reflected the Bangkok Plan of Action.

49. The representative of **Indonesia**, speaking on behalf of **Asian Group**, emphasized the importance of financing the participation of experts from all developing countries in UNCTAD expert meetings.

50. The representative of the **Netherlands** expressed his support for the statement made by Switzerland on the financial sustainability of the DMFAS programme, and for the statement made by the United States of America on the need to apply the logical framework approach to the work of Executive Direction and Management as well. He also fully supported the statement made by Sweden on behalf of the European Union.

51. The representative of the **secretariat** said that no logical framework had been prepared for Executive Direction and Management because budget instructions did not provide for one, but it would be prepared and distributed informally. On the issue of the financing of the participation of experts in expert meetings, the secretariat would inform Headquarters of the importance attached to this by some member States. Finally, the outcome of the Working Party's deliberations on the work programme for the biennium 2002-2003 would be communicated to Headquarters promptly.

## **IV. ORGANIZATIONAL MATTERS**

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

52. The thirty-seventh session of the Working Party was opened by Mr. Federico Alberto Cuello (Dominican Republic), Chairperson of the Working Party at its thirty-sixth session.

### **B. Election of officers**

(Agenda item 1)

53. At its 140<sup>st</sup> (opening) plenary meeting, the Working Party elected Mr. Mussie Delelegnarega (Ethiopia) as its Chairperson and Ms. Nicole Clarke (Barbados) as its Vice-Chairperson-cum-Rapporteur.

### **C. Adoption of the agenda and organization of work**

(Agenda item 2)

54. Also at its 140<sup>st</sup> meeting, the Working Party adopted its provisional agenda (TD/B/WP/135). 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: Draft programme budget for the biennium 2002-2003
4. DMFAS Trust Fund
5. Follow-up to the implementation of paragraph 166 of the UNCTAD X Plan of Action
6. Provisional agenda for the thirty-eighth session of the Working Party
7. Other business
8. Adoption of the report of the Working Party to the Trade and Development Board.

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

(Agenda item 6)

55. At its 141<sup>st</sup> (closing) plenary meeting, the Working Party approved the draft provisional agenda for its thirty-eighth session. (For the provisional agenda, see annex I below).

**E. Adoption of the report of the Working Party to the Trade and Development Board**  
(Agenda item 8)

56. At its 141<sup>st</sup> (closing) plenary meeting, the Working Party adopted its draft report (TD/B/WP/L.98), subject to amendments to individual summaries from delegations, and authorized the Rapporteur to complete the final report taking into account the proceedings of the final plenary.

**Annex I**

**PROVISIONAL AGENDA FOR THE THIRTY-EIGHTH 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:
  - (a) Overall review
  - (b) Information on the implementation of Board decision 462 XLVII)
4. Evaluation of technical cooperation activities:
  - (a) Evaluation of TRAINMAR Programme
  - (b) Follow-up action to the in-depth evaluation of the EMPRETEC Programme
  - (c) Progress report on the implementation of the Trade Point Strategy
5. Financing of participation of experts from developing countries and economies in transition in UNCTAD's intergovernmental Expert Meeting
6. Provisional agenda for the thirty-ninth session of the Working Party
7. Other business
8. 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:

Barbados	Netherlands
Belarus	Pakistan
China	Russian Federation
Dominican Republic	Slovakia
Ethiopia	Sri Lanka
Indonesia	Sweden
Italy	Switzerland
Japan	United States of America
Morocco	Venezuela
Mauritius	

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

Bolivia	Malta
Brazil	Mexico
Colombia	Nigeria
Croatia	Norway
Cuba	Panama
Egypt	Paraguay
Finland	Portugal
France	Senegal
Germany	South Africa
Haiti	Spain
India	Thailand
Iran (Islamic Republic of)	Turkey
Kenya	United Kingdom of Great Britain and Northern Ireland
Libyan Arab Jamahiriya	

3. The following intergovernmental organizations were represented at the session:

European Community  
League of Arab States

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\* For the list of participants, see TD/B/WP/INF.44.