

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

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

held at the Palais des Nations, Geneva,  
from 17 to 18 January 2002



**UNITED NATIONS**

Dist.  
GENERAL

TD/B/49/2  
TD/B/WP/148  
4 February 2002

Original: ENGLISH

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## Chapter I

### AGREED CONCLUSIONS ADOPTED BY THE WORKING PARTY AT ITS THIRTY-EIGHTH SESSION

#### Review of the work programme: Draft programme budget for the biennium 2002-2003

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

*Having considered,* in accordance with its own decision taken at its resumed thirty-seventh session, the impact on system-wide coordination aspects contained in subprogramme 5 (Least developed countries, landlocked developing countries and small island developing States) of the decision of the General Assembly on an efficient and highly visible follow-up mechanism for the implementation of the Programme of Action adopted by the Third United Nations Conference on the Least Developed Countries,

1. *Welcomes* the creation of the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and *emphasizes* the importance of close cooperation between the new Office of the High Representative and UNCTAD so as to maximize synergies and complementarities in the implementation of the Programme of Action for the Least Developed Countries for the Decade 2001-2010, as well as the Programme of Action for the Sustainable Development of Small Island Developing States and the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donor Community;

2. *Expresses* its concern with the negative impact on UNCTAD's analytical and technical work resulting from the transfer of posts out of UNCTAD to the new Office of the High Representative. In this context, it *takes note* of the programmatic changes in subprogramme 5, as reflected in document TD/B/WP/L.103, *draws attention* to the serious implications for LDCs, Landlocked developing countries and small island developing States resulting from the reduction or discontinuation of the activities listed in the annex, and *underscores* the need to explore possibilities of minimizing their negative impact;

3. *Expresses further* its preoccupation with the reduced overall level of resources allocated to UNCTAD for 2002-2003 in light of paragraph 3 of General Assembly resolution contained in document A/C.2/56/L.78 calling for enhancing the operational capacity of UNCTAD;

4. *Considers* that, in enhancing the operational capacity of UNCTAD, full consideration should also be given to the activities for UNCTAD generated by the outcomes of the 4<sup>th</sup> WTO Ministerial Meeting and the resolution adopted by the General Assembly at its fifty-sixth session on work on landlocked developing countries, including the holding of the ministerial meeting scheduled for 2003;

5. *Considers also* that the contribution of consultants is important for the delivery by UNCTAD of high-quality technical work and that in future this matter should receive special attention in the allocation of funds;

6. *Requests* the Chairman of the Working Party to transmit the report of the Working Party on its current session to the Chairman of the Fifth Committee of the General Assembly;

7. *Invites* the Secretary-General of UNCTAD to transmit the report of the Working Party to the appropriate authorities in United Nations Headquarters;

8. *Welcomes* the call by the Secretary-General of the United Nations to member States to continue contributing generously to the UNCTAD Trust Fund on LDCs.

## **Annex**

### **Programmatic implications for subprogramme 5: Least developed countries, landlocked developing countries and small island developing States**

1. The Working Party requested the following extract from the UNCTAD section of the Programme Budget for 2002-2003 that reflects those activities in UNCTAD that will be (a) downsized and (b) discontinued as a result of transfer of posts out of UNCTAD. The listing of two sets of activities will thus provide a clear picture of the impact on UNCTAD's analytical and technical work of the transfer of resources to the Office of the High Representative for Least developed Countries, Landlocked Developing Countries and Small Island Developing States.

(a) *Work/activities that will be downsized*

- i. *Least developed countries*: (a) UNCTAD's "annual" report on LDCs, which would be "biennialized"; (b) advisory services, especially those relating to the Programme of Action as a whole.
- ii. *Landlocked developing countries and small island developing States*: (a) one less report (out of two for the biennium) on measures to improve the transit transport systems of landlocked countries and on transit transport systems in African, Asian and Latin American land-locked developing countries; (b) four instead of eight non-recurrent publications/studies on specific regions/issues related to transit transport; (c) advisory services in favour of landlocked developing countries and small island developing States.

(b) *Work/activities that will be discontinued*

- i. *Least developed countries:* (a) that part of UNCTAD's report on the least developed countries that addresses system-wide issues related to the implementation of the Programme of Action; (b) the preparation/publication of the annual statistical profile on LDCs; (c) the Internet home page on overall LDC issues;
- ii. *Landlocked developing countries and small island developing States:* (a) biennial report on landlocked developing countries to the General Assembly; (b) substantive servicing of the General Assembly on matters related to landlocked developing countries; (c) parliamentary support for the ministerial meetings of landlocked developing countries; and (d) contribution to the Small States Forum within the framework of the annual meetings of the World Bank; (e) ad hoc expert group on opportunities for joint ventures on transit transport between land-locked and transit developing countries.

2. The resources allocated to activities indicated under (a) and (b) above amounted to 108 work months.

3. The Working Party did not find it necessary to comment on those activities discontinued in UNCTAD and taken over by the Office of the High Representative, amounting to 36 work months.

## Chapter II

### REVIEW OF THE WORK PROGRAMME: DRAFT PROGRAMME BUDGET FOR THE BIENNIUM 2002-2003

(Agenda item 7)

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

“Proposed revisions to the work programme for subprogramme 5: Least developed countries, landlocked developing countries and small island developing States” (TD/B/WP/L.103).

2. The **Chairman** recalled that, at its resumed thirty-seventh session, the Working Party had decided to review, at a resumed thirty-eighth session, the impact on the system-wide coordination aspects contained in subprogramme 9.5 of the decisions of the General Assembly at its fifty-sixth session on the follow-up mechanism for the implementation of the Programme of Action for the LDCs (TD/B/WP/140, chapter I).

3. The representative of **Uganda**, speaking on behalf of the **African Group**, welcomed the General Assembly decision to establish the Office of the High Representative for Least Developed Countries (LDCs), Landlocked Developing Countries and Small Island Developing States, with its functions as recommended by the Secretary-General of the United Nations. The African Group considered it equally important to note that paragraph 3 of the General Assembly resolution contained in document A/C.2/56/L.78 explicitly referred to the need for enhanced operational activities in favour of these countries in UNCTAD and other organizations, and that paragraph 10 of the relevant ACABQ report (A/56/176) pointed to the need for caution as to how paragraphs 2 and 3 of the General Assembly resolution would be implemented. The General Assembly, in adopting the ACABQ report, had deferred the permanent establishment of some posts in the new office until submission of a report of the Secretary-General on the programmatic implications and impact on the activities of the affected sections of the programme budget. In this regard, the African Group, while supporting the establishment of the new Office, expressed its serious concerns on the likely implications of the relocation of as many as 10 posts from UNCTAD. That would seriously undermine the substantive and technical activities of UNCTAD for the countries concerned.

4. The Secretary-General's report rightly distinguished between work of the Office of the High Representative, which was solely for coordination, advocacy and reporting, and that of other organizations that would continue their substantive activities. The Group noted that, as indicated to ACABQ, two posts (one full-time and one part-time) were currently dealing with the work to be assumed by the new Office. The relocation over and above that level of resources would, therefore, have to involve resources dealing with analytical and technical functions and possibly in-house coordination, as opposed to system-wide coordination. Hence, UNCTAD's substantive activities in favour of the countries concerned were doomed

to suffer. The resources for the new Office should come either from new and additional resources or from all organs of the UN system, without seriously affecting their substantive work. The documentation provided to the Working Party (TD/B/WP/L.103) showed realistically and in detail the impact of the resource relocation on what LDCs, landlocked developing countries and small island developing States could expect from UNCTAD. This certainly was not what member States had intended in adopting the Brussels Programme of Action.

5. The reduction would negatively affect not only traditional activities but also work in new areas and new mandates. The just concluded Doha WTO Ministerial Conference had agreed to launch a new round of trade negotiations, with enormous implications for UNCTAD's work in favour of the groups of countries in question. The Doha Ministerial Declaration contained specific references to UNCTAD's activities in areas of its mandate and competence, particularly technical assistance and capacity building. Only a few weeks previously, the Second Committee had adopted a resolution on landlocked countries with additional mandates for UNCTAD. Further, the recent regular session of the Trade and Development Board had adopted a decision to examine the possibility of establishing a Standing Committee on LDCs pursuant to paragraph 113 of the Brussels Plan of Action to deal with thematic and sectoral issues pertinent to LDCs. These additional mandates would call for an increase in resources, not a reduction.

6. The African Group was equally frustrated by the significant delay in the implementation of the Programme of Action due to the lack of consensus on the proposed institutional set-up for follow-up, review and monitoring. He urged UNCTAD and other organizations to engage in the effective implementation of the Programme of Action, which was of paramount importance to the countries concerned, in the areas of their respective mandates and competence.

7. The African Group looked forward to the Secretary-General's report, as requested by ACABQ, and would be ready to engage in a constructive dialogue on the subject to come up with a positive outcome. The Group was convinced that the outcome of the Working Party's deliberations would filter into the discussions of the resumed sessions of the General Assembly on this matter.

8. The representative of **Egypt** welcomed the General Assembly's decision to establish the Office of the High Representative and looked forward to the full implementation of the General Assembly's resolution. He stressed that paragraph 3 of the General Assembly's resolution was of great importance and that its implementation should be given the necessary attention, in line with the whole decision, which should be treated as a package. Concerning the re-allocation of posts, only the posts that corresponded, in UNCTAD, to the functions of the new Office should be transferred from UNCTAD in order not to negatively affect the analytical and technical work that was undertaken by UNCTAD and would not be undertaken by the new Office. Document A/56/645 showed that there would be a negative impact on technical and analytical work of UNCTAD in favour of LDCs, landlocked developing countries and small island developing States, which was in contradiction with the above-mentioned paragraph of the General Assembly resolution.

*Informal meetings*

9. The Working Party pursued its discussions in informal meetings.

*Action by the Working Party*

10. At the closing plenary meeting of its resumed thirty-eighth session, the Working Party adopted agreed conclusions. (For the text of the agreed conclusions, see chapter I above.)

11. The representative of **Uganda**, speaking on behalf of the **African Group**, said it was his understanding that, further to paragraph 7 of the agreed conclusions, the report of the Working Party would be drawn to the attention of ACABQ.

### Chapter III

#### FINANCING OF PARTICIPATION OF EXPERTS FROM DEVELOPING COUNTRIES AND ECONOMIES IN TRANSITION IN UNCTAD'S INTERGOVERNMENTAL EXPERT MEETINGS

(Agenda item 5)

12. The representative of **Uganda**, speaking on behalf of the **African Group**, said that the entire membership recognized the importance of representation by experts from countries at various levels of development and from all regions. Financing the participation of experts who otherwise would not be able to afford to attend therefore merited serious consideration. The African Group considered that there should be further discussions on topics of expert meetings, especially in the light of the Doha Ministerial Declaration. The door to negotiations on the issue should remain open, possibly at a further resumed session of the Working Party in February. The African Group urged the Working Party to take bold decisions to strengthen the functioning of UNCTAD's intergovernmental machinery.

13. The representative of **Egypt** said he hoped that a solution to the issue of the financing of experts could be found at the current session of the Working Party. Should that not be possible, however, the chairperson should continue his consultations on the matter.

#### *Informal meetings*

14. The Working Party pursued its discussions in informal meetings.

#### *Action by the Working Party*

15. At the closing plenary meeting of its resumed thirty-eighth session, the Working Party decided to hold a further resumed thirty-eighth session in mid-February 2002 in order to pursue its discussions on the financing of experts. It requested the Chairperson to prepare a Chairperson's summary on his informal consultations on the matter to date (for the summary, see annex) and to continue his informal consultations in the period leading up to the further resumed session. It further requested the secretariat to make available the information supplied in informal meetings on other organizations' practices with regard to financing of experts and on the current status of the trust fund set up by the secretariat for the financing of experts.

## **Annex I**

### **CHAIRPERSON'S SUMMARY ON THE INFORMAL CONSULTATIONS ON FINANCING OF EXPERTS**

1. Pursuant to the decision taken by the Working Party on the Medium-term Plan and the Programme Budget at the first part of its thirty-eighth session in September 2001, the Chairman of the Working Party held informal consultations with all interested delegations on the financing of experts from developing countries and countries with economies in transition.
2. The purpose of these consultations was to reach an agreement on financing the participation of experts in UNCTAD's intergovernmental machinery and to report back to the Working Party at its resumed thirty-eighth session.
3. Many points were raised during these consultations and some key issues, proposals and options were suggested.
4. Many delegations stressed the need for additional consultations and for another resumed session of the Working Party in mid-February 2002 to come up with an agreement/decision/resolution. Some key issues were underscored and some conclusions could be drawn as follows:
5. Attention was drawn to the significance of finding both short and long-term solutions to the financing of experts.
6. Consultations on a long-term solution for the financing of experts should also take place within the context of the Mid-term Review, in particular the pillar on the review of the intergovernmental machinery.
7. Several delegations underscored the importance of finding a short-term solution for 2002 and that further consultations should continue to explore all possibilities. In that regard, the use of accrued interest on the technical cooperation trust funds, with the prior approval of individual donor countries on a bilateral basis, was mentioned as one option among others that could be explored.

**Annex II**

**ATTENDANCE**

1. The following States members of UNCTAD, members of the Working Party, were represented at the session:

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

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

Angola	Madagascar
Bangladesh	Mozambique
Benin	Nepal
Bhutan	Nigeria
Botswana	Oman
Brazil	Panama
Bulgaria	Paraguay
Colombia	Portugal
Cuba	Senegal
Denmark	South Africa
Egypt	Spain
Finland	Sudan
France	The Former Yugoslav Republic of Macedonia
Germany	Tunisia
Greece	Uganda
Guinea	Yemen
India	Zimbabwe
Latvia	
Luxembourg	