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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
fortieth session**

held at the Palais des Nations, Geneva,
from 13 to 17 January 2003



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Chapter I

AGREED CONCLUSIONS ADOPTED BY THE WORKING PARTY AT ITS FORTIETH SESSION

Review of the work programme: Draft programme budget for the biennium 2004-2005

Indicators of achievement

The Working Party,

Having considered the proposals for the draft work programme for UNCTAD for the biennium 2004-2005,

1. *Concurs* with the amended text, as contained in document UNCTAD/EDM/Misc.241/Rev.1;

2. *Reaffirms* the role of the Working Party, as a sectoral intergovernmental reviewing body, in defining the work programme of UNCTAD and that the decisions taken by the Working Party should be duly taken into account in the finalization of the UNCTAD section of the proposed Programme Budget 2004-2005;

3. *Expresses* satisfaction with the presentations made by the secretariat on various areas of work, as well as with the detailed information provided in response to questions raised by the Working Party;

4. *Notes* that the programme of work contains provisions with respect to the implementation of the Millennium Declaration, the follow-up to major United Nations conferences, in particular the Third United Nations Conference on the Least Developed Countries, the Conference on Financing for Development and the World Summit on Sustainable Development, and the Fourth WTO Ministerial Meeting, as requested by the Mid-term Review;

5. *Encourages* the secretariat to continue its efforts in streamlining its work programme;

6. *Considers* that the work programme for 2004-2005 should take into account, at an appropriate time, the outcome of the Fifth WTO Ministerial Meeting, to be held in Cancun in September 2003, and the results of UNCTAD XI, as well as other relevant United Nations meetings;

7. *Encourages* the UNCTAD secretariat to further develop its cooperation with other related United Nations organizations, the World Trade Organization, and Bretton Woods institutions;

8. *Recalls* the recognition of the usefulness of the *Least Developed Countries Report* and the recommendation of the Board to the Working Party to consider at the second part of its fortieth session the possibility of the annual publication of the report within resources at the disposal of UNCTAD;

9. *Stresses* that, as a cross-cutting issue, the question of least developed countries should be further integrated in all UNCTAD sub-programmes;

10. *Requests* the secretariat to consider compiling internally on a specific web site the main country and regional data on UNCTAD technical assistance programmes, to complement the UNCTAD database on bilateral technical assistance programmes, including through a link with the existing OECD/WTO database on trade-related capacity building, and to report back to the Working Party at its forty-first session dealing with technical cooperation;

11. *Supports* the efforts made by the African countries in the framework of the implementation of the objectives contained in NEPAD in accordance with General Assembly resolution 57/2 adopted on 16 September 2002 at its fifty-seventh session;

12. *Recalls* the pioneering role played by UNCTAD in relating indicators with the work programme and the contribution it has made to the development of the results-oriented budgetary approach, and *encourages* UNCTAD to continue in this vein;

13. *Appreciates* the efforts made to improve and refine the indicators of achievement, in particular with respect to their quantitative dimension, and *encourages* the secretariat to make further efforts to enhance the qualitative aspects of the indicators whenever possible, with particular emphasis on relevance and impact;

14. *Invites* the member States to bring their contribution to the better definition of indicators, in particular qualitative indicators, and *encourages* further interaction between the secretariat and the member States in this respect;

15. *Reiterates* the importance of readership surveys of UNCTAD publications, *takes note* of the reports submitted regularly by the secretariat in connection with the consideration of the work programme, and *emphasizes* the importance of enhancing the response rate, in particular from member States;

16. *Emphasizes* the importance of UNCTAD's work on trade and development as identified in its mandate, and *welcomes* continued efforts to make the activities more effective.

Chapter II

REVIEW OF THE WORK PROGRAMME: DRAFT PROGRAMME BUDGET FOR THE BIENNIUM 2004-2005

INDICATORS OF ACHIEVEMENT

(Agenda items 3 and 4)

A. Opening statements

1. The **Deputy Secretary-General of UNCTAD** said that the main task of the Working Party at its current session was the review of the secretariat's draft programme of work for the biennium 2004-2005 (UNCTAD/EDM/Misc.241). It was the established practice for the Secretary-General of UNCTAD to consult member States on the draft programme prior to its finalization by the Secretary-General of the UN for submission to the General Assembly. To assist the Working Party in its review, the results of the ex-ante survey of publications had been made available; constant feedback was especially important in enhancing the usefulness of activities. The draft programme had been prepared in accordance with the relevant rules and regulations of the United Nations, and included all activities regardless of source of funding. The narrative containing the substantive work programme of subprogrammes 1 to 5 was before the Working Party for its review in the usual way, while the entire narrative, which also included the overview, policy-making organs, executive direction and management, and programme support, was being made available to meet the wishes of member States as expressed at a previous meeting. Once the Working Party concluded its review, the Secretary-General of UNCTAD would transmit the results to Headquarters in New York so that the Secretary-General of the UN could take them into account in finalizing his proposal to the General Assembly. For the first time, in a parallel process, all the work programmes in the economic and social sector of the UN, including UNCTAD's, were being discussed within the UN Secretary-General's Executive Committee on Economic and Social Affairs (EC-ESA), in line with the UN Secretary-General's reform proposal. Accordingly, the views of the Working Party would also contribute to that process.

2. The proposed programme sought to continue implementation of the Bangkok Plan of Action, the outcomes of the Mid-term Review, the Third UN Conference on LDCs and other major UN conferences, and the Millennium Declaration. Points from the Mid-term Review deserving particular mention included: emphasis on UNCTAD's special expertise in the integrated treatment of development and trade, finance, technology and investment - a point reiterated by the General Assembly in its recent resolution on trade and development; priority to supporting developing countries in the current and forthcoming trade negotiations and related capacity-building; and enhancing the productive capacity of developing countries and increasing their competitiveness, taking full advantage of UNCTAD's assets and expertise in commodities, services, investment, technology, competition, electronic commerce, enterprise development, trade facilitation and human resources development. Also to be kept in mind was the enhancement of links between research and analysis, intergovernmental discussion

and technical cooperation, as well as emphasis on efficient and effective delivery of capacity-building initiatives. Following UNCTAD XI, the Working Party might wish to meet again to review necessary amendments to the work programme, as had been done following previous Conferences.

3. The Working Party would also discuss indicators of achievement in implementation of paragraph 41 of the Mid-term Review outcome. For that discussion, the secretariat had invited Ms. Doris Bertrand of the Joint Inspection Unit to make a presentation in the light of her report to the General Assembly, which would be taken up in April. The secretariat greatly valued discussions with member States in the Working Party, and member States both at New York and at Geneva had recognized the value of these processes and identified them as “best practice” examples.

4. The representative of **Thailand**, speaking on behalf of the **Group of 77**, said that his general comments concerned not only the content of the programme but also the environment in which the new programme had been prepared. He stressed the need to take fully into account processes going on elsewhere in the UN, particularly the work of the open-ended group on the follow-up to major conferences, the GA decisions on strengthening the work of the Organization, the next phase of the reform covering technical cooperation activities, and the future role of the Second and Third Committees. Since all these processes might have implications for UNCTAD, he hoped to have additional information during the review, for example, on how UNCTAD as an institution would contribute to the follow-up to Monterrey and Johannesburg and to the debate on macroeconomic issues in the General Assembly, in the spring session of ECOSOC devoted to the dialogue with the Bretton Woods Institutions and WTO, and in the high-level segment dialogue of the General Assembly devoted to financing for development. He stressed the importance of UNCTAD’s involvement in the implementation of the Monterrey Consensus and the Johannesburg Plan. As the focal point of the UN for the integrated treatment of trade and development issues, UNCTAD was eminently placed to make a contribution not only in such areas as trade and investment but also on broader questions related to coherence and systemic issues. UNCTAD also had a key role to play in trade, investment and sustainable development, as well as commodities, in line with the Johannesburg outcome. These points were important because they had wider implications for UNCTAD as an institution. The Working Party’s discussions would also contribute to the preparatory process for UNCTAD XI. The overall content of the draft programme of work reflected fully the mandate entrusted by member States to UNCTAD. In this programme, the Group of 77 attached particular importance to work of interest to developing countries - on trade and trade negotiations, interdependence and globalization, debt, commodities, investment, Africa, and least developed countries. The work programme should fully reflect the legislative authority given by member States, and mandates should be fully implemented. Any departure should be brought to the attention of the Working Party and of the Trade and Development Board. He looked forward to clarification with respect to the role of the EC-ESA. While steps taken to increase synergies and avoid duplication were welcome, the role of the Working Party in defining the work programme of UNCTAD should have priority, and the decisions taken by the Working Party should be fully taken into account in the finalization of the programme budget in New York. He strongly hoped that the efforts of the Working Party in this exercise would really serve the intended purpose, i.e. a

serious review by a sectoral intergovernmental body of a section of the programme budget in respect of which it had the greatest expertise.

5. The representative of **Greece**, speaking on behalf of the **European Union**, stressed the importance of the work of the Working Party in examining the draft programme of work for 2004-2005. She wished to examine, during the review, whether UNCTAD was setting priorities correctly in the areas of emphasis identified by the Mid-term Review and whether it was increasing its contribution to the achievement of the Millennium Development Goals and to furthering the results of major UN conferences. She also looked forward to seeing the extent to which the new programme would encourage the use of best practices and indicators. As the programme would be implemented in large part after UNCTAD XI, its examination was important in terms of preparations for the Conference, and the European Union was looking forward to cooperating effectively with other groups in that preparatory process.

6. The representative of **Benin**, speaking on behalf of the **least developed countries**, said that the Working Party should examine the proposed programme from two angles: policy analysis and technical cooperation. The programme had been formulated in accordance with global and specific objectives contained in the Bangkok Plan of Action, the Millennium Declaration, and the Programme of Action agreed at the Third UN Conference on LDCs, as well as the Monterrey Consensus and the Doha development programme. LDCs would need substantial assistance in facing their development challenges, and he called for further support from the development partners in implementing the activities, projects and programmes that had been agreed upon. Financial support was needed, particularly in such areas as investment promotion, institutional and human capacity building, and productive capacity building, as those activities would contribute towards the implementation of the commitments made at the Third UN Conference on LDCs. Financing for the participation of experts from developing countries, particularly LDCs, in UNCTAD's expert meetings needed to be ensured so that those countries could derive full benefit from the meetings. In this context, LDCs welcomed the consultations being organized on that issue. On the question of publications, the *LDC Report* should be issued annually, as recommended by the Trade and Development Board. Finally, the new results-based approach used in presenting the programme made it possible to consider clearly the objectives of the programmes and the coherence and measurability of achievements, both qualitatively and quantitatively.

7. The representative of the **United States of America** commended the secretariat's efforts to improve the presentation of the programme over two consecutive biennia and to include and improve upon indicators of achievements. There was still room for improvement in respect of some indicators, in particular with regard to giving more emphasis to quality rather than to quantity, but that could be taken up in detail during the review of subprogrammes. He would be asking programme managers how the reform proposals of the Secretary-General of the UN had been reflected in their programmes, and looked forward to discussing ways to reinvigorate the organization.

8. The representative of **Bangladesh** commended the secretariat's initiative to invite Ms. Doris Bertrand of the Joint Inspection Unit to facilitate the discussion on indicators of achievement. He stressed that the key role of UNCTAD was to help developing countries

meet their development needs, and UNCTAD's speciality in this endeavour lay in its integrated treatment of development issues. The reform proposal of the Secretary-General of the UN and the follow-up to the major UN conferences might have implications for UNCTAD, but they would only increase the importance of UNCTAD's role. The programme before the Working Party was broadly in line with the Bangkok Plan of Action and the outcomes of the Mid-term Review. The outcomes of the Third UN Conference on LDCs should also be followed up through the programme. The subprogramme on LDCs had been reformed in line with the decision taken to establish the Office of the High Representative in New York, but this should not in any way imply a diminished role for UNCTAD in substantive work; in fact, it had been decided to strengthen UNCTAD in this area. The programme covered all activities, including those financed by extrabudgetary funds. He hoped that UNCTAD would continue to assist LDCs in their preparations for the forthcoming WTO Ministerial Meeting, and called for support by donors in that connection.

9. The representative of **Japan** said that the programme narrative well reflected the mandates from UNCTAD X and the Mid-term Review. He was also satisfied with the secretariat's efforts on indicators of achievement. He hoped that, through constructive discussion, it would be possible to make the most effective and efficient use of the resources provided to the organization.

10. The representative of **Switzerland** welcomed the use of indicators of achievement, though he agreed that some of them could be more qualitative than quantitative. The aim should be to find indicators that would enhance the impact of the work of the organization. He would have liked the secretariat to have highlighted the ways in which the guidance provided by member States, for example at the Mid-term Review, had been reflected in the subprogrammes. The impact of the decisions taken and the resulting prioritization should have been indicated more clearly.

B. Informal meetings

11. The Working Party pursued its consideration of these items in informal meetings,

C. Action by the Working Party

12. At its closing plenary meeting, on 16 January 2003, the Working Party approved the proposals for the draft programme of work for the biennium 2004-2005, as contained in document UNCTAD/EDM/Misc.241/Rev.1.

13. It also adopted agreed conclusions (for the agreed conclusions, see chap. I above).

Chapter III

ORGANIZATIONAL MATTERS

A. Opening of the session

14. The fortieth session of the Working Party was opened by Ms. Fatima Al-Ghazali (Oman), Chairperson of the Working Party at its thirty-ninth session.

B. Election of officers

(Agenda item 1)

15. At its 154th (opening) plenary meeting, on 13 January, the Working Party elected Mr. I. Afanassiev (Russian Federation) as its Chairperson and Ms. W. Tadesse (Ethiopia) as its Vice-Chairperson-cum-Rapporteur.

C. Adoption of the agenda and organization of work

(Agenda item 2)

16. Also at its 154th meeting, the Working Party adopted its provisional agenda (TD/B/WP/158). 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 2004-2005
4. Indicators of achievement
5. Provisional agenda for the forty-first session of the Working Party
6. Other business
7. Adoption of the report of the Working Party to the Trade and Development Board

D. Provisional agenda for the forty-first session of the Working Party

(Agenda item 5)

17. At its 155th (closing) plenary meeting, on 16 January 2003, the Working Party decided to take up agenda item 5 at the second part of its session.

18. The representative of **Egypt** said that the provisional agenda for the Working Party's forty-first session should include a progress report on the implementation of the second phase of UNCTAD's web site.

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

(Agenda item 7)

19. At the same meeting, the Working Party authorized the Vice-Chairperson-cum-Rapporteur to draw up the report on its session, taking into account the proceedings of the closing plenary.

Annex

ATTENDANCE *

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

| | |
|--------------------------|---|
| Bangladesh | Mexico |
| Belarus | Netherlands |
| Benin | Pakistan |
| China | Russian Federation |
| Cuba | Spain |
| Ethiopia | Tunisia |
| France | United Kingdom of Great Britain and Northern Ireland |
| Honduras | United States of America |
| Islamic Republic of Iran | |
| Japan | |

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

| | |
|----------------------------------|------------------------|
| Angola | Jamaica |
| Brazil | Republic of Korea |
| Costa Rica | Libyan Arab Jamahiriya |
| Democratic Republic of the Congo | Mauritius |
| Egypt | Oman |
| Finland | Paraguay |
| Germany | Philippines |
| Greece | Portugal |
| India | Senegal |
| Indonesia | Syrian Arab Republic |
| Iraq | Slovakia |
| Italy | Switzerland |

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

European Community

4. The following United Nations agency was represented at the session:

International Trade Centre

* For the list of participants, see TD/B/WP/INF.48.