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Working Party on the Medium-term Plan and the Programme Budget

Forty-eighth (resumed) session

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Report of the Working Party on the Medium-term Plan and the Programme Budget on its forty-eighth (resumed) session

Held at the Palais des Nations, Geneva, from 9 to 11 July 2007

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I. Agreed conclusions

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

Having considered Section 12 “Trade and development” of the proposed programme budget for the biennium 2008–2009, as contained in document A/62/6 (Sect. 12),

Noting the need to revisit the Strategic Framework and the Programme Budget of UNCTAD for the biennium 2008–2009 after the twelfth session of UNCTAD to be held from 22 to 25 April 2008,

Expressing concern that the proposed budget, which represents only a marginal increase of 0.2 per cent over the current biennium, may prove to be insufficient,

Reiterating the importance of bringing benefits of the programme to all regions of developing countries and countries with economies in transition in a geographically balanced and demand-driven manner,

Stressing the need to improve the indicators of achievements and performance measures,

Reiterating the need to translate the main UNCTAD publications and the main pages of the UNCTAD website, including the news items, into all official languages on time,

Reiterating the importance of the participation of experts from developing countries, including the least developed countries, and countries with economies in transition in UNCTAD intergovernmental expert meetings and their contribution to the intergovernmental process,

Taking note of the proposal of the Secretary-General to consolidate the work on science and technology and development within UNCTAD, and to transfer henceforth the section dealing with Science and Technology for Development from the Division on Investment, Technology and Enterprise Development to the Division for Services Infrastructure for Development and Trade Efficiency,

Expressing appreciation for the secretariat’s explanatory note to facilitate reading of the programme aspects of the proposed programme budget for the biennium 2008–2009 and its briefing of delegates prior to the meeting of the Working Party,

1. *Recommends* the General Assembly and its competent bodies to support the programme contained in the document A/62/6 (Sect. 12) with the following changes:

(a) In paragraphs 12.1 and 12.3,

insert “and countries with economies in transition” after “developing countries”;

(b) In paragraph 12.39 (a)(x), Ad hoc expert groups,

delete “at the twelfth session of the United Nations Conference on Trade and Development” and *replace it with* “in the context of UNCTAD XII”;

(c) In paragraph 12.4 in the overview *delete the last sentence* “Integration of cross-cutting issues, such as South–South cooperation, poverty alleviation and gender dimension, will receive the necessary consideration within the context of pursuing the foregoing objectives.”;

(d) In paragraph 12.41 (b) *insert* “developing countries, including” *after* “Governments of” and *insert a comma after* “least developed countries”;

(e) In paragraph 12.8, on the second line after “developing countries,” *add* “including the least developed countries,” and on the third line after “economies in transition” *delete* “most particularly” *and replace it with* “for”;

2. *Requests* the secretariat, in planning for the activities and allocating resources for their implementation, to:

(a) Ensure that activities are planned and implemented in a geographically balanced and demand-driven manner;

(b) Ensure that all subprogrammes receive sufficient resources for the full and effective implementation of their respective work;

(c) Ensure the full implementation of the training courses on key issues on the international economic agenda, so that all developing regions and countries with economies in transition can take full advantage of the courses;

(d) Implement an effective, holistic programme on commodities to ensure sustained economic growth and poverty reduction, particularly in commodity-dependent countries;

(e) Strengthen the work on creative industries and the effort to raise the funding for this work;

(f) Further strengthen the work on new and dynamic sectors, in particular those of special interest to developing countries, with a view to assisting developing countries, including least developed countries, and countries with economies in transition in this area of work;

(g) Further strengthen synergy and coherence between programmes for development of Africa and least developed countries, and ensure the effective implementation of special programmes dealing with special needs and priorities of structurally weak, vulnerable, and small economies, small island developing States and landlocked and transit developing countries;

(h) Strengthen its work on insurance to fulfil the provisions of paragraphs 44 and 54 of the São Paulo Consensus and the efforts to raise funding for this work, as well as to provide sufficient staffing;

3. *Requests* the secretariat to begin an informal process, involving representatives of member States, to come up with improved indicators of achievements and performance measures, taking into account outcomes from UNCTAD XII, as a basis for the next discussion of the Strategic Framework, and to provide to member States options of improved indicators and performance measures, and to report back to member States on progress made;

4. *Requests* the secretariat to:

(a) Make the utmost effort to ensure that UNCTAD's main publications, in particular those to be discussed by the Trade and Development Board and its subsidiary bodies, are translated into the official languages of the United Nations as early as possible;

(b) Ensure that the main pages of the UNCTAD website are translated into all official languages, including the news items, in particular those relating to UNCTAD XII;

5. *Looks forward* to further informal consultations with the secretariat on the proposed transfer of the Science and Technology section, taking into account the comments made by member States during this session of the Working Party;

6. *Requests* the Secretary-General to urgently find a sustainable solution for the financing of the participation of experts from developing countries, including the least developed countries, and countries with economies in transition in UNCTAD's intergovernmental expert meetings and report to member States on the progress achieved;

7. *Requests* that the secretariat further improve the quality and clarity of its documents and explanatory note for the Working Party, including by making greater use of figures drawn from the budget fascicle, and that the secretariat organize information sessions on those documents at the time they are issued, in order to facilitate consideration of the documents by the Working Party.

II. Review of the work programme: Draft programme budget for the biennium 2008–2009

A. Opening statements

1. The **Director of the Division on International Trade in Goods and Services, and Commodities**, speaking on behalf of the Secretary-General of UNCTAD, introduced Section 12 of the proposed programme budget for the biennium 2008–2009, as proposed by the United Nations Secretary-General. That section covered the regular work programme of UNCTAD, including those activities funded through extrabudgetary funds. She reported that all suggestions proposed by the Working Party in January were accepted by the United Nations Secretary-General in New York and were reflected in the current document. She outlined how the proposed programme budget was based on the mandates provided at UNCTAD XI and sought to emphasize issues that were especially relevant to member States in the current global context. These included South–South cooperation; the development dimension of intellectual property; the transfer and diffusion of technology; the use of bioresources; the integration of commodity-sector issues into national, regional and international development strategies; and non-tariff barriers. In addition, the budget addressed issues and concepts that arose in recent intergovernmental debates, as well as the work to be performed in following up on the World Summit on the Information Society (WSIS). She noted that UNCTAD XII would have implications on the work of the organization and accordingly, after the conference, the Working Party would have an opportunity to make adjustments to the programme of work.

2. She said that the proposed resource level of about \$117.3 million would allow UNCTAD to fully, efficiently and effectively implement all programmed activities. The 0.2 per cent increase in the budget over the current biennium was primarily attributable to the proposed establishment of a new P-3 post to strengthen the Investment Policy Review programme. The budget reflected the movement of the subprogramme on Development of Africa from subprogramme 1 to 5, and its further strengthening with an additional post from Programme Support. The budget also incorporated several internal realignments.

3. She flagged the proposed move of the section on Science and Technology from the Division on Investment, Technology and Enterprise Development to the Division for Services Infrastructure for Development and Trade Efficiency, which would consolidate all of UNCTAD's core activities on science and technology, including information and communication technologies. This proposal was based on a recommendation of the UNCTAD Science and Technology Board, which concluded that this proposed move could raise the visibility of UNCTAD's work in this area, enable a more comprehensive and integrated treatment of science and technology issues, and build synergy and coherence among the UNCTAD teams involved in WSIS implementation and follow-up. Furthermore, this move would respond to the requests of the Economic and Social Council for effective and adequate support of the Commission on Science and Technology for Development secretariat and for strengthening the role of UNCTAD as science and technology focal point within the United Nations system.

4. With regard to non-post resources, the resource level was largely unchanged, but incorporated a slight increase in expenditure on the travel of representatives for the expanded membership of the Commission on Science and Technology for

Development. With regard to extrabudgetary resources, an approximate 10 per cent decline from the current biennium was projected. However, the representative said that this decline must be viewed in the context of the 20 per cent increase in the current biennium, and thus brought the level back in line with the long-term trend. Current projections suggested that extrabudgetary funding represented around one third of total resources available to UNCTAD.

5. With regard to the financing of experts to attend UNCTAD expert meetings, she said that no sustainable funding method had been identified to date, as no consensus had been reached on the use of regular budget resources, and contributions to the trust fund set up for this purpose had been inadequate to meet the requirements. She proposed that this matter be discussed within the framework of preparations for UNCTAD XII in order to identify a permanent solution to this problem.

6. The representative of **Honduras**, speaking on behalf of the **Group of 77 and China**, expressed the wish of his group to focus its review on the relationship between the programme elements and resource allocations, since the programmatic review had already been undertaken in January. The representative noted with regret that no sustainable method for the financing of experts from developing countries had yet been identified. He stated that the present 0.2 per cent increase in the budget did not recover the \$2 million decrease in the budget of the current biennium from the 2004–2005 budget. In his view, this did not augur positively for UNCTAD, particularly in the light of an outcome from the mid-term review that called for a strengthening of UNCTAD's three pillars of work. He cautioned that the decline in temporary posts financed by extrabudgetary resources should not impose a substantial administrative burden to regular budget posts, particularly those pertaining to research and analysis. He noted with appreciation that the present draft budget did not contain major deviations from the programme of work which the Working Party reviewed in January.

7. The representative noted that the research and policy analysis activities of subprogramme 1 were an integral part of UNCTAD's mandate and, consequently, its work. Indeed, the mid-term review in 2006 placed particular emphasis on this pillar of work. He was pleased to see that the issue of policy space, to which the Group of 77 attached great importance, continued to be reflected in UNCTAD's programme of work. In addition, activities to help developing countries cope with emerging challenges were also properly reflected. His group noted with satisfaction that, after the conference, subprogramme 1 planned follow-up actions on financing for development, consistent with UNCTAD's mandates. His group expected the programme to continue in this direction in order to further reinforce UNCTAD's three pillars. For these reasons, the group wanted to see this programme supported.

8. On South–South cooperation, the representative stated that developing countries from the South hoped to receive strong support from UNCTAD through its facilitation of cooperation and institutional support from countries in the North to those in the South. However, he added that UNCTAD was a universal forum and, as such, South–South cooperation should not replace North–South cooperation. The group saw a need for a strengthened mandate from UNCTAD XII to support requests to the General Assembly of a revised, increased budget for UNCTAD.

9. The representative of **Brazil**, speaking on behalf of the **Latin American and Caribbean Group**, endorsed the statement of the representative of the Group of 77

and China. He asked to what extent the outcomes of the Working Party meeting in January had been implemented. To this end, he welcomed the timely dissemination of sessional documents, the informal briefings organized by the secretariat and the provision of information of the type of funding for activities, as agreed at the January session of the Working Party. However, he noted that improved information on performance measurements was needed to enhance their transparency and quality, and reiterated a request for elaboration of the methodologies for determining the performance indicators. Also, he indicated that it would have been useful to have qualitative information on outcomes achieved.

10. The representative asked how the possible outcomes of UNCTAD XII had been included in the draft programme budget. He cautioned that the present forecasting of resources should not prejudice the outcomes of the conference, and said that, instead, these forecasts should be flexible enough to adapt the budget to the outcomes. He also asked if the marginal increase in the budget would allow UNCTAD to both adequately shoulder the costs of the conference and also to implement its outcomes.

11. The representative added that the group would have liked to have seen the paragraph 166 courses carried out as planned on an annual, rather than biennial, basis in Latin American and Caribbean countries. The group called for the strengthening of subprogrammes 2 and 3. On subprogramme 2, he noted the importance of interregional programmes with respect to activities pertaining to capacity-building in small to medium-sized enterprises, EMPRETEC, science and technology, investment policies, competition policy and consumer protection. Other areas his group wished to see strengthened included the promotion of organic agriculture, biotrade and biofuel; the analysis of the impact of foreign direct investment on development; development of entrepreneurship in the small business sector; development of linkages with small and medium-sized enterprises with transnational enterprises; enhancement of competitiveness through the use of information and communication technologies; and the diversification of economies and the training of governmental officials in trade negotiations, including trade in agricultural products. He also called for better support for the academic sector.

12. He noted with appreciation that some activities in the 2008–2009 budget could be seen to support paragraph 33 of the São Paulo consensus. The group urged that UNCTAD strategies and the composition of the secretariat reflect geographical balance, and sought further information on staff recruitment processes within UNCTAD, particularly with respect to the recruitment of personnel from unrepresented or under-represented countries. Finally, he suggested that regular budget resources present the solution for the funding of experts from developing countries to UNCTAD expert meetings.

13. The representative of the **Islamic Republic of Iran**, speaking on behalf of the **Asian Group and China**, noted that the theme and sub-themes of UNCTAD XII were clear indications for establishing a comprehensive mandate for UNCTAD. He expressed concern that the marginal increase in the regular budget and sharp decline in its extrabudgetary resources would not allow UNCTAD to meet its mandates, and was not in line with an outcome of the mid-term review to strengthen UNCTAD's three pillars. Furthermore, he expressed concern that the disproportionate decrease of temporary posts financed through extrabudgetary resources might pose an

administrative and substantive burden to the regular budget posts, particularly those related to research and analysis.

14. The Asian Group considered the following issues important in the fields of globalization and interdependence: mainstreaming the concept of policy space; promoting economic good governance at the international level and enhancing coherence among trade, financial and monetary systems and arrangements; debt and development financing; and addressing the global imbalances which could have an adverse impact on the international economy. The group requested the secretariat to ensure that the move from subprogramme 1 to subprogramme 5 of the programme on the Development of Africa would not have any adverse impact on the resources and activities of subprogramme 1.

15. The Asian Group attached great importance to the development impact of the investment, science and technology, and enterprise development activities of subprogramme 2. The group hoped that the expected resources would be realized for the subprogramme in order to facilitate its undertakings.

16. The Asian Group emphasized the need to ensure the development dimensions of the trade-related activities proposed by subprogramme 3. The group's representative expressed concern that the decline in extrabudgetary resources of this subprogramme would adversely affect its capacity-building activities, and urged that actions be explored to mitigate the impact of this decline.

17. The representative of the Asian Group attached great importance to the activities undertaken by subprogramme 4. He noted that this subprogramme had addressed some of the needs and interests of the Asian countries, especially in the area of transport. He said it also addressed the concerns of landlocked and transit developing countries. The group was concerned that the decline of the financial and human resources of the subprogramme would have an adverse impact on the relevant activities and projects for Asian countries, and urged that actions be explored to mitigate the impact of this decline.

18. The Asian Group emphasized the importance of institutional and financial support from various sources for South–South cooperation. It encouraged strong support from UNCTAD for South–South cooperation and also in facilitating and promoting cooperation from the North. The group was concerned about making South–South cooperation a cross-cutting issue in UNCTAD, and stressed that, in a universal forum such as UNCTAD, it should be seen as complementary to North–South cooperation. The representative stated that there was a need to find an immediate, sustainable and permanent solution for the financing of experts from developing countries to participate in the various expert meetings and activities of UNCTAD, to ensure meaningful and development-oriented outcomes from these initiatives. The group urged the secretariat to fully consider the specific needs of landlocked and transit developing countries, least developed countries and small island developing States within the revamped configuration of subprogramme 5.

19. The representative of **Portugal**, speaking on behalf of the **European Union**, reiterated the Asian Group's concern about the separate consideration by the Working Party of UNCTAD's programme plan and the corresponding financial implications. The European Union welcomed the 0.2 per cent increase of the regular budget and expressed confidence that the secretariat would allocate the additional resources effectively for the preparation of UNCTAD XII. The European Union

further stressed the importance of equitable geographical distribution of UNCTAD activities in order to optimize its resource use.

20. He noted with appreciation the provision of detailed information on the distribution of posts. However, he noted that information on the expected results, timelines and beneficiaries of specific activities was not easily extracted from the budget fascicle. The European Union noted with regret that, despite an Agreed Conclusion to this effect from the Working Party meeting in January, the indicators of achievement had not been adjusted to more effectively measure the results of UNCTAD's work. Also, the representative reiterated a request for an overview of interdivisional cooperation on cross-cutting themes. In view of these matters, the European Union stressed the importance of respecting previous agreed outcomes, as stated in paragraph 9 of the Agreed Conclusions of TD/B/WP/193.

21. The European Union emphasized that the Working Party should not anticipate major substantive outcomes of UNCTAD XII, including those related to the Report of the Panel of Eminent Persons, and noted that the budget might need to be revised after the conference.

22. The representative of **Belarus** supported the modest increase in the budget and urged the secretariat to ensure the equitable geographical distribution of its resources, not only to developing countries, but also to transitional economies, as agreed by the Working Party in January.

23. The representative of **Zimbabwe** noted that the African Group had previously outlined the issues of particular importance to Africa and wanted the secretariat to ensure that those issues were reflected in the current budget.

24. The representative of **Bangladesh** noted his country's particular interest in subprogramme 5B.

B. Informal meetings

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

C. Action by the Working Party

26. At its closing meeting, on 11 July 2007, the Working Party adopted the agreed conclusions contained in chapter I above.

III. Organizational matters

A. Election of officers

(Agenda item 1)

27. At the opening plenary meeting of the first part of its forty-eighth session, on 29 January 2007, the Working Party elected Mr. Christophe Guilhou (France) as its Chairperson and Mr. Mohammad Ali Zarie Zare (Islamic Republic of Iran) as its Vice-Chairperson-cum-Rapporteur.

B. Adoption of the agenda and organization of work

(Agenda item 2)

28. At the same meeting, the Working Party adopted its provisional agenda (TD/B/WP/192). 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 2008–2009
4. Provisional agenda for the forty-ninth session of the Working Party
5. Other business
6. Adoption of the report of the Working Party to the Trade and Development Board

C. Provisional agenda for the forty-ninth session of the Working Party

(Agenda item 4)

29. At the closing plenary meeting of its resumed session, on 11 July 2007, the Working Party approved the provisional agenda for its forty-ninth session (see annex I).

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

(Agenda item 6)

30. At the same meeting, the Working Party authorized the Rapporteur to finalize the report on its session.

Annex I

Provisional agenda for the forty-ninth session of the Working Party

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
4. Evaluation of technical cooperation activities: In-depth evaluation of UNCTAD's advisory services on investment
5. Provisional agenda for the fiftieth session of the Working Party
6. Other business
7. Adoption of the report of the Working Party to the Trade and Development Board

Annex II

Attendance*

1. Representatives of the following States members of the Working Party attended the session:

Argentina	France
Bangladesh	Iran (Islamic Republic of)
Belarus	Japan
Belgium	United States of America
China	Zimbabwe

2. Representatives of the following States members of UNCTAD but not members of the Working Party attended the session:

Botswana	Kenya
Brazil	Madagascar
Colombia	Mexico
Czech Republic	Nigeria
Dominican Republic	Poland
Ecuador	Russian Federation
El Salvador	Singapore
Ethiopia	Slovenia
Germany	Sri Lanka
Greece	Sudan
Honduras	Thailand
India	United Kingdom of Great Britain and Northern Ireland
Indonesia	Venezuela (Bolivarian Republic of)
Israel	Zambia

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

African Union
European Commission

* For the list of participants, see TD/B/WP(48)/INF.2.