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TRADE AND DEVELOPMENT BOARD
Working Party on the Medium-term Plan
and the Programme Budget
Thirty-first session
Geneva, 4 May 1998
Agenda item 3

**SAVINGS RESULTING FROM THE IMPROVED OVERALL COST-EFFECTIVENESS ACHIEVED
PURSUANT TO THE NINTH SESSION OF THE CONFERENCE**

**I. Conclusions of the Working Party on the review of the resource
situation, including savings, in the 1996-1997 biennium**

1. The Working Party expressed disappointment over the lack of clear information concerning the savings achieved pursuant to the ninth session of the Conference, including the restructuring of UNCTAD's intergovernmental machinery and the reform of the UNCTAD secretariat. It regretted that, as a result of such lack of information, it was not in a position to determine the exact amount of savings achieved, as required of it under the terms of paragraph 107 (a) of "A Partnership for Growth and Development". Nor, in consequence of the lack of information, was it able to respond as effectively as it would have wished to the request contained in paragraph 54 of General Assembly resolution 52/220 of 22 December 1997.

2. Nevertheless, the Working Party considered that significant savings had been achieved by UNCTAD as a direct result of decisions of the ninth session of the Conference and the reform of the UNCTAD secretariat. It affirmed its conviction that a proportion of the reduced level of expenditure in UNCTAD's budget for the biennium 1996-1997 (i.e. \$7.7 million, as indicated in para. 6 of the report of the Secretary-General of the United Nations) was directly attributable to improved overall cost effectiveness achieved as a result of the decisions taken at UNCTAD IX, in particular through the restructuring of the intergovernmental machinery and the reform of the UNCTAD secretariat.

3. It noted that considerable savings had been achieved as a result of reductions in conference servicing requirements attributable to the restructuring of UNCTAD's intergovernmental machinery, but noted the statement in paragraph 8 of the report of the Secretary-General of the United Nations that: "Such 'savings' as might have been realized in connection with this were either absorbed in servicing other offices or were surrendered at the close of the biennium." It strongly recommended that consideration should be given to allocating a percentage of the total savings achieved to the financing of UNCTAD activities within the current biennium.

**II. Conclusions of the Working Party on the proposals for allocation of
\$5.5 million pursuant to General Assembly decision 52/462
of 28 March 1998**

4. The Working Party adopted an agreed statement by the Chairman (for the text of the agreed statement, see the annex).

5. The Working Party decided to propose a number of adjustments to the Secretary-General's proposals (for the proposed adjustments, see section III below).

6. The Working Party authorized the Chairman to summarize its comments on the Secretary-General's proposals and decided to include the Chairman's summary in its report.

III. Proposed adjustments to the Secretary-General's proposals

7. The following adjustments are proposed to part II of the Secretary-General's report:

Policy-making organs:

- (a) Under paragraph 15, concerning preparations for UNCTAD X, it is proposed to **reduce** the allocation provided for by \$60,000. The total allocation under this item would therefore be \$81,000;

EDM:

- (b) Under paragraph 16, on evaluation, it is proposed to **increase** the allocation by \$100,000.

Subprogramme 1:

- (c) Under paragraph 17(i), on development financing, it is proposed to **reduce** the allocation by \$150,000;
- (d) Under paragraph 17(ii) on portfolio investment, it is proposed to **cancel** the activities (reduction by \$100,000);
- (e) In connection with debt management, it is proposed to **introduce new activities** for a total allocation of \$120,000.

Subprogramme 2:

- (f) Under paragraph 20(i), on investment issues/WIR, it is proposed to **reduce** the allocation by half (reduction of \$120,000);
- (g) Under paragraph 20(ii), on hearings, it is proposed to **cancel** the activity (reduction by \$50,000);
- (h) In connection with investment policy reviews, it is proposed to **introduce** 4 IPRs, for a total allocation of \$280,000;

Subprogramme 5:

- (i) Under paragraph 29, it is proposed to **introduce** follow-up to the High-level Meeting on Least Developed Countries' Trade Development, for a total of \$360,000.

Regular programme of technical cooperation:

- (j) Under paragraph 33(i), on the course on commercial diplomacy, it is proposed to **reduce** by \$240,500;
- (k) Under paragraph 33(ii), on advice on trade efficiency issues, it is proposed to **reduce** by \$240,500;

- (l) Under paragraph 33(iii), on advice for LDCs, it is proposed to **increase** the allocation by \$160,000 for the follow-up to the High-level Meeting on LDCs' Trade Development;
- (m) Under paragraph 33 (iv), it is proposed to **reduce** the allocation for group training by \$59,000.

In summary:

Total increase	\$1,020,000	proposed for evaluation, debt management, investment policy reviews, LDCs, LDCs in regular programme of technical cooperation
Total decrease	\$1,020,000	proposed for UNCTAD X, financing for development cooperation, portfolio investment, investment (WIR), hearings, regular programme of technical cooperation/commercial diplomacy course/advice on trade efficiency/group training

Table 1: Adjustment proposals of the Working Party to the Secretary-General's report

Paragraph	Description	Present allocation US \$	Proposed adjustments US \$	Revised allocation US \$
13	Experts financing (under review) *	1,088,000.00	0.00	1,088,000.00
	Sub-total PMO	1,088,000.00	0.00	1,088,000.00
15	UNCTAD X preparations	141,000.00	(60,000.00)	81,000.00
16	Evaluation	100,000.00	100,000.00	200,000.00
	Sub-total EDM	241,000.00	40,000.00	281,000.00
17 (i)	Finance for development	450,000.00	(150,000.00)	300,000.00
17 (ii)	Portfolio investment	100,000.00	(100,000.00)	0.00
17 (iii)	Improving connectivity	150,000.00		150,000.00
17 (iv)	South-South Conference	60,000.00		60,000.00
NEW	Debt management	0.00	120,000.00	120,000.00
	Sub-total Subprogramme 1	760,000.00	(130,000.00)	630,000.00
20 (I)	Investment issues	240,000.00	(120,000.00)	120,000.00
20 (ii)	Hearings on possible MFI	50,000.00	(50,000.00)	0.00
20 (iii)	Development of accounting module small-medium enterpr.	20,000.00		20,000.00
20 (iv)	Development of agri-business component	50,000.00		50,000.00
NEW	Investment policy reviews (4)	0.00	280,000.00	280,000.00
	Sub-total Subprogramme 2	360,000.00	110,000.00	470,000.00
23 (I)	Build capacity for positive agenda for future trade negotiations	590,000.00	0.00	590,000.00
23 (ii)	Training for settlement of disputes in intern. trade and investment	30,000.00	0.00	30,000.00
23 (iii)	Small island developing countries	60,000.00	0.00	60,000.00
	Sub-total Subprogramme 3	680,000.00	0.00	680,000.00
26 (I)	Customs	180,000.00	0.00	180,000.00
26 (ii)	Trade Points	135,000.00	0.00	135,000.00
26 (iii)	TRAINFORTRADE	135,000.00	0.00	135,000.00
26 (v)	Land-locked - Review of transit agreements	60,000.00	0.00	60,000.00
	Sub-total Subprogramme 4	510,000.00	0.00	510,000.00
29	Preparations for Third UN Conference on LDCs	340,000.00	0.00	340,000.00
NEW	Follow-up to High-Level Meeting	0.00	360,000.00	360,000.00
	Sub-total Subprogramme 5	340,000.00	360,000.00	700,000.00
	SUB-TOTAL REGULAR BUDGET COMPONENTS	3,979,000.00	380,000.00	4,359,000.00
33 (I)	Commercial diplomacy	450,000.00	(240,500.00)	209,500.00
33 (ii)	Advice on services infrastructure & trade efficiency issues	450,000.00	(240,500.00)	209,500.00
33 (iii)	Advise LDCs on implementation of integr. framework for technical ass	450,000.00	160,000.00	610,000.00
33 (iv)	Group training, various areas	200,000.00	(59,000.00)	141,000.00
	SUB-TOTAL REGULAR PROG. TECHNICAL COOPERATION	1,550,000.00	(380,000.00)	1,170,000.00
	TOTAL PROPOSED ALLOCATION *	5,529,000.00	0.00	5,529,000.00

* NB. Subject to future disbursement modalities

Annex

Agreed statement by the Chairman of the Working Party

The members of the Working Party considered the proposals of the Secretary-General contained in paragraphs 12 and 13 of document UNCTAD/ISS/Misc.121, and agreed to recommend the financing of experts on the understanding that:

1. It would only involve one-time expenditure within the framework of the 1998-1999 biennium made possible because of extra resources that have been allocated as a result of underspending;
2. It would not set a precedent regarding the financing from UNCTAD's regular budget of the expenses of experts attending, in their personal capacity, expert meetings convened by the Commissions in accordance with paragraph 114 of "A Partnership for Growth and Development";
3. Special consideration would be given to the needs of developing countries, in particular the least developed countries;
4. The President of the Board is requested to undertake informal consultations, with the involvement of the Secretary-General of UNCTAD and to be completed by 3 July 1998, on the establishment of guidelines and modalities, to be endorsed by the Board at its eighteenth executive session on 10 July 1998, for the distribution of the relevant funds.