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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, second part**

held at the Palais des Nations, Geneva,
from 21 to 22 May 2003



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Chapter I

AGREED CONCLUSIONS ADOPTED BY THE WORKING PARTY AT ITS FORTIETH SESSION, SECOND PART

A

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

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 2004-2005, as contained in documents A/58/6 (Sect. 12) and TD/B/WP(XL)/CRP.1,

1. *Concurs* with the programmatic content of Section 12, which has taken into account many of the comments made by the Working Party at its January 2003 session, as well as the views expressed by member States through, *inter alia*, the survey on publication proposals;
2. *Emphasizes* the importance of UNCTAD’s role and contributions to the implementation of the commitments arising from the outcomes of major international conferences, including the United Nations Millennium Summit, the Third United Nations Conference on Least Developed Countries, the International Conference on Financing for Development and the World Summit on Sustainable Development;
3. *Emphasizes* also the importance of UNCTAD’s assistance to member States in the implementation of the post-Doha work programme of the World Trade Organization and the New Partnership for Africa’s Development (NEPAD);
4. *Stresses* the importance of the *Least Developed Countries Report*, and *requests* the Trade and Development Board to consider having this report published on an annual basis within the existing regular budget, with the possibility of extrabudgetary resources;
5. *Invites* development partners to continue their support to UNCTAD’s activities in response to emerging requests from developing countries.

B

UNCTAD’s technical cooperation

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

Takes note of the information provided by the secretariat in document TD/B/WP/161 and of the indication that a new draft strategy for UNCTAD’s technical cooperation will be prepared and presented to the Working Party at its forty-first session for consideration by member States.

Chapter II

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

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

“Proposed programme budget for the biennium 2004-2005: Section 12 – Trade and development” (A/58/6(Sect.12));

“Proposed programme budget for the biennium 2004-2005: A/58/6(Sect.12) – Corrigendum” (TD/B/WP(XL)/CRP.1);

“Results of the ex-ante survey on UNCTAD publication proposals in the proposed programme budget for 2004-2005” (UNCTAD/EDM/2003/1/Rev.1).

A. Opening statements

2. The **Deputy Secretary-General of UNCTAD** said that, for the first time, all work programmes in the economic and social sector of the United Nations were being discussed within the Executive Committee for Economic and Social Affairs (EC-ESA). This was one of the internal mechanisms established by the Secretary-General of the United Nations that brought together all entities in the sector, such as UNCTAD, the regional commissions, the Department of Economic and Social Affairs and UNEP, with a view to ensuring policy coherence and minimizing duplication. UNCTAD had had an important lead role in the trade and the science and technology clusters, as well as making contributions to other clusters, notably macroeconomics and countries in special situations. In addition to the EC-ESA process, the Office of the Deputy Secretary-General of the United Nations had discussed specific aspects of the UNCTAD budget submission. As this had been the first time that budget drafting had involved these various processes, a number of changes had resulted, especially in terms of refocusing and sharpening indicators.

3. In the area of resource redeployment, to the extent possible economies and redeployment of financial resources between areas of expenditure and areas of work had been sought before any increases were requested. In terms of the redeployment of posts, the strengthening of Subprogrammes 2 and 3 took into account requests by member States during the Mid-Term Review for support for developing countries in the multilateral trade negotiations with a view to enhancing their productive capacity and enabling them to take advantage of the opportunities provided. Redeployment from Executive Direction and Management to Programme Support reflected the enhancement of the Intergovernmental Support Service through the integration into it of external relations, public information activities, press, civil society outreach and related activities. The Secretary-General of the UN had requested an increase in the UNCTAD budget of 1.7% to cover budget lines for posts, consultants, furniture and equipment, general operating expenses, and supplies and

materials. Under consultants, the current level of consultant resources was insufficient to enable the secretariat to maintain the high-quality analytical work expected, but the increase envisaged was less than originally proposed.

4. The representative of **Thailand**, speaking on behalf of the **Group of 77 and China**, said that the Group wholeheartedly supported both the thrust of the work programme and the very minimal budget increase included to buttress the execution of the assignments entrusted to UNCTAD. With its multidisciplinary approach and record of sound analysis, UNCTAD was well placed to make a substantive contribution to the efforts of developing countries in the fight against poverty, their quest for development, and their efforts leading to beneficial integration into the global economy. It could in particular make substantive inputs, within its areas of competence, to the implementation of the commitments contained in the outcomes of major conferences and summits, taking into account the special circumstances of LDCs, landlocked developing countries and small island developing States, and NEPAD. Furthermore, UNCTAD XI could provide an opportunity to guide the organization towards a new, innovative and practical approach to the major developments and challenges in the global economy and the plight of developing countries. Finally, to carry out its role and work programme, UNCTAD should have a level of resources commensurate with the highest standards of efficiency and competence that Member States expected. Consequently, the modest overall increase of 1.7% proposed for UNCTAD by the Secretary-General of the UN was entirely appropriate.

5. The representative of **Benin**, speaking on behalf of the **least developed countries**, said that the specific situation and particular needs of LDCs must be taken into consideration when planning UNCTAD's activities, initiatives and work programmes. It was essential to implement effectively the results and recommendations of recent major international conferences, and to that end an optimal level of financing must be assured, in particular for activities linked with investment promotion and human resources and institutional capacity building in respect of trade and production. Such activities fell within the framework of the development objectives set out in the Plan of Action adopted by the Third United Nations Conference on LDCs. The level of extrabudgetary funds expected for the biennium 2004-2005 was estimated at approximately 44.4% of the required total; this was a matter for concern, and bilateral and multilateral partners were requested to increase their extrabudgetary contributions. Lastly, he strongly supported publishing the *LDC Report* annually, as recommended by the Board at its thirtieth executive session in December 2002 and by the Working Party on the Medium-term Plan and the Programme Budget at the first part of its fortieth session in January 2003.

6. The representative of **Greece**, speaking on behalf of the **European Union, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Malta, Poland, Slovakia and Slovenia**, said that, for its consideration of the programme budget for the biennium 2004-2005, the Working Party would need a number of clarifications from the secretariat in order to be able to determine where the proposed budget contained improvements in comparison with the 2002-2003 budget. She was pleased to see the prioritization of Subprogrammes 2 and 3, even though it was still difficult to determine where specific programme aspects had been emphasized or de-emphasized. She was looking forward to seeing the extent to which

the new budget would encourage UNCTAD to set priorities by targeting areas of emphasis identified by member States during the Mid-term Review and increasing its contribution to achieving the results of the major UN conferences. She noted the efforts of the secretariat to initiate a process of consultations with member States to integrate elements from the thematic evaluation of capacity building into UNCTAD's technical cooperation strategy.

7. The representative of the **United States of America** welcomed the openness of the secretariat in the programme budget process. His delegation attached great importance to horizontal cooperation in the secretariat and hoped that efforts in that direction would continue. There was overlap between the subprogramme on development of Africa and the Special Programme for the LDCs, since many African countries were also LDCs. The overlap should be eliminated and the LDC Programme strengthened. He was not in a position to endorse the budget proposal for UNCTAD, since that was a decision to be taken at UN Headquarters in the context of the overall budget envelope. He expressed concern about the request for the creation of a new D-2 post in a Division of Management; the stated aims underpinning the request could be better achieved through redeployment of existing D-1 and D-2 posts.

8. The representative of **Bolivia** speaking on behalf of the **Andean Group, Brazil, Switzerland** and the **Netherlands**, referring to subprogramme 3 on international trade, noted the provisions on sustainable development and biotrade in the Millennium Goals, the outcome of the seventh session of the Commission on Trade in Goods and Services and Commodities, and recent decisions of the Andean Group, and emphasized the significant increase in extrabudgetary contributions by the Netherlands and Switzerland in those areas of activity. The Working Party should give suitable emphasis to the Biotrade Initiative, and concrete measures should be taken to allocate more resources to the Initiative, assign enough staff, implement a suitable number of missions, and ensure the long-term viability of the Initiative with a view to implementing the Millennium Declaration and the outcome of the Global Summit on Sustainable Development and combating poverty.

9. The representative of **Egypt** said that his delegation could not agree at the present time to give priority to the Biotrade Initiative.

10.

B. Informal meetings

11. The Working Party pursued its deliberations in private meetings.

C. Action by the Working Party

12. At its closing plenary, on 22 May 2003, the Working Party adopted agreed conclusions on agenda item 3. (For the agreed conclusions, see chapter I above.)

13. The **Chairperson** informed the Working Party that its conclusions on agenda item 3 would be transmitted to the budget review bodies at UN Headquarters, under his authority.

14. The representative of the **United States of America** reiterated his concern with regard to the resource level in the proposed programme budget as it related to UNCTAD.

D. Closing statements

15. The representative of **Thailand**, speaking on behalf of the **Group of 77 and China**, requested the secretariat to provide a synopsis of activities carried out in implementation of the outcomes of recent major conferences and summits. His Group welcomed the additional support from many donor countries for recently launched programmes such as biotrade and commercial diplomacy, and it urged other donors to support the developing countries in these and other areas.

16. The representative of **Senegal** said that everything that UNCTAD could do in terms of strengthening capacity-building activities within the framework of NEPAD was welcome.

Chapter III

UNCTAD'S TECHNICAL COOPERATION

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

“UNCTAD’s technical cooperation: Note by the UNCTAD secretariat” (TD/B/WP/161).

18. The **Deputy Secretary-General of UNCTAD** said that document TD/B/WP/161 reflecting the outcome of the secretariat’s consultations with member States with a view to integrating into UNCTAD’s technical cooperation strategy elements arising from the thematic evaluation of capacity building. The Secretary-General of the United Nations was conducting a review of technical cooperation and had engaged a consultant for that purpose; the consultant had visited UNCTAD, in particular because of the secretariat’s work on trade, including cooperation with WTO, ITC, the World Bank and IMF, since that work had been considered a model of good practice.

ACTION BY THE WORKING PARTY

19. At its closing plenary meeting, on 22 May 2003, the Working Party adopted agreed conclusions on agenda item 6. (For the agreed conclusions, see chapter I above.)

Chapter IV

ORGANIZATIONAL MATTERS

A. Opening of the session

20. The second part of the fortieth session of the Working Party was opened by Mr. I. Afanassiev (Russian Federation), Chairperson of the Working Party.

B. Election of officers

(Agenda item 1)

21. The bureau of the Working Party was as elected at the first part of the fortieth session, namely:

Chairperson: Mr. I. Afanassiev (Russian Federation)

Vice-Chairperson-cum-Rapporteur : Ms. W. Tadesse (Ethiopia).

C. Adoption of the agenda and organization of work

(Agenda item 2)

22. The agenda was as adopted at the first part of its session, namely:

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)

23. At its 157th (closing) plenary meeting, on 22 May 2003, the Working Party approved the provisional agenda for its forty-first session, as follows:

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:
 - (a) In-depth evaluation of the technical assistance programme on trade, environment and development

5. Progress report on the implementation of the second phase of UNCTAD's website
6. Provisional agenda for the forty-second session of the Working Party
7. Other business
8. Adoption of the report of the Working Party to the Trade and Development Board

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

(Agenda item 7)

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

Annex

ATTENDANCE *

1. Experts from the following States members of UNCTAD, members of the Working Party, attended the session:

Bangladesh	Islamic Republic of Iran
Belarus	Mexico
Benin	Russian Federation
China	Tunisia
Colombia	United Kingdom of Great Britain and Northern Ireland
Congo	United States of America
Ethiopia	
France	
Honduras	

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

Barbados	Mauritius
Bolivia	Mongolia
Democratic Republic of the Congo	Oman
Egypt	Senegal
Finland	Syrian Arab Republic
Germany	South Africa
Greece	Switzerland
India	Thailand
Indonesia	Uganda
Jamaica	Zimbabwe
Libyan Arab Jamahiriya	

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

African, Caribbean and Pacific Group of States
European Community
Organization of African Unity

4. The following United Nations agencies and related organizations were represented at the session:

International Trade Centre

* For the list of participants, see TD/B/WP(XI)/Misc.1/Add.1