



SEVENTH MEETING OF THE INTERGOVERNMENTAL FOLLOW-UP
AND COORDINATION COMMITTEE ON ECONOMIC COOPERATION
AMONG DEVELOPING COUNTRIES
(IFCC-VII)

KUALA LUMPUR, MALAYSIA, 31 JULY - 5 AUGUST 1989

REPORT OF THE THIRD MEETING OF THE COMMITTEE OF EXPERTS
OF THE PEREZ-GUERRERO TRUST FUND FOR ECDC/TCDC

Kuala Lumpur, Malaysia, 27-29 July 1989

(Agenda item 5)

OFFICE OF THE CHAIRMAN OF THE GROUP OF 77
NEW YORK

I. INTRODUCTION

1. Pursuant to the provisions of the High-level Meeting on ECDC held at Cairo in August 1986, and in accordance with the rules of procedure adopted at its first meeting held in Caracas in August 1987, the Committee of Experts of the Perez-Guerrero Trust Fund (PGTF) for ECDC/TCDC held its third meeting in Kuala Lumpur, Malaysia, on 27-29 July 1989.

2. The meeting was attended by four of the six members of the Committee, representing the three regions of the Group of 77. Members of the Core of Assistants of the Chairman of the Group of 77 in New York also attended the meeting. The list of participants appears as Annex 1.

3. The Deputy-Director of the Special Unit for TCDC of UNDP was invited by the Committee to provide information on the status of the implementation of projects adopted in the previous meetings of the Committee as well as other relevant matters.

4. The Committee adopted the following agenda:

1. Evaluation of the implementation of approved projects;
2. Consideration of the new project proposals.
3. Assessment of the utilization of PGTF.
4. Other matters.
5. Adoption of the Report of the Committee.

5. The Committee elected Mr. Eduardo Praselj as Chairman of the Committee of Experts for 1989-1990.

6. The Committee had before it the following documents:

- (1) Document G-77/IFCC-VII/89/A.6 entitled "Perez-Guerrero Trust Fund for ECDC/TCDC", prepared by the Office of the Chairman of the Group of 77 in New York.
- (2) Document G-77/IFCC-VII/89/INF.5 entitled "Input by UNDP on the Perez-Guerrero Trust Fund for ECDC/TCDC".
- (3) Twenty-six (26) project proposals.

II. EVALUATION OF THE IMPLEMENTATION OF APPROVED PROJECTS

7. The Committee examined the status of implementation of the projects adopted by the Sixth Meeting of the Intergovernmental Follow-up and Coordination Committee (IFCC-VI) held at Havana in September 1987, and by the

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Twelfth Annual Meeting of Ministers of Foreign Affairs of the Group of 77 held in New York in September 1988.

Facilitating the implementation of the Multisectoral Information Network (MSIN)

8. The Committee was informed by the representative of the Chairman of the Group of 77 that the project has not yet been implemented since the panel of experts that would consider the project as provided in para. 72(1) of the Report of IFCC-VI has not yet been convened, mainly because the required number of fifteen countries participating in the project has not been reached. The Committee felt that the panel of experts should be convened as early as possible in order to expedite the implementation of the project.

Interregional Trade Financing Facility

9. The Committee was informed by the representative of the Chairman of the Group of 77 that UNCTAD has been mandated in June 1989 by the Trade and Development Board to undertake a project having the same characteristics as the one approved for funding by PGTF, and provide the necessary financing. As informed by the Office of the Chairman, the project approved for funding by PGTF had not been implemented largely because the process of selecting the executing organization has not yet been completed. Accordingly, the Committee recommended that USD40,000 allocated to this end be reverted to PGTF.

Group of 77 Information Bulletin

10. The Committee was informed by the representative of the Chairman of the Group of 77 that this project is being implemented since January 1988. According to the recommendations made by the Committee of Experts at its second meeting and pursuant to the consultations held by the Chairman of the Group of 77 as mandated by the Twelfth Annual Meeting of the Ministers of Foreign Affairs, it was recommended that the publication of the Bulletin (entitled Journal of the Group of 77) be continued on a monthly basis (instead of fortnightly as originally envisaged) since there has been an improvement in the standards of quality of information and coverage. As a result of the new frequency of publication the amount of resources allocated to this project has been revised downwards from USD136,080 to USD82,140. The balance has been thus reverted to PGTF.

11. The Committee recommended that publication of the Journal be continued for the remainder of the initial three-year period. In the light of the perceived importance and usefulness of such a Journal for the member countries of the Group of 77, the Committee recommended that this project be extended for an additional three-year period following

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completion of the initial one in December 1990. Since IFCC will not hold a meeting in 1990, the Committee recommended that the necessary decision be taken by IFCC-VII in order to ensure continuity in the publication of the Journal and that therefore USD82,140 be allocated to this end. Disbursement of this sum will take place over a three-year period at the rate of USD27,380 per year beginning in January 1991.

Action Committee of the Group of 77 for Cooperation in Consultancy, Construction and Engineering among Developing Countries

12. The Committee was informed by the representative of UNDP that the project document has been finalized and that disbursement of the approved amount of USD38,500 will take place after signature of the project document by the Action Committee and UNDP.

Development of Developing Countries' Consultancy and Engineering Capacities

13. The Committee was informed by the representative of the Chairman of the Group of 77 that the work related to the implementation of this project has been completed and that the corresponding final report is expected to be presented shortly by the executing organization.

Information System on Technologies and Projects

14. The Committee was informed by the representative of UNDP that the project document is ready for signature by the Chairman of the Group of 77 and UNDP. The approved amount of USD45,450 will thus be disbursed thereafter.

Feasibility Study on the Establishment of an Action Committee on Inter-Enterprise Cooperation

15. The Committee was informed by the representative of the Chairman of the Group of 77 that the matching contribution of USD35,000 by the Action Committee has not yet been made. In accordance with the norms and modalities adopted by IFCC-VI concerning financing of Action Committees, the approved amount of USD35,000 will only be disbursed from PGTF after confirmation of said matching contribution by the Action Committee. The Committee was informed that the executing organization suggested to organize a meeting for launching the work of the Action Committee and that expenditures incurred by participants in the meeting be regarded as a contribution in kind from the Action Committee member countries. The Committee of Experts considered that according to the provisions of para. 72(5) of the Report of IFCC-VI the matching contribution from Action Committee members to be eligible for financial support from PGTF should be made in cash.

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Artificial Insemination and Embryo Transplant

16. The Committee was informed by the representative of UNDP that the project document is ready for signature by the executing agency (Latin American Economic System - SELA) and UNDP. The approved amount of USD83,700 will be released from PGTF following signature.

III. CONSIDERATION OF THE NEW PROJECT PROPOSALS

17. The Committee had before it twenty-six project proposals submitted to avail of the financing of PGTF. The list of these proposals is as follows:

1. Sustainable Frontier Settlement
2. International Expert Meeting on Poultry Farming Development in the Developing Countries
3. Galope Biogas Project
4. Cooperation among Developing Countries' Consultancy and Engineering Organizations for Better Access and Position in International Consultancy/Engineering Services Market
5. Export Promotion Cooperation in Favor of Less Developed Countries
6. Plan for the Production of Plaster-Cardboard Panels for use in the Construction Industry (Cuba)
7. Rehabilitation of Cement Plant: Clinker Park Area (Cuba)
8. Rehabilitation of Cement Plant: Modification of Electrofilters in Zone "B" (Cuba)
9. Rehabilitation of a Cashew Seed Processing Plant (El Salvador)
10. Coconut Oil and Fiber Plant (El Salvador)
11. Rehabilitation of Plant to Manufacture Plumbing Material, Bronze and Brass, and Valves and By-passes (Guatemala)
12. Rehabilitation of Mushroom Processing Plant (Guatemala)
13. Tourist Program for use of Fishing Resources in the Islands of the Bay (Honduras)
14. Tourist Development of San Juancinto, Francisco Morazan (Honduras)
15. Expansion of a Fishing Products Freezing Plant Capacity (Peru)
16. Manufacture of Machinery to prepare Light Concrete with Dupetit System (Uruguay)
17. Tropical Fruits and Vegetables Processed for Industrial Use (Venezuela)
18. Latin American Network of Plant Germ Plasm Centers
19. Creation of the Latin American Food Trade Office (O.L.I.C.A.)
20. Study For Increased Trade and Economic Cooperation among SAARC countries

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21. Publication of the Special United Nations Service (SUNS)
22. Development Plan for the San Miguelito District (Panama)
23. Feasibility Study of the Link Road between the Colon Free Zone and France Field (Panama)
24. Study and Design of Handicrafts Markets (Panama)
25. Technical Assistance to countries participating or seeking to participate in the Global System of Trade Preferences among Developing Countries (GSTP)
26. Establishment of a Maghreb Unit in the National Center for Economic Documentation and Information of Algeria

Project proposal No. 1: Sustainable Frontier Settlement

18. The proposal was submitted by the Asia and Pacific Development Centre (APDC) from Kuala Lumpur, Malaysia.

19. According to the text of the proposal, the objectives of the project are: a) to critically review planning and management practices of frontier settlement, and accompanying problems and their causes in selected Asian countries; b) to identify planning and management policies that create employment-income generating opportunities, ensure sustainability (economic as well as environmental) and preserve/rehabilitate socio-cultural cohesion; and c) to identify practical and effective forms of popular participation in frontier settlement programs.

20. The research will be conducted by way of comparative studies of selected frontier settlements in various Asian countries. A round table conference will be convened for policy makers in Asia-Pacific to deliberate on the findings of the research and its implications for policy formulation. The direct recipients of the project would be government agencies and policy makers responsible for frontier settlement, whereas the target beneficiaries would be settlers and surrounding communities.

21. Total estimated cost for the project is USD134,880. A breakdown of this total is as follows:

<u>Item</u>	<u>USD</u>
Consultant fees	42,000
Travel expenses	25,960
Training	53,420
Other expenses	<u>13,500</u>
Total	134,800

It is estimated that around two and a half years would be required to carry out this project, starting from

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constitution of a project advisory committee up to the publication of the final report.

22. The Committee considered that this proposal complies with the guidelines for utilization of the PGTF and therefore is eligible for financing. However, the proposal submitted by APDC envisages field research in eight Asian countries, including one that is not member of the Group of 77. The Committee felt that the scope of this project should be confined to the seven countries that are members of the Group, and in this regard it considered that the project should be revised accordingly, including a downward adjustment in the total cost, which is estimated to be one-eighth (1/8) of the initially proposed cost, e.g., USD16,800. The revised cost would therefore be USD118,000.

23. The Committee recommended that this project avail from the financing of PGTF and that USD118,000 be allocated to this end.

Project Proposal No. 2: International Expert Meeting on Poultry Farming Development in the Developing Countries

24. The proposal was submitted by the Institute for Development and International Relations (IDIR) from Zagreb, Yugoslavia.

25. The project is a part of a larger project carried out by Yugoslavia and a number of other developing countries, entitled "Development and Transfer of Technology among developing countries in Food Production until the Year 2000". The main objective of the proposed meeting is to provide an opportunity for the transfer of knowledge among developing countries in the area of poultry farming, meat processing and production of eggs. The meeting is practice-oriented, with emphasis on technology, production, management and marketing.

26. Specific issues to be covered in the meeting, scheduled to take place in Zagreb in spring 1990 for a duration of three days, include genetics selection in poultry husbandry, management and equipment for poultry husbandry, poultry feeding, poultry health protection, marketing of poultry products, and training of cadres.

27. The proposal states that the Yugoslav government would cover travel and boarding costs for up to five participants coming from the least developed countries, estimated to be USD10,000; the executing agency (IDIR) would cover the costs of conference facilities, including technical and organizational services, estimated to be USD5,000. The proposal requests that PGTF covers the costs of the organization and implementation of the project, i.e., correspondence with potential participants worldwide;

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preparation, printing and distribution of papers and other conference materials; research in international transfer of knowledge in poultry husbandry, etc., estimated to be USD35,000.

28. In the light of the information available, the Committee considered that the project complies with the guidelines for utilization of PGTF and is thus eligible for financing. However, the Committee considered that some adjustments should be introduced in the financing structure of the project. The representative of UNDP informed that the Special Unit for TCDC of UNDP would be prepared to consider providing the catalytic financial support required to carry out the project, including, inter alia, the travel expenses of the developing countries participants in the meeting and costs of preparation of training materials, as well as making available its communications network for identification of and correspondence with potential participants. Taking into account the above and in the understanding that local expenses related to the meeting would be covered by the organizers, the Committee recommended that this proposal be submitted to the Special Unit for TCDC of UNDP for funding. The Chairman of the Committee of Experts informed IDIR accordingly.

Project Proposal No. 3: Galope Biogas Project

29. The project proposal was submitted by the Latin American Energy Organization (OLADE), headquartered in Quito, Ecuador.

30. According to the text of the proposal, the objective of the project is to develop a pilot project for treatment of manure at the Galope Beef-Cattle, which has more than 25,000 head, using the anaerobic fermentation technology to generate energy (biogas) and fertilizers, and thus avoid the pollution of nearby water resources. The pilot plant would apply three different technologies: complete mixtures, semi-dry mixtures, and high-efficiency processes.

31. At the local level, the aim of the project would be to improve health and living conditions, food production and the economic situation of the inhabitants of nearby settlements. At the regional level, however, it would serve as a demonstration project showing one viable alternative for solving the health-related and environmental problems involved in large livestock-raising enterprises.

32. Total estimated cost of the project is estimated to be USD265,000. A breakdown of this cost is as follows:

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Item	Contributions (USD)		
	OLADE	PGTF	TOTAL
Planning and Engineering	35,000	-	35,000
Auxiliary civil works	30,000	-	30,000
Labor and Equipment	46,000	125,000	171,000
Other	29,000	-	29,000
Total	140,000	125,000	265,000

33. In the light of the information presented, the Committee considered that this proposal corresponds to a national project, which is not eligible for funding from PGTF. Given that the text of the proposal makes reference to a regional dimension of the project, the Committee felt that for such a project to be considered as a regional one, explicit participation of or declared interest by other countries as potential beneficiaries would be required. The Committee thus recommended that this project should not avail from the financing of PGTF.

Project Proposal No. 4: Cooperation among Developing Countries' Consultancy and Engineering Organizations for Better Access and Position in the International Consultancy/Engineering Services Market.

34. This project proposal was submitted by the International Center for Public Enterprises of Developing Countries (ICPE) and the International Association of State Trading Organizations of Developing Countries (ASTRO), headquartered in Ljubljana, Yugoslavia.

35. According to the text of the project proposal, the objective of the project is to contribute to the improvement of the position of developing countries' consultancy and engineering-design organizations (CEDOs) in the international project market, particularly in developing countries, by critically reviewing and proposing adaptations and changes in the systems of registration of CEDOs (rosters), criteria and procedures for evaluation and selection of CEDOs, information systems on project demand and developing countries' consultancy and engineering capacities, and by articulating and defending the interests of developing countries' CEDOs in international negotiations on trade in services (Uruguay Round).

36. In this connection, the project would include work in the following four issues:

a) Analysis and proposals for harmonization of rosters of CEDOs of different international/regional institutions (IBRD, regional development banks, UNDP, UNIDO, etc.);

b) Analysis and proposals for changes of CEDOs selection criteria/procedures of different

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international/regional financing agencies;

c) Inventory of existing information systems/data banks and assessment of their relevance for CEDOs cooperation;

d) Consultations with CEDOs and elaboration of a platform for developing countries' position concerning the consultancy and engineering sector in the "Uruguay Round of Negotiations on Services".

37. It is planned that the major part of the project costs will be covered by developing countries' CEDOs and their national/regional associations in the form of secondment of experts and other contributions in kind. A support of USD120,000 to cover coordination costs, professional assistance by international experts and ICPE/ASTRO staff, and for project teams meetings/field work is requested from PGTF.

38. The Committee considered that this proposal complies with the guidelines for utilization of PGTF and is therefore eligible for financing. However, the Committee felt that the topic suggested in para. 36(d) might prejudice negotiations being held in international fora and suggested that this issue be eliminated from the project proposal. Moreover, the Committee considered that the implementation of this project should be carried out taking into account work already done by international organizations and institutions, in order to avoid undue duplication. The cost of the project should be revised downwards accordingly, this adjustment being estimated as one-fourth (1/4) of the total cost, e.g., USD30,000. The revised cost figure would therefore be USD90,000.

39. The Committee recommended that this project proposal avail from the financing of PGTF and that USD90,000 be allocated to this end.

Project Proposal No. 5: Export Promotion Cooperation in Favor of Less Developed Countries

40. This project proposal was submitted by the Latin American Association for Integration (ALADI), headquartered in Montevideo, Uruguay.

41. According to the text of the project proposal, the objective of the project is to enhance the export capability of three less developed countries within ALADI, i.e., Bolivia, Ecuador and Paraguay. Taking into account their low capacity to absorb technical assistance for export promotion the project is aimed at providing specialized assistance to entrepreneurs of these countries in the field of foreign trade. Such an assistance would be

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complemented by specific activities of training and education, and strengthened through the participation of entrepreneurs in trade promotion related activities.

42. The output of the project would be to provide a total of 1,000 man/hours of specialized assistance in the fields of techniques and procedures of foreign trading to at least thirty enterprises; to organize and finance two business rounds in each of the three countries; to organize and co-finance at least two export consortia in each country, and to train between sixty and one hundred managers in export techniques.

43. It is estimated that this project will be implemented over a two-year period. Total estimated costs for the first year amounts to USD211,000, which can be broken down as follows:

Item	Contribution (USD)		
	ALADI	PGTF	TOTAL
Consultant fees	15,000	75,000	90,000
Local/ALADI personnel	44,800	-	44,800
Travel expenses	7,000	41,000	48,000
Other	<u>24,200</u>	<u>4,000</u>	<u>28,200</u>
Total	91,000	120,000	211,000

44. The Committee considered that this project proposal complies with the guidelines for utilization of PGTF and is thus eligible for financing.

45. The Committee recommended that this project avail from the financing of PGTF and that therefore USD120,000 be allocated to this end.

Project Proposal No. 6: Plan for the Production of Plaster-Cardboard Panels for Use in the Construction Industry (Cuba)

46. This project proposal was submitted by the Latin American Association of Development Financial Institutions (ALIDE), headquartered in Lima, Peru.

47. According to the text of the proposal, the project involves installation of a plant to produce plaster-cardboard panels for walls and ceilings, to be located in Punta Alegre, Cuba. Total estimated investment is USD12,177,000, of which 83% corresponds to the foreign component.

48. The Committee considered that this proposal corresponds to a national project, that is not eligible according to guideline (a) of PGTF. In addition, the requested support corresponds to the implementation of the project itself and not to the feasibility studies or activities for

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facilitating the implementation of projects as provided in guideline (b) of PGTF. Both considerations make this project not eligible for financing.

49. The Committee recommended that this project should not avail from the financing of PGTF.

50. ALIDE submitted eleven other project proposals (Nos. 7 to 17), which are similar in nature to project proposal No. 6, e.g., they correspond to national projects to be undertaken in Cuba (Nos. 7 and 8), El Salvador (Nos. 9 and 10), Guatemala (Nos. 11 and 12), Honduras (Nos. 13 and 14), Peru (No. 15), Uruguay (No. 16), and Venezuela (No. 17). Since all of these eleven project proposals do not comply with guidelines (a) and (b) for utilization of PGTF they are not eligible, and the Committee recommended that they should not avail from the financing of PGTF.

Project Proposal No. 18: Latin American Plant Germ Plasm Centers

51. This proposal was submitted by the Latin American Economic System (SELA), headquartered in Caracas, Venezuela.

52. According to the text of the proposal, the objective of the project would be to establish a network of plant germ plasm banks, within the framework of SELA, that would link a group of research centers and institutions working in the field of plant genetics, united by a common interest in conserving and improving the region's plant gene resources, based on the principle of free germ plasm trade and systematic circulation of information and coordinated activities.

53. The project would contribute to guarantee the long-term conservation of the region's plant gene resources; facilitate free trade in plant germ plasm among the member countries; work on plant breeding in a joint effort by the countries interested in common priority areas; implement a program for training technicians and researchers in prospecting, conservation and storage of plant gene resources; contribute to prevent private ownership of germ plasm; gradually strengthen the official institutions for research in plant genetics; and help curb the genetic erosion in the region by safeguarding the plant gene resources faced with the danger of extinction.

54. Total estimated external resources are USD286,000 for the first year of implementation, which may be broken down as follows:

<u>Program</u>	<u>External Resources (USD)</u>
Prospecting	26,000
Training	100,000

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Germ plasm conservation and storage	80,000
Documentation collection	30,000
Plant genetics research	<u>50,000</u>
TOTAL	286,000

The proposal indicates that national resources allocated to this project would be of the same order than the international ones. In addition to the figures given above, an amount of USD30,000 would be required to cover the expenses involved in designing the final project and specific organizational activities, including the first meeting of the Board of Directors of the Network to launch the project.

55. In the light of the information presented, the proposal appears to be a first draft to be used as a basis for consultation among interested member states and the Committee did not have at its disposal an indication of the final scope and dimension of the project, e.g., the number of countries and research centers or institutions participating in the project, final financial estimates, final program of activities, etc. Even though the letter forwarded by SELA to the Office of the Chairman states that this project is fully developed, the Committee of Experts did not have the required documentation to be in a position to make a recommendation regarding funding of the project.

56. The Committee therefore recommended that SELA submit this proposal in a final form for consideration and decision of the Committee at its next meeting.

Project Proposal No. 19: Creation of the Latin American Food Trade Office (OLICA)

57. This proposal was submitted by the Latin American Economic System (SELA), headquartered in Caracas, Venezuela.

58. According to the text of the project proposal, the objective of the project is the setting up of an agency for regional cooperation comprising the state foreign trade corporations in the food sector of the member countries of SELA which may decide to join it. Its basic guideline is, by means of the creation of a mechanism for trade links, to contribute to increase intra-regional trade in basic food stuffs. This agency, called the Latin American Food Trade Office (OLICA) would establish, as one of its fundamental projects, an information system in order to provide member corporations with accurate up-to-date and timely information on the state foreign trade corporations of the region and on national and international trade which will contribute to the regional supply of basic food products, strengthen the mechanisms for regional cooperation among member states, arrive at a favorable agro-food trade balance among member countries, and contribute to food

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security in the region as a means of reducing Latin American vulnerability in this strategic area.

59. The project proposal appears to be as a first draft of a project, as indicated in the letter forwarded by SELA to the Office of the Chairman. In particular, the proposal does not contain any indication on the financial aspects of the project nor on the resources requested from PGTF. The Committee was not therefore in a position to make any recommendation regarding the financing of this project from the PGTF and suggested that SELA submit this proposal in a more detailed form for consideration and decision by the Committee at its next meeting.

Project Proposal No. 20: Study for Increased Trade and Economic Cooperation among SAARC Countries

60. This project proposal was submitted by the Indian Council for Research on International Economic Relations (ICRIER), headquartered in New Delhi, India.

61. As indicated in the text of the proposal, the objective of the project is to undertake an in-depth study of economic and trade cooperation among the SAARC countries to identify commodities and products offering scope for increasing trade, with a view to suggesting specific measures in this regard.

62. The Committee considered that this proposal represented a first draft that needs to be further elaborated in order to be examined by the Committee. In particular the proposal does not provide any information on the costs associated nor on the resources requested from the PGTF. Therefore, the Committee recommended that a complete proposal be submitted for consideration by the Committee at its next meeting.

Project Proposal No. 21: Publication of the Special United Nations Service (SUNS)

63. This proposal was submitted by the South Commission.

64. As indicated in the text of the proposal, the Special United Nations Service (SUNS) is a daily bulletin that provides coverage of the development-related events worldwide, with a focus on the North-South interactions and negotiations in Geneva. It is a source of information, analysis and background materials presented from the perspective of the Third World. SUNS has been published by the International Foundation for Development Alternatives (IFDA) for more than ten years. It was supported largely by the subscriptions from developing countries, but in general difficulties were experienced in making it financially self-sufficient.

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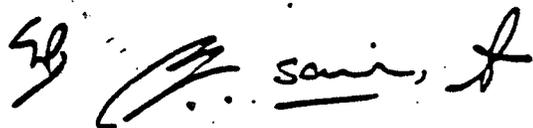
65. In March 1989 IFDA decided to cease the publication and pass the responsibility for SUNS to the South. Based on the strong demand from the Geneva missions of the Group of 77 for continuation of SUNS, an interim solution was worked out to assure that it will be published through the end of 1989 and thus fulfill the commitment towards those users who had already paid their subscriptions.

66. An advisory board composed of Geneva-located ambassadors of Algeria, Brazil, India, Indonesia, Peru, Tanzania and Yugoslavia was established. The role of the publisher was assumed by the Third World Network from Penang, Malaysia. Financial and logistical support was provided by the South Commission and the Inter Press Service News Agency (IPS).

67. At present the SUNS has a circulation of ninety copies, limited to subscribers only. Its estimated monthly expenses are approximately SFr13,500, of which 11,200 is for salaries of full-time editor and part-time production/management staff. At present SUNS is not printed commercially, with this service being provided by the South Commission. The monthly income is approximately SFr14,000, of which SFr6,700 comes from subscriptions while the remainder is contributed by the South Commission and IPS.

68. In planning for the future of the SUNS, and in view of the end of the South Commission mandate by mid-1990, provisions need to be made for commercial printing and additional overhead expenditures related to production of the bulletin. This would raise the total monthly expenses to SFr20,000. On the assumption that the South Commission contribution would end, IPS contribution would continue at its present level, and that the level of subscriptions will remain the same, a monthly gap of SFr10,000 still exists, which would need to be covered from other sources. This gap would increase to SFr16,700 if subscriptions are not taken into account.

69. The Committee considered this request as a project for ensuring the continuity of a proven source of information until a permanent solution for the publication of SUNS is worked out, which should take place before the end of 1990. The Committee suggested therefore that financial support be given to the publication of SUNS for a period of one year starting in January 1990. Given the financial support provided to SUNS by PGTF, it would have to be distributed free of charge to all missions of member countries of the Group of 77 in all the six chapters where the Group carries out its activities, as well as to National Focal Points for ECDC. On the assumption that developing countries missions would no longer be requested to pay the subscriptions to SUNS it would be necessary to provide SFr16,700 per month for a period of one year, e.g., a total of SFr200,000 or

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USD120,000. In order to ensure a successful implementation of this proposal, the Committee suggested that the executing agency be the Office of the Chairman of the Group of 77 and the Third World Network the cooperating agency.

70. The Committee recommended that this project avail from the financing of PGTF and that USD120,000 be allocated to this end.

Project Proposal No. 22: Development Plan for the San Miguelito District (Panama)

71. This proposal was submitted by the Government of Panama.

72. According to the text of the proposal, the objective of the project is to prepare a study that would serve as a general framework for providing guidance and controlling the development of the District, as well as the allocation of resources that could be devoted to the development of this area. More specific studies include a land utilization plan, road planning, urban services and a social and economic development plan. Total estimated cost for undertaking the study is USD45,000 to cover consultant fees and publication of the findings of the study.

73. The Committee considered that this proposal corresponds to a national project that according to guideline (a) for utilization of PGTF is not eligible for financing.

74. The Committee therefore recommended that this project should not avail from the financing of PGTF.

75. The Government of Panama submitted two other proposals (Nos. 23 and 24), which are similar in nature to proposal No. 22, e.g., they correspond to national projects that are not eligible for funding.

76. The Committee recommended that project proposals Nos. 23 and 24 should not avail from the financing of PGTF.

Project Proposal No. 25: Technical Assistance to Countries participating or seeking to participate in the Global System of Trade Preferences among Developing Countries (GSTP)

77. This proposal was submitted by UNCTAD to UNDP and brought to the attention of the Committee through a letter by the Administrator of UNDP addressed to the Chairman of the Group of 77 in New York.

78. According to the text of the proposal, the objective of the project is to promote trade liberalization and expansion, diversification of trade and production, and

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overall economic cooperation among developing countries through the application and utilization of GSTP.

79. The Committee considered that according to guidelines (b) and (g) for utilization of PGTF, the executing organization of a project should be an organization from developing countries. Therefore, this proposal could not be considered as eligible for funding from PGTF.

80. The Committee recommended that this project proposal should not avail of the financing of PGTF.

Project Proposal No. 26: Creation of a Maghreb Unit in the National Center for Economic Documentation and Information of Algeria.

81. This proposal was submitted by the Government of Algeria.

82. According to the text of the proposal, the objective of the project is to collect and disseminate information and documentation related to social and economic matters related to the member countries of the Arab Union of Maghreb, as well as to facilitate coordination and harmonization of economic policies of the concerned countries. Member countries of the Arab Union of Maghreb, that was established in early 1989, are: Algeria, Libya, Mauritania, Morocco and Tunisia.

83. Implementation of the project would imply procurement of microcomputers, software and related office equipment. Local expenses associated with this project including the staffing of the Unit would be borne by the Government of Algeria. The proposal requests PGTF to cover the foreign exchange component of the project, estimated to be USD65,000.

84. The Committee considered that this project complies with the guidelines for utilization of PGTF on the understanding that other members of the Arab Union of Maghreb support the project.

85. The Committee recommended that this proposal avail from the financing of PGTF and that USD65,000 be allocated to this end.

86. In summary, the Committee recommended that six projects avail from the financing of PGTF. Total allocated resources amount to USD595,140.. A breakdown of this total is as follows:

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<u>Project</u>	<u>Allocation (USD)</u>
1. Sustainable Frontier Settlement	118,000.
2. Cooperation among developing countries consultancy and engineering organizations for better access and position in international consultancy/engineering services market	90,000
3. Export promotion cooperation in favor of less developed countries	120,000
4. Publication of the Special United Nations Service (SUNS)	120,000
5. Establishment of a Maghreb Unit in the National Center for Documentation and Information of Algeria	65,000
6. Publication of the Journal of the Group of 77 (extension of the duration of the project)	82,140
TOTAL	595,140

87. In addition, the Committee considered that the proposal entitled "International Expert Meeting on Poultry Farming Development in the Developing Countries" was eligible for financing from PGTF. However, since this project could be financed from the Special Unit for TCDC of UNDP, the Committee recommended that this proposal be submitted to the Special Unit for funding.

88. According to the information provided by UNDP, resources available for new projects to be considered in 1989 amount to USD752,000, total that does not take into account USD40,000 that would be reverted to PGTF as a result of the undertaking by UNCTAD of the project on the Interregional Trade Financing Facility. Total available resources therefore amount to USD792,000. By end of 1989, PGTF will have at its disposal an additional sum of approximately USD550,000 corresponding to 1989 interest earnings. A more detailed breakdown of the financial status of PGTF is provided in Annex II.

IV. ASSESSMENT OF THE UTILIZATION OF THE PEREZ-GUERRERO TRUST FUND FOR ECDC/TCDC

89. The Committee reviewed the performance of PGTF during its first two years of operations, as well as the guidelines for its utilization. The main conclusions could be summarized as follows:

- (a) PGTF has not been utilized to its full potential largely as a result of the lack of suitable project proposals. The principal reason behind this situation seems to be insufficient awareness on the potentiality of PGTF as a means for providing support to ECDC/TCDC activities.

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(b) A number of the proposals submitted for consideration by the Committee of Experts lacked the minimum information and data necessary to arrive at a decision regarding eligibility for funding or merits of the proposal.

(c) Implementation of approved projects has proceeded at a rather slow pace. This may be attributed to many factors, on the one hand, to a cumbersome and complex procedure for the disbursement of resources related to the fulfillment of rules and procedures prevailing in UNDP. On the other hand, part of the delays could be attributed to the executing organizations themselves.

(d) Existing guidelines for the utilization of PGTF do not appear to be an obstacle for submission and approval of projects and there seems to be no need to introduce modifications. The main reason for non-adoption of projects submitted appears to be the subjects of the proposals themselves, but this should not be a cause of concern since it corresponds to the normal selection procedure of projects under a certain set of selection criteria.

90. The Committee felt that several actions should be undertaken in order to ensure continuity in the work of the Committee of Experts, increased awareness on the potentiality of the PGTF and greater responsiveness through more expeditious procedures for approving projects and disbursing the corresponding resources.

91. To this end, the Committee made the following recommendations:

i) To adjust the appointment dates of the experts members of the Committee so that only one-half of them is replaced at each renewal date. Given that the experts are selected for a two-year term, three of them - including one from each region - would be replaced every year. An interim arrangement is required to adjust the appointment dates accordingly. To this end the mandate of three of the experts - one from each region as designated by the regional groups in New York - would be extended in 1990 for one more year. Appointment of the other three experts will take place in 1990.

ii) Appropriate institutions and organizations of developing countries should be approached and provided with comprehensive information on the potentiality of PGTF and on the procedures for submission of proposals. These contacts should be carried out in consultation with National Governments and National Focal Points.

iii) Members of the Committee of Experts could be requested to assist the Chairman of the Group of 77 in identifying the institutions referred to in (ii) and assist them in

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preparing project proposals when necessary.

iv) A brochure for disseminating information on PGTF is to be prepared as soon as possible and not later than the end of 1989 by the Office of the Chairman of the Group of 77 with the assistance of the Special Unit for TCDC of UNDP.

v) A standard format for submission of project proposals should be prepared by the Office of the Chairman of the Group of 77 with the assistance of UNDP.

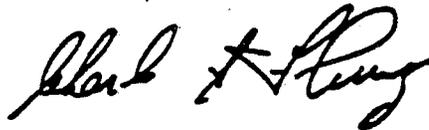
vi) Whenever possible, the executing organization from developing countries should be identified in the project proposals.

vii) In order to ensure successful implementation of approved projects, a lead country or organization, as appropriate, should be identified when necessary.

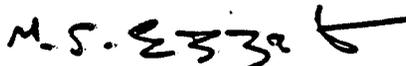
viii) In order to have a uniform project cycle and ensure full participation of members, the meetings of the Committee of Experts should regularly take place in the last week of June of each year. In this regard, the deadline for submission of project proposals should be the last day of March, so that the necessary consultations between the experts, the Office of the Chairman and the institutions submitting proposals could take place, thus improving and expediting the process of examination of projects, as well as avoiding duplication with existing activities.

ix) In the years when IFCC meetings do not take place, the report of the Committee of Experts should be submitted for comments to the Annual Meeting of the Group of 77 preparatory of the Annual Ministerial Meeting held in New York, which will subsequently consider and approve the projects.

Charles Stephen Flemming



Mohamed Samir Ezzat



Datuk Ahmad Mustaffa b. Hj. Babjee



Eduardo Praselj (Chairman)



LIST OF PARTICIPANTSCommittee of Experts of the Perez-Guerrero Trust Fund for ECDC/TCDC

Charles Stephen Flemming
Permanent Representative of St. Lucia
to the United Nations in New York

Mohamed Samir Ezzat
Commercial Counsellor
Egyptian Embassy
Kuala Lumpur, Malaysia

Datuk Dr. Ahmad Mustaffa b. Hj. Babjee
Director-General, Department of Veterinary Services
Ministry of Agriculture
Malaysia

Eduardo Praselj
Former Deputy Minister of Energy and Mines
of Venezuela
(Chairman)

Office of the Chairman of the Group of 77 in New York

Mohamed Radzi
Assistant to the Chairman

Vladislav Mladenovic
Assistant to the Chairman

Arturo Lozano
Documentation Officer

FINANCIAL STATUS OF THE PEREZ-GUERRERO TRUST FUND
FOR ECDC/TCDC AS OF 31 DECEMBER 1988

US\$

Unexpended resources as at 1 January 1988		6,428,326
Add: Interest earned in 1988		<u>545,430</u>
		6,973,756

Less: Project expenditure for 1988

Project INT/84/KO2 - GSTP	556,904	
Project INT/88/KO1 - Bulletin (PFR outstanding)	11,340	
Project INT/88/KO3 - ICPE C&E (PFR outstanding)	<u>15,000</u>	<u>583,244</u>

Unexpended resources as at 31 December 1988	6,390,512
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Less: Reserved funds	<u>5,000,000</u> ¹
Balance of funds	1,390,512

Consisting of:

a) Obligated/Expended Funds as follows:
(\$381,229 + \$257,245)

- Budgets of approved projects (1989 onwards)

INT/84/KO2 GSTP	255,429
INT/88/KO1 Bulletin	70,800
INT/88/KO3 ICPE	<u>55,000</u>
	381,229

¹ Deposited in long-term high-yield interest account.

- Earmarked funds for pipeline projects

INT/88/KO2 - Trade Facility	40,000
INT/88/KO4 - Action Committee on Cons. & Engin.	38,500
INT/88/KO5 - MSIN	15,000
INT/89/KO1 - Info. System on Technologies and Projects	45,045
INT/89/KO2 - Inter-Enterprise	35,000
INT/89/KO3 - Artificial Insemi- nation and Embryo Transplant	<u>83,700</u>
	257,245

b) Available for new projects to be
considered in 1989 752,038²

² Does not take into account 1989 interest earnings,
estimated to be in the region of \$550,000.