



Distr.
GENERAL

DP/541
17 March 1981
ORIGINAL: ENGLISH

GOVERNING COUNCIL
Twenty-eighth session
June 1981
Agenda item 7(g)

OTHER FUNDS AND PROGRAMMES

United Nations Special Fund for Land-locked Developing Countries

Report of the Administrator

Summary

In response to decision 80/21 of the Governing Council, the Administrator is reporting on the activities of the United Nations Special Fund for Land-locked Developing Countries. The report draws the attention of the Council to the continuing low level of resources of the Fund, mentions assistance to projects approved in 1980 and briefly describes results obtained by the projects completed in 1980. The Administrator further refers to the potential assistance requirements of the land-locked developing countries.

The Administrator is recommending that the Governing Council take note of his report and reiterate its earlier appeal to all Governments to contribute generously to the Fund. The Administrator further proposes that henceforth a separate report on the activities of the Fund be presented to the Governing Council every other year, it being understood that the Fund's activities will continue to be covered in the annual report of the Administrator.

INTRODUCTION

1. This report is in response to Governing Council decision 80/21 on the United Nations Special Fund for Land-locked Developing Countries, 1/ in which the Governing Council, inter alia, requested the Administrator to report at its twenty-eighth session on the activities of the Fund. In accordance with the special responsibility given to the United Nations Conference on Trade and Development (UNCTAD) in connexion with the development and operation of the Fund, the Administrator has consulted with the Secretary-General of UNCTAD in the preparation of this report.

2. The report deals successively with the arrangements for the Fund, the activities being financed, potential assistance requirements and future reporting on the Fund.

I. ARRANGEMENTS FOR THE FUND

3. In the above-mentioned decision, the Governing Council also appealed to Governments and international organizations to contribute urgently and generously to the Fund. In spite of this and similar appeals from the General Assembly 2/ and the fifth session of UNCTAD, 3/ and notwithstanding a special request by the Administrator addressed to most of the Member States, the total pledges for 1981, which were announced at the United Nations Pledging Conference for Development Activities, amounted to \$63,500. Of this amount, two-thirds or \$42,500 was pledged by land-locked developing countries. Contributions for 1980 amounted to \$66,000. These contribution levels are obviously inadequate to expand the scope of the Fund's activities.

4. As at 31 December 1980, the total amount of voluntary contributions to the Fund (including pledges for 1981) amounted to \$921,000. Against this amount, pledges amounting to \$53,400, \$61,700, \$8,200 and \$63,500 remained to be collected for 1978, 1979, 1980 and 1981, respectively. Other income earned by the Fund as at 31 December 1980 amounted to \$135,400, so that the total funds available for programming (i.e. contributions received plus other income) were \$923,300.

1/ See Official Records of the Economic and Social Council, 1980, Supplement No. 12 (E/1980/42/Rev.1), Chapter XI.

2/ Most recently, General Assembly resolution 35/82.

3/ See resolution 123 (V) of 3 June 1979 in TD/268, part I, section A.

. In connexion with the resource situation of the Fund, the Administrator wishes to bring to the special attention of the Governing Council the International Development Strategy for the Third United Nations Development Decade, adopted by General Assembly resolution 35/56, which, to implement specific measures on behalf of land-locked developing countries, invites the international community to contribute significantly and generously to the Fund and urges those donor countries which have not yet contributed to the Fund to consider urgently reviewing their positions with a view to extending their full support to the Fund. 4/

II. ACTIVITIES BEING FINANCED

. On the basis of contributions paid and other income received in November 1980, the Administrator increased the programming earmarkings to the three regions with land-locked developing countries (Africa, Asia and Pacific and Latin America) to \$535,400, \$233,000 and \$54,900, respectively. As agreed earlier, the resources of the Fund are distributed to each region in the same proportion as the share of the IPFs of the land-locked developing countries in that region in the total IPFs of the land-locked developing countries. In view of the low level of total resource availability, the distribution of resources to individual land-locked countries is determined by the Regional Bureau concerned on the basis of requests received, it being understood that the emerging pattern of resource allocation over time is equitable, taking into account the needs of each of the land-locked developing countries (including the special needs of the least developed among them) as well as the relevant problems at the regional and sub-regional levels.

Approved projects

. In addition to the projects which were already reported to the Governing Council as approved (DP/387, para. 10 and DP/458, para. 10), the following project was approved in 1980:

Burundi: Air Freight Operations

Objective: To improve the freight handling capacity at the Bujumbura airport by the provision of a fork-lift vehicle.

Executed by: Government Fund Contribution: \$50,000

4/ General Assembly resolution 35/56, Annex, paragraph 155.

In addition to the above, supplementary assistance amounting to \$57,000 (including Executing Agency support costs) was approved for the Air Freight Handling project, executed by UNCTAD, in Rwanda.

8. The above approvals brought the total commitments against the Fund as at 31 December 1980 to \$676,100, of which \$67,700 represents related Executing Agency support costs.

B. Completed projects

9. The following projects completed operations in 1980:

Malawi: Establishment of Shippers' Council

Results achieved: Under this project a consultant advised the Government of Malawi on practical steps to be taken to improve the functioning of the Shippers' Council of Malawi and the Shipping Investigation Unit.

Paraguay: Navigability and Dredging of Paraguay River

Results achieved: Together with a Government contribution of \$57,000, the project enabled the Government to acquire a tugboat required to facilitate dredging operations to improve the navigability of the Paraguay river.

10. Cumulative expenditures for all projects supported by the Fund reported as at 30 September 1980 amounted to \$131,016.

III. POTENTIAL ASSISTANCE REQUIREMENTS

11. The International Development Strategy for the Third United Nations Development Decade states that the "international community will give, in accordance with the priorities of the land-locked countries and accepted development criteria, strong financial and technical assistance support, through specific actions, in accordance with resolution 123 (V) of 3 June 1979 of the United Nations Conference on Trade and Development." ^{5/} Since, as already noted in the Administrator's report to the twenty-seventh session of the Governing Council (DP/458, para. 16), assistance in the priority areas for action identified in that UNCTAD resolution falls potentially within the scope of the Fund, there is considerable room for expanding the Fund's activities, provided additional resources become available.

^{5/} Ibid., para. 153.

12. The potential demand for assistance from the Fund is also demonstrated by the fact that the Regional Bureaux concerned have identified project proposals which could be financed by the Fund if additional resources were to become available. Without being exhaustive, and excluding six projects for which the amount of assistance needed could not yet be quantified, these proposals would require resources amounting to approximately \$4 million, or more than four times the total resources thus far available to the Fund for programming.

IV. FUTURE REPORTING

13. Considering the current level of activities supported by the Fund, and with reference to decision 79/33 (para. 4(b)(i)) taken by the Governing Council at its twenty-sixth session 6/ that, with regard to recurrent documentation such as the annual reports, it would consider the possibility of requesting biennial reporting, the Administrator proposes that henceforth a separate report on the United Nations Special Fund for Land-locked Developing Countries be submitted to the Governing Council every other year and that the next report be presented to the Governing Council in June 1983. It should be understood, however, that the Administrator will continue to cover the Fund in his Annual Reports and that, if special circumstances so warrant, he will submit a short report to the Council in the year in which a biennial report is not prepared.

V. RECOMMENDATION OF THE ADMINISTRATOR

14. The Administrator recommends that:

The Governing Council,

(a) Take note of the report of the Administrator on the United Nations Special Fund for Land-locked Developing Countries (DP/541);

(b) Appeal, in the light of General Assembly resolution 35/58 on the specific action related to the particular needs and problems of land-locked developing countries and the International Development Strategy for the Third United Nations Development Decade as it pertains to land-locked developing countries, to all countries to review their position with respect to the Fund and to contribute urgently and generously to it; and

(c) Request the Administrator to report henceforth on the activities of the Fund on a biennial basis, with the first of such reports to be presented to the Governing Council at its June 1983 session.

6/ Official Records of the Economic and Social Council, 1979, Supplement No. 10 (E/1979/40), Chap. XXI.