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SUPPORT

PROGRAMME IMPLEMENTATION

IMPLEMENTATION OF DECISIONS ADOPTED BY THE GOVERNING COUNCIL  
AT PREVIOUS SESSIONS

LIQUIDATION OF THE UNITED NATIONS EMERGENCY OPERATION  
TRUST FUND AND ALLOCATION OF ITS REMAINING BALANCE

Action taken to implement General Assembly resolution 38/201

Report of the Administrator

SUMMARY

The present report deals with the action taken by the Administrator to implement paragraph 1, subparagraphs (a) and (c), of General Assembly resolution 38/201. With regard to paragraph 1 (a), out of the total available funds as at 31 December 1987 of some \$42.9 million under the United Nations Development Programme trust fund for countries afflicted by famine and malnutrition, 144 projects with total budgets of \$42.3 million had been approved or accepted in principle. As regards paragraph 1 (c) of the resolution, the balance of the Pérez Guerrero Trust Fund for Economic and Technical Co-operation among Developing Countries as at 31 December 1987 was \$7 million, of which \$5 million was in the form of preserved capital and \$2 million in disposable resources.

## INTRODUCTION

1. In the operative part of its resolution 38/201 of 20 December 1983, the General Assembly decided to liquidate the United Nations Emergency Operation Trust Fund and to allocate to the United Nations Development Programme (UNDP) 82 per cent of the remaining balance of the trust fund for the purposes set forth in paragraph 1, subparagraphs (a) and (c) of the resolution. Information on the action taken by the Administrator to implement the provisions of these subparagraphs and on the status of utilization of the funds by UNDP has previously been provided in the reports of the Administrator to the Governing Council at its thirty-first session (DP/1984/71 and Add.1), thirty-second session (DP/1985/15) and thirty-fourth session (DP/1987/61). An oral status report was furthermore provided to the Council at its thirty-third session. The present report, which is submitted for the information of Council members, deals in particular with the action taken since the thirty-fourth session of the Council and reflects the status of funds as at 31 December 1987.

## I. ASSISTANCE TO COUNTRIES AFFLICTED BY FAMINE AND MALNUTRITION

2. The resources originally made available to the United Nations Development Programme trust fund for countries afflicted by famine and malnutrition under paragraph 1 (a) of General Assembly resolution 38/201 amounted, as most recently reported in document DP/1987/61, to \$33.9 million. From the inception of the fund on 1 January 1984 until 31 December 1986, interest income amounted to \$7.1 million. During 1987 another \$1.7 million, including interest accruals since the inception of the fund was applied. An additional \$174,778 was also received during 1987 from the balance previously held by the United Nations to meet final payments against the United Nations Emergency Operation Trust Fund. Total resources of the UNDP trust fund thus amounted to \$42.9 million as at 31 December 1987. The expenditure figures for 31 December 1987 indicate that \$34.8 million had been spent by then. This expenditure figure exceeds by \$0.9 million the original amount of the Trust Fund and corresponds to 81.1 per cent of the total resources, including interest income. Most of the trust fund activities remaining as at 31 December 1986 were completed during 1987. Given the limited number of projects remaining, the Administrator does not, unless specifically requested to do so, intend to prepare any additional written reports to the Council on the UNDP trust fund for countries afflicted by famine and malnutrition.

3. A breakdown of all projects approved as at 31 December 1987 by main objective is given in the annex to the present document. The largest category of projects remained direct assistance for agricultural production covering a wide range of activities, such as the provision of seeds, fertilizers and tools. The second largest category of projects consisted of improvement of drinking water supplies, closely followed by projects in the field of storage and transportation of food, and in irrigation. A list of all trust fund projects approved as at 31 December 1987, together with an additional update, is available upon request.

4. This trust fund has since its inception in January 1984 proven a most valuable and flexible mechanism for delivering much needed emergency assistance to developing countries. As a short-term financing modality, it has added a highly responsive element to the otherwise limited means for emergency assistance at the disposal of the Administrator. The majority of trust fund projects, though mainly of short-term nature, have been highly successful, even though as previously reported, the type of requests received from Governments for assistance from the Trust Fund has often reflected need for longer term activities.

## II. PEREZ GUERRERO TRUST FUND FOR ECONOMIC AND TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES

5. The Council will recall that the 12 per cent (\$5.8 million) of the resources of the United Nations Emergency Operation Trust Fund, allocated to developing countries for the purpose of economic and technical co-operation among developing countries (ECDC/TCDC) under General Assembly resolution 38/201, paragraph 1 (c), was equitably apportioned between developing countries that were members of the Group of 77 and other developing countries that were not members of that Group.

6. By its decision 41/457, the General Assembly noted the wish of the Group of 77 that the Trust Fund be renamed the Pérez Guerrero Trust Fund in memory of the late Manuel Pérez Guerrero and that the principal amount (the unencumbered portion of which stood, at that time, at \$5 million) be preserved in perpetuity. Only the interest earned would thus be used to develop projects of a pre-investment/feasibility nature. The guidelines governing the use of the Pérez Guerrero Trust Fund are set out in the annex to document A/41/609.

7. In accordance with the guidelines of the Pérez Guerrero Trust Fund established under document A/41/609, the Committee of Experts of the Fund met in Caracas from 3 to 7 August 1987 and submitted five proposals to the Intergovernmental Follow-up and Co-ordination Committee on ECDC, which met from 7 to 12 September 1987. The Co-ordination Committee approved the five projects, amounting to a total of \$299,580, for submission to the Administrator for his approval and implementation. These projects are listed below with their estimated costs:

|   | <u>\$</u>             |
|---|-----------------------|
| INT/88/K01 - G-77 Bulletin                            | 136 080               |
| INT/88/K02 - Trade financing facility                 | 40 000                |
| INT/88/K03 - Consultancy engineering capacities       | 70 000                |
| INT/88/K04 - Action Committee                         | 38 500                |
| INT/88/K05 - Multisectoral Information Network (MSIN) | <u>15 000</u>         |
| Total   | <u><u>299 580</u></u> |

8. The financial status of the Pérez Guerrero Trust Fund as of 31 December 1986 was \$6.5 million, of which the sum of \$5 million was unencumbered, while \$1.5 million represented the unspent budget of project INT/84/K02 - Technical support to the negotiations for a Generalized System of Trade Preferences (GSTP).

9. Given below is a breakdown of the estimated financial status of the Fund as of 31 December 1987:

|   | <u>Thousands of</u><br><u>United States dollars</u> |
|---|---|
| Funds brought over from 31 December 1986  | 6 500   |
| Additional transfer from the United Nations                                       | 30  |
| 1987 interest earnings  | <u>450</u>  |
| Total   | 6 980   |
| Preserved capital   | <u>5 000</u>  |
| Disposable resources:   | 1 980   |
| Less: 1987 expenditures (INT/84/K02)  | <u>530</u>  |
| Balance   | <u>1 450</u>  |
| Consisting of (a) Unspent budgets (INT/84/K02)                                    | 810   |
| (b) Estimated costs of five<br>project proposals from 1987<br>(see para. 7 above) | 300   |
| (c) Available for programming   | 340   |

Annex

UNITED NATIONS DEVELOPMENT PROGRAMME TRUST FUND FOR COUNTRIES  
AFFLICTED BY FAMINE AND MALNUTRITION

Summary of projects approved or accepted in principle, grouped  
by objective, as at 31 December 1987

| <u>Project category</u> | <u>Project objective</u>   | <u>Number of projects</u> | <u>Total budgets</u><br>(United States dollars) | <u>Percentage of budgets</u> |
|-------------------------|--|---------------------------|---|------------------------------|
| A                       | Direct assistance for agricultural production (including provision of seeds, fertilizers, tools) | 41                        | 12 214 600                                      | 28.9                         |
| B                       | Improvement of drinking water supplies   | 23                        | 6 371 200                                       | 15.1                         |
| C                       | Irrigation works   | 12                        | 5 272 700                                       | 12.5                         |
| D                       | Livestock (including fisheries) production/protection  | 17                        | 3 078 000                                       | 7.3                          |
| E                       | Storage/transportation of food   | 16                        | 5 712 900                                       | 13.5                         |
| F                       | Agricultural infrastructure (flood and soil erosion control)                                     | 11                        | 3 326 900                                       | 7.9                          |
| G                       | Plant protection   | 13                        | 3 150 500                                       | 7.4                          |
| H                       | Rehabilitation of drought victims  | 1                         | 550 000   | 1.3                          |
| I                       | Direct food aid  | 2                         | 520 000   | 1.2                          |
| J                       | Miscellaneous project objectives   | <u>8</u>                  | <u>2 080 800</u>                                | <u>4.9</u>                   |
|                         | Total  | <u>144</u>                | <u>42 277 600</u>                               | <u>100.0</u>                 |

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