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item 9(b) of the provisional agenda

THE FINANCIAL STATUS OF THE COMMISSION'S PROGRAMMES
AND
THE STRENGTHENING OF THE FINANCIAL CONTRIBUTIONS ACCOUNT

STATEMENT ON, AND THE STRENGTHENING OF,
THE FINANCIAL CONTRIBUTIONS ACCOUNT

(Note by the Executive Secretary)

81-3847

Statement on, and the strengthening of, the Financial Contributions Account^{1/}

1. In accordance with paragraph 4 of Commission resolution 45(IV), the statement on the utilization of the Financial Contributions Account as at 31 December 1980 is annexed hereto. It provides information on the use of the Account since its establishment.
2. Since the last statement was issued (E/ECWA/100) on the occasion of the seventh session, the following new 1980 programmed activities were allotted funds from the Account: (a) the management, conservation and development of agricultural resources; (b) regional co-operation in the capital goods and heavy engineering industries; and (c) studies on the Arab "brain drain". In addition, two ongoing projects (Statistical series and indicators; and Economic co-operation and integration in Western Asia) received further allocations during the year.
3. Up to the end of 1980, a total of 21 projects have benefited from the Financial Contributions Account since its establishment. Of these, 5 were still in progress and 16 had been completed. The projects covered a variety of activities carried out under various programmes. The Account has clearly been of paramount importance to the secretariat, enabling it to provide complementary resources to the work programme of the Commission, for which inadequate resources were available under the regular budget. It further provided the secretariat with a flexible tool to respond to requests from member States.
4. The following unspent balances from 1980 will be expended in 1981 in the projects listed below:

<u>Programme</u>	<u>Element</u>	<u>Amount</u>
Executive Direction and Management	Study on an organizational framework for regional co-operation	\$ 17,732
Food and Agriculture	212.2 Management, conservation and development of agricultural resources	\$ 25,538
Industrial Development	331.2. Identification of industrial regional projects (capital goods)	\$ 22,000 ✓
Labour, Management and Employment	441.3. The brain-drain problem and prospects in the ECWA region	\$ 8,663

^{1/} Whenever this term appears in the Commission's documentation, it refers to the Trust Fund for ECWA Regional Activities, which is the name under which the Financial Contributions Account appears in the published accounts of the United Nations

<u>Programme</u>	<u>Element</u>	<u>Amount</u>
Statistics	541.1. Statistical series and indicators (statistical abstract)	\$ 14,380
Overhead	\$ 12,363
	Total carried forward from 1980	<u>\$100,676</u>

5. During the first quarter of 1981, the following new allotments have been made in support of the 1981 work programme:

<u>Programme</u>	<u>Element</u>	<u>Amount</u>
Executive Direction and Management	<u>Ad Hoc</u> Intergovernmental Expert Committee on the Medium-term Plan	\$ 10,000
Statistics	541.1. Statistical series and indicators	\$ 36,000
Overhead	\$ 6,440
	Total allotted	<u>\$ 52,440</u>

6. During the preparation of the programme of work and priorities, 1980-1981, the following amounts of the Financial Contributions Account were earmarked for activities to be undertaken.

<u>Programme</u>	<u>Element</u>	<u>Amount</u>
Food and Agriculture	212.1. Country and intercountry food security arrangements	\$ 10,000
	212.2. Management, conservation and development of agricultural resources	\$ 22,000
Industrial Development	331.1. Co-ordination of industrialization policies, plans and programmes	\$ 13,500
	332.2. Development of the petrochemical and fertilizer industries	\$ 17,000
	334.2. Industrial planning and implementation	\$ 18,000

<u>Programme</u>	<u>Element</u>	<u>Amount</u>
Labour, Management and Employment	441.2. Problems and prospects of labour movements in the ECWA region	\$ 10,000
Science and Technology	521.1. Analysis of the role, functioning and development of design and engineering capabilities in the ECWA region	\$ 10,000
	521.3. Technical decision-making within the investment process	\$ 10,000
Social Development	532.3. Study on the potential and the socio-economic conditions of the Palestinian Arab People	\$100,000
Overhead	\$ 29,470
Total funds earmarked		<u>\$239,970</u>

7. The status of the Account is now as follows:

(a) Balance as per financial statement (E/ECWA/117)	\$ 547,143
(b) Total allotments forward from 1980 (para. 4)	\$ 100,676
(c) New allotments for 1981 (para. 5)	\$ 52,440
(d) Earmarkings for 1981 (para. 6)	\$ 239,970
Funds available	<u>\$ 154,057</u>

It is clear that, with the continued pattern of utilization as established over the years, the Financial Contributions Account will be exhausted early in the biennium 1982-1983, or more likely during this biennium. Hence, member States may wish to take steps to strengthen the Account.

8. In connexion with the status of the Financial Contributions Account reference is made to operative para.1 of resolution 79 (VII) which urges all member States to strengthen the Financial Contributions Account of ECWA, so that the Commission may discharge its responsibilities vis-à-vis the growing needs of the member States and so that its activities, ranging from surveys and statistical research to analytical studies and training and consultant services, can be extended to cover all economic and social sectors and subsectors". There has been no response to this resolution. However, as is shown in document E/ECWA/117, an amount of \$ 5,864,

constituting the balance of a contribution of the Yemen Arab Republic to assist in the organization of its Development Conference in 1977, was, at the request of the Government, deposited in the Account.

9. The strengthening of the Account could be pursued in a variety of ways in line with the established procedures of the United Nations. In this connexion, it is to be noted that, following the adoption of General Assembly resolution 32/197, the Secretariat is called upon to organize all fund-raising activities for operational activities in one United Nations Pledging Conference for Development Activities, at which where member States can pledge contributions to the various trust funds operated by the United Nations. The Financial Contributions Account figures on the list of trust funds established for this purpose by the secretariat at United Nations Headquarters. The annual United Nations Pledging Conference was held in November 1980. It could, thus, be envisaged that the strengthening of the Account by member States might be effected through the machinery already established, namely the United Nations Pledging Conference for Development Activities. The ECWA secretariat believes, however, that the primary mechanism for strengthening the Account should continue to be the annual sessions of the Commission under the standing agenda item established for this purpose. Under this item, member States could announce their intention to contribute to the Account and this could be formalized within the context of the annual United Nations Pledging Conference for Development Activities. If it were desirable, the ECWA secretariat could submit annually specific programme areas for pledging purposes in the light of the observations made following the consideration of the status of the Commission's programmes and its programme of work and priorities.

10. The immediate programme needs requiring additional resources follow from:

- (a) The zero-growth^{2/} policy of the United Nations, which does not allow for adequate programme development. In this connexion, the Commission was informed, under item 8 of the provisional agenda, that a number of

^{2/} The term zero-growth as used by the United Nations, means the absence of any real growth in resources, other than an adjustment for anticipated inflation.

priority programmes and services submitted by the secretariat will not be proposed by the Secretary-General to the legislative organs of the United Nations for the appropriation of funds. These include the following:

(i) Programme for the development of statistical services	\$ 57,000
(ii) Electronic data processing services	\$ 172,000
(iii) Computer equipment	\$ 500,000
(iv) Programme for the least developed countries	\$ 144,000
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Total	<u>\$ 873,000</u>

(b) The inadequacy of funding for technical co-operation projects. In this connexion, reference is made to document E/ECWA/120/Add.2. in which the secretariat lists a number of technical co-operation projects already formulated but for which the necessary funding is not available. The total requirement for such projects, excluding the Arab Urban Development Institute (AUDI), amounts to \$ 1,217,000.

11. The computer equipment mentioned in paragraph 10 is intended for installation in the permanent ECWA headquarters at Baghdad. Five broad areas have been identified as susceptible to the application of electronic data processing, namely:

- (a) Econometrics;
- (b) Statistics;
- (c) Information retrieval;
- (d) Word processing;
- (e) **Administration.**

The estimate of the cost of equipment is based upon a configuration of the IBM system 4331. This particular manufacturer was selected because both the Geneva-based International Computing Centre and the New York Computing Centre have standardized on IBM equipment; thus, ECWA would have access to other United Nations data and software with the minimum of modification for the Commission's

specific configuration. An example of available software is the CDS/ISIS data entry and retrieval on-line sub-system, using the IBM Customer Information Control System, currently installed in 53 institutions in member States, including 7 United Nations and 5 international organizations.

In the present climate of budgetary restrictions, the United Nations regional commissions can only look to external donors to finance the equipment needed to bring modern techniques to bear upon the problems of their respective regions. A recent example of such financing is the donation of \$ 1 million by Japan to the United Nations Economic Commission for Asia and the Pacific (ESCAP) for the acquisition of a computer.^{3/}

^{3/} See the ESCAP 37th. session document E/ESCAP/232 of 14 January 1981.

ANNEX

FINANCIAL CONTRIBUTIONS ACCOUNT:
STATEMENT OF UTILIZATION^{a/}
AS AT 31 DECEMBER 1980
(EXPRESSED IN UNITED STATES DOLLARS)

<u>PROJECT</u>	<u>EXPENDITURES</u>
1. ECWA Regional Documentation Centre*	66219
2. ECWA Science and Technology work programme*	73559
3. Annual Statistical Abstract of the Arab World**	157097
4. Consultant services to the Government of the People's Democratic Republic of Yemen*	3309
5. Studies on the Arab "brain drain"***	22810
6. Geological survey in the Yemen Arab Republic*	1604
7. Workshop on production accounts, commodity balance and input-output analysis at current prices*	30297
8. Joint Meeting on Food Security*	5700
9. Regional Adviser in Agricultural Projects Identification, Formulation and Evaluation*	66594
10. Arab Regional Centre for the Transfer and Development of Technology*	18678
11. ECWA Regional Water Meeting*	33736
12. Study of an integrated transport and communications network in the ECWA region*	34105
13. Completion of a Directory of Information Facilities in the Arab Countries*	2336
14. Study on economic co-operation and integration in Western Asia*	33223
15. Study on the establishment of subsidiary bodies of ECWA*	1842
16. Identification of industrial regional projects*	2197
17. Study of an organizational framework for regional co-operation and co-ordination**	1867
18. Project on the management, conservation and development of agricultural resources**	13161
19. Regional co-operation strategy for industrial development scenarios*	10260
20. Expert Meeting on the Arab Brain Drain*	45556
	<u>624150</u>

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The donors to the Trust Fund for ECWA Regional Activities were:		
(a) Government of Iraq		300000
(b) Government of Saudi Arabia		300000
(c) Government of Yemen Arab Republic		5864
(d) Other institutions:		
(i) Arab Fund for Economic and Social Development	144000	
(ii) Kuwait Fund for Arab Economic Development	144000	288000
		<u>893864</u>

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The following income accrued to the account:		
	Interest income	256580
	Miscellaneous income	20849
		<u>277429</u>

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^{a/} The donations are centrally administered as a single fund at United Nations Headquarters;
* Completed.
** Ongoing.