1. The first country cooperation framework (CCF) for Hungary was approved by the Executive Board at its first regular session 1997, for the programme period January 1997 to December 1999.

2. The component projects of the current CCF have been extended beyond December 1999 in line with the management decision taken by the Administrator to extend the target for resource assignment from the core (TRAC) allocations (approved for the period January 1997 to December 1999) through December 2000. As national development priorities have not changed, the component projects of the CCF remain relevant. The continued relevance of the CCF has been confirmed through consultations with the Government and other development partners.

3. Furthermore, the extension of the CCF through December 2000 will provide sufficient lead time for a comprehensive review of the CCF in 2000, so that the lessons learned and results attained can be taken into account in the preparation of the next CCF. The new CCF is expected to be submitted to the Executive Board at its third regular session 2000 or at the first regular session 2001.

4. Against this background, the Administrator recommends that the Executive Board approve the extension of the first country cooperation framework for Hungary for a period of one year, beginning on 1 January 2000.