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GOVERNING COUNCIL
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Agenda Item 6(b)

COUNTRY AND INTERCOUNTRY PROGRAMMING AND PROJECTS
PROJECT RECOMMENDATION OF THE ADMINISTRATOR

Supplementary Assistance for a global project

Integrated Cotton Research and Development Programme

(Preparatory Assistance)(GLO/76/001)

Estimated UNDP contribution:	\$150,000
Duration:	One year
Executing Agency:	United Nations Development Programme (UNDP)

I. Background

1. A project recommendation for the final phase of this global project was contained in document DP/PROJECTS/R.12/Add. 3 and approved by the Governing Council at its Twenty-sixth session in June 1979. Results to date augur well for a successful project outcome, but the scheduled completion by June 1980 has been delayed by external factors. As a result, an additional allocation may be needed to complete project activities in the period July 1980 to June 1981.

II. The project

2. After several years of preliminary studies and preparatory work, detailed proposals for the establishment of an international organization for an integrated cotton research and development programme were completed and elaborated in a prospectus entitled, "Proposal for the Establishment of Cotton Development International". The prospectus was distributed to all interested countries and organizations in July 1977, under cover of a letter from the Administrator of UNDP.

3. Since the issuance of the prospectus, project activities have concentrated on the following:

(a) Explaining and promoting the proposal among prospective members and potential donors;

(b) Examining the problem of the location of the proposed international centres for cotton production research; and

(c) Conducting negotiations for the merger of the International Institute for Cotton (IIC) with Cotton Development International upon the formation of the latter.

4. In January 1979 the Administrator appointed an Organizing Executive Secretary to complete the final phase of this project. The Organizing Executive Secretary has held a series of consultations with individual interested Governments on all aspects of CDI, and with the UNCTAD Secretariat on the relations between CDI and the Integrated Programme for Commodities.

5. In October 1979, an intergovernmental working group was convened at Geneva to examine membership and financial arrangements for CDI, as foreseen in DP/PROJECTS/R.12/Add.3. Project funds met the travel and subsistence costs of one participant from each developing country invited. More than 40 Governments attended the meeting, including the majority of cotton-producing and consuming countries. There was general support for the concept of CDI as a cotton research, development and promotional organization comprising both producing and consuming countries. For many countries, progress towards the establishment of CDI was linked to the discussions on cotton as one of the commodities included within UNCTAD's Integrated Programme for Commodities. Consequently, the working group suggested that a second meeting should be held in early 1980, rather than proceeding directly to the finalization of the CDI Articles of Agreement (as foreseen in DP/PROJECTS/R.12/Add.3) and to a Founders' Conference.

6. In January 1980, an expert group on cotton production research was convened for two days in Paris to review proposals for CDI's programme in this field, followed by a second meeting of the CDI intergovernmental working group at Geneva in March 1980. This meeting was well attended and strong support for CDI was evident. However, in view of the uncertain outcome of the UNCTAD preparatory meeting on cotton (held later in the same month) and of the Common Fund negotiations in May 1980, the participating Governments again agreed that drafting CDI's Articles of Agreement and convening a Founders' Conference should be deferred until the results of the UNCTAD meetings had been examined. As a result, it will be necessary to convene a third working group meeting in late 1980, and to postpone the Founders' Conference to 1981.

7. It is estimated that the project allocation of \$569,500 approved by the Governing Council for the period July 1979 to June 1980 will be almost sufficient to cover staff and meeting costs to June 1981. However, in view of the possibility that the Founders' Conference may not take place until the end of this period, the Administrator believes it prudent to seek an additional modest contingency allocation now in order to cover that eventuality.

8. Project expenditures from the June 1979 allocation are estimated at \$327,000 for the twelve months July 1979 to June 1980 leaving a balance of \$242,500 for the next twelve months. The revised and tentative schedule for the completion of the present phase of Cotton Development International is :

- (i) Third working group meeting in October or November 1980;
- (ii) Founders' or Negotiating Conference Conference for CDI in April or May 1981.

This schedule implies one year's delay in the original schedule and remains dependent upon the outcome of the UNCTAD Common Fund and cotton discussions. It is estimated that the revised schedule will add \$150,000 to the cost of the project to cover staff and administrative support costs and the cost of the third working group meeting in October-November 1980.

9. Project activities will continue to be executed by UNDP, in collaboration with the World Bank and the Rockefeller Foundation, guided by representatives of the three organizations in a CDI Steering Committee.

III. Financial data

(For period from 1 July 1980 to 30 June 1981)^{1/}

Contribution requested from UNDP :	<u>\$ US</u>
Project personnel	70,000
Working Group meeting(October-November 1980)	<u>80,000</u>
	150,000
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10. The expenditures under the project will be contained within the IPF for global projects established by the Governing Council.

^{1/}Amounts previously appropriated are sufficient to cover all costs of the Founders' Conference and part of the personnel and support costs during this period.

IV. Recommendation

11. The Administrator recommends that :

The Governing Council,

- (a) Approve the allocation of supplementary assistance in the amount of \$150,000 to the global project Integrated Cotton Research and Development Programme (Preparatory Assistance)(GLO/76/001); and
- (b) Authorize the Administrator to make the appropriate arrangements for the execution of the relevant project activities.