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S U P P O R T

OTHER FUNDS AND PROGRAMMES UNITED NATIONS SPECIAL FUND FOR LAND-LOCKED DEVELOPING COUNTRIES

Report of the Administrator

Summary

The report covers the biennium 1981-1982 in accordance with decision 81/3 of the Governing Council.

The continued low level of resources available to the Fund is highlighted as well as the high percentage of total contributions coming from land-locked developing countries themselves.

Brief descriptions are provided of projects approved and projects completed during the biennium.

It is concluded that the future of the Fund must be called into question unless there is a substantial increase in the contributions made to it and in the number of countries making contributions.

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INTRODUCTION

1. In its decision 81/3 on the United Nations Special Fund for Land-locked Developing Countries,^{1/} the Governing Council, inter alia, requested the Administrator to report henceforth on the activities of the Fund on a biennial basis, the first of such reports to be presented to the Governing Council at its June 1983 session. This report responds to that request.

2. The report deals successively with the arrangements for the Fund, the activities financed by it and potential assistance requirements.

I. ARRANGEMENTS FOR THE FUND

3. The previous report on the Fund ^{2/} drew attention to the low level of resources made available to the Fund and the consequent difficulty of expanding its activities. The situation did not improve during the biennium 1981-1982. Table 1 presents the actual contributions made to the Fund in each year since its inception and the interest earned on undisbursed resources.

Table 1

Actual contributions received and interest income
(US dollars)

<u>Year</u>	<u>Vol. contr. received</u>	<u>Interest income</u>	<u>Total</u>
1977	15 000	-	15 000
1978	584 275	-	584 275
1979	73 070	51 665	124 735
1980	115 505	83 737	199 242
1981	39 570	124 893	164 463
1982 ^{a/}	48 682	121 852	170 534
Total	876 102	382 147	1 258 249

Contributions receivable
for 1982 and prior years^{a/} 124 839

^{a/} Provisional at 11 March 1983

4. Table 1 shows clearly the low level of resources made available to the Fund and attention is also drawn to the fact that some 12.5 per cent of pledges made have not yet been received. The relatively higher level of contributions received in 1978 is explained by a contribution of \$565,964 from a single donor.

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5. Notwithstanding the requests contained in resolutions of the General Assembly and its subsidiary bodies and appeals by the Secretary-General, contributions pledged to the Fund have fallen in each successive year since 1979. For 1980 pledges totaled \$85,190; for 1981, \$71,153; and for 1982, \$68,442. (Pledges announced for 1983 amount to \$66,654). The number of countries pledging to the Fund in any one year has never exceeded 17 and the majority has consisted of land-locked developing countries: no developed country has pledged to the Fund. For 1981, 17 developing countries pledged, of which 11 were themselves land-locked and accounted for 70 per cent of the total amount; for 1982 comparable figures were 14 developing countries and 10 land-locked developing countries which contributed 79 per cent of the total pledges. (At the Pledging Conference held in November 1982 for 1983, 13 developing countries announced pledges of which 9 were land-locked accounting for 76 per cent of total pledges). The annex to this report gives the contributions pledged to the Fund for 1981 and 1982 by donor.

II. ACTIVITIES BEING FINANCED

6. On the basis of contributions paid and other income received, allocations for programming are made periodically to the three regions with land-locked developing countries (Africa, Asia and the Pacific, and Latin America). 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 indicative planning figures (IPFs) of the land-locked developing countries. In 1981, after consultation and in agreement with United Nations Conference on Trade and Development (UNCTAD), Mongolia was included in the list of land-locked developing countries bringing the number of such countries to 21: 14 in Africa, 5 in Asia and the Pacific, and 2 in Latin America. In view of the low level of resources available, the distribution of resources to individual land-locked countries is determined by the Regional Bureaux 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 as well as the relevant problems at the regional and sub-regional levels.

7. Allocations to the regions concerned were increased during the reporting period 1981-1982 from \$823,300 to \$1,029,700: \$670,614 for Africa, \$290,915 for Asia and the Pacific, and \$68,171 for Latin America. (A further increase was made in March 1983 bringing the total allocation to \$1,203,112: \$781,944 for Africa, \$346,927 for Asia and the Pacific, and \$74,241 for Latin America).

A. Approved projects

8. During the reporting period, three new projects were approved in addition to those already reported on in DP/387, DP/458 and DP/541.

(i) Lao People's Democratic Republic Strengthening of Transit Vehicle Maintenance Facilities

Objective: To provide equipment and spare parts for the Government's vehicle maintenance garage.

Executed by: Government Fund Contribution: \$12,100

(ii) Paraguay: Assistance in Hydrography for the Paraguay River

Objective: To improve the conditions for navigation on the Paraguay River.

Executed by: Government Fund Contribution: \$23,171

(iii) Swaziland: Consultancy in Aircraft Selection

Objective: To study air route prospects and viability and to propose appropriate aircraft types

Executed by: ICAO Fund Contribution: \$22,600.

9. Of the 15 projects approved so far, five are executed by UNCTAD, three by ICAO, two by the UNCTD and five are Government-executed. Total commitments against the Fund as at 31 December 1982 were \$749,662 of which \$72,382 represented agency support costs.

B. Completed projects

10. The following projects completed operations during the reporting period:

(i) Burundi: Air Freight Operations

Results achieved: A fork-lift appliance was purchased which led to an improvement in the handling of air-freight at Bujumbura Airport.

(ii) Paraguay: Hydrography Assistance on the Paraguay River

Results achieved: With the assistance provided by this project, the Government purchased hydrographic equipment needed to complete earlier work - also assisted by the SF/LLDC (See DP/541 para 9) - for the improvement of the navigability and dredging of the Paraguay River which constitutes one of the country's primary means of access to the Atlantic Ocean.

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- (iii) Swaziland: Training in Civil Aviation
Results achieved: Five civil aviation personnel were trained: one in aerodrome approach control (8 months); one in aircraft maintenance (27 months); two in radio maintenance (27 months); two in radio maintenance (19 months each), and one in aeronautical information (8 months).
- (iv) Swaziland: Consultancy in Aircraft Selection
Results achieved: A consultant provided advice to the Government on the type of aircraft best suited to its civil aviation requirements.
- (v) Zambia: Storage Facilities
Results achieved: Assistance was provided for the construction of storage facilities at the Capwe Railway Station for spare parts and maintenance material for locomotives and wagons and of a shed for locomotives and wagons. At Magoye Station, storage facilities for general cargo were provided.

Cumulative expenditures for all projects supported by the Fund including those listed above were provisionally put at \$296,265 as at 31 December 1982.

Table 2

Summary of the financial status of the Special Fund for
Land-locked Developing Countries as at 31 December 1982 a/
 (US dollars)

Total pledges:	1 000 041
Of which received:	876 102
Interest income:	382 147
Total resources available:	1 258 249
Allocations for programming:	1 029 700
Commitments:	749 662
Expenditures:	296 265.

a/ Provisional

III. POTENTIAL ASSISTANCE REQUIREMENTS

11. The low level of resources available to the Fund and the requirement to distribute them equitably over time among the 21 land-locked developing countries effectively precludes the approval of all but the most modest projects. It is difficult to identify viable projects conforming to the

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mandate of the Fund within the limited amounts which can be approved for individual projects within regions. This has been a major factor inhibiting the commitment of the resources which have become available and has consequently led to interest income exceeding contributions since 1980. However, the uncommitted balance of funds is expected to diminish substantially and may be eliminated in the biennium 1983-1984 so that the only resources available for programming will be the contributions received which, on the basis of recent experience, may not exceed \$50,000. Clearly this would be totally inadequate for the attainment of the Fund's objectives and would not even be commensurate with the workload involved.

12. The special needs of the land-locked developing countries, which were the justification for the creation of the Fund, remain undiminished. The response of the international community, despite reiterated appeals, has failed to attain a level commensurate with those needs. In the absence of a very substantial increase in contributions to the Fund, and in particular an increase in the number of contributors and a consequent reduction in the burden borne by the land-locked developing countries themselves, the continuation of the Fund must surely be called into question.

IV. RECOMMENDATION OF THE ADMINISTRATOR

13. 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/1983/42);

(b) Appeal, in the light both of General Assembly resolution 36/175 on the specific action related to the particular needs and problems of land-locked developing countries and of 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.

Notes

1/ See E/1981/61/Rev.1.

2/ See DP/541 17 March 1981.

Annex

Contributions pledged to the Special Fund for Land-locked
Developing Countries: 1981 and 1982
(US Dollars)

A. All Contributions

<u>Country</u>	<u>1981</u>	<u>1982</u>
Afghanistan*	5 000	5 000
Bhutan*	1 000	1 000
Bolivia*	1 000	500
Botswana*	1 529	1 376
Brazil	10 000	10 000
Dominican Republic	-	-
Lao, People's Democratic Republic*	1 000	1 000
Lesotho*	1 000	1 000
Malawi*	2 000	2 100
Mali*	500	-
Nepal*	2 000	-
Philippines	2 500	-
Senegal	5 000	-
Swaziland*	-	887
Thailand	1 000	1 000
Togo	583	583
Tunisia	1 913	1 996
Uganda*	128	-
Zambia*	35 000	40 000
Zimbabwe*	-	2 000
Total	<u>71 153</u>	<u>68 442</u>

B. Contributions
from land-locked
developing countries 50 157 54 643

C. B as percentage of total 70 79

*Land-locked developing country.

