



G77/SS/2005/INF.1

**SECOND SOUTH SUMMIT**

Doha, Qatar, 12-16 June 2005

**EXPANSION OF PGTF RESOURCES**

THE PEREZ-GUERRERO TRUST FUND  
FOR ECONOMIC AND TECHNICAL COOPERATION AMONG  
DEVELOPING COUNTRIES  
**(PGTF)**

THE PEREZ-GUERRERO TRUST FUND FOR ECONOMIC AND TECHNICAL  
COOPERATION AMONG DEVELOPING COUNTRIES  
(PGTF)

1. The Perez-Guerrero Trust Fund (PGTF) has a core capital of US\$ 6 million, US\$ 5 million allocated following the liquidation of the United Nations Emergency Operations Trust in 1983, in accordance with the provisions of General Assembly resolution 38/201, and US\$ 1 million coming from a contribution by a member country in 2004.
2. PGTF provides catalytic financial support to cooperative projects carried out by three or more developing countries members of the Group of 77. Preference is given to projects that have the largest country coverage, in particular interregional or regional projects. Eligible areas are the priorities set out in the Caracas Programme of Action on economic cooperation among developing countries - ECDC (adopted in 1981), namely food and agriculture, trade, energy, industrialization, raw materials, finance, technology, and technical cooperation among developing countries (TCDC), as well as in the Havana Programme of Action (adopted in 2000), in the areas of South-South cooperation.
3. The administration of PGTF resources is highly conservative. According to the guidelines for utilization of its resources, only interest earned can be used for supporting projects, while the core capital should be kept intact. Accounting and administration of the monies is carried out by the UNDP according to their established rules and procedures. A committee of six elected experts from the three regions of the Group of 77 acting in their personal capacities examines the project proposals and, following a positive recommendation by the Committee of Experts, the projects are approved by the Annual Ministerial Meeting of the Group of 77 held in New York at the beginning of the regular session of the General Assembly. Disbursement of funds and administrative follow-up are carried out by the UNDP.
4. Since the launching of its operations in 1986, the Fund has provided support to 146 projects and US\$ 8.8 million had been allocated to this end. A breakdown of support by areas is as follows: food and agriculture 30 percent; TCDC 24 percent; trade 18 percent; technology 9 percent; information exchange and dissemination 8 percent; other 11 percent.
5. Approved projects have benefited a large number of developing countries as well as institutions and people within these countries: 104 developing countries have been direct participants in and/or beneficiaries of PGTF-funded projects, while all member countries of the Group of 77 have been collective beneficiaries of PGTF-funded projects carried out by a large number of regional or interregional institutions and organizations of the South. The breakdown of the country coverage of projects is as follows: interregional 42 percent, sub-regional 42 percent, and regional 15 percent.
6. Following a multi-year dissemination effort, awareness of PGTF as a source of funding of South-South cooperation has significantly increased, numerous developing countries' institutions capable of preparing good project proposals have been approached and a sizeable number of eligible proposals are being submitted to PGTF. However, the modest size of PGTF has significantly limited its ability to respond to this increased demand for support.
7. The regular level of interest earnings available for supporting new project proposals was in the order of US\$400,000 to 500,000 per annum. However, in the light of the current very low level of interest rates, resources available have been significantly reduced to some US\$300,000 per annum. In order to enable PGTF to continue providing a meaningful response to developing countries needs for South-South cooperation activities, it is necessary to significantly expand its core resources. The indicated target is to double the core capital to US\$ 10 million.

8. The Havana Programme of Action provided a mandate for expanding PGTF resources by deciding to "Invite G-77 countries to contribute to the expansion of the resources of the Perez-Guerrero Trust Fund for Economic and Technical Cooperation among Developing Countries (PGTF) ..... and invite the Chairman of the Group of 77 in coordination with the Chairman of the Committee of Experts of PGTF to intensify their efforts with the developed countries and relevant international organizations and private sector to support the expansion of the PGTF....." (cf. para. 4 of the South-South cooperation section of the Programme of Action).

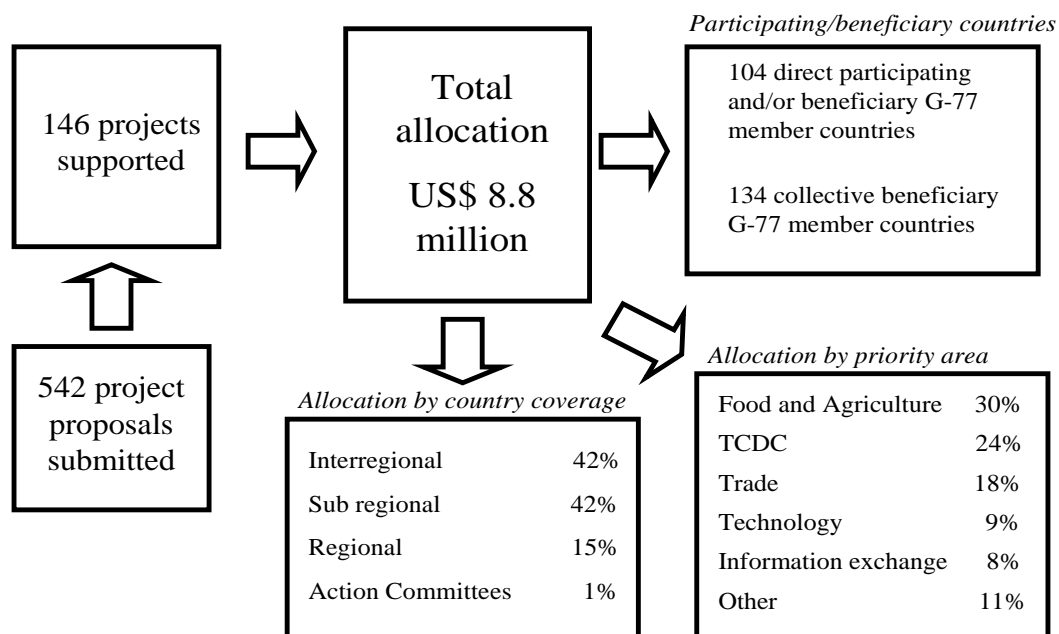
9. Pursuant to this mandate, additional resources are being sought. PGTF has already received US\$ 1,155,000 through 42 contributions made by 21 developing countries (see annex for a complete list of contributions as of 10 June 2005). They include one US\$ 1 million contribution to the core capital, six (6) contributions of more than US\$ 5,000 and thirty-five (35) smaller contributions of up to US\$ 5,000. So far, nine countries have made multiple contributions to PGTF resources. The large number of contributions and countries participating in the fund-raising effort is a strong sign of political commitment and support to South-South cooperation.

10. Contributions have become critical in supplementing interest earnings and thus partially preserving the responsiveness of PGTF to the growing needs for support of South-South cooperation. As an example, contributions already received in 2005 have increased the availability of resources for the present year by 37 percent.

11. All member countries are invited to generously contribute to expand PGTF resources. In addition to the commendable effort made by many developing countries through smaller contributions, larger contributions are being sought from developing countries in a position to contribute more, and a notional suggested range per contributing country would be US\$50,000 to 100,000. These contributions would be aimed at increasing both the core resources of PGTF and the availability of resources for supporting new projects in 2005 and onwards.

12. The Group of 77 sponsored General Assembly Resolution 58/220, dated 23 December 2003, which included PGTF in the United Nations Pledging Conference for Development Activities. Member countries are invited to utilize the upcoming Pledging Conference, scheduled to take place in November 2005 as a venue to announce their contributions to PGTF.

### PGTF activities .....at a glance (1987-2004)



**STATUS OF CONTRIBUTIONS  
TO THE PEREZ-GUERRERO TRUST FUND FOR ECONOMIC AND TECHNICAL  
COOPERATION AMONG DEVELOPING COUNTRIES (PGTF)\*  
(As of 10 June 2005)**

**I. Contributions paid**

	<u>COUNTRY</u>	<u>AMOUNT (\$US)</u>	<u>DATE</u>	<u>TOTAL</u>
1.	Algeria	2,000.00	June-1999	22,000.00
		10,000.00	April-2004	
		10,000.00	January-2005	
2.	Brazil	2,000.00	March-2004	2,000.00
3.	China	2,000.00	February-2000	2,000.00
4.	Cyprus	2,000.00	March-1999	7,775.00
		3,000.00	January-2002	
		2,775.00	May-2003	
5.	Democratic People's Republic of Korea	2,000.00	February-1999	12,000.00
		2,000.00	May-2000	
		2,000.00	March-2001	
		2,000.00	February-2002	
		2,000.00	December-2003	
		2,000.00	October-2004	
6.	Egypt	2,000.00	March-2001	4,000.00
		2,000.00	September-2002	
7.	India	2,000.00	August-1999	2,000.00
8.	Indonesia	2,000.00	March-2003	2,000.00
9.	Iran (Islamic Republic of)	3,000.00	January-1999	23,000.00
		20,000.00**	February-2005	
10.	Kuwait	3,000.00	April-2003	3,000.00
11.	Malaysia	2,000.00	May-1999	2,000.00

\* Pursuant to the provisions contained in para. 58 of the Declaration adopted by the Twentieth Annual Meeting of Ministers for Foreign Affairs of the Group of 77 (New York, 27 September 1996) as well as the decision contained in para. 47 of the Declaration adopted by the Twenty-seventh Annual Meeting of Ministers for Foreign Affairs of the Group of 77 (New York, 25 September 2003).

\*\* Represents contributions of US\$10,000 for 2004 and US\$10,000 for 2005.

	<u>COUNTRY</u>	<u>AMOUNT (\$US)</u>	<u>DATE</u>	<u>TOTAL</u>
12.	Mauritius	500.00	December-1997	500.00
13.	Pakistan	1,000.00	April-1998	1,000.00
14.	Peru	2,000.00	August-2000	2,000.00
15.	Philippines	1,500.00	September-1999	1,500.00
16.	Qatar	10,000.00	January-2004	10,000.00
17.	Singapore	2,000.00	December-1998	4,000.00
		2,000.00	September-2001	
18.	South Africa	3,000.00	August-2001	17,953.63
		6,765.90	September-2003	
		8,187.73	March-2005	
19.	Thailand	2,000.00	May-1999	6,289.90
		2,289.90	April-2002	
		2,000.00	February 2004	
20.	United Republic of Tanzania	5,000.00	January-2002	5,000.00
21.	Venezuela	1,000,000.00	September-2004	1,025,000.00
		5,000.00	September-2004	
		5,000.00	September-2004	
		5,000.00	November-2004	
		5,000.00	November-2004	
		5,000.00	May-2005	
				<b>1,155,018.53</b>

## **II. Contributions pledged to be paid**

	<u>COUNTRY</u>	<u>AMOUNT (\$US)</u>	<u>DATE</u>	<u>TOTAL</u>
1.	Namibia	1,000.00	November-2004	1,000.00
2.	Indonesia	5,000.00	November-2003	5,000.00
				<b>6,000.00</b>