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DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION: ECONOMIC
AND TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES

JOINT INSPECTION UNIT

United Nations development system support to the implementation
of the Buenos Aires plan of action on technical co-operation
among developing countries

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the report of the Joint Inspection Unit entitled "United Nations development system support to the implementation of the Buenos Aires plan of action on technical co-operation among developing countries" (JIU/REP/85/3).

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UNITED NATIONS DEVELOPMENT SYSTEM SUPPORT TO THE
IMPLEMENTATION OF THE BUENOS AIRES PLAN OF ACTION
ON TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES

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II. MANDATES AND CONCEPTS

A. The Buenos Aires Plan of Action

7. The Buenos Aires Conference, which adopted the BAPA, was attended by virtually all Member States and organizations of the United Nations system. The BAPA is not the first legislative mandate on TCDC ^{2/} addressed to United Nations system organizations, but it is unquestionably the most comprehensive and authoritative policy framework governing the TCDC operations of the system. It incorporates and supersedes earlier policy injunctions on TCDC emanating from central intergovernmental bodies, in particular the various UNDP Governing Council decisions on the 1974 report of the Working Group on TCDC. Because of its special bearing on the subject in hand, it seems necessary to recall the basic thrust of its recommendations.

8. The BAPA calls upon the developing as well as the developed countries, the UNDS, and public and private organizations to support actively TCDC. The Plan specifies, inter alia, that TCDC may rely on innovative approaches, methods and techniques particularly adapted to local needs in conjunction with the use of existing modalities of technical co-operation to the extent that these are useful. The BAPA emphasizes that TCDC is neither an end in itself nor a substitute for technical co-operation with developed countries. The Plan sets forth a number of TCDC objectives aimed at fostering national and collective self-reliance of the developing countries by enhancing their creative and technological capacities for development; pooling and sharing their human and technical resources in all spheres of development; increasing the quantum and quality of international co-operation; and improving and expanding communications among them.

9. To attain these objectives, the BAPA envisages concerted actions in all substantive sectors and geographic levels of development co-operation as follows:

- Action recommended at the national level includes, among other measures, creating increased awareness of each developing country's own capabilities, skills and experience, as well as of those available in other developing countries; establishing and strengthening the necessary supportive arrangements for TCDC such as co-ordinating and operational mechanisms, information systems, training, research and technological facilities; promoting national development programming approaches, policies and regulations in support of TCDC; and breaking down attitudinal barriers to such co-operation.

- Action envisaged at the sub-regional, regional and interregional levels is intended to strengthen intergovernmental organizations and multi-national training and research centres in order to equip them to promote, plan and implement TCDC activities, and improve TCDC information flows and systems with the support, upon request, of United Nations system organizations.

- At the global level, the BAPA would have the UNDS permeated by the spirit of TCDC with all its organizations playing a prominent role as promoters and catalysts of TCDC.

^{2/} The General Assembly adopted resolutions 325(XXIX) of December 1974 and 32/182 of December 1977 endorsing the recommendations contained in the report of a Working Group on TCDC established by the Administrator of UNDP and composed of government representatives (DP/69).

10. Recommendation 32 of the BAPA specifically invites the governing bodies of the organizations of the UNDS to make every effort to mobilize their organizations in order to contribute to implementing this Plan of Action on a continuing and intensive basis, both in their respective fields of competence and in multidisciplinary joint action. The Plan provides that such efforts should focus on promotional, co-ordinating, operational and financial issues and should, inter alia, be aimed at:

- (a) identifying TCDC solutions, or TCDC contributions to solutions, for specific development problems....;
- (b) applying TCDC approaches and techniques in their programmes;
- (c) supporting on request the preparation and execution of TCDC projects;
- (d) developing new ideas and approaches for realizing the full potential of TCDC and, for this purpose, undertake the necessary studies and analyses;
- (e) developing, strengthening or reorienting specific sectoral or sub-regional and regional information systems, and establishing functional linkages between such systems and INRES;
- (f) organizing and assisting public information support for TCDC in their respective areas of competence;
- (g) monitoring and reviewing the implementation of their activities;
- (h) utilizing to the maximum extent possible the inputs available locally and those from other developing countries.

11. The BAPA additionally recommends that "all organizations and bodies of the United Nations development system should, if they have not already done so, reorient their internal policies and procedures in order to respond adequately to the principles and objectives of TCDC. These organizations should also make the necessary internal adjustments and arrangements in their secretariats in order to integrate TCDC in their programmes of work. These arrangements should be result-oriented and should promote TCDC in the operational activities of these organizations"(recommendation 33). The special tasks entrusted to UNDP under the BAPA (recommendation 34) and the financial arrangements for TCDC envisaged in recommendation 38 are discussed at a later stage in this report.

12. The BAPA was endorsed by the General Assembly in resolution 33/134 which, among other directives, requested "the organs, organizations and bodies of the United Nations Development system, including the regional commissions, to take expeditious action, within their respective fields of competence, for the implementation of the Buenos Aires Plan of Action". Virtually all the governing bodies of the specialized agencies have equally endorsed the BAPA and urged its application in the agencies' sectors of competence. 3/ It must, therefore, be concluded that there is broad system-wide acceptance of the BAPA as a binding legislative framework for United Nations system support for TCDC.

3/ See report of the Secretary-General (E/1984/46), paragraphs 39-49).

B. Other mandates

13. The above-mentioned report of the Secretary-General (E/1984/46) contains an analysis of the mandates guiding United Nations system organizations in their support for economic and technical co-operation among developing countries from 1964-1983 and identifies a total of 445 mandates, of which 245 were issued after the Buenos Aires Conference. Although the report recognizes the difficulty of distinguishing between "complex mandates of fundamental importance and simpler ones of more limited scope", the large corpus of legislative measures adopted since 1978 compared to the preceding period demonstrates in some sense the growing importance that this subject has acquired within the international community.

14. However, many of these legislative directives, in terms of their substance, scope and degree of precision, are neither fully consistent nor suggestive of priority goals for the United Nations system in their support of TCDC and ECDC in general, and the BAPA in particular. This fact, coupled with the multiplicity of mandates, has given rise to the observation that what has emerged is a set of vague signals rather than a progressive articulation and refinement of policy measures aimed at mobilizing and focusing the efforts of the system in favour of a particular Plan or Programme of Action. As a result, most organizations of the system have tended to give declaratory support to system-wide mandates such as BAPA while in practice they are guided by the specialized mandates enacted by their governing bodies. It can be inferred, therefore, that this flood of mandates has had less than a positive effect on the response of the UNDS to the BAPA.

15. The weakening of the momentum generated initially by the Buenos Aires Conference may have another source: the increasing blurring of the distinction between TCDC and ECDC after that Conference and the resulting vagueness of some of the legislative injunctions addressing both forms of co-operation. While TCDC and ECDC are both aimed at reinforcing linkages and exchanges among developing countries, the difference between the two derives from the manifest functional role of the former as an instrument for promoting the broader ECDC ambit. This functional difference has resulted in a division of institutional and constitutional responsibilities, so that UNDP which is the central channel for the United Nations system's multilateral resources has been given responsibility for catalyzing and promoting TCDC throughout the system, whilst UNCTAD whose field of competence is trade and economic development issues has the responsibility for promoting ECDC. Nevertheless, one difficulty in trying to separate the two concepts is the fact that "technical co-operation" is used in the United Nations system, generically, to include all forms of economic, technical, technological, scientific, and even cultural co-operation. The Inspector considers that there might be a need to remove whatever ambiguity exists. A separation of the two issues in legislative directives and reporting requirements of the United Nations system consistent with the present division of institutional responsibilities for promoting TCDC and ECDC, might be a first step.

16. Finally, TCDC and ECDC, and more specifically the Buenos Aires Plan of Action and the Caracas Programme of Action including its antecedents, should in no way be perceived by the United Nations development system as competing with each other for priority attention and the declining resources of the system. For this reason, it would seem essential to ensure that intergovernmental mandates on these issues are sharply focused on priority objectives.

C. Concepts

17. The Inspector perceived, in several organizations, an insufficient grasp of the distinction between TCDC and "traditional" technical co-operation. For many, there is very little or no difference, resulting in a tendency to mix the two indiscriminately. The precise role of the United Nations system in promoting TCDC thus becomes obscure as a result: some organizations have observed that they have been practising TCDC since they were established. This circumstance has made it difficult to measure in quantitative terms the extent to which United Nations organizations and agencies are carrying out the tasks entrusted to them under recommendation 32 of the BAPA. The Inspector recognizes that differentiation of the concept of TCDC from that of traditional technical co-operation is not made easy, the more so as the BAPA contains no explicit definition of what is or is not TCDC, for two important reasons:

- first, the policy objectives of TCDC and those of traditional technical co-operation as enunciated in General Assembly resolution 3405(XXX) of 1975 on new dimensions in technical co-operation do converge in some important aspects. For example, both stress the concept of self-reliance as well as the development and maximum use of local capacities and resources;

- second, project execution by Governments and institutions in the recipient countries is also a common principle.

18. A 1979 UNDP report on this subject (DP/373) attempted to get around that difficulty by specifying that "the sharing of developmental experience, of technical resources, skills and capabilities between developing countries for their mutual development distinguishes TCDC from "traditional" flows of technical co-operation"; and that a second distinctive characteristic lies in the organizing and managing impetus which must reside mainly with the developing countries themselves. The report emphasized that project inputs "are provided entirely or in large measure by the participating countries".

19. The above elements which place initiating responsibility for TCDC squarely on developing countries were by and large incorporated in the "basic guidelines" of TCDC laid down in 1981 by the High-Level Committee (Decision 2/9), and reflected in the UNDP Policies and Procedures Manual in the following forms:

- (a) TCDC activities or projects involve the deliberate and voluntary sharing or exchange of technical resources, skills and capabilities between two or more developing countries for their individual or mutual development;
- (b) TCDC is initiated, organized and managed primarily by developing countries themselves. In such a process, Governments of developing countries would usually take the lead or responsibility. TCDC could also involve the participation of public institutions, private organizations and individuals;
- (c) The financing and project inputs such as expertise, consultancy services, research and training facilities, equipment and supplies in TCDC activities should be the primary responsibility of developing countries themselves, and developed countries' resources and the country IPF should be considered as a catalyst and a supplementary contribution only;

- (d) TCDC can include all sectors and all kinds of technical co-operation activities of developing countries. It can be bilateral or multi-lateral in scope, sub-regional, regional or interregional in character. It should try, whenever possible, innovative approaches, methods and techniques particularly adapted to local needs as well as existing modalities of technical co-operation to the extent that they are considered useful.

20. These basic guidelines, while properly emphasizing the predominant role of developing country Governments with respect to TCDC projects, do not specify the catalyzing role expected of UNDS. Clarifications offered in the UNDP Policies and Procedures Manual seem to have failed to achieve the desired effect. They also do not clearly define the role to be played by UNDS in TCDC activities referred to in paragraph 9 above. It seems that this lacuna has led organizations to interpret rather flexibly and differently the role of UNDS in promoting TCDC activities. There is no need to emphasize that this has resulted in differing approaches to the implementation of BAPA; thus, a number of organizations have adopted either a passive approach or have interpreted their traditional activities as TCDC support and fulfilment of the BAPA Mandate.

21. Few organizations have made genuine efforts to meet their TCDC responsibilities because of their view that TCDC initiatives must originate from the Governments concerned. This view is not shared by the Inspector, since even traditional technical co-operation projects must, as a matter of policy and good sense, originate from host Governments and be organized and managed by them. This principle is textually provided in section 3411 of the UNDP Policies and Procedures Manual, and reaffirmed in Decision 25/20 adopted by the UNDP Governing Council on 3 July 1978 on the JIU report on the Role of Experts in Development Co-operation (JIU/REP/78/3). ^{4/} For ease of recall, operative paragraph 4(a) of that decision reaffirmed that:

"A project assisted by the United Nations system is essentially an undertaking of the government which, while retaining the responsibility for its initiation, formulation, implementation and follow-up, seeks the co-operation of the United Nations organizations in the process or parts thereof. The overall management responsibility for the project rests with the government and, in this sense, every project receiving the technical co-operation of the United Nations system is government-managed."

Operative paragraph 4(b) of the same decision provides that "within this broad concept of government management, the government may execute the project under government execution arrangements, as approved at the twentieth, twenty-second and twenty-third sessions of the Council, thus retaining full responsibility for all aspects of the project execution, or it may utilize the traditional execution arrangements."

22. It is common knowledge that these policy principles have not restrained the United Nations system from assuming, in practice, an active and even lead role in initiating, planning, organizing and executing projects of the traditional type. Thus, while the lead and overall management responsibility of recipient Governments is spelled out in both TCDC and traditional forms of technical co-operation, only the guidelines on TCDC appear to have given rise to an unduly restrictive interpretation of the United Nations system's role.

^{4/} See also decision 79/48 of the Governing Council on the same JIU report.

23. UNDS's role, as narrowly interpreted, suggests that TCDC is in effect considered peripheral to if not remote from the mainstream of multilateral development co-operation and not as an alternative, more cost-effective, modality of technical co-operation better suited to the needs of many developing countries. Sharper focusing on TCDC by Member States seems to be an imperative in order to correct the existing imbalance. If this is to be achieved, a clear, commonly accepted interpretation of TCDC guidelines is needed to ensure that organizations and agencies of the system search for and promote TCDC opportunities as they do traditional technical co-operation projects. Flexibility of interpretation of the guidelines should be resisted and should not be confused with innovative approaches to TCDC operations.

24. Another conceptual issue that needs to be clarified concerns the distinction between promotional and operational TCDC activities. Promotional activities aim to strengthen the capacity of developing countries to engage in such activities as: identifying TCDC potentials; bringing parties together; organizing training on TCDC. collecting, processing and disseminating information. Operational activities involve the actual sharing and exchange of technical resources and skills between two or more developing countries and include: designing TCDC projects; assisting and participating in the execution of TCDC projects; and strengthening regional or interregional institutions used for TCDC purposes (PPM : 3610). In his discussions with the agencies' headquarters and field officials, the Inspector noted that the distinction between the promotional and operational aspects of the United Nations system's role was as little understood as the differentiation between TCDC and traditional approaches. In several cases even resident co-ordinators were inclined to consider traditional use of the IPF in financing study tours, seminars and other group meetings of a sub-regional, regional and interregional character as operational TCDC activities. This confusion is equally apparent in the 1985 COPA report on economic and technical co-operation among developing countries mentioned in paragraph 4.

25. While the promotional aspect is definitely important and must not be underrated, the Inspector has noted a widespread tendency for United Nations system organizations to consider their support for workshops, seminars and inter-country institutions and networks as fulfilment of their responsibility for TCDC. This is but a part of their mandate. This tendency might be explained by the fact that the organizations' promotional TCDC role and activities constitute an age-old dimension of their normal, traditional technical co-operation policies and practices. In contrast, operational support for TCDC by the system would require innovative approaches as well as a reorientation and adjustment in existing policies and procedures of traditional operational activities as called for in the BAPA and as suggested below.

26. Although it may never be possible to achieve a hard and fast distinction between the BAPA conceptual framework of TCDC and traditional forms of development co-operation in view of some areas of convergence between the two approaches, as noted earlier, it would seem indispensable to clarify the guiding principles of TCDC and have a commonly agreed definition.

27. The basic guidelines referred to in paragraph 19 offer at least three distinguishing characteristics of a TCDC activity:

- The first, under (a), involves an agreement between two or more developing country Governments participating in a TCDC activity. This normally should be reflected in project documents. Specific TCDC techniques and mechanisms should be apparent.

32. In order to discharge its expanded responsibilities under the BAPA, UNDP proposed a number of measures in a document entitled: "Strengthening the capacity of UNDP to promote and support technical co-operation among developing countries" (DP/393 of 2 April 1979). This document, which provided a detailed description of the complex of functions envisaged for the Special Unit in paragraph 59 of the BAPA, demonstrated the unequivocal commitment of top management of UNDP to the BAPA objectives. In a nutshell, these functions included, among other activities, the carrying out of research, studies and analyses with regard to TCDC issues and problems; financial arrangements for TCDC; development and strengthening of INRES and the Inquiry Service and promoting their wider use through appropriate linkages with other information systems in other organizations and national entities; co-ordination of TCDC matters within UNDP; promoting the wider use of developing countries' capacities; facilitating the co-ordination of the promotional and operational TCDC activities of the United Nations system; and providing substantive support to meetings of the High-Level Committee.

33. To enable the Special Unit to discharge these functions effectively, the Administrator of UNDP submitted new staffing proposals for 1980 to the Governing Council which reduced these proposals. The approved staffing level was further cut by 30 per cent by the Administrator, as part of staff reductions throughout UNDP in 1982. This latter move, viewed in the context of overall staff cuts of 8 per cent, ^{5/} suggests that the Special Unit was among the hardest hit. The table below provides details of the shift in staff resources:

STAFFING OF THE SPECIAL UNIT FOR TCDC

	Prior to TCDC conference	After TCDC conference (UNDP proposals in DP/393 of April 1979)	Approved by Council decision 79/29)	Situation after 1982 reductions by UNDP Administrator
Assistant Administrator		1	-	-
D-2		-	1	1
D-1	2	2	2	1
P-5	1	2	2	1 + 1 L-5 (INRES)
P-4		2	1	-
P-3	1	1	1	1
P-2		-	-	-
Total Professional and above	4	8	7	4 + 1 L-5 (INRES)
Total General Service	3	7	7	5 + 1 Temp. (INRES)

^{5/} See DP/1982/52

34. Whilst the scaling down of the Special Unit since 1979 may reflect the result of competing claims for limited resources rather than a decreasing emphasis on TCDC within UNDP, its impact, nonetheless, has been to check the major TCDC orientation which the Administrator had intended to introduce into the Programme in 1979.

35. After reviewing the functioning of the Special Unit, the Inspector concludes that, despite its reduced staffing level, the Unit is playing an extremely useful catalytic role within UNDP.

36. Many of the Unit's functions extend beyond the immediate UNDP perimeter, however, and it has not proved possible to cope with all of them. These include: substantive support to the meetings of the High-Level Committee; co-ordination of the activities of UNDP in the field of TCDC with those of the participating and executing agencies as well as the regional commissions in the field of TCDC; strengthening of the TCDC focal points of host Governments and assisting in developing their TCDC legislation, policies and procedures, as well as information systems; developing model contracts and terms and conditions of service for TCDC experts; and organizing training programmes on TCDC for government officials and staffs of organizations within and outside the United Nations system. All these functions are equally important for the global promotion of TCDC and the extent to which they can be performed by the Unit is dependent on its staffing strength. Much is left to be done by way of assisting Governments to strengthen their focal points and information systems, and in organizing more training sessions for government officials and United Nations system operational staff on TCDC.

37. An important responsibility of the Special Unit is the further development of the global Information Referral System (INRES), established by UNDP in 1975, and the expansion of the System's Inquiry Service to facilitate rapid matching of specific needs of developing countries with available capacities. Following publication of two directories in 1977-1978, it was decided to establish a computerized INRES data bank. The project was launched in 1982. After some setbacks the data bank is usable: it contains some 50,000 items on capacities and needs of developing countries. A booklet containing operational instructions has been distributed to Member States and organizations of the United Nations system. Promotional visits to potential user-countries and orientation seminars for government TCDC focal points have been planned. Hundreds of enquiries are reported to have been answered already.

38. In some circles, expectations run high about the value of INRES. However, some United Nations and government officials have sounded words of caution:

- developing countries' capacities and needs keep changing; thus to be of value INRES will need periodic updating.
- there are other, more practical, means and ways of identifying capacities and needs such as UNIDO's Solidarity Ministerial Meetings in the LDCs, the intergovernmental consultation on TCDC sponsored by the Government of China, and assisted by UNDP and ESCAP, and the practice of some FAO regional offices of using sub-regional and intercountry group meetings for the identification of the needs and capacities of the participating countries.

Obviously, INRES cannot be useful if its data base is not regularly updated, and if the information requested by users is not provided with the least possible delay. But the INRES facilities ought not to preclude recourse to

other forms of identifying capacities and needs. On the contrary, the use of other approaches and information systems should in the course of time show whether or not INRES has been a useful investment. In the view of the Inspector, the next major task should be the linking of INRES facilities to other United Nations system information systems at the global and field levels, as well as with national data bases. In particular, INRES should be integrated with the information systems of the regional commissions which should participate more actively in matching TCDC capacities and needs in their respective regions.

39. The Inspector concludes that the Special Unit will be unable to carry out its full range of responsibilities without some increase in staff and accordingly recommends that the Unit be strengthened, if possible through staff redeployment.

2. Other UNDP units

40. During his discussions with staff of the UNDP regional bureaux and country offices, the Inspector noted that despite the various TCDC policy instructions issued by the Administrator since the Buenos Aires Conference, in particular the 1981 "basic guidelines" of TCDC in section 3602 of the UNDP Policies and Procedures Manual, the concept remains largely misunderstood. Perhaps this is why TCDC has not yet been introduced decisively in the programming practices of these Units. Among those who grasp the concept, doubts were expressed about its usefulness and viability. At any rate, both at Headquarters and in the field, the staff are immersed in traditional technical co-operation activities and TCDC initiatives are dependent on individual awareness and motivation rather than on a conscious and systematic effort to promote and apply the concept.

41. Hopefully, this state of affairs may improve as a result of the following new and welcome initiatives.

- the Administrator has decided that the early stages of country and regional programming and project formulation will see "more active efforts to identify activities of mutual interest to countries, particularly those with natural political or economic links which could serve as the basis for UNDP-supported TCDC projects, as a means of stretching the Programme's limited resources." (TCDC/3/6). This responsibility should fall on field offices assisted by regional bureaux.
- the Administrator has designated the Deputy Head of each regional bureau and the Division for Global and Interregional Projects as TCDC focal points. They would, among other TCDC-linked duties, identify and overcome problems of a TCDC nature in the areas of their coverage.
- a Standing Committee on TCDC, comprising the above focal points, has been established and has already held several meetings chaired by the Director of the Special Unit for TCDC.

Other activities likely to prove of benefit include:

- the continuation of the publishing, three times per year, of TCDC News whose current circulation reaches 30,500, in five languages.
- an extension of the Inter-Agency Procurement Services Unit's (IAPSU) coverage to include potential procurement sources in developing countries.

- the increasing use of regional and cluster meetings of resident co-ordinators as forums for discussing the TCDC modality.

42. The extent to which the above-described arrangements will be effective in promoting the field application of the TCDC principle might ultimately depend on complementary measures in the area of UNDP policies and procedures. The above-mentioned Standing Committee on TCDC has, in its terms of reference, the important function of reviewing UNDP's policies and procedures concerning TCDC, and of preparing draft recommendations for modifications. Currently, TCDC projects are subject to the same rules and procedures governing the various stages of the project cycle as well as bidding and procurement procedures under traditional execution arrangements. Some revisions have recently been introduced to accommodate TCDC projects, ^{6/} but the impact of these revisions is not yet felt at the field level. As such, it has not been possible to assess whether existing policies and procedures have been adequately adapted to be consistent with the expected significant TCDC orientation of the Programme. This question should receive the thorough attention of the Standing Committee on TCDC.

43. The foregoing paragraphs have summarized the institutional measures adopted at UNDP headquarters in line with the recommendations of the BAPA. The conclusion that may be drawn is that notwithstanding the reduction of the staffing strength of the Special Unit and delays in the development of INRES, some significant internal adjustments have been instituted with the aim of furthering the BAPA objectives. Many of the measures were taken only very recently, following several years of hesitation and little concrete results. With INRES having become operational and as the Standing Committee on TCDC moves into its stride, the stage is being set for TCDC to spread throughout UNDP and for the latter to better play its catalytic role,

C. Other United Nations system organizations

44. As far back as 1974, the report of the Working Group on TCDC, endorsed by the UNDP Governing Council and the General Assembly, had recommended that organizations of UNDS should review their procedures, organizational arrangements, programmes and projects and make adjustments therein to facilitate TCDC (recommendation 25), and that focal points should be established in each participating and executive agency and regional economic commission for promoting TCDC (recommendation 31).

1. Focal points

45. Several United Nations organizations and specialized agencies have since established TCDC focal points. ^{7/} These focal points vary a great deal in terms of their staff size and grade, functions and authority, and location within the organizations. In most cases focal points consist of a single officer, usually a senior official responsible for the technical co-operation programme of the organization concerned. In such cases, their central TCDC role is a part-time activity given over to co-ordinating the preparation of periodic reports on the TCDC activities of their organizations for submission to UNDP; liaising with field offices and representatives; and advising the executive head on TCDC matters. This applies to the TCDC focal points in ILO, UNESCO and WHO, with the difference that the latter organization also has regional TCDC sub-committees and focal points in its regional offices in addition to its global focal point which is based in the PAHO office in Washington.

^{6/} See TCDC/3/6, para. 12.

^{7/} See full list in 1985 COPA Report .

that not enough has been done by the United Nations system so far to help ease such obstacles. The Inspector noted in the countries visited that awareness of the TCDC concept is largely uneven. While some national focal points are well organized and briefed on TCDC potential others have little knowledge beyond general political support for the concept. Only in a few cases does TCDC awareness seem to have descended from government focal points to the level of national institutions which are normally agents for co-operation. For all these reasons, the country programming process has hardly begun to be exploited systematically with the aim of giving practical content to the TCDC concept at the country level. It may be relevant to note in this regard that the present UNDP approach to the preparation of country programmes 10/ emphasizes the identification of technical co-operation needs and the formulation of objectives and activities to meet those needs, without adequate or explicit indication of possible strategies and methods of action to be employed in programme delivery, other than through the traditional approach.

56. Recently, as mentioned in paragraph 41, the Administrator of UNDP has urged UNDP field offices to focus on identifying, in the early stages of country and regional programming and project formulation, "activities of mutual interest to countries, particularly those with natural, political or economic links which could serve as the basis for UNDP-supported TCDC projects." 11/

57. In order to facilitate the application of these measures, the Inspector recommends that, in future, country programmes should clearly indicate those sectors, sub-sectors and projects, or project components, in the areas of human resources development, rural development, appropriate technology, etc., which might be amenable to the TCDC modality or other innovative and less costly methods than the traditional assignment of experts by the agencies. This approach would require the identification of the domestic capacities of the country(ies) concerned at the early stage of project preparation and efforts to identify specific TCDC inputs. In fact, governments should be informed that the commitment of country IPF resources would be approved only after UNDP was satisfied that all locally available capacities had been reflected in the programme document and that the TCDC modality had been fully explored. The principle of continuous programming should facilitate a fresh scrutiny of ongoing projects in order to find out whether some of these or parts thereof might not be more economically executed under TCDC arrangements. In carrying out this responsibility, country offices would have to draw on INRES data when they themselves were unable to identify experts and facilities available in countries other than those to which they are accredited. The Standing Committee on TCDC should be charged with close monitoring and reporting on the extent to which field offices exploit TCDC opportunities in their programme implementation activities.

2. Regional programming

58. Document DP/1982/42/Add.1 provides an overview of TCDC activities under the regional and interregional IPFs of UNDP. It concludes that while the number of regional projects having a TCDC orientation has been increasing, the design of the projects could include more of the basic elements of TCDC and thus benefit the implementation aspects of individual projects and programmes as a whole. The document states: "In many cases, the word TCDC appears for its own sake, rather than indicating that it is a modality used (a) to build up institutional and framework capacities, (b) to support directly operational

10/ See UNDP Policies and Procedures Manual, section 3212.

11/ Measures to facilitate technical co-operation among developing countries (TCDC/3/6), para. 29.

development projects in a region, or (c) to promote development programmes with such advantages as sharing, pooling, exchanging and collaboration clearly in sight. The purpose to be realized by TCDC needs to be more clearly stated in each project."

59. The Inspector generally concurs with these observations since they confirm his findings and previous conclusions by JIU on the subject. ^{12/} Although it is recognized that regional or intercountry projects are most conducive to TCDC operations very little has been done so far to use this potential. Most regional projects continue to be implemented through traditional forms of co-operation. TCDC mechanisms and modalities have not been used at regional programming or review conferences. The TCDC Special Unit has not been included as an active participant in these conferences.

60. The regional programmes of UNDP include many sub-regional and regional institutions, and network arrangements, for which the specialized agencies serve as executing agents and receive project support costs income. Some of the network arrangements financed by UNDP and backstopped by FAO, ILO, UNESCO and WHO in Asia and the Pacific and Latin America and the Caribbean are blended with or based on TCDC principles, for example, the FAO Regional Animal Production and Health Commission for Asia, the Far East and South-West Pacific (APHCA) and the WHO TCDC Centre in Zagreb (Yugoslavia). Whilst some have strong TCDC components - the UNESCO Asian Programme for Educational Innovation for Development (APEID), and the ILO-supported Inter-American Research and Documentation Centre on Vocational Training (CINTERFOR) - the significant participation of developed countries in these projects calls into question their true nature as TCDC activities in accordance with the characteristics described in paragraph 27.

61. Notwithstanding these and other similar successful examples of United Nations system support for TCDC institutional frameworks, JIU has found in its previous studies that the vast majority of sub-regional and regional institutions supported by UNDP and the agencies have never attained the goal of self-sufficiency and self-reliance because of lack of adequate support by the participating countries. Many of these institutions which have been included in successive UNDP programming cycles and were established long before "New Dimensions" remain dependent in varying degrees on United Nations system assistance for survival. This situation has not changed significantly since the advent of TCDC partly because the United Nations system has not adequately reoriented its support of these institutions towards clear TCDC objectives, and partly because of the reluctance of the participating countries, especially the LDCs, to phase out UNDP funding.

62. The Inspector suggests that the support provided by UNDP and the executing agencies to sub-regional and regional institutions should henceforth be directed to enabling them to become veritable centres and instruments of TCDC on the basis of the following criteria:

- (a) the institutions must be managed by the Governments themselves, and legally constituted to reflect the Governments' fundamental responsibilities, exactly as in the case of sub-regional and regional economic groupings (ASEAN, ECOWAS, CARICOM); the special case of the LDCs and other disadvantaged countries should be taken into account.

^{12/} See, in particular, the JIU report on Assistance by the United Nations system to Regional Inter-country Technical Co-operation Institutions (JIU/REP/80/10).

- (b) the institutions should increasingly be used as executing agencies either directly or through subcontract arrangements with organizations of the system. Such an approach would not only contribute towards the financial viability of these institutions but should also strengthen their substantive programmes.
- (c) United Nations system technical support should be provided under the TCDC modality involving governments, institutions or individuals as far as possible.

3. Interregional and global programming

63. Although the interregional and global programmes of UNDP are designed and managed at UNDP Headquarters, they include important TCDC promotional projects, such as the International Centre for Public Enterprises in Developing Countries (CPE) in Ljubljana (Yugoslavia), Training Development in the Field of Maritime Transport (TRAINMAR), Course Development in the Field of Telecommunications (CODEVTEL) or the ECA/ECLAC-supported project: promotion of technical and economic co-operation between Africa and Latin America which enabled the identification in 1980 of a number of TCDC/ECDC opportunities in several sectors involving countries of both regions. These and other similar projects constitute a valuable infrastructure for the development and expansion of both TCDC and ECDC. In addition to these activities, interregional and global programming of projects could be geared in the future towards expanded training of governments' operational staff on the processing and implementation of TCDC projects. For example, an umbrella TCDC project for training young specialists from developing countries similar to the Associate Expert Scheme of UNDP proposed in the JIU report on the Role of Experts in Development Co-operation could be undertaken. Such a scheme could in a few years give practical on-the-job training to thousands of young men and women and greatly increase capacities of developing countries for TCDC. This approach would effectively complement TCDC endeavours at the country and regional levels.

64. Special Programme Resources (SPR) have been the main source of funds since 1979 for the support of interregional and global TCDC activities. By the end of 1983, approximately \$1.5 million had been programmed for both promotional and operational TCDC activities in various sectors. Even though many of these activities are still in progress, some valuable lessons have already been drawn from the interregional project: "Promotion of Action-oriented TCDC activities" (INT/83/904) which was launched in 1983 following decision 3/5 of the High-Level Committee which urged the Special Unit to engage in specific "action-oriented promotional activities". To this end, the High-Level Committee requested the UNDP Governing Council to consider the possibility of allocating \$1 million from the SPR for the period 1984-1985. By decision 83/15, the Council authorized an allocation of \$600,000 for this umbrella project which became active on 21 October 1983.

65. The objective of the project is (a) to provide direct support at the inter-country level in terms of training and exchange of expertise and to encourage and promote the voluntary sharing and exchange of technical resources, skills and capacities through action-oriented TCDC activities, and (b) to provide direct support to all developing countries and territories with a view to strengthening their TCDC capacities and potential. By 15 March 1984, this project had generated 66 requests from 59 countries, requiring the programming of \$778,400 broken down as follows, by component: 13/

13/ Analysis of the Special Unit for TCDC in a discussion paper presented at the Regional Meeting of the Regional Bureau for Latin America, in the Dominican Republic, 12-17 November 1984.

Experts	\$362,100	46.5%
Training	\$404,300	52.0
Equipment	\$ 12,000	1.5
Total	<u>\$778,400</u>	<u>100.0%</u>

Under the project, 94 experts were exchanged among 59 countries at an estimated cost of \$362,100 and 114 nationals are expected to benefit from various training programmes hosted by institutions in developing countries at an estimated cost of \$404,300. It is noteworthy that the expert component cost under this project amounts to 46.5% and the training component to 52.0% compared to about 70% and 10% respectively in traditional forms of technical co-operation. Similarly, the estimated annual cost of one TCDC expert in this project stands at \$3,582, whereas the same developing country expert recruited and paid at the medium level (P-4) under the traditional system of project delivery would have cost UNDP about \$70,000 ^{14/}, with variations depending on the post adjustment class. Further, the training of one national under traditional fellowship arrangements within the developing regions would have cost UNDP \$16,200 per annum on the basis of 1983 applicable rates compared to only \$3,546 per annum under the TCDC project being reviewed.

66. Experience gained thus far by the Special Unit in connection with this project includes the following main elements among others: ^{15/}

- (a) For 61 requests analysed at an estimated cost of \$674,400 to UNDP, the donor and recipient Governments are contributing \$2,238,192; i.e., for every \$1.00 spent by UNDP, the co-operating Governments are contributing \$3.32.
- (b) Experts and training are being provided in the key sectors in which UNDP's traditional forms of technical assistance tend to concentrate.
- (c) The same inputs delivered under project INT/83/904 would have been four times higher under traditional forms of technical co-operation.
- (d) The fact that the co-operating Governments are willing to contribute to the cost of each TCDC activity under the project is an indication of the willingness of developing countries to accept the TCDC modality if seed money is provided.

67. The success of this project has been such that the Administrator has had to request an additional \$800,000 from the SPR to ensure its continuation. However, the programming of project activities could benefit from more systematic forward planning. At present, programming is ad hoc and dependent on resource allocations approved by the Governing Council from year to year. In considering further ways and means of expanding the positive experience gained on this project, the Administrator may wish to consider making its continuous programming one of the main functions of the Special Unit with financing being provided from interregional and global IPFs on an assured and predictable basis.

^{14/} See UNDP 1983 pro forma figures for computing budget estimates for projects financed from United Nations sources (UNDP, UNFSTD, UNFPA, UNFDAC and UNEP).

^{15/} See also the latest progress report on this project (TCDC/4/6) which provides the most up-to-date statistics, as at 15 February 1985, on project activities and confirms the very positive results of these activities.

B. Other United Nations system organizations

68. With the exception of some United Nations entities (regional commissions, UNIDO and UNCTAD), TCDC is scarcely reflected in the programme budget documents of United Nations system organizations either as a programme or sub-programme in itself or as an important method of action for the delivery of technical co-operation. True, reference is made to TCDC in the introduction to the programme budgets of some organizations (FAO, ILO, WHO) while UNESCO's second medium-term plan (1984-1989) mentions "the continuation of efforts to promote technical co-operation among developing countries" as one of numerous other actions envisaged under its Major Programme VIII: "Principles, Methods and Strategies of Action for Development". These references are, however, of a declaratory nature and hardly supported by specific TCDC provisions in the budgets and programmes of work of these organizations. Attempts to identify TCDC activities in programme budgets revealed that these activities, mostly of a promotional character, are very much interwoven with traditional technical co-operation projects and no special budgetary provisions exist for support of field TCDC activities. In the following paragraphs the Inspector summarizes the programming, monitoring and reporting approaches of some organizations with regard to their TCDC endeavours as reviewed by the Inspector between June 1984 and March 1985.

1. FAO

69. As mentioned in the preceding chapter, FAO has a well-established TCDC focal point which is contributing to infuse the TCDC principle in all FAO's major programmes of work. At the field level, the Inspector could hardly identify country-level operational TCDC activities supported by FAO. But he found some at the intercountry level which were not programmed, such as support to the intergovernmental consultations on TCDC, organized in Beijing in November 1983, or other TCDC operational activities in various areas of agriculture, forestry, or fisheries, in the context of regional institutional networks, especially in Asia and the Pacific region. Examples include the Asian and Pacific Regional Agricultural Credit Associations (APRACA) which involves 53 institutions in 19 countries or the Association of Food Marketing Institutions in Asia and the Pacific (AFMA), a network covering 25 institutions in 11 countries and geared towards systematic exchange of information on various aspects of food marketing on a TCDC basis. The Animal Production and Health Commission for Asia, the Far East and the South-West Pacific (APHCA) was designed to speed up the implementation of TCDC activities. Similar activity was identified in Latin America and the Caribbean region. These activities are usually subsumed under traditional forms of technical co-operation and consequently not systematically reported as TCDC. In the circumstances, it is difficult to obtain an accurate figure of the amount FAO is spending in support of TCDC field activities, the more so as no separate TCDC provision is made in the organization's programme budget. However, FAO's regular (TCP) programme includes many TCDC promotional projects.

2. UNIDO

70. Support to TCDC and ECDC is an identifiable and separate sub-programme in UNIDO's programme budget. The Focal Point Unit is the main feature of this sub-programme and most of its current activities concern TCDC. Regular monitoring and reporting are ensured, and financing is provided by 9% of UNIDO's regular technical co-operation resources. A decision has already been taken to have a separate agenda item on ECDC/TCDC support at annual conferences. UNIDO's TCDC activities are focused on Ministerial Solidarity Meetings on TCDC designed to match the needs of LDCs with the skills available in other developing

countries. These have resulted in a number of TCDC projects. The high-level and ministerial meetings in specific industrial sectors, or joint programmes with individual developing countries' agencies and support of enterprise to enterprise co-operation under ECDC schemes have resulted in some important TCDC promotional activities. The Inspector, however, could hardly identify any operational TCDC projects in the field assisted by UNIDO. The activities reported as falling under TCDC were found to be mostly regular programme activities.

3. ESCAP

71. Support to TCDC and ECDC together is provided at the programme level, and includes both substantive and operational support. However, ESCAP has thus far provided no direct support to TCDC operations in the field, but it is making a significant contribution in the identification of needs and capacities within its Member States, and the negotiation of operational projects. For this purpose, it organizes intergovernmental meetings for TCDC, such as the one staged in Beijing from 1 to 12 November 1983. These meetings constitute an important forum for the identification and programming of TCDC projects of a bilateral nature. The Commission has not yet established a reliable monitoring and reporting system for its TCDC efforts. This gap should be filled. Also besides the TCDC fund supported by the Netherlands, no other source of financing has been secured.

4. Other regional commissions

72. The TCDC activities of ECA, ECWA and ECLAC are concentrated on the promotional aspect and consist for the most part of support to intergovernmental meetings and intercountry regional institutions, as well as workshops and seminars. These activities embrace TCDC and ECDC concerns, usually focused on support to regional and sub-regional institutions and economic integration movements. Overall, it does not appear that significant adjustments have been made in the work programmes of the three regional commissions under review in order to clearly delineate their TCDC functions and responsibilities, as distinct from their regional constitutional mandate to promote economic co-operation and integration in their respective regions. The activities reported by the commissions are wide-ranging, especially those undertaken by ECLAC, but can be considered to fall mainly within the realm of their traditional activities combining elements of promotional TCDC and ECDC. In these circumstances, the TCDC modality of technical co-operation has not yet found full operational expression in the work of these regional commissions. In view of the success and experience registered in connection with the umbrella project described above for action-oriented promotional TCDC activities, the Inspector suggests that similar projects be tried at the regional level, with the regional commissions providing the necessary administrative support. In this connection, consideration should be given to earmarking a percentage of the regional IPF of UNDP for the support of specific action-oriented TCDC activities within the various regions. In addition, steps should be taken to integrate INRES facilities with the information systems of the regional commissions and to reinforce co-operation between UNDP and the commissions in the area of TCDC.

5. WHO

73. The commitment of WHO to the principle and objectives of TCDC is reflected in the many resolutions and decisions adopted on the subject by the World Health Assembly, the Executive Board and the regional committees of the Organization. The importance of TCDC in the area of health received recognition in the 1978 International Conference on Primary Health Care, organized by WHO and UNICEF in Alma Ata, USSR. TCDC was also the subject of "Technical Discussions" at recent sessions of the World Health Assembly. These discussions identified major areas amenable to TCDC in the health field, such

as research in health manpower development which was considered a primary area for TCDC expansion, or the local (national and regional) manufacture and quality control of essential drugs, including the production of vaccines and biologicals, the control of certain diseases and the exchange of experts.

74. The organization reported a range of promotional TCDC activities, particularly regional networks of national centres, training through the provision of fellowships, the preparation of health-learning materials, seminars and workshops, etc. However, these activities are not possible to quantify or assess to any precise degree and are essentially traditionally-executed projects. Support for TCDC activities appears stronger in the Americas than in other regions. Furthermore, as in the case of other organizations, TCDC is not separately reflected in the 1986-1987 proposed programme budget of the organization. As an example of a major TCDC effort, WHO reported support to a medium-term programme on TCDC for health for all 1984-1989 of non-aligned and developing countries. Within this framework a series of leadership development colloquia is planned with WHO, UNDP and the host country would provide technical, logistical and financial support. This commendable effort seems nevertheless to go beyond the catalytic functions of UNDS as given in chapter III above.

6. UNESCO

75. UNESCO supports TCDC activities through its regional offices and institutional network arrangements encompassing educational, scientific and information centres. The Inspector found in the field that some of these centres have a clear idea of their TCDC objectives. Some of the networks in Asia and the Pacific, however, include full participation by developed countries. Although support by the developed countries to TCDC is recommended in the BAPA, their participation in the TCDC activities of developing countries beyond financial support makes it impossible to distinguish between traditional technical co-operation and TCDC. The organization is also involved in operational TCDC activities of a bilateral nature, especially in the Caribbean region, but these are not programmed or reported as such. No specific TCDC resources have been earmarked.

7. ILO

76. ILO, like other larger organizations discussed above, promotes TCDC mainly through regional institutional networks, the most advanced being in Latin America: CINTERFOR and CIAT are notable examples. However, most of ILO's regional institutions and networks, while involving regional multilateral co-operation and exchanges, function for the most part as an integral feature of ILO's traditional technical co-operation programmes. The institutions in question have not yet developed into self-sustaining systems of co-operation among the participating countries comparable, for example, to FAO-supported "APHCA" in Asia, which has established a national currency fund for the financing of TCDC operations between Member States. The concept and practice of TCDC by ILO strongly reflects that Organization's traditional technical co-operation projects. This is also evident in the absence of clearly identifiable TCDC provisions in the programme budget of the organization. However, TCDC and ECDC are among the several activities identified for financing under the Regular Budget Technical Co-operation Programme for 1984-85. An ILO circular to this effect requests programme managers to apply, to the greatest extent possible, new dimensions of technical co-operation. "A high proportion of resources should be devoted to exchange of information and experience between

developing countries, in the form of study tours, fellowships, and seminars/ meetings. Advisory assignments and posts in intercountry projects should preferably be entrusted to experts and consultants from the region concerned." These activities relate to promotional TCDC and, as noted above, form part of the age-old technical co-operation activities of the United Nations system. In the course of his field visits, the Inspector noted a widespread lack of TCDC orientation among the ILO field staff, notwithstanding the above-mentioned circular by the Director-General.

8. Other agencies

77. The highly technical and smaller organizations also support TCDC, but mainly through promotional activities. Thus IAEA, ICAO, IMO, WMO and UPU conduct significant training programmes through regional inter-country projects, seminars and workshops in the developing countries. These agencies have not devoted any fixed percentage of their regular budget or extrabudgetary resources to TCDC; the main reason advanced is that their technical co-operation resources are too small to allow for earmarking of specific resources for TCDC. Nevertheless, some of these organizations actively support TCDC within their limited resources. ICAO's regular programme supports regional planning and implementation groups under which participating countries pool expertise to identify deficiencies in facilities and services necessary for civil aviation and seek means to overcome them. IMO runs a five-point programme of support for the BAPA, endorsed by the IMO Council, focussing on training, harmonization of developing countries' maritime codes, and inter-country co-operation in marine pollution control. Under its Voluntary Co-operation Programme, WMO is able to match the needs, capacities and resources of its Member States in the solution of specific problems. However, this programme is not specifically geared to TCDC since it involves significant participation of developed countries. Faced with a shortage of funds, IAEA has undertaken a more systematic exploration of TCDC possibilities for implementing selected parts of projects. The TCDC mode is given preference over the traditional modes in cases where it is more cost-effective and where direct co-operation among developing countries does better justice to project needs. These various approaches confirm the viability of the TCDC mode even in the highly technical fields.

78. On the whole, however, the Inspector's field findings and the conclusions of this study do not support the broad range and volume of TCDC activities reported periodically to the High-Level Committee by United Nations system organizations on their support for the BAPA. With the few exceptions noted in the foregoing overview, very few adjustments or new actions have been initiated by the organizations to respond effectively to the BAPA; There is only limited support for operational TCDC projects similar to that promoted by the Special Unit for TCDC. The need for a new UNDS policy is best illustrated in a recent report from a field office to an agency:

"There are numerous indications that the time would have come for a remarkable development of TCDC....provided one could pass more fully from the conceptualization steps to that of instrumentation. In other words, one of the conditions for success would be that international organizations.... change their philosophical support for concrete contribution to TCDC initiatives."

The Inspector could not agree more.

C. Bodies outside the United Nations system

79. The Inspector reviewed the TCDC activities of the Commonwealth Fund for Technical Co-operation, the Association of South-East Asian Nations (ASEAN), the Colombo Plan Staff College, and the Latin-American Centre for Development Administration (CLAD). TCDC activities are sharply focused on training and skills development programmes. The Colombo Plan for instance has a large programme of "technician education" based on a network of educational institutions and training programmes in Colombo Plan member countries. ASEAN and CLAD also use the same decentralized or network approach. Practically all of the training programmes funded by the Commonwealth Fund are executed through TCDC arrangements. Also, developed countries contribute in varying degrees to the financing of the TCDC activities of these bodies, particularly so in the case of the Commonwealth Fund and the Colombo Plan Staff College. Furthermore, the costs of TCDC experts are considerably less than traditional United Nations system rates and could reasonably be compared with the salary scale applied by the United Nations Volunteer Programme (UNV).

80. The Inspector also reviewed the activities of the International Centre for Public Enterprises and a number of national institutions or training centres of developing countries such as FUNDAP and IBAM in Brazil, the Centre for Sericulture in China, the Natural Conservation Centre in Indonesia, the Aquaculture Centre in Thailand, the Maize Research Institute and the Centre for the Rehabilitation of Disabled Persons in Yugoslavia and some others which are developed through financial support from UNDS - like the Pilot Training Centre and the Industrial Project Service Centre in Ethiopia. Invariably, all have developed high standard capacities in their respective areas of activities and are available for TCDC operations. The managers of these institutions have expressed to the Inspector their keen interest in subcontracting arrangements with UNDS on TCDC principles and have observed that their capacities are not used sufficiently by organizations of the United Nations system.

81. The experiences of these bodies, especially in the systematic use of the TCDC principle in the field of training, suggest the viability of a similar approach by the organizations of the United Nations family. An equally important lesson that can be drawn is that effective programmes of technical co-operation can be delivered at much lower expert costs than those currently practised by the United Nations system through traditional technical co-operation approaches. Thus, in the present period of limited development resources throughout the system the experience of non-United Nations multilateral bodies might be worth emulating.

V. RESOURCES

82. In order to assess the extent to which efforts have been made to overcome the problem of financial resources for TCDC, the Inspector briefly reviews below the response of the organizations to each of the specific directives contained in recommendation 38 of the BAPA regarding financial arrangements for TCDC. The BAPA recognized that although the financing of TCDC activities "is primarily the responsibility of developing countries themselves, it will nevertheless be necessary for the developed countries and the United Nations development system to support these activities financially without prejudice to the decision-making control by the developing countries of these TCDC activities." In this regard, the BAPA recommended the following specific measures:

83. Directive: "(a) Developing countries should determine norms and mechanisms appropriate to them in the context of their participation in the financing of TCDC activities at the national, bilateral, sub-regional and interregional levels....."

Action: Different norms and mechanisms exist for financing by the developing countries of their TCDC activities. Some countries have set up national funds for TCDC, in some cases in addition to IPF resources earmarked for TCDC. Other countries without specific TCDC funds finance TCDC activities through existing funds for technical, cultural and scientific co-operation or through budgets of sectoral government departments. Financing mechanisms take different forms. The most common approach, at the bilateral level, is the use of national educational facilities to train personnel from other countries on a cost-free basis, and at the multilateral level, the pooling and centralized management of membership contributions in the context of sub-regional and regional pacts, institutions and organizations. The Colombo Staff College is supported through membership contributions for the management of the College and through the supply of staff by Member States. ASEAN sectoral bodies use various mechanisms. Examples include the ASEAN Banking Council which organizes economic and banking training programmes financed by the central banks of ASEAN Member States, and the ASEAN Chamber of Commerce and Industry - a private sector chapter of ASEAN - which operates training courses in its fields of interest. An interesting innovative approach is practised by the FAO-supported "APHCA" referred to in paragraph 69 above. Member countries of this TCDC network have each established a "National Currency Fund" specifically designed to speed up the implementation of TCDC activities and to alleviate pressure on scarce foreign exchange. In addition to their annual membership contributions to an FAO Trust Fund for APHCA, the participating countries administer national currency funds for the execution of APHCA's programme activities. The host country provides local cost board, lodging and subsistence allowance from its national currency fund while participants travel on their national airlines. The various approaches and mechanisms employed by the developing countries for the financing of their TCDC activities depend on concrete situations and positions of the countries concerned. No common model is needed but exchanges of experience should be encouraged.

84. Directive: "(b) Regional and international funds, development banks and other intergovernmental financial institutions and aid agencies should, within their respective terms of reference, make special efforts to finance TCDC projects and activities, and, as appropriate, make adjustments in their policies and procedures, to promote TCDC."

Action: Information is not available to the Inspector on any specific measures that have been taken in response to the above directive.

85. Directive: "(c) Developing countries which may wish to do so should consider earmarking a percentage of their Indicative Planning Figure of UNDP at the national level, for financing TCDC projects at the bilateral and sub-regional level."

Action: Decision 81/31 of the UNDP Governing Council authorised the allocation by countries of up to 10 percent of their IPFs or \$7.5 million, whichever is the smaller, for intercountry TCDC purposes. The 10 percent limit applies only to donor developing countries providing TCDC expertise and equipment to other developing countries. Where a developing country, the recipient of an IPF, wishes to use its IPF to fund certain components of TCDC projects, that country is entitled to use any amount of its IPF to fund such costs. At the time of preparing this report, only 15 countries (4 in Asia and the Pacific, 1 in the Arab States, and 10 in Latin America and the Caribbean) had earmarked part of their IPF for TCDC activities. The aggregate total allocated by these countries under their national IPFs amounts to roughly \$7 million, or 1.6 percent of their total IPFs (\$430.6 million) at the current approved budget level, or 0.3 percent of the IPFs for all countries (\$2,159.3 million). The reason for this weak response by the developing countries may be attributed to several factors. As the Inspector was informed, some countries are reluctant to use their hard currency for the financing of TCDC activities and some have suspended their commitment to new TCDC projects. Another reason for the limited response to this particular directive may be the absence in many cases of adequate and enlightened advice by the resident representatives concerning the use of IPF resources for TCDC activities. For example, the enthusiastic response of many countries to Project INT/83/904 discussed in the preceding chapter is in sharp contrast to the limited allocations observed under national IPFs.

86. In the view of the Inspector, there might be a need to review this question once again to facilitate the progress of TCDC activities, particularly in view of the constraints some countries are experiencing in respect of development funds. The Inspector suggests that the 10 percent limit should be abolished and countries should be left free to commit IPF resources to TCDC activities with due regard to UNDP rules as these may be modified.

87. Directive: "(d) Regional Indicative Planning Figures of UNDP should be used to the maximum possible extent on the basis of regional priorities for financing TCDC projects and activities. The responsibility for identifying and initiating such projects and activities should lie with the developing countries of the region concerned."

Action: Save for the traditional use of regional IPF for the support of intercountry institutions of a sub-regional and regional scope (see preceding chapter), information is not available on steps taken in accordance with the above recommendation. Member States in the developing regions should, in line with their regional priorities, allocate a sizeable part, perhaps 25 percent of their regional IPF to start with, to finance regional TCDC projects. UNDP contends that this might conflict with established UNDP policy on the allocation of programme resources. The Inspector, however, considers that an exception in this case may be justified if TCDC is to be moved from the ground. Of course, this exception could subsequently be reviewed.

88. Directive: "(e) A sizeable proportion of interregional and global Indicative Planning Figures of UNDP should be devoted to the financing of TCDC projects and activities requested by two or more developing countries of different regions. The management of these resources should be conducted in close consultation with the developing countries concerned."

Action: Response measures have not yet been taken. Current inter-regional activities managed by the Special Unit for TCDC under project INT/83/904 are financed from Special Programme Resources. Member States should take a decision on the allocation of these resources for TCDC purposes. A sizeable percentage of interregional and global IPFs, perhaps 75 percent, should be programmed to that end, as argued in the preceding paragraph.

89. Directive: "(f) The United Nations Development system should explore additional sources of finance for TCDC projects and activities including those of an interregional and global nature."

Action: No concrete measures to this effect have been reported by the organizations of the system. The possibility of establishing a regional TCDC fund has been raised by recent ILO and WHO regional meetings. This possibility should be explored within the context of and in addition to action to be taken under interregional and global IPF resources.

90. Directive: "(g) Flows of development assistance should be increased on a predictable, assured and continuous basis."

Action: Most organizations report a declining trend in their development resources.

91. Directive: "(h) Developed countries should provide on a voluntary basis and without prejudice to existing programmes, additional support for TCDC projects and activities, for example through third country financing arrangements, through increased contributions to different national, sub-regional, regional, interregional or international organizations, including UNDP."

Action: The periodic reports submitted to the High-Level Committee on the activities of Governments in TCDC contain information on what several developed countries are doing in accordance with this recommendation. The picture that emerges indicates significant support extended by several developed countries to regional institutions and other co-operative pacts, especially in Asia and the Pacific region and Latin America and the Caribbean. The Government of the Netherlands, the Canadian and Swedish technical co-operation agencies, for example, finance a number of TCDC projects. This should be encouraged.

92. Directive: "(i) All organizations of the United Nations Development system should allocate an increasing proportion of their resources for TCDC activities and projects."

Action: Overall, this has not happened (see preceding chapter). Only UNIDO has earmarked a fixed percentage (9 percent) of its regular technical co-operation resources for TCDC purposes. Other organizations support specific TCDC activities from their regular budgets (FAO, ILO, UNESCO, WHO), but the level of these allocations is difficult to determine since TCDC activities are closely bound up with traditional activities.

93. Directive: "(j) Special efforts should be made by the United Nations Development system, other aid-giving agencies, developed and developing countries, to strengthen the capacity of the least-developed, landlocked, island developing, most seriously affected and newly independent countries, to participate effectively in TCDC activities and projects."

Action: Adequate information is not available on what has been done in compliance with this recommendation. UNIDO's Ministerial Solidarity Meetings, which are designed to match the needs of the LDCs with capacities in more advanced developing countries, are perhaps the best example known to the Inspector of action taken to address this specific concern. Also, the Intergovernmental Consultative Meeting organized in Beijing in November 1983 produced TCDC projects under which Chinese experts were provided to some LDCs in Asia and the Pacific region. These examples are worth emulating by other organizations of the system in view of the magnitude of needs in the LDCs which could be met through TCDC arrangements involving relatively advanced developing countries.

94. It would appear that all possible sources of financing TCDC projects and activities have not been explored or considered by the United Nations Development system. Adequate consideration should be given to utilizing the TCDC modality as well as others, such as increased use of national personnel and government execution arrangements, for the economical deployment of currently available technical co-operation resources. In this sense, TCDC should be considered a most welcome opportunity that can be tapped by organizations of the system with a view to stretching the impact of their limited resources. When viewed in this perspective, the question of financial resources for TCDC becomes less acute.

95. However, the UNDS has continuously insisted that resource constraints pose the most serious obstacle to the United Nations system support for the implementation of the BAPA. This problem is mentioned in several reports submitted to the High-Level Committee. A recent ACC report succinctly described the problem as follows: "It should be recognized that any major shift in the use of the existing level of resources, even if feasible in practice, would inevitably reduce the level of other operational activities, the implementation of which has been seriously affected in recent years. It thus appears clear that, unless new resources can be mobilized for the support of economic and technical co-operation among developing countries, the United Nations system's operational activities aimed at facilitating such co-operation are unlikely to be significantly expanded." 16/

96. The Inspector finds it difficult to reconcile the above statement with the objectives and recommendations of BAPA. As indicated in earlier paragraphs of this report, the Inspector did not identify serious efforts by UNDS to economize existing resources through the application of TCDC or other modalities of project implementation which are demonstrably more cost-effective than the traditional way of providing technical co-operation. He found that resident representatives together with the specialized agencies, despite the instructions of UNDP, generally continue to be led by tradition without giving due consideration to TCDC.

16/ Economic and Technical Co-operation among Developing Countries: Support by the Organizations of the United Nations System (E/1984/104), para.20.

97. It is difficult to support the implied ACC position that without net additional resources the United Nations system cannot or should not catalyze support for TCDC. On the contrary, in view of the magnitude of the development needs to be met from shrinking resources, the United Nations system should leap at whatever opportunity exists for stretching its scarce resources for the benefit of suffering populations the system is committed to assist, rather than remain wedded to old approaches. TCDC is one new approach, endorsed by the entire United Nations system, which can make a positive contribution to a concept to which UNDS gives verbal recognition every day: self-reliance.

98. It goes without saying that the developing countries themselves bear foremost responsibility for shaping, at the concrete national level, the thrust and optimal benefits of United Nations system technical co-operation approaches and programmes. The increasing technical capabilities of developing countries cry out for a shift in their partnership role in technical co-operation. For example, much of the training done traditionally could be accomplished between developing countries either through institutions of learning or through non-academic and less formal channels. Developing countries should, therefore, take a long and hard look at whether there is a need to pursue forms of training which have served well but which can be substituted within south-south co-operation. This is just one area. The whole range of project implementation mechanisms should be similarly examined. The Inspector believes that the time has surely come when governments, both individually and collectively, should avoid undue reliance on the UNDS to solve many problems which are trivial in nature and which could best be solved by themselves. That would be their best contribution to TCDC since it would generate their individual and collective self-reliance. Another benefit of this approach would be to concentrate UNDS's expertise in areas where developing countries cannot now substitute traditional technical co-operation.

VI. CONCLUSIONS AND RECOMMENDATIONS

99. Ever since the Buenos Aires Conference on TCDC in 1978, the commitment of the developing countries to the implementation of the BAPA has been repeatedly emphasized at Conferences of the Non-Aligned Countries and at Ministerial Conferences, as well as at meetings of the Group of 77. The same expressions of commitment and support to BAPA can be found in numerous resolutions of the United Nations General Assembly as well as of subsidiary bodies and of the specialized agencies. Thus, the unanimous endorsement of the BAPA throughout the system leaves no room for doubt or ambiguity. In practice, however, the system's support for TCDC has been very uneven. Member States have increasingly expressed concern at the slow progress of the system in giving effect to the many resolutions adopted on TCDC since 1978. This has prompted a series of debates within the United Nations General Assembly and the Economic and Social Council resulting in requests to the Secretary-General to prepare cross-organizational analyses on UNDS support to TCDC and ECDC.

100. An examination of the large corpus of documentation published since 1978 against the results achieved so far in TCDC operations as conceived in this report leads to the unmistakable conclusion that concrete field results lag far behind what is reported by UNDS to the High-Level Committee and in COPA reports. TCDC has not yet permeated the programmes and field operations of the system. The "traditionalist mentality" on project delivery and the urge to protect vested interests of technical co-operation constituencies within and outside the UNDS represent a major obstacle to the implementation of the BAPA as well as to the effective use of the growing capabilities of developing countries. Actually this has become an impediment to the implementation of innovative approaches inaugurated by the new dimensions. The relatively lucrative scale of expert remuneration under the traditional system of project delivery is also proving a potent disincentive to the application of TCDC techniques and other economical approaches to project delivery since the conditions of service for a traditionally recruited expert are by far more rewarding than those offered by governments for a TCDC expert, even though both may be recruited from the same country and the TCDC expert may be more qualified. The solution of these problems should be sought through more careful selection of traditional technical co-operation projects, which should be oriented towards areas of high technology and technical know-how not readily available in many developing countries.

101. Notwithstanding the above difficulties, field experience clearly demonstrates to the Inspector that the TCDC concept is a viable and sound method of project delivery. This is borne out, for example, by the results achieved so far under the UNDP project: action-oriented promotional TCDC activities discussed earlier in this report. Other examples can be found in the operations of some TCDC projects financed from country IPFs, or in the sub-regional and regional multilateral organizations outside the United Nations system. As far as the latter is concerned, some enthusiastic support has been encountered in several cases, but these are still individual efforts and need official encouragement. This can be achieved only if adequate changes of policy are undertaken in favour of TCDC operations.

102. After examining the legislative mandates of TCDC, the Inspector concludes that since virtually all the governing bodies of the United Nations system have endorsed the BAPA, it must be deduced that it has been accepted by all as a binding legislative framework of UNDS support for TCDC. There is no need, therefore, for a new system-wide mandate. However, the multitude of legislative directives issued after the Buenos Aires Conference has, for various reasons, led the system organizations to give little more than declaratory support to the BAPA.

Recommendation 1

(a) The UNDS organizations should consider the BAPA as a binding legislative framework for their TCDC activities. When specific legislation is enacted, it should clearly indicate concrete tasks to be accomplished in the area of TCDC and authorize allocation of resources required for that purpose.

(b) Governing bodies should avoid laying down mandates for ECDC and TCDC in the same legislation: each should be addressed separately.

(c) Reporting and accountability should, similarly, be identified separately, and governing bodies should regularly, at least every two years, consider their organization's TCDC activities as a separate agenda item.

103. The concept of TCDC in United Nations system organizations varies a great deal. Many organizations make little or no distinction between TCDC and "traditional" technical co-operation modalities and the tendency is to mix the two indiscriminately. The "basic guidelines" aimed at clarifying that distinction have been interpreted rather flexibly and the result has been continuous confusion about the two concepts.

Recommendation 2

In their support to TCDC activities, the UNDS organizations should observe the following main characteristics and definition of TCDC projects:

- (a) Agreement between two or more developing country governments participating in a TCDC activity. The terms of this agreement should be reflected in project documents. Specific TCDC techniques and mechanisms should be apparent.
- (b) Government execution arrangements with active UNDS participation in project initiation. The role of UNDS should be limited to the identification of TCDC solutions, bringing parties together and, at governments' request, giving technical support to project elements not available under TCDC arrangements.
- (c) The financial support of UNDS should be limited to financing foreign exchange component(s) like travel expenses outside the host country and the cost of foreign equipment and supplies in accordance with UNDP rules.

104. Some internal adjustments in organization and staffing have been effected by UNDP along the lines recommended by the BAPA. Responsive actions taken by other organizations of the system differ a great deal. These adjustments, in many cases, are far from adequate, and the system is not yet permeated with the TCDC spirit.

Recommendation 3

(a) The Administrator of UNDP should review the staffing level of the Special Unit for TCDC in the light of current responsibilities as well as any new functions which might arise as a result of recommendation 4 of this report.

(b) Other organizations which have not yet done so, should, within the limits of their existing resources, establish or strengthen their TCDC focal points by designating for this purpose a full-time post(s), with clear authority to disseminate the TCDC principle throughout the organizations' programmes and assist governments in ensuring that the principle is translated into concrete TCDC projects. The smaller organizations may entrust TCDC focal point functions on a part-time basis - preferably to the heads of units responsible for technical co-operation. Programmers and field officers should be instructed to monitor and report regularly via the focal point to the executive head.

105. Although UNDP has issued instructions to programmers and resident representatives regarding the need to apply TCDC in field programmes, the UNDP programming system is not yet fully geared towards implementation of the BAPA.

Recommendation 4

(a) Country programming:

- (i) In the course of country programming exercises, UNDP should examine with governments the desirability of identifying development sectors, sub-sectors and projects, including project components (e.g., human resources development, appropriate technology, rural development, etc.) which may be more suitable for the TCDC modality and/or other innovative and less costly methods of technical co-operation delivery. Locally available capacities and TCDC potential should be indicated in country programme documents.
- (ii) At the project formulation stage, project requirements should be matched against TCDC capacities. Governments should be informed that the commitment of country IPF resources will be approved only after the Administrator is satisfied that TCDC or another less costly modality of project implementation has been explored.
- (iii) The principle of continuous programming should be used for a fresh scrutiny of ongoing projects in order to find out whether some of these or parts thereof might not be more economically executed under the TCDC modality.

(b) Regional programming:

- (i) The regional programming meetings organized by UNDP should henceforth include a detailed examination of TCDC opportunities. As in the case of country projects, the Administrator should be satisfied that TCDC possibilities have been explored prior to the approval of regional projects. This should involve active preparatory work and the participation of the Special Unit for TCDC at the meetings.
- (ii) United Nations system support to sub-regional and regional institutions should henceforth be oriented towards their transformation into effective instruments of TCDC along the following lines:
 - existing and new institutions should come under full government management;
 - United Nations support should be provided using the TCDC modality as defined in recommendation 2 of this report, and should concentrate on building technical and project-executing capacities as far as possible;

/...

- the institutions should increasingly be used as executing agents of intercountry activities falling within their area of competence, either directly or through sub-contract arrangements with United Nations system organizations.

(c) Interregional and global programming:

- (i) Based on positive experience with the interregional project, "Promotion of Action-oriented TCDC Activities", this project should be made a continuing programming component of UNDP.
- (ii) Training of government operational staff on the processing and implementation of TCDC projects similar to the Associate Expert Scheme of UNDP, should be developed. An umbrella TCDC project to that effect could be the most appropriate solution.
- (iii) Both of these should be entrusted to the Special Unit for TCDC and should be financed from interregional and global IPF resources.

106. While the financial constraints experienced by developing countries and the UNDS organizations have definitely had a negative impact on the implementation of BAPA recommendations, the Inspector has found that hardly any serious efforts have been made by the system to derive optimum technical co-operation benefits from existing scarce resources through the application of new dimensions or to seek new sources for financing TCDC field activities as recommended by the BAPA (see chapter V).

Recommendation 5

- (a) All organizations of UNDS with the exception of UNDP should earmark no less than 10 percent of their technical co-operation resources for TCDC activities, and additionally establish TCDC trust funds when appropriate. Support to TCDC should be explicitly emphasized in medium-term plans and should be introduced in programme budgets as a separate sub-programme of technical co-operation.
- (b) The Governing Council of UNDP should review its decision on the 10 percent limit on country IPF for TCDC with a view to its elimination and the relaxation of existing policies on the reimbursement of national expenditure for TCDC operational projects.
- (c) The developing countries should, in keeping with their regional priorities, consider earmarking a reasonable percentage of the regional IPF for the financing of regional TCDC projects.
- (d) The Governing Council should consider allocating a sizable percentage of interregional and global IPFs for TCDC projects.