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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

#### Comments of the Administrative Committee on Co-ordination

#### I. INTRODUCTION

1. 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" (A/40/656) is a timely and thought-provoking contribution to the extensive discussions and recommendations that have taken place throughout the United Nations system on how best to implement technical co-operation among developing countries (TCDC) as laid down in the Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation among Developing Countries. 1/

2. The Administrative Committee on Co-ordination (ACC) feels that the report is particularly relevant for two reasons. First, it clearly and concisely summarizes the current status of the mandates and concepts of the approach of the United Nations system to TCDC, as laid down in the Buenos Aires Plan of Action, endorsed by the General Assembly and the governing bodies of the United Nations Development Programme (UNDP) and the specialized agencies and further amplified in a number of high-level forums, in particular the Committee for Programme and Co-ordination and the High-level Committee on the Review of Technical Co-operation among Developing Countries. Second, the Inspector's very frank assessment of the current status of implementation of TCDC throughout the United Nations development system and his specific recommendations in section VI of the report have already resulted (and

will no doubt continue to result) in a most useful dialogue on TCDC within the system. The report and discussions on its findings and recommendations are expected to lead members of the United Nations development system, both collectively and individually, to review ways in which current operational practices in giving support and assistance to countries in the formulation and implementation of specific TCDC projects could be further strengthened.

3. The Inspector's report and the comments of a number of agencies show that there is still some divergence of practice in the application of the guidelines on TCDC, as laid down in decision 2/9 of the High-level Committee on the Review of Technical Co-operation among Developing Countries, 2/ which was endorsed by the General Assembly at its thirty-sixth session in 1981 (resolution 36/44). In this regard also the report and the discussions on the report will be helpful in bringing about a greater consensus and more uniformity of practice in utilizing the TCDC modality in the process of programming and project implementation. It will also encourage a clearer understanding of what are essentially promotional activities, for which the initiative and responsibility lie with the United Nations system, and what are operational activities, which must be initiated, organized, managed and financed primarily by co-operating developing countries themselves but with the United Nations development system having a crucial supplementary or catalytic role. This role could include help in identifying suitable expertise and training opportunities in other developing countries, the provision of foreign exchange for the international travel of such experts or trainees and the purchase of equipment from other developing countries.

## II. COMMENTS

### General comments

4. The burden of the report is that, while it is recognized that TCDC is mainly the responsibility of developing countries themselves, the United Nations development system could and should do more to assist these countries in their endeavours. In the view of ACC, this point is well taken. The report also emphasizes the importance of reviewing existing procedures with a view to enabling developing countries to opt for the TCDC approach to project implementation, taking account of its clear financial advantages.

5. A number of agencies have expressed the view that the report understates the attention given by them to TCDC and the number of TCDC projects and related activities in their respective technical co-operation programmes. In support of this contention, some agencies have given examples of TCDC activities executed and/or implemented by them of which, they felt, the Inspector may not have been fully aware. In addition, it should be pointed out that the organizations of the system co-operated actively in the preparation of a cross-organizational programme analysis of the activities of the system in the area of economic and technical co-operation among developing countries (E/1985/53) which was recently considered by the Committee for Programme and Co-ordination at its twenty-fifth session and by the Economic and Social Council at its second regular session of 1985. It should be stressed that the process of preparing that cross-organizational programme

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analysis involved a painstaking consideration of thousands of individual activities, using two fairly restrictive selection criteria previously reviewed by the Committee for Programme and Co-ordination in order to distinguish economic co-operation among developing countries (ECDC) and TCDC activities from the more traditional forms of technical co-operation. Once selected, each activity was then analysed to determine, inter alia, whether the activity involved ECDC, TCDC or both, and whether it was operational or promotional.

6. This intensive effort underlined the difficulty of precisely quantifying the costs of TCDC and the importance of making a clear distinction between traditional activities and TCDC arrangements. Moreover, the desirability, or indeed usefulness, of judging the extent and volume of TCDC activities in dollar terms has been questioned in view of the fact that the greater the TCDC element in a given project, the less will be the cost to the United Nations development system. In this regard, it would be preferable for United Nations involvement in TCDC to be judged by both the number and size of projects supporting TCDC and the extent of integration of TCDC with the substantive work programmes of individual organizations.

7. Commenting on paragraph 29 of the report, UNDP has explained that its Governing Council, in considering the recommendations of the High-level Committee (which were described in the report of that Committee as being based on "inconclusive discussions"), has as yet been unable to agree to the use of indicative planning figures (IPFs) to fully cover local expenditure for two main reasons. First, such a course of action would conflict with the very guidelines on TCDC established by the High-level Committee itself, as cited in paragraph 19 of the Inspector's report, and second, if a Government is not to meet even part of the local currency expenditure of a project, it is difficult to see what the TCDC element would be.

8. In the view of ACC, the report rightly draws attention to the need to strengthen the institutional and administrative arrangements for TCDC, in particular the focal points, in both participating countries and within the United Nations development system. Agencies recognize this need, although it should be added that any proposals for improvements must take into account existing budgetary constraints. With regard to developing countries, ACC feels that it would be useful for resident co-ordinators to discuss with Governments the desirability of having their focal points for TCDC be part of, or be closely integrated with, the respective governmental co-ordinating authorities responsible for programming with UNDP and other agencies of the United Nations development system.

9. Regarding the question of programming, ACC shares the views of the Inspector that it would be helpful to consider the use of TCDC modalities at a significantly early stage in the programming process in order to increase the likelihood of subsequent adoption of TCDC approaches. However, and with particular reference to paragraphs 52 to 57 of the report, it was pointed out by UNDP and also by a number of specialized agencies that a distinction must be made between country programming as such as the subsequent formulation and preparation of actual project documents for activities identified in the country programme. ACC agrees that it is at the project formulation stage that the possibilities of using TCDC modalities for the

whole or for any component of a project can and should be fully examined. This review has already been provided for in the UNDP check-list for project preparation employed by UNDP, the specialized agencies and others engaged in project formulation.

10. In the opinion of ACC, the Inspector has rightly stressed that limited resources should be an incentive to, rather than a constraint on, applying TCDC modalities to project implementation. However, ACC is of the view that the current percentage limitation on the use of IPFs for certain TCDC activities has, in practice, not proved a constraint. Under current procedures a country is entitled, if it so wishes, to use its entire IPF to support TCDC projects for its own benefit. When, however, a developing country acts as a donor under TCDC, the rationale for applying a limit is to ensure that IPF funds are not (de facto) used as part of that country's bilateral aid programme.

11. In paragraph 100 of his report, the Inspector has observed that the relative pay scales for United Nations experts are a potent disincentive to the application of TCDC techniques. However, traditional technical co-operation and the promotion of TCDC arrangements are different in purpose and character, and consequently the terms and conditions under which such activities are carried out cannot be compared.

#### Comments on specific recommendations

12. Recommendation 1, namely to consider the Buenos Aires Plan of Action as a binding legislative framework for TCDC activities, is addressed to the governing bodies of agencies. ACC is in agreement with the broad thrust of the recommendation. As regards paragraph (c) of recommendation 1, UNDP and many agencies are already following the proposed course of action. Some agencies provide for a separate agenda item for the consideration of TCDC; others allow for part of an agenda item. ACC feels that it would be useful for agencies to review their respective procedures in this regard in order to facilitate the integration of TCDC with the substantive work programmes of each organization. However, if an organization considers its present practices more appropriate for its purposes and needs in promoting TCDC approaches, it would seem acceptable to continue them. As recommended in paragraph (b), ACC considers it desirable that ECDC and TCDC should be dealt with separately; some agencies have already taken, or are taking, action in this respect. On the other hand, a number of agencies feel that some interlocking or overlapping between TCDC and ECDC may not always be entirely avoidable and that, in certain cases, such linkages may be useful.

13. The basic guidelines for TCDC to be used in assessing proposals for technical co-operation projects were laid down by the High-level Committee on the Review of Technical Co-operation among Developing Countries at its second session held in New York from 1 to 8 June 1981, 3/ and endorsed by the General Assembly at its thirty-sixth session. The Inspector's proposals in recommendation 2 are in line with these guidelines. They are acceptable and can usefully serve as clear and concise uniform terms of reference for TCDC activities carried out by the United Nations development system.

14. UNDP recognizes the desirability of strengthening the Special Unit for TCDC referred to in recommendation 3(a), but it is presently constrained in this task by the need to maintain zero growth in the staffing level of UNDP as a whole and the urgent need to assign additional personnel (within the current staffing level) to meet the pressing requirements of the expanded assistance programme for Africa. Nevertheless, the matter will be kept under review and UNDP will continue to make ad hoc arrangements to meet special and urgent needs. ACC endorses recommendation 3(b) to establish or strengthen, where this has not already been done, full-time or part-time posts, as appropriate, to serve as focal points for TCDC in all organizations of the United Nations development system and to have clear authority to disseminate the TCDC principle throughout organizations' programmes.

15. ACC shares the views of the Inspector given in recommendation 4(a) that, in the implementation of projects at the country level, every effort should be made to explore the possibility of implementing projects, or components of projects, by means of TCDC. However, the most appropriate stage for considering TCDC modalities is during project formulation, rather than during the country programming exercise as such. At the field level, the main responsibility for identifying possible TCDC modalities for a given project normally lies with resident representatives and with the agencies that have specialized technical knowledge of the appropriate expertise or training opportunities available in other developing countries. (See also the comments in paragraph 9 above.)

16. Regarding subparagraph (ii) of recommendation 4(a), concerning approval of the commitment of IPF resources, it should be noted that the UNDP check-list on project formulation requires consideration of the possibilities of implementation under TCDC arrangements. Check-lists utilized by agencies for non-UNDP-financed activities contain the same provisions.

17. With regard to recommendation 4(b)(i), ACC agrees that the regional programming meetings of UNDP could lend themselves very well to furthering the objectives of TCDC, especially those of a promotional nature.

18. ACC agrees with the basis of recommendation 4(b)(ii), which seeks to strengthen subregional institutions. However, the recommendation does not address the need to introduce appropriate arrangements whereby Governments meet the costs entailed in taking over the management and staffing of regional centres and institutions after UNDP institutional support has been phased out.

19. Recommendation 4(c), which is broadly accepted by ACC, concerns the continuation of the interregional project "Promotion of action-oriented TCDC activities", which has been approved by the Governing Council of UNDP until 1986. The UNDP Administrator is making further proposals to the Governing Council for the continuation of these activities in the next cycle.

20. Recommendation 5, in which the Inspector proposes earmarking resources and, in effect, establishing special subprogrammes for TCDC, has elicited wide comment. Although the idea is in some ways appealing, ACC feels that isolating TCDC into a separate subprogramme in the budget would be counter-productive to the need,

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stressed repeatedly in the Inspector's report, to integrate TCDC concepts with all the activities of the United Nations system. It is further felt that the setting of financial quotas for any specific activity, no matter how important, would be undesirable. The introduction of such quotas for one priority would doubtless serve as a precedent for establishing quotas for other global priorities, thus eroding the principle that UNDP programmes should be based on the priorities of developing countries as identified by those countries themselves.

21. Regarding recommendation 5(b) on increasing the 10 per cent limit on country IPFs for TCDC, UNDP has commented that this has not proved a limitation in practice. In any event, as indicated in paragraph 10 above, this limit applies only to donor and not to recipient developing countries. The latter may, if they so wish, spend their entire IPF on TCDC activities of benefit to them. The question of relaxing existing policies on reimbursement of national expenditures for TCDC projects has been addressed in paragraph 7 above.

22. Bearing in mind the foregoing, ACC fully shares the view of the Inspector that every effort should be made by the United Nations development system to assist in increasing TCDC activities and the budget share devoted to such activities. ACC feels that in this important endeavour, the report of the Inspector has made and will continue to make an important contribution.

#### Notes

1/ Report of the United Nations Conference on Technical Co-operation among Developing Countries, Buenos Aires, 30 August-12 September 1978 (United Nations publication, Sales No. E.78.II.A.11 and corrigendum), chap. I.

2/ Official Records of the General Assembly, Thirty-sixth Session, Supplement No. 39 (A/36/39).

3/ Ibid.

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