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CO-ORDINATION

REVIEW OF THE AGREEMENTS BETWEEN THE UNITED NATIONS
AND THE SPECIALIZED AGENCIES AND THE INTERNATIONAL
ATOMIC ENERGY AGENCY

Views of the executive heads of organizations transmitted in
response to paragraph 13 of Economic and Social Council
resolution 1768 (LIV)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

"... These views have been solicited in connection with the Council's consideration of ways to strengthen the coherence of the United Nations system and its capacity to fulfil the objectives of the International Development Strategy in an effective and coordinated manner:

"Let me say first that the institutions of the World Bank Group welcome the Council's initiative and are prepared to cooperate fully with the Council as it carries out its task. Second, I believe that there are good grounds for concluding that there already exists within the United Nations system a gratifying degree of coherence and unity of purpose.

"The basic relationship agreement between the United Nations and the International Bank has been in effect for 25 years and, in my view, experience justifies the conclusion that the agreement has in fact facilitated its objective of contributing to the maintenance of effective cooperation between the United Nations and the Bank in the field of economic development.

"In addition to the relationship agreement with the United Nations, the Bank has entered into other formal agreements, with FAO, Unesco, WHO and UNIDO, for jointly financed programs. These "cooperative programme agreements", briefly described in the report submitted to Mr. Kittani by the Bank's Special Representative for United Nations Organizations on September 28, 1973, reflect the fact that the institutions of the Bank Group, alone among the specialized agencies, operate in a multiplicity of sectors of the economy of their developing member countries.

"As you are well aware, the Bank has over the past quarter of a century gradually expanded the scope or shifted the emphasis of its operations, including technical assistance, according to the changing needs of its developing country members and in order to make the greatest possible contribution to the effective promotion of their economic and social development. In its early days, the Bank concentrated its lending on projects designed to add directly to the borrowing country's productive capacity, i.e., basic facilities such as power, transportation, large-scale irrigation and land reclamation, and did not finance projects of a primarily social character, in, for example, the fields of education, population and water supply and sewerage.

"In 1964, however, it decided that it should intensify its support of agricultural development and, while continuing to finance large construction projects, should become increasingly involved with undertakings of immediate concern to the individual farmer, such as agricultural credit, livestock production, training and extension work, and land settlement. It therefore entered into cost-sharing arrangements with FAO designed to increase considerably the number and variety of agricultural projects presented for Bank Group financing, by helping governments to identify and prepare projects. In the same year the Bank adopted a policy of providing more active assistance to the education sector, in which its activity had been relatively limited and recent in origin. It then entered into a similar cooperative arrangement with Unesco, rather than attempting to expand its own staff to the extent fully necessary to support a growing lending program.

"In 1972, the Bank proposed to expand its operational program in the water supply field having determined that there was need for a considerably larger number of sector studies and for more assistance to governments in project identification and preparation. The Bank and WHO then agreed upon a cooperative program to broaden, strengthen and systematize their existing informal working arrangements.

"Most recently, a cooperative agreement has been concluded with UNIDO, to facilitate an expanded program of industrial sector studies and preinvestment work, more assistance to governments in working out and implementing sound industrialization policies and provision of technical advice on projects financed by the Bank. The scope of this program explicitly extends to activities of primary interest to IFC.

"In each of these cases, the Bank and another member of the United Nations family with special expertise in a particular field have embarked on a cooperative effort to increase the opportunities for financial support from the Bank Group for priority development projects in developing countries. In the fiscal year 1973 alone, the FAO/Bank cooperative program helped to prepare about one-third of the agriculture projects approved by the Bank's Executive Directors and carried out 146 missions to 55 countries; the Unesco/Bank program helped to identify or prepare 11 of the 18 education projects approved; the WHO/Bank program (in its first full year of operation) carried out sector missions in nine countries and project identification and preparation missions in five.

"The collaboration between the Bank and each of its cooperative program partners goes far beyond the cooperative programs. The factual report earlier transmitted by the Bank refers, for example, to a number of working relationships with FAO which have developed outside the cooperative program. As noted above, the WHO/Bank cooperative program covers water supply and sewerage. Recently (since submission of our factual report), the Director-General of WHO and I reached agreement on a joint memorandum intended to guide the staffs of our institutions in carrying out their respective operations in the population sector.

"Moreover, the Bank Group has established working relationships with parts of the United Nations family other than the cooperative program partner agencies. Of particular importance are the working arrangements with the UNDP, both at headquarters and in the field. These are designed to assure that the Bank's preinvestment activity does not duplicate the work of the UNDP, which is, within the U.N. family, the major source of funds for technical assistance. Many of these other working relationships are briefly described in the documentation we have submitted. They have evolved gradually, at the staff level. New relationships are continually being established, as it becomes apparent they would be useful in helping to maximize the developmental impact produced by the activities of several agencies in a given field.

"I have referred thus far to relationships developed in the course of regular agency operations. There are also relationships which constitute a response to special development problems, in which several members of the U.N. family pool their resources and bring to bear their special expertise. For example, WHO, the UNDP, FAO and the Bank are sponsoring a 20-year program to control river blindness in seven countries in Western Africa. WHO will execute the program, in cooperation with the seven participating governments and in association with the UNDP and FAO. The Bank is taking the lead in mobilizing funds on an international basis for the program's first six-year stage, and will administer the fund out of which the control program is to be financed.

"Another example of ad hoc inter-agency collaboration is the Consultative Group on International Agricultural Research (CGIAR), which was organized by the Bank, FAO and UNDP in 1971 to mobilize long-term financing for international agricultural research. Through the CGIAR are channeled funds and expertise from not only international agencies and governments but also private sources; the CGIAR's 29 members include three private foundations.

"A third illustration of the possibilities for inter-agency cooperation is the Protein Advisory Group of the United Nations System (PAG), the membership of which was initially composed of FAO, WHO and UNICEF and now includes the Bank and the United Nations.

"I have written at some length of these inter-agency undertakings because, in my view, it is through such ad hoc arrangements that the United Nations system can most effectively be strengthened and its capacity to fulfil the objectives of the International Development Strategy enhanced.

"Coordination, the need for which has been repeatedly emphasized over the years in public statements by those involved in economic development and concerned by the multiplicity of international development agencies, is in fact being achieved by collaboration among the agencies.

"In my first report to the Economic and Social Council, in 1968, I suggested that international organizations were entering a new phase in their lives. I said that

"The United Nations system has become more operational-minded, more practical in approaching the tasks assigned to it. The agencies have more and more come to realize that, despite their different specialities, they are attacking related aspects of common problems. They have been growing closer and closer together, through consultative and cooperative arrangements intended to avoid duplication and to bring about an effective focus of their skills."

"In my 1970 address to the Council, I briefly described the pattern of inter-agency cooperation in which the Bank was participating, which was helping to make the international development effort more effective, rational and cohesive. This has not been an easy task for large organizations, each responsible to a different governing body and not all with co-extensive membership. But experience shows that it can be done. The flexibility inherent in ad hoc arrangements to deal with specific problems of development has increased the opportunities for common action to achieve common objectives, with each agency bringing to the exercise its own particular expertise and resources.

"In the achievement of this coordination through inter-agency collaboration, ECOSOC has an important role to play and is in fact playing it. Being above operational concerns, it is in the best possible position to set goals for the international development effort, to chart the broad directions in which the agencies' individual, collective and collaborative efforts of the sort described above should be pointed, and to consider from time to time the extent to which the desired objectives have been achieved.

"This leadership role is exemplified by the International Development Strategy and subsequent resolutions focusing attention on the need for, and calling for action to achieve, greater capital flows to the developing countries, a more equitable distribution of income, increased employment opportunities, expanded and improved facilities for education, health, nutrition, housing and social welfare, and environmental safeguards. Quite apart from, and in addition to, the action which individual member countries are taking at the national level in response to the call of the Strategy, the Bank Group, with the approval of its membership, has implicitly accepted an obligation to assist in implementing the Strategy.

"It has substantially increased the volume of its financial operations. In the period of fiscal years 1969-73, its total lending was twice that of the preceding five-year period and lending to the poorest and least developed of its member countries trebled. For the next five-year period we hope to achieve a 40% increase

in commitments, in real terms, a 175% increase over the period 1964-68. At the same time, the Bank Group has been shifting the emphasis of its activities in the direction of increased support for social progress in the developing countries. While the development of productive resources continues to be the Bank Group's main concern, and while there is no intention to abandon support for industry, power, transport or large-scale highly productive agricultural projects, the Bank Group is taking a much more comprehensive view of the development process. It is endeavouring to give greater attention to the social aspects of economic growth, including population, employment, income distribution, health, nutrition, and the impact on the environment. This has led to a marked diversification in Bank Group activities and is in line with the Strategy's objectives.

"In my address to the Annual Meeting of the Boards of Governors of the Bank Group, at Nairobi last September, I outlined the steps which the Bank Group is prepared to take over the next five years to tackle the problem of poverty in the developing world. These plans and programs are an implicit response to the guidance which ECOSOC has provided in identifying the areas in which the interests of all parts of the international community converge and on which a broad measure of consensus can be achieved. This is a unique and an essential function..."

Robert S. McNamara
President
