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[SHIPPING]

**STRENGTHENING TECHNICAL COOPERATION AND HUMAN
RESOURCE DEVELOPMENT**

**Technical cooperation and human resource development in shipping, ports and
multimodal transport**

Report by the UNCTAD secretariat

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SUMMARY AND CONCLUSIONS

1. Technical cooperation has always been viewed by UNCTAD as an important complement to its research, policy analysis and intergovernmental deliberations and it has been a prominent feature of UNCTAD's work on maritime transport for over 20 years. The purpose of this report is to describe the technical cooperation and human resource development activities conducted by the secretariat in shipping, ports and multimodal transport and to draw some lessons from the practical experience gained from working in this field which could help improve the effectiveness of these activities in the future.

2. UNCTAD's technical cooperation concentrates on assisting developing countries and countries in transition in the economic, commercial and legal aspects of maritime and multimodal transport services. As such, it is complementary to the assistance available from the International Labour Office on employment and social issues and to that of the International Maritime Organization which deals with technical and safety aspects. UNCTAD collaborates closely with these other organizations and a number of maritime projects are conducted jointly.

3. Up until 1980 UNCTAD's human resource development activities consisted mainly of conducting training courses and seminars on various aspects of shipping and ports. In 1980, however, UNCTAD embarked upon a programme of action to help developing countries tackle their own management training problems. This initiative, which is spearheaded by the TRAINMAR programme, is aimed at the establishment and strengthening of training capacity in developing countries so that they have the capability to analyse their own training needs and to design and conduct training programmes to meet them.

4. Technical cooperation activities are financed almost entirely through extra-budgetary funding and much of this traditionally came from the United Nations Development Programme (UNDP). Funding from UNDP has declined recently. Fortunately this shortfall has been made good by an increase in funds from other donors which are expected to finance some 60 per cent of UNCTAD's technical cooperation in maritime transport in 1995. However, this changeover in the source of funds has not been without its problems due to certain incompatibilities between the financial practices of the new donors and those of the United Nations. The time may well be ripe for a re-examination of the procedures applied by UNCTAD to enable them to tie in better with the requirements of different donors.

5. The object of UNCTAD's technical cooperation is to improve the efficiency of maritime and multimodal transport services. Independent evaluations of three major programmes, Advance Cargo Information System (ACIS), TRAINMAR and Improving Port Performance (IPP) confirm that, not only are these programmes making an important contribution to this goal, but they are doing so in a cost-effective manner. However, the ultimate test of the effectiveness of a technical cooperation project is not whether it improved the situation during the life of the project but whether these improvements are sustainable, and built upon, once the project finishes. This is by no means easy to assess. Nevertheless, some lessons concerning the ingredients for successful technical cooperation can be gleaned from the results - both positive and negative - of past projects and the more important of these are listed below.

(a) The success of technical cooperation depends to a large degree on the commitment of governments and other beneficiaries to become full partners in the project and provide the necessary counterpart support to ensure continuity following a project's completion. This is unlikely to happen unless the host organization is fully convinced that it has institutional, operational or policy problems which require help from outside.

(b) The difficulties of achieving sustainable improvements should not be underestimated. Some earlier projects were over-ambitious and reflected an unrealistic assessment of what could be achieved within a given time-frame. This

led to the termination of projects before the implementation phase was complete, with the result that help was not available to assist in solving teething problems. Projects with more modest targets, but of longer duration with time allowances for beneficiaries to digest proposals for change, have a better chance of success.

(c) A project's size may influence the chances of its long-term success. Projects which are too small to warrant a full-time advisor - at the local or regional level - will need to establish very clear arrangements for their management if they are not to lose direction. On the other hand, large projects, which provide for a team of experts, may enjoy success in the short-term due to their dynamism but risk failure in the long-term if the substantial outside help is withdrawn too suddenly. The design of large projects should put great emphasis on arrangements for progressive handover to local communities.

(d) In order to reduce the risk that the lack of some timely advice or the maintenance of some vital hardware could jeopardise the sustainability of project achievements, some fraction of the project budget should be ear-marked for possible follow-up assistance after project termination.

(e) As a result of institutional reforms taking place in many countries, the private sector is taking on a more active role in the transport industry. Information on technical cooperation should be made available to the private sector and its needs should be taken into account by governments when determining assistance priorities. UNCTAD's experience to date has shown the private sector to be a highly serious partner ready to engage in project activities and with a strong commitment to implement results.

(f) Frequent use is made of specialists from industrialized countries. Their rich experience is beneficial, but the cost is high and there are sometimes difficulties in adapting their knowledge to local conditions. More use is now being made of consultants from within the region who have specialist experience that is directly applicable to local conditions. Not only is advice from such people more likely to be assimilated quickly, but it should be available at lower cost (both in fares and fees) and more easily permit follow-up if required. This technical cooperation among developing countries also encourages the development of consulting services in these countries.

(g) Technical or organizational changes should go hand in hand with training. These links should be identified at the project design stage, so that the training necessary for successful change, and the change necessary for successful human resource development, can be introduced together. Training will only be fully effective to the extent that it is conducted in the context of a human resource development policy which links training to the corporate objectives of the organization. Trainers should be accorded the necessary status to permit high calibre staff to be recruited and retained, and training should be designed and conducted in close coordination with line management to ensure that it meets the real needs, that it is followed by the people most needing it and that trainees can apply their new knowledge when they return to the workplace.

I. INTRODUCTION

A. The role of shipping, ports and multimodal transport in economic development

6. International trade is one of the principal generators of economic growth; it is also one of its main consequences. In other words, growth occurs when trade is created, whilst this growth itself creates more trade. Since trade in goods requires the provision of transport, it is clear that the supply of efficient international transport is an essential element of the development process. So far as developing countries are concerned, ocean transport remains overwhelmingly the most important form of international transport. Indeed, apart from the trade between the contiguous countries in the land masses of Europe and North America, sea transport is fundamental for the trading of the whole world.

7. The phrase "shipping, ports and multimodal transport" used in the title of this report is meant to embrace all the sectors involved in the international transport of goods by sea. These include, not only ship operators and ports, but all the other parties with responsibilities for facilitating the movement of goods between their point of origin and the port of loading or between the port of discharge and the final destination.

8. In many developing countries and countries in transition traders are faced with serious logistical problems in connection with the international transport of their goods. These problems manifest themselves to individual traders in the form of:

- high distribution and marketing costs,
- reduced profit margins,
- reduced international competitiveness, and
- constraints on business expansion.

For the traders' countries such difficulties result in:

- failure to develop their international trade potential,
- high prices for imports,
- meagre foreign exchange receipts from exports,
- restricted investment and employment, and
- limited economic growth.

A fuller discussion of these problems and suggestions on how they may be alleviated, including certain steps being taken by UNCTAD, are contained in a recent UNCTAD publication.¹

B. Technical cooperation and human resource development in UNCTAD

9. Technical cooperation and human resource development (HRD) are viewed by UNCTAD as important complements to its research, policy analysis and intergovernmental deliberations. Research provides new insights into methods of tackling development problems; through training programmes the results of this research can be disseminated to policy makers and other officials in developing countries; technical cooperation provides the means for follow-up assistance to be made available to developing countries, at their request. At the same time, the information and ideas which technical cooperation experts communicate from the field enable members of the secretariat to better understand the needs of developing countries and how the work of the secretariat can be oriented to help meet such needs; thus technical cooperation becomes an important source of ideas for research. UNCTAD's technical cooperation programme was, in the past, oriented to developing countries because of their special needs. This programme is now being extended to countries in transition which share some of these needs.

¹ Draft Guidelines on Key Sectors for Trade Efficiency: Transport, TD/B/WG.2/11/Add.2.

10. The Cartagena Commitment adopted at UNCTAD VIII reiterated governments' support for the secretariat's technical cooperation and HRD activities by stating that "Technical cooperation should be strengthened, expanded within the resources available and integrated into all relevant areas of UNCTAD's work ...,"² and "It is crucial to ensure the enhanced participation in the world economy of developing countries, as well as countries undergoing the process of transition to a market economy system, through [*inter alia*] strong policies for human resource development".³

11. The question of implementing national policies for HRD was examined by the Trade and Development Board at the second part of its thirty-ninth session in March 1993. The Board noted, among other things, that:

- National HRD policies, based on a close partnership among the government, training institutions and the business community, constitute an essential element in responding to rapid changes in the international economic and technological environment.
- Strengthening of local training institutions implying, in particular, special efforts in the training of local trainers and HRD managers, is a necessary condition for the long-term sustainability of training capacities. It also permits the necessary adaptation of training material to the local socio-economic and trading environment. Training should encompass the development not only of technical skills but also of managerial capabilities.
- The network approach, involving the sharing of training material, experiences and trainers, allows cost-effectiveness in the training process, enhances the credibility of local training institutions and facilitates access to centres of excellence abroad.

Strong support was shown for the continuation and implementation by UNCTAD of well-focused HRD activities and particular approval was expressed in the systematic approach of TRAINMAR⁴ as a practical contribution to the above policy orientations.⁵

12. In January/February 1994 two independent consultants conducted a policy review of technical cooperation in UNCTAD. This report was discussed by the Trade and Development Board at its sixth executive session in September 1994 and a decision was taken to implement most of the report's recommendations.⁶

13. The purpose of the present document is not to duplicate previous reports but rather to describe more specifically the technical cooperation and HRD activities being carried out in Shipping, Ports and Multimodal Transport, to indicate why these activities are being undertaken and to draw some lessons from the practical experience gained from working in this field which could help improve the effectiveness and impact of these activities.

² A new partnership for development: the Cartagena Commitment (TD/364/Rev.1), paragraph 61.

³ Ibid., paragraph 63 (1).

⁴ Detailed information about TRAINMAR is presented in a report entitled "Implementation of the TRAINMAR Action Plan" UNCTAD/SDD/TRN/1.

⁵ Report by the Vice-President (United States of America) on the consultations on agenda item no. 2 (TD/B/39(2)/26).

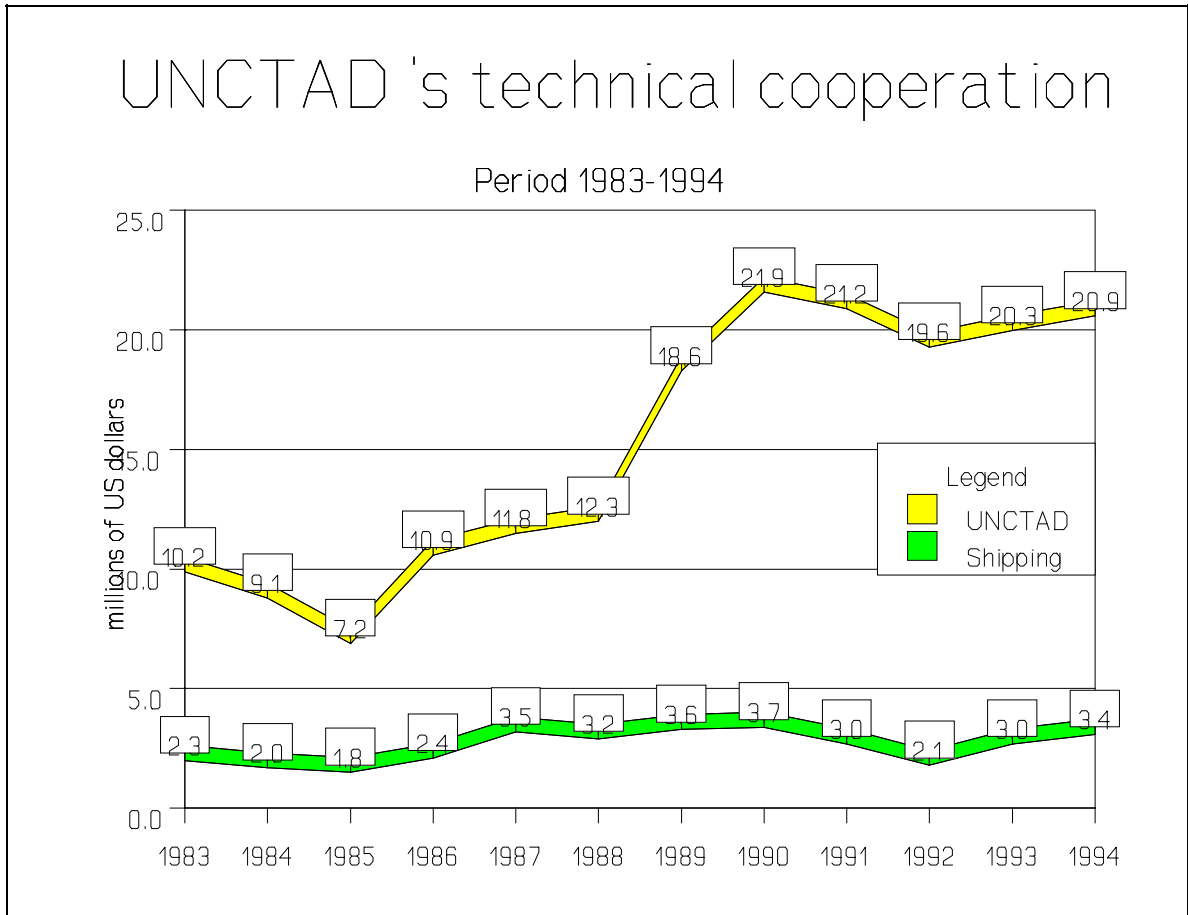
⁶ Agreed conclusions 421 (XLI): Review of technical cooperation (TD/B/41(1)/14 Vol.1).

II. CURRENT TECHNICAL COOPERATION ACTIVITIES

A. Background

14. Technical cooperation has been a prominent feature of UNCTAD's work in shipping, ports and multimodal transport for more than 20 years. These activities are financed almost entirely in particular through extra-budgetary funds provided on a programme or project basis. Figure 1 shows the evolution of technical cooperation activities over the past 12 years. Although there has

Figure 1: Evolution of UNCTAD's technical cooperation activities



been a slight increase in the volume of technical cooperation in the maritime sector during this period, the figures mask a significant change in the mix of activities. In effect, there has been a marked decline in the number of projects in the maritime sector being handled by UNCTAD. However, this shortfall has been more than made up in value terms by a new programme which has developed, and is now introducing in a number of countries, an Advance Cargo Information System to keep track of goods as they move along the transport chain.

B. Shipping

15. In view of the crucial importance of efficient ocean shipping services for the transport of the vast majority of international trade, the economic, operational and commercial aspects of maritime transport are of direct concern to developing countries which are dependent upon such services for their imports and exports. UNCTAD has provided advice and management assistance to a number of countries and subregional groupings of countries on:

- the economics and management of shipping including the feasibility of establishing or expanding national or multinational merchant marines and shipping services based on analysis of national and regional maritime transport requirements;
- the management of shipping companies including corporate planning and fleet operation and management;
- freight rates and conference practices including advice on the implementation of conventions negotiated under UNCTAD auspices, particularly the Convention on a Code of Conduct for Liner Conferences, and on the operation of freight markets; and
- assistance to shippers including advice on the establishment and operation of shippers' councils and of effective consultation machinery between the users and suppliers of shipping services.

C. Ports

16. Apart from the small fraction of international trade which travels by land transport or air, the rest transits through seaports. Users have relatively little choice of port although the availability of adequate facilities and service can dictate whether certain trades are conducted or not. A loss of trade due to inadequate ports is not always visible, yet can have a crippling effect on national development. This has been reflected in UNCTAD's studies and translated into action through technical cooperation projects such as those implemented to combat port congestion.

17. Since port costs, including the cost of ships' time in port, constitute a significant proportion of the transportation costs of international shipments, port efficiency is an important key to the reducing of transportation costs necessary for the stimulation of world trade. During the past 12 years UNCTAD has executed over 30 national and subregional port projects on:

- port planning including economic feasibility studies, impact of technological changes in shipping, statistics and performance indicators;
- port administration and organization including legislation and regulations, financial management, cost control, port pricing and management information systems; and
- port operations including methods of improving port productivity, equipment operations and maintenance.

18. The evolution of international trade, and of the shipping activities associated with it, put the port in a position to play a wider role than in the past, allowing it to become a service centre and one of the driving forces in the development of trading activities of a country or a region. UNCTAD is now ready to advise countries on the marketing of new activities and services in the port area such as free-zones, industrial and commercial activities and warehousing and distribution.

19. The most important project currently being executed by the division is the rehabilitation and management of ports in Somalia. In June 1993 a five-man team was fielded to take over from the United States military the administration and

management of the port of Mogadishu. In 1994 a ports and transport unit was established to advise, initially the United Nations Operation in Somalia and later the future Somali Government, on all aspects of port policy. An UNCTAD team temporarily managed the port of Kismayu and ad hoc assistance provided for the rehabilitation of the ports of Berbera and Bosasso. At the time of writing arrangements are being made to transfer the management of the port of Mogadishu to the Somali counterparts in conformity with the termination of UNOSOM activities and to establish a Board of Directors for the port of Berbera in cooperation with the European Union's Office for Somalia.

D. Multimodal transport

20. Projects executed by UNCTAD in the field of multimodal transport cover the promotion of international trade through supporting transport operations and are aimed at recommending and implementing measures to facilitate trade flows and improve national transport activities. The underlying principle of these projects is that international transport operations can be best performed in the context of multimodal transport. This concept, which emerged from the "container revolution", has grown rapidly over the last decade in developed countries and is now being applied to trades involving developing countries as well. Although simple in concept, this door-to-door movement of goods performed under the responsibility of a single transport operator, is currently being conducted almost exclusively by operators from developed countries. Among the reasons for this is the lack of preparedness of governmental and commercial parties in developing countries, a lack of regulations concerning multimodal transport and a poor level of understanding of multimodal transport and its influence on national transport capabilities and economies. In order to allow for a gradual implementation of the necessary measures, UNCTAD is offering technical assistance to a number of countries through projects which are implemented in three phases:

- first, the identification stage which comprises a review of the existing situation regarding transport and trade regulations, documents and procedures, the identification of the possible measures to be introduced, the bodies to be involved and the critical path for consequent institutional reforms. In addition to recommending various measures on trade and transport, this stage will also create a Trade and Transport Facilitation Committee to monitor their implementation. All interested parties in international trade and transport, from both the private and the public sector, should be represented in this committee;
- second, assistance in the drafting of new regulations, documents and procedures regarding trade and transport; proposals to carry out suggested administrative changes through existing or exceptional channels (e.g. the committee mentioned above); preliminary analysis and action where appropriate, for the installation of UNCTAD's Automated System for Customs' Data (ASYCUDA); and
- third, implementation and execution of proposals on trade and transport formulated in the previous phase.

This scheme has been used in the execution of projects in Benin, Colombia, Ethiopia, Mozambique and Pakistan and is being proposed for the execution of projects in a number of other countries.

E. Maritime legislation

21. The secretariat is advising on the updating and harmonization of maritime legislation at both national and subregional levels in order to provide a modern legal framework for more effective maritime transport. Recent projects include:

- assistance to the Ministerial Conference of West and Central African States in the harmonization of maritime legislation through the preparation of guidelines and recommendations;

- drafting of a new maritime code for Ethiopia appropriate to its new status as a land-locked country;
- reviewing the draft maritime code of Côte d'Ivoire; and
- providing advice in economic and commercial maritime law as part of an IMO-executed project to modernize the maritime legislation of Central American States.

F. Advance cargo information system

22. It was in 1984, when large parts of Africa were suffering from an acute drought, that UNCTAD launched an initiative to diagnose the existing situation in a number of African transport chains and to identify the obstacles - both physical and non-physical - to improving the flow of cargo. This triggered off efforts to introduce logistics management on a more routine basis which, in turn, led to the concept of a system to provide information on the whereabouts of cargo in advance of its arrival at each interface: hence the title Advance Cargo Information System (ACIS).

23. ACIS has four components, each tracking cargo on a mode or interface: port, road, rail and lake. They in turn have main modules performing different, but inter-related functions, particularly with regard to statistics and performance indicators. A Backbone Information System will eventually link the transmission of transport data across national boundaries. The following information is provided by ACIS:

- improved information to help control the operations of individual transport operators;
- advance information on the movement of individual consignments, providing the opportunity to transport managers to plan the optimum use of transport networks, equipment and standing facilities, leading to improved transit times for goods;
- a database facility available to any party registered as having an interest in a consignment and its transportation, providing them with the latest reported location and status of goods and transport equipment;
- a database for rational corporate planning by transport operators; and
- a long-term record of transport movement data to build up national and subregional databases and to permit governments and other organizations to analyse national, subregional and regional problems in order to investigate alternative investment opportunities in the transport sector.

24. This programme started in Africa in 1987 and, at the request of users, efforts have been concentrated on developing and implementing the rail and port tracking modules and, more recently, the lake tracking module. The road tracking module will follow. RailTracker, the module which tracks cargo on railways, is currently operational on thirteen African railway networks and PortTracker, the module which tracks cargo into and out of ports, is operational in two African ports. A proposal for the installation of all the ACIS modules in Burundi, Kenya, Rwanda, United Republic of Tanzania, Uganda and Zambia was approved by the European Development Fund in September 1994. This project, which will be executed jointly by the Common Market of Eastern and Southern Africa (COMESA), formerly PTA, and UNCTAD, will commence in the second quarter of 1995.

25. The overall objective of ACIS is to foster subregional integration and partnership with transport clients; this will promote international trade by providing transport operators with an information management tool enabling them to increase performance, reduce costs to shippers and enhance capacity and the competitiveness of trade. The benefits of ACIS can initially be quantified on a modal basis as the system is progressively installed on all modes and then interconnected with adjacent countries.

III. HUMAN RESOURCE DEVELOPMENT

A. Background

26. UNCTAD has been involved in maritime management training since the early 1970s. During the early years most of this training was aimed at senior management and government officials. Courses and seminars, varying in duration from one week to two months, were conducted on various aspects of ports and shipping management. During the period 1972-1978 some 50 training programmes were conducted and over 1000 port and shipping managers and government officials participated in an UNCTAD training programme.

27. In 1978 the results of two separate exercises changed the course of the secretariat's HRD activities. The first was the conduct of a survey that examined maritime management and the training requirements of developing countries. The second was the conducting of a follow-up seminar to the first four English-speaking training courses in port management, which took place in June 1978, part of which was devoted to an evaluation of the training needs of ports in developing countries. The principal conclusion to emerge from these two exercises was that, whilst UNCTAD's efforts to train government officials and the more senior levels of management of ports and shipping companies in developing countries, were widely appreciated, and should continue, there was a serious, unfulfilled need for the training of middle and junior levels of management.

28. The survey, conducted by UNCTAD in 1978, estimated that the number of management personnel in the maritime sector of developing countries which needed training amounted to 78,000 persons. Of this total, less than 10 per cent had received any formal training for the jobs they were called upon to do.

29. The scale of the problem was simply not compatible with the resources of an organization like UNCTAD which can only conduct courses for 25 participants at a time. The problem needed to be seized by the developing countries themselves and training provided through specialized training centres within the transport sector at the national or subregional level. Since few countries were in a position to meet the demand of this type of training, assistance was needed in:

- developing and up-grading the capability of local, national, and subregional training centres;
- providing training materials for such centres;
- training the instructors; and
- training and encouraging local staff to develop their own training courses to overcome local organizational problems.

Consequently, in 1980, UNCTAD embarked upon a programme of action to help developing countries tackle their management training problems in shipping, ports and multimodal transport.

B. TRAINMAR

30. The cornerstone of UNCTAD's training activities is the TRAINMAR Programme which was established in order to strengthen local, national and subregional training centres in developing countries, so that they could become able to design and conduct their own training effectively. This programme was initiated in 1980 through a technical cooperation project funded by UNDP which enabled UNCTAD to introduce a system with two key features:

- a standard approach to training which new or existing training centres could adopt to ensure that training is effective; and
- arrangements for cooperation among training centres so that course development efforts, training programmes, experience and even personnel may be shared for the benefit of all.

31. The training approach covered the design and delivery of training as well as its management, so that professional standards could be attained in all these domains at local centres, as well as laying the foundations for cooperation among different centres. After a suitable methodology was selected, manuals describing it were prepared for use by personnel at any training centre; it was also incorporated into a series of workshops through which potential trainers could learn to apply the methodology. The arrangements for cooperation were based on regional or subregional networks, of which there are currently eight, grouped in turn into a global TRAINMAR network.

32. Since 1980 activities such as development of the system and coordination of ensuing activities, have been undertaken by a central team working at UNCTAD headquarters in Geneva, and training centres interested to do so have progressively joined and enlarged the network. An inter-regional project funded the central team, regional projects funded introduction of the cooperation arrangements, while national projects funded introduction of the approach at individual centres if they needed significant help. By 1988 there were 23 centres cooperating in the global network and most of them were operating without direct project assistance. At that stage, the UNCTAD secretariat agreed to take over coordination of the activities while the individual centres undertook to continue their activities and to support their own regional arrangements.

33. A distinction should be drawn from then on between the programme, which is the support mechanism put in place by UNCTAD, and the network, which comprises all participating centres as well as programme staff. The TRAINMAR programme is now a regular part of UNCTAD's activities and involves support to the global network in the following ways:

- expansion of the network, permitting all interested centres to benefit, expanding mutual benefits, and drawing in centres with a special contribution to make;
- development of the techniques, to encourage greater professionalism in training and HRD;
- preparation and distribution of courses for general use, where common needs have been expressed;
- quality control, regarding the pedagogic and technical quality of course materials as well as the conduct of training (which can be reviewed through delivery reports submitted voluntarily by centres);
- diffusion of information and coordination of activities inter-regionally, so that efforts deployed regionally under local network initiatives can be shared with other such networks;
- impromptu advice to centres and contacts in the maritime sector, both in the identification of training needs and in applying sound solutions; and
- seeking funds in support of any of the above activities that extend beyond the scope of UNCTAD's regular budget.

A Central Support Team (CST) based in the secretariat is responsible for these tasks, in close cooperation with technical specialists within the secretariat.

34. Between 1988 and 1994, the network continued to grow to embrace more than 50 centres, several of them in industrialised countries and with contacts opening in countries in transition. Many of the new centres were able to join the network without the benefit of a national project due to the support now available from existing members and occasional, but opportune, assistance through regional projects.

35. During 1994 the programme was executing 14 projects with an expenditure of almost \$1 million over the year. TRAINMAR projects tend to be smaller than those seen elsewhere. This is a deliberate feature of the programme since inputs are envisaged only to supplement local skills. Most of the recent effort was for extending the work of TRAINMAR either geographically (e.g. in Eastern Europe, Latin America and Southern Africa) or technically (e.g. with regard to HRD policies). The exceptional feature of this programme is that it is very small in comparison with the activities conducted through the network. Most national activities and much regional activity is conducted without prior reference to the CST. The assistance provided by the secretariat is focused mainly on complementing the efforts deployed within countries associated with the network, from where most of the effort is provided and most of the initiatives come.

36. Further benefits which stem from this system are that links are established between the secretariat and institutions in developing countries, offering opportunities for exchange of information in both directions. In particular, centres of the network offer an immediate outlet for implementation of all the training initiatives outlined in following paragraphs. Further, the establishment within the secretariat of staff specialised in training and HRD offers the opportunity for UNCTAD outputs to be translated into action through well focused training activities.

37. In practice, UNCTAD was not able to establish the programme entirely in phase with the reduction in project finance for central activities. There has always been a time-lag which, in view of the concurrent expansion of the network, led to inevitable shortcomings. The transition was due to be completed early in 1995 and the secretariat expects activities to proceed more effectively in future.

C. Other training activities

38. In parallel with the training programmes being produced by developing countries' training centres under the TRAINMAR Programme, the Services Development Division uses a similar methodology to develop, centrally, validated training materials for two types of training programme:-

- (a) Policy seminars comprising those seminars or workshops developed by, or under the close supervision of, the secretariat with the aim of disseminating the results of UNCTAD's research to policy makers or encouraging the implementation of international legal instruments negotiated under UNCTAD auspices. Such seminars would normally be conducted either by UNCTAD staff or by selected consultants.
- (b) Senior/middle level management courses and seminars consisting of centrally developed training programmes to meet the needs of senior/middle level management in ports, shipping companies, multimodal transport organizations, etc. Most of these are materials-based, comprising audio visual programmes, trainee workbooks and instructors' guides, which are translated into various languages. The courses may be delivered initially by UNCTAD staff, but then local instructors are selected and trained to conduct them in their own countries. The centres of the TRAINMAR network are a natural outlet for these training programmes.

39. In the ports field a major initiative was taken, through the Improving Port Performance (IPP) project, to develop three training programmes between 1983 and 1990.

IPP-1: A 4-week course entitled "Management of General Cargo Operations" which provides a basic course for traffic officers, quay and shed superintendents, etc. from port authorities and stevedoring companies. The object is to train this level of management to become better equipped to plan and organize the handling of cargo in ports, making the most efficient use of available resources. This course has been translated

into French, Spanish, Portuguese, Arabic, Chinese, Korean and Bahasa (Indonesia) and 238 instructors from 61 countries have been trained to conduct it. It has been conducted over 300 times in some 50 countries since 1983.

IPP-2: A 4-day seminar for senior officials on "Container Terminal Development Policy" which discusses the key factors underlying physical and organizational decisions relating to the development of container handling facilities. This seminar, available in English, French and Spanish, has been conducted some 50 times in over 20 countries since 1986.

IPP-3: A 4-day seminar for senior officials on the "Management of Port Equipment" providing a broad review of institutional, organizational and management issues relating to equipment ownership, procurement strategies, selection techniques and maintenance. Ten deliveries have taken place since 1990.

The materials for the above training programmes have been used even more widely as support for a variety of other courses designed locally, particularly in TRAINMAR centres.

40. Based upon research conducted in 1990 and 1991, a policy seminar on "The Challenge of the Third Generation Port in Africa" has also been developed which explores the threats and opportunities facing African ports in the light of changes to the technological and commercial environment in which international trade is currently conducted, and the need for the port to become a logistics platform for the countries' foreign trade.

41. Steps are currently being taken to develop, under the joint supervision of the TRAINMAR programme and the Ports Section, a training curriculum in port management to enhance the multi-disciplinary skills of middle managers. This training programme, leading to a certificate, will be implemented through the TRAINMAR network, but it is also designed to be integrated into academic courses run by interested universities.

42. A shipping course entitled "Strategic Planning Workshop for Senior Shipping Management" (STRATSHIP) has been developed by the secretariat in collaboration with the Norwegian Agency for Development Cooperation and the Heriot Watt University in the United Kingdom. A unique feature of this workshop is a computer-based management simulation game which introduces managers to the complexities and trade-offs involved in the strategic decisions which need to be made in running a successful company. Over 20 deliveries of this workshop have been conducted by the secretariat since 1988 with at least a similar number conducted through the TRAINMAR network or in shipping organizations by instructors trained by UNCTAD.

43. During deliveries of this workshop UNCTAD has received repeated requests for a strategic planning course for the bulk sector (STRATBULK). Bulk cargo represents more than two-thirds of the world shipping industry and is particularly important for developing countries since 93 per cent of their exports are carried by tankers and dry bulk carriers. Moreover, developing countries bulk fleets have expanded dramatically, rising from 11.5 million dwt in 1980 to over 64 million dwt in 1992 - a 450 per cent increase over 12 years.

44. The development objective of STRATBULK would be to improve the management performance of bulk shipping companies in developing countries and countries in transition. Such a workshop would allow shipping managers to:

- understand the role of strategic planning in bulk shipping;
- learn the techniques for developing a strategic plan;
- apply the methodology through a simulated management situation in the dry bulk and tanker sectors;
- appreciate and analyse the results of strategic decisions; and
- improve the profitability of the company.

45. Training materials have been developed for a suite of workshops to disseminate to government officials the concepts of multimodal transport and the benefits to be derived from its introduction in developing countries. There is a five-day workshop for senior officials, a three-day version for top officials and a recently-completed one-day version for ministers. All cover, in different degrees of detail, legal aspects, trade facilitation and the regulatory measures needed to introduce multimodal transport in a country. There is also a workshop specifically designed for potential multimodal transport operators which explains, among other things, the changes required in the set-up of an organization in order to effectively carry out multimodal transport operations. A total of 2400 participants have taken part in one or other of these workshops since 1984.

46. On the legal side, training materials have been developed for a one-week course on "Maritime Documentary Fraud" which is addressed to state trading organizations, importers, exporters, banks and government departments which supervise trade. The course discusses the various types of fraud being perpetrated and how to negotiate contracts to minimize risks.

47. In addition to the above activities, certain more conventional training continues to be conducted by the secretariat. A seminar on Container Terminal Management is conducted on an annual basis with the Antwerp Port Engineering and Consulting, a seminar on The Commercial Role of Ports with the Port of Ghent, and a series of colloquia is being organized with the Baltic and International Maritime Council (BIMCO) on Charter Parties and Ship Finance.

48. Finally, in 1989, UNCTAD embarked upon an on-the-job training initiative - JOBMAR - the objective of which is to transfer up-to-date management techniques to senior/middle managers by providing them with an opportunity to work on-the-job in countries with a more advanced maritime sector. Assignments last about 2-3 months with positions tailored to the specific needs of the trainee. Since JOBMAR placements take a considerable amount of effort to arrange, this type of training is reserved for a few hand-picked candidates each year.

49. Although, for convenience of presentation, technical cooperation and HRD are discussed in separate sections of this report, all technical cooperation projects contain a training component which typically accounts for about 10-20 per cent of the project budget, but can be much more. At the project preparation stage, careful consideration needs to be given not only to the probable training needs but also to the manner in which these needs could best be met. Projects will be more successful to the extent that advice on more efficient ways of carrying out a particular activity goes hand-in-hand with training. But training may have to go beyond the managers or staff who will implement new practices or procedures: policy makers and senior managers of the organization, and possibly other organizations which interact with it, also need to be sensitized to the need for change. This can often be done most effectively through management workshops.

50. There has, in the past, been a tendency for project managers to handle this project-related training in their own way. While this has by no means proved disastrous - indeed the variety of approaches used has certainly enriched the division's collective experience - the time has come to pool this experience and implement a more harmonized approach to this training. A decision has been taken to finance from UNCTAD's regular budget a post of maritime training advisor within the TRAINMAR programme. This person, when appointed, will be available to advise and assist in both the formulation and the implementation of the training components of all technical cooperation projects being executed by the Division.

IV. PROGRAMME FINANCING AND MANAGEMENT

A. Sources of finance

51. The United Nations Development Programme (UNDP) has been the traditional source of finance for much of UNCTAD's technical cooperation activities and, although shipping and port projects probably benefitted more than most from funding by other donors, UNDP finance accounted for more than 80 per cent of project funding until 1990. Since then, however the funding pattern has changed dramatically. UNDP funding has declined, particularly that available for regional projects. The most striking reduction has been the amount available from the regional programme for Africa which was UNCTAD's largest single source of funds in the late 1980s. During the period 1987-1990 some 30 per cent of the funding for the division's technical cooperation activities came from the UNDP regional programme for Africa. By the end of 1994 this had fallen to zero.

52. Fortunately this shortfall in UNDP funding has been made good by increased funding from other donors, principally the European Commission and the Governments of Belgium, France and Germany. There has also been an increase in the number of projects being financed by the developing countries themselves through World Bank loans. Donors other than UNDP currently provide almost 50 per cent of project funding and this could well increase to 60 per cent in 1995.

53. This shift in project funding has an impact on the financial management of projects. Current procedures for financial reporting are based on UNDP's requirements. But other donors' requirements are often different and this has resulted in certain difficulties in both the negotiation and the implementation of financing agreements. One difficulty has been an element of incompatibility between the financial regulations of the United Nations and those of donor agencies. A particularly knotty problem, relating to the access the European Commission's auditors may have to financial records of the United Nations, which had been a long-standing impediment to the acceptance of certain contributions from the Commission, was resolved only in December 1994. Other problems are being resolved on a case-by-case basis, but this is time-consuming and has led to delays in the execution of a number of projects and even threats of cancellation. The time may be ripe for a re-examination of financial and administrative procedures to ensure that they tie in more with donors' requirements.

B. Initiation of projects

54. Technical cooperation projects originate in a variety of ways. Many national projects are initiated as a result of spontaneous requests for assistance from governments, or directly from organizations in need. It can be deduced that there is a general awareness of the areas in which UNCTAD can help, based in part upon the secretariat's technical reports or its training courses, and upon information made available in its newsletters or its brochure on technical cooperation. A mission to the country will usually be needed, in order to examine the precise nature of the problems faced and to offer on-the-spot advice. In cases where the assistance required is more substantial than that which can be provided during a short visit, the mission will go on to identify the technical assistance requirements for addressing the problems thoroughly, to formulate a project proposal for such assistance, and to explore possibilities for project funding.

55. During most of the 1970s UNCTAD had two full-time inter-regional advisors specializing in maritime affairs, who were able to undertake such visits to developing countries. This Inter-regional Advisory Service was financed by the United Nations Development Programme (UNDP), but after 1979 was renamed Sectoral Support and the maritime element was progressively reduced in scale such that now only about 60 per cent of one advisor's time can be devoted to maritime issues. Although the same funds may be used occasionally to finance the travel of a member of UNCTAD's regular staff to respond to a particularly urgent request, most initial visits are conducted only when they can be arranged in

conjunction with travel for other purposes; inevitably this often prevents response being provided in reasonable time.

56. Even when missions can be arranged in good time and the problem calls for assistance through a project, the proposal may not attract priority rating at national level. Donors normally respond to government requests, so even when a project appears valuable for the maritime sector, it may not be followed up with a donor if the government does not accord it priority relative to proposals in other sectors. This issue would normally be taken up locally after the mission and the outcome is beyond the control of the secretariat.

57. Many inter-country projects, and a few national projects, originate as a result of initiatives of the secretariat. This raises a possibility that a project may go ahead primarily because UNCTAD and the donor believe in the benefits, but with only passive acquiescence of the government or the host organization. This is dangerous because officials and staff of the host organization are unlikely to demonstrate the commitment necessary for successful technical cooperation unless they really believe there are institutional, operational or policy problems which require help from outside. Such projects ought to proceed only after measures have been taken to ensure that staff concerned are convinced of the benefits.

C. Project management

58. Following the receipt of a request for technical assistance from a government and possibly a visit to the country, a staff member with the necessary language qualifications and experience related to the subject matter is designated to formulate a project proposal for consideration by the government and eventual submission to a potential donor. Such a document may go through several revisions before the project is finally accepted by a donor: indeed, with the decline in UNDP funding over the past few years, a good deal of time has been spent preparing proposals which failed to secure funding. Once a proposal is accepted for financing it is this project officer who prepares the detailed work plan, who evaluates potential candidates for consultancy assignments, who briefs them before they go into the field, who maintains contact with them during their assignment and who visits the country as required for periodic reviews of the project with the government. Prior to 1980, i.e. before TRAINMAR got underway, all technical cooperation projects were back-stopped by staff of one of the four sections of the (then) Shipping Division - Shipping, Ports, Multimodal Transport or Maritime Legislation. These staff handled technical cooperation projects in addition to conducting research and it was this dual role which helped ensure the cross-fertilization between research and technical cooperation which was mentioned earlier.

59. This approach is not without its problems, particularly with regard to the priority attention field projects call for, and these have been aggravated over the past few years as a result of changes to the arrangements for the management of technical cooperation. Up until 1988 the management of technical cooperation projects was shared between project officers, who were responsible for the "technical backstopping of projects", and a Technical Cooperation Service, which handled administrative and programming aspects. In 1988 this Technical Cooperation Service was abolished and new arrangements were introduced which delegated to substantive divisions additional programming and administrative responsibilities.

60. While these new arrangements were welcome, the increased responsibilities were not matched by increased resources. Indeed, the division took over these new duties during a period of retrenchment when staff resources were actually reduced. The preparation and management of technical cooperation projects is time-consuming. Gone are the days when projects consisted of just recruiting one or two experts and putting them in the field for a couple of years. Projects are now more complex and greater use is made of short-term consultants. This approach is beneficial in a number of ways - it is more cost-effective and allows greater cross-fertilization between technical cooperation and research - but it

does involve considerably more management effort and, for those project officers who have to divide their time between project management and the more traditional secretariat activities, it can have an adverse effect on the timely preparation of documents for meetings and jeopardize the quality of both research and technical cooperation. This, coupled with the reduction in resources available for project preparation, has led to a decline over the past few years in the volume of technical assistance handled by the sections.

61. There would appear to be two alternative solutions to this problem:-

- (a) Ensure that increased volumes of technical cooperation are matched by corresponding increases in staff resources, financed either specifically from the project budgets, or from part of the "overheads" which technical cooperation activities generate; or
- (b) Limit the volume of technical cooperation by the application of more stringent acceptance criteria.

62. The first alternative seems the more logical and, in fact, the policy review of technical cooperation carried out in 1994 came up with a recommendation along these lines. The Trade and Development Board has agreed that "... the secretariat should make arrangements to ensure that an appropriate share of the support costs received by UNCTAD for project execution is allocated to the substantive division or programme concerned in a transparent and equitable manner."⁷ At present, however, it is primarily those parts of the division which are *not* involved in research and policy analysis that are prepared to devote time to the preparation and promotion of proposals for technical cooperation. The effect of this is a gradual change in the mix of the division's technical cooperation activities, albeit more by default than design. ACIS and TRAINMAR each now account for over 25 per cent of the division's activities. The port project in Somalia accounts for a further 25 per cent, with the remainder representing less than 25 per cent.

63. The complex nature of project management creates potential conflicts with regard to:-

- (a) administrative procedures for such things as purchasing or for obtaining services or expert travel, which are adapted to the needs of regular secretariat activities rather than the time-sensitive needs of technical cooperation; and
- (b) the need for up-to-date and accurate financial information for project management.

As mentioned in paragraph 53, there may be justification for re-examining procedures.

V. INTER-AGENCY COOPERATION

64. UNCTAD collaborates with a number of organizations within the United Nations system in carrying out its technical cooperation activities. As far as shipping and ports are concerned, two other organizations - the International Labour Office (ILO) and the International Maritime Organization (IMO) - also have mandates in this field. UNCTAD's assistance focuses essentially on the economic, commercial and legal aspects whilst ILO deals with employment and social issues, and IMO with technical and safety aspects. In 1989 the executive heads of ILO, IMO and UNCTAD established a joint working group, initially to co-ordinate action in port training. The terms of reference of this group are:

⁷ Report of the Trade and Development Board on the First Part of its Forty-first Session, TD/B/41(1)/14. (Vol.1).

- to review the technical cooperation programmes of the three organizations in the field of port training; and
- to identify areas for increased collaboration and possible joint action.

65. Closer working relationships have developed among the three organizations, not only in port training but also in other areas of common concern, in order to avoid possible duplication of effort and ensure the most efficient utilization of the three organizations' scarce resources. UNCTAD and ILO are currently conducting joint HRD activities in Asia and Latin America, whilst UNCTAD and IMO are jointly executing a project on maritime legislation in Central America. The UNCTAD secretariat is also providing inputs of approximately three man-months per year to the education programme of the World Maritime University.

66. A new idea for cooperation between UNCTAD and IMO which is gaining momentum is in relation to activities to help protect the environment in coastal areas through implementation of the polluter paying principle. The idea is that UNCTAD would design the commercial framework for generating resources for the installation of waste disposal facilities while IMO would look into the technical aspects. As a contribution to sustainable development in coastal zones, joint educational programmes might also be developed. Inter-agency discussions are underway with a view to formulating a joint programme for submission to potential donors.

67. Some of the joint activities mentioned also involve members of the TRAINMAR network. Members of the Asian region have cooperated with ESCAP in the development of a standard course on freight forwarding which has subsequently been made available to members in other regions. UNCTAD maintains regular contacts with other organizations running cooperative training networks such as the International Civil Aviation Organization and its TRAINAIR programme.

68. UNCTAD also collaborates with the United Nations Economic Commissions, particularly ECA and ESCAP, in relation to the Transport and Communications Decades in these regions. For the African Decade UNCTAD chairs a Sub-Sectoral Working Group on Shipping, Ports, Inland Waterways and Multimodal Transport which, in preparation for Decade activities, analysed the problems in the above subsectors and proposed strategies for their solution. On behalf of the working group, UNCTAD has produced a brochure to disseminate these strategies to African Governments, subregional organizations and the providers and users of transport services. In addition, a presentation, complete with visual aids and a lecturer's guide, was prepared for use by ECA and other members of the working group in subregional workshops and conferences convened to discuss transport issues.

69. UNCTAD is cooperating with both ESCAP and ILO in relation to the Transport and Communications Decade for Asia and the Pacific. With ESCAP, UNCTAD is providing guidance on the removal of non-physical obstacles - logistic, procedural and legal - to intra-modal transport both within countries and across frontiers. With ILO, UNCTAD has conducted a survey of HRD and training needs in ports in Asia in 1994 and, together with representatives from the region, an action plan has been developed to promote HRD in ports of the region.

70. Close collaboration also takes place with the World Bank, particularly in the field of transport logistics. A joint World Bank/UNCTAD document entitled "Trade and Transport Facilitation Guidelines" is under preparation, the objective of which is to enhance the international competitiveness of Sub-Saharan African economies through improved efficiency of their land-transport and maritime transport services, and through increased cooperation and regional economic integration. Five of the national technical cooperation projects being executed by UNCTAD in 1994 were financed by the recipient country through World Bank loans.

71. Finally, UNCTAD has been collaborating with the United Nations Operation in Somalia (UNOSOM) and the World Food Programme (WFP) in relation to the project in Somalia. At present UNCTAD acts as the port authority in Mogadishu while WFP acts as the port operator.

VI. BENEFITS OF THE PROGRAMME

A. Impact measurement

72. The purpose of technical cooperation activities is to bring about change. Whether this be the introduction of new systems or simply a change in attitudes or approach, the change has a purpose and an intended impact. Unfortunately, measurement of impact is fraught with problems. It is therefore very difficult to judge the effectiveness of technical cooperation, and so to use such observation to improve standards.

73. Several factors contribute to this difficulty; in particular, technical cooperation activities are usually undertaken to complement, or face up to, changes already under way - for instance to cope with a new technology or to minimize the effects of a newly identified problem. If levels of performance are measured as the activities proceed, their apparent effects may be either amplified or nullified by other changes. No measure will be reliable and a judgement on the activities will be subjective. Also, technical cooperation is often intended to produce a cumulative long-term effect, which is difficult to distinguish from other trends and certainly can be magnified or masked by independent changes.

74. Both these factors are particularly relevant with regard to HRD and training. It is rare that improving the knowledge or abilities of an individual will improve performance demonstrably unless the framework in which the individual works is adapted accordingly. This is why it is vital to have an HRD policy to ensure that training responds to a management-inspired need.

75. While some sort of evaluation is a common feature of projects, whether as an integral part of the project or as an independent exercise, it tends to be either a review of satisfaction levels among those involved or a study of factors that might have hindered the project. In the first case opinions are rarely objective, tending to avoid delicate issues; whilst in the second, results may be valid and useful but remain superficial and very much dependent on the assessor chosen.

B. Findings of programme evaluations

76. Three of the division's programmes, ACIS, TRAINMAR and IPP, which together account for over 50 per cent of the total programme, have been subject to independent evaluations in recent years.

77. An appraisal of ACIS, commissioned by the European Commission and carried out by the United Kingdom consulting firm Transmark in 1993, concluded that,

"ACIS provides appropriate technology and is technically sound, which if properly implemented and managed will satisfactorily and efficiently address operational problems identified in Africa. ACIS will also serve as a foundation for many other added value systems which will be of great benefit to African transportation operators and their clients."⁸

78. But the potential benefits, however great, can be jeopardized by major risks and UNCTAD's experience shows that great care must be taken to contain these risks. The first is that all levels of staff using ACIS must be able to use the information provided to remedy deficiencies and to plan improvements. Unless they do this the benefits will be wasted. Hence appropriate training is vital.

79. With regard to TRAINMAR, an in-depth review of both the programme and a cross-section of network activities was conducted by independent consultants in

⁸ ACIS Appraisal Study for the Preferential Trade Area for Eastern and Southern African States submitted by Transmark, November 1993.

1989. This was shortly after UNCTAD had taken responsibility for the programme and one of the objectives was to identify those weaknesses that would need attention from UNCTAD and network members to ensure sustainability of the system that had been established with project support. The main conclusion was as follows:

"This evaluation study has indicated that TRAINMAR has, by and large, achieved its principal developmental objectives - the various networks exist and the individual centres, to a greater or lesser extent, have established a presence. In performance terms, too, many (but not all) of the programme's outputs have been achieved. In addition, the Programme has contributed to many unspecified, training related activities and has generated considerable benefits in addition to the outputs detailed in the project documents."⁹

80. Although the TRAINMAR approach embodies a certain discipline of reporting and evaluation which has enabled programme staff to measure some aspects of performance, there has been no subsequent external review except for isolated project evaluations such as the one conducted at the end of the first phase of a French-funded regional project for Caribbean states. This and others conducted at the termination of projects have been consistently favourable about the results achieved during the project, but have not been able to assess the longer term effects.

81. The detailed findings of the evaluation study were the basis for an action plan that was then prepared by UNCTAD, so that its own contribution and that of members could be reinforced and so ensure sustained operation of the network. This action plan was intended to set up a support mechanism that would make up for local technical weaknesses, progressively raise local commitment, and provide incentives to reduce staff turnover while providing opportunities to transfer experience to replacement staff. It is now clear that this support mechanism must continue for a long time if these objectives are to be sustained. While this can be justified by the large number of countries involved and the high potential of the resulting network, the cost of such follow-up to an ordinary project would be prohibitive.

82. It is clear that the requirements set out in paragraph 29 have been met. Local training programmes have been established together with the means to expand and improve them. However, it is equally clear that measurable and lasting efforts depend on many factors. The CST is now giving particular attention to the relationships among training centres and client enterprises, and especially the establishment of HRD policies to ensure that training is seen to satisfy corporate objectives and therefore attracts the necessary local support.

83. The evaluation of the IPP-1 course on the Management of General Cargo Operations assessed the training material against several criteria, including its relevance to trainee job needs, its quality, the comprehensiveness, depth and accuracy of its technical content, ease of use by trainers and ease of understanding by trainees. The conclusion reached was that the course had met its objectives for the training of junior and middle managers and it had strengthened the self-confidence of participants. At the same time, the importance of adapting the course to local conditions was stressed. In those ports where the course had been fully supported by senior management, one could identify measures which had been taken to implement the new knowledge gained from the course.

84. Although the primary reason for promoting pre-prepared training packages like IPP-1 is that they respond well to clearly identified needs, the approach is also cost-effective. It is estimated that, between 1983 and 1989, some 5000 middle managers in over 50 countries attended this course or parts of it.

⁹ Report of the Joint UNDP/UNCTAD Evaluation of the TRAINMAR Programme prepared by Dr. B.J. Thomas and Professor P. Bauchet (1989).

A 4-week conventional training course for 20 participants, which would be unlikely to match training needs as well as these thoroughly researched course materials, can cost up to \$40,000 to organize (excluding participant's travel costs), say \$500 per trainee-week. The development of the 4-week IPP-1 course, the production of 200 sets of the materials in eight languages, the training of over 200 instructors and the assistance provided in first-time deliveries cost a total of \$1.7 million. If this is divided by the 20,000 person-weeks of training which resulted, however, it works out at an internationally contributed cost of only \$85 per trainee-week. Since this course continues to be conducted the cost per trainee-week continues to decline.

C. Sustainability

85. The ultimate test of the effectiveness of a technical cooperation project is not whether it improved the situation during the life of the project but whether these improvements are sustainable and built upon once the project finishes. Unfortunately this is even more difficult to assess than to measure impact during and at the end of a project. However, some judgement can be made on the success of projects and, for those projects which did not fully realize their objectives, a number of reasons can be suggested.

86. The main thrust of UNCTAD's HRD activities is the creation and strengthening of local training capacities and making these sustainable through self-supporting networks. Looking at the current performance of training centres which have been recipients of technical assistance the record is mixed. Happily, some are thriving and continuing to develop and conduct training to meet the changing needs of the organizations they serve; others appeared to do well for a while but then fell into a routine of merely continuing to deliver existing courses without consideration of the changing needs of the clients and not therefore having much impact on the client organizations' performance. There are even a few centres that received assistance in the past but which seem hardly to be functioning today.

87. No general answer can be given to the question of why so few training projects are wholly successful with regard to the important objective of sustainability. However, on the basis of UNCTAD's experience, the following possible causes can be cited.

- (a) Few organizations have an HRD policy and therefore the objectives of training centres are often not shared by the client enterprise(s), with the consequence that:
- governments and senior management may pay lip service to the importance of training yet fail to provide tangible recognition of this by providing adequate resources and support; in particular the status of trainers is invariably low and both the image and the quality of training are impaired;
 - training is rarely designed and delivered in sufficient co-ordination with line managers to ensure that it is meeting the real needs, that it is followed by the people most needing it and that trainees can apply their new knowledge and skills when they return to the workplace; and
 - although many people have been trained for training functions, the vast majority have been assigned to other jobs with the result that very few new training programmes are being developed.
- (b) Project duration has been too short; financial constraints are such that projects have a duration limited to one or two years, but in practice it takes far longer for a new institution such as a training centre to become thoroughly established. This does not mean that a project should continue in the same way for many years, but selected support needs to be available for some time after a project finishes.

88. As far as projects other than HRD projects are concerned their effectiveness and sustainability depend to a large degree on the commitment of the governments and the project beneficiaries to become full partners in the project and provide the necessary local support including the appointment of suitable counterparts who can ensure continuity following a project's completion. Equally, projects aimed at operational improvements or institution building should not be too short in duration. There will normally be an analysis phase, leading to recommendations for change, followed by an implementation phase. Beneficiaries will need time to digest proposals for change in order to appreciate fully all the implications and those affected by the changes will need to be prepared, possibly through training, to cope successfully with them. Too much haste to move to the implementation phase can prove counter-productive. It is important that advice and assistance continue to be available during the implementation stage to help deal with the inevitable teething problems which arise when introducing new procedures and practices and therefore projects should be designed with this in mind.

89. Strong commitment from beneficiaries will also be needed to ensure the sustainability of systems, such as ACIS, that use computer software. Once the time comes for UNCTAD to withdraw, having installed the hardware and software and having completed the training, users will be encouraged to join forces in some sort of institutional framework to keep the system running. If the system proves its usefulness by providing data which is used to improve the organization of transport, then the operators should have the incentive to ensure maintenance of the system after termination of the project. In order to reduce the risk that the lack of some timely advice or the maintenance of some vital hardware could jeopardize the sustainability of project achievements, it might be appropriate to include within the project budget a small element to cover possible follow-up assistance after the termination of a project.

90. The size of a project can have an important influence on its long-term success. Projects that are too small to warrant a full-time advisor, either at the national or regional level, may easily lose direction unless very clear arrangements for their management are put in place. On the other hand those projects providing for a team of experts may succeed in the short-term due to their dynamism but fail in the long-term as a result of the withdrawal of so much power. The design of large-scale projects should put great emphasis on arrangements for withdrawal and gradual handover to local communities.

D. Institutional change

91. Until recently, technical cooperation organized by UNCTAD has dealt almost exclusively with the public sector. There have been many contributory reasons, mainly a reflection of the historical channels used by the United Nations for contacts with countries. The availability of assistance is better known to Government departments, and priorities for donor funding are usually set by a Government office. However, as a result of institutional reforms taking place in many countries, the private sector is taking on a more important role in the transport industry. Some projects conducted recently, particularly ACIS, TRAINMAR and in multimodal transport, have worked with private enterprises. Experience to date has shown the private sector to be a highly serious technical cooperation partner, ready to actively engage itself in project activities and with a strong commitment to implement results.

92. With respect to HRD, however, there are signs that the growing involvement of the private sector in the organization of transport may not be making best use of opportunities available. HRD and training often have a medium- or long-term objective and in the short-term may represent only costs. Investment in an individual may be lost to the employer due to that person moving jobs before the benefits begin to flow. A number of industrialized countries are now using measures such as tax incentives or legislation to ensure that companies in a position to do so devote a portion of their revenues to personnel development or training. This need not run contrary to the principle of privatization, since a commercial approach may still help in the achievement of concrete objectives.

93. Three lessons appear to emerge:

- that information about technical cooperation activities should be more readily available to the private sector;
- that Governments should consider the priorities of the private sector when determining assistance priorities; and
- that coordination of public and private objectives may be necessary in the area of HRD.

E. Technical cooperation among developing countries

94. Three problems encountered in technical cooperation projects might be alleviated through the organization of cooperation among developing countries. These are:

- a difficulty of adaptation sometimes displayed by advisors who nevertheless have rich experience in industrialized countries;
- high costs associated with the use of advisors from industrialized countries that apply high scales of remuneration; and
- the abrupt termination of access to advice when projects end.

95. Often the advice that a country seeks can be provided from within the region - sometimes even from within the country - by persons who have acquired specialist experience that is directly applicable to local conditions. Not only is this advice more likely to be assimilated quickly in a requesting country, in comparison with help from a remote industrialized country, but it should be available at lower cost (both in fares and fees) and be amenable to medium- and long-term follow-up if required.

96. There is no doubt that successful experience within one country or region carries important lessons for others. One strength of UNCTAD's technical cooperation programme has been to make particular use of such experience, both for its research studies and through integrated technical cooperation projects and programmes. A very important vector in the transfer of experience is the use of expertise from the originating countries.

97. TRAINMAR, ACIS, Multimodal Transport activities and the Somalia project have made maximum use of this approach. Although it might be difficult to replicate such an approach in all fields, it could probably be adopted more than it is at present. Contacts existing within TRAINMAR networks could perhaps be extended to cover professional contacts among managers and officials so as to enable ad hoc cooperation to be arranged with relative ease. The use of local experts and consultancy services should also be encouraged both to broaden the latter's experience and to reduce costs.