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TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES

Strengthening the capacity of UNDP to promote and support
Technical Co-operation among Developing Countries (TCDC)

Report of the Administrator

Summary

In response to the recommendations contained in the Buenos Aires Plan of Action for Promoting and Implementing TCDC, and to General Assembly resolution 33/134 endorsing the Plan of Action, the Administrator is submitting a report on his proposals for certain aspects of strengthening the capacity of UNDP to promote and support TCDC. The proposals concern:

- the appointment of an Assistant Administrator for TCDC and the appropriate strengthening of the Special Unit for TCDC which the Assistant Administrator will direct; and
- the use of the Programme Reserve to cover, in addition to presently authorized TCDC needs, certain other needs during the present Cycle.

I. STRENGTHENING THE CAPACITY OF UNDP TO PROMOTE AND SUPPORT
TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES

1. The Buenos Aires Plan of Action for Promoting and Implementing TCDC, as approved by the Conference on TCDC and subsequently endorsed by the General Assembly,^{1/} emphasizes that TCDC activities are the sovereign initiatives of Governments of developing countries. But, in numerous clauses and recommendations the Plan of Action calls for a high degree of readiness by the United Nations development system to respond to such initiatives, and for many concrete measures by the system to enable it to contribute to the implementation of the Plan.^{2/}
2. In addition to its responsibilities within these general recommendations to the United Nations development system, UNDP is the subject of specific recommendations and observations in the Plan which the Administrator has regarded as requiring major organizational and programming responses.^{3/} The level of expectation, of UNDP in particular, to take early and decisive initiatives to support the efforts of Governments of developing countries in TCDC, was further emphasized in the many statements by delegations during the debate by the General Assembly on the Report of the TCDC Conference, and in its endorsing resolution.
3. The Administrator has set in motion a wide range of measures to mobilize UNDP to meet these special responsibilities, including intensive reviews of on-going and proposed programmes and projects by all elements in the UNDP programming structure in order to ensure the maximum application of TCDC approaches and use of developing countries' capacities, together with action by the Special Unit to respond to its mandates in the Plan of Action.^{4/}
4. The primary objective must be that "permeation of the spirit of TCDC" throughout the Programme for which paragraph 45 of the Plan of Action calls. The primary responsibility for expressing this major re-orientation, in concrete operational TCDC activities at the request of developing countries, lies of course with the line programming Bureaux, the Division of Global and Interregional Projects, and the UNDP Resident Representatives, in close collaboration with the Participating and Executing Agencies, including the regional commissions. Certain of the steps being taken to ensure the effective discharge of this primary programming responsibility are mentioned in this document (see para.23), and the Administrator will present a more complete report on measures taken in the line programming structure in the period January-June 1979 at the time of the Council session.

^{1/} Resolution 33/134.

^{2/} Inter alia, paragraph 45 and subsequent recommendations in Section D, Buenos Aires Plan of Action for Promoting and Implementing TCDC.

^{3/} Recommendations 34, 37, and provisions in recommendation 38.

^{4/} See also DP/373.

5. It is, however, essential, in the view of the Administrator, to provide strong catalytic leadership for the range of special tasks assigned to UNDP in the Plan of Action, particularly as indicated in the functions to be undertaken by the Special Unit,^{5/} the responsibilities vested in the Administrator of UNDP for convening and providing the substantive servicing of high-level meetings,^{6/} and many other provisions in the Plan that will call for support by UNDP through research, feasibility studies, and experimentation and evaluation in TCDC. The Administrator has concluded that, in these contexts, he should proceed with the strengthening of the Special Unit as recommended in the Plan of Action.

6. The functions to be performed by the TCDC Unit are set out in the Plan of Action. The Plan of Action also recognizes the existing functions of the Unit based on the Report of the Working Group on TCDC (DP/69). Therefore, both the Plan of Action and the Report of the Working Group, together with the relevant decisions of the Governing Council, should be taken together when determining the functions of the Unit and the organization of its work.

7. The future work of the TCDC Unit should be oriented to include the following new, or already existing but expanded, functions, which are distinct from, but supportive to, the responsibilities of the line programming structure of UNDP for operational TCDC projects:

Research, studies and analyses

(a) Using TCDC as an instrument or a means, arranging for the preparation of or preparing necessary studies and analyses with recommendations, to advance the main objectives of TCDC, and which should be related to the NIEO, national and collective self-reliance, United Nations development decades, and to more specific issues such as ECDC, science and technology for development, communication and information, transport, regional integration, integrated rural development, etc.;

(b) Organizing or undertaking comparative and analytical exercises in the evaluation of the TCDC experience of groups of developing countries in the economic and social sectors or with respect to the legal and administrative arrangements governing TCDC, and preparing manuals or guidelines as appropriate;

(c) Identifying constraints, bottlenecks, problems and attitudinal barriers to the development of TCDC and working out innovative ways of removing or resolving them;

(d) Stimulating and assisting in the preparation of new projects and programmes of a TCDC nature based on the above-mentioned studies and analyses;

^{5/} See para.7 herein.

^{6/} Recommendations 34 and 37.

Financial arrangements for TCDC

- (a) Developing proposals for specific financial arrangements and modalities for TCDC undertakings;
- (b) Generating financial support for TCDC within and outside the United Nations system;
- (c) Responding to requests by the TCDC intergovernmental machinery for advancement of financial arrangements as a result of the studies and analyses mentioned under "Research, studies and analyses";
- (d) Assisting in the mobilization of financial resources for specific TCDC programmes at the request of developing countries;
- (e) Preparing recommendations, together with other units at headquarters, for the modification of the financial rules, policies and procedures of UNDP to facilitate TCDC;

INRES and Inquiry Service

8. Based on the work which has already been done (establishment of data base at ICC, publication of two volumes of the Directory), the major tasks which lie ahead are:

- (a) Designing linkages and developing functional programmes for rationalized operations and mutual servicing between INRES and other information systems of the United Nations organizations and Agencies, including regional commissions;
- (b) Establishing an Inquiry Service in order to match speedily the specific needs of developing countries with capacities available in other developing countries;
- (c) Modifying the existing system to cover additional capacities of developing countries such as equipment producers;
- (d) Selecting new software facilities to replace the present one (Integrated Scientific Information Systems); modifying the new software to the specific features and requirements of INRES and converting the present data base accordingly;
- (e) Identifying existing or helping in the establishment of new national focal points for INRES, arranging for or providing training to staff members of such focal points in data collection, evaluation and submission of data for computerization as well as for utilization by INRES;
- (f) Promoting the wider use of INRES through assigning a more dynamic role to Resident Representatives' offices, training of national focal points, advertising the capabilities of the system etc.;

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- (g) Organizing periodic evaluations of INRES and the Inquiry Service;

Co-ordination within UNDP

9. As already stated, the Regional Bureaux and DGIP have the prime responsibility for implementing TCDC in operational activities. The functions of the TCDC Unit in this regard should be the following:

- (a) Assisting the Bureaux, DGIP and other Divisions and Services in the development of comprehensive strategies and measures for follow-up of the Buenos Aires Plan of Action;
- (b) Participating in consultations with the Regional Bureaux and DGIP on the development of and support to specific TCDC activities and projects and assisting in interregional co-ordination;
- (c) Preparing an operational description of different categories of TCDC programmes and projects and introducing required additions or changes in the Policies and Procedures Manual (PPM);
- (d) Preparing or participating in the preparation of directives to Resident Representatives on TCDC matters;
- (e) Participating in the preparation for and work of regional and other meetings of Resident Representatives;
- (f) Organizing, together with the Bureaux and DMIS, a system of regular information flows on UNDP-supported TCDC activities, programmes and projects;
- (g) Preparing status reports for the Administrator on the promotion and implementation of TCDC by UNDP;

Promoting the wider use of developing countries' capacities

10. This function is already being performed on the basis of the decision of the twenty-fourth session of the Governing Council on the improved utilization of experts, subcontracts, procurement and training facilities of developing countries in programmes and projects of the United Nations development system. The TCDC Unit co-operates closely with OPE and IAPSU, as well as with Executing Agencies, in performing this task. The following is the work programme of the Unit in this regard:

- (a) Serving as the secretariat for interagency consultations on TCDC, and developing operational guidelines for co-ordinating the total programme designed to promote the use of developing countries' capacities in the United Nations system as outlined in operative paragraph 5 of the Governing Council's decision (E/6013/Rev.1, para.525);

(b) Arranging for assistance, as appropriate, to developing countries in order to facilitate the pooling, co-ordinating, streamlining and possibly twinning of their consultancy and other services;

(c) Stimulating and promoting the preparation of guidelines for TCDC orientation courses and training programmes for personnel of recruitment, fellowship, contracting and procurement services of the United Nations system organizations and national Governments;

(d) Mobilizing the services of the United Nations development system to improve the identification of training facilities, consulting services and the range of locally produced equipment and supplies in developing countries and to increase the number of, and evaluate, these capacities on their lists and rosters for project inputs;

(e) Arranging for the preparation of technical studies on:

- The criteria for evaluation of project inputs from developed and developing countries (to be done jointly with the recruitment, fellowship placement, subcontracting and procurement services of the United Nations development system);

- The possibility of normal import duties being included in the total cost of imported equipment and supplies, as a measure of equity, even where such goods for technical co-operation projects are exempted from import duties, in order to compare costs of imported goods with locally manufactured goods;

- The practical effect of the measure of granting preferential treatment of up to 15 per cent of the purchase price in respect of local procurement of indigenous equipment and supplies of developing countries. This report should be prepared after the measure has been in operation for a period of two years;

- The implications of permitting payment in convertible currency, in the case of countries whose currencies have accumulated, for those components of equipment originally imported and paid for by the supplying developing country in convertible currency;

(f) Preparing progress reports on the implementation of the co-ordinated programme for the promotion of developing countries' capacities.

Co-ordination with the United Nations development system

11. The work of the TCDC Unit in this respect should be primarily directed towards facilitating the co-ordination of the promotional and operational TCDC activities of the United Nations development system, and more specifically towards:

- (a) Arranging for organizing joint consultations and exchange of information with organizations of the United Nations development system for effective implementation of the Plan of Action;
- (b) Preparing progress reports according to recommendation 37 of the Buenos Aires Plan of Action on the implementation of the Buenos Aires Plan of Action for submission to the TCDC high-level meeting;
- (c) Acting as a catalyst for the promotion of TCDC by suggesting actions to be taken to expedite progress, by calling attention to shortfalls, and by pointing to avenues for new actions and initiatives;
- (d) Working jointly with Governments and the organizations of the United Nations development system on developing new programmes and projects of a TCDC nature, in support of selected global, interregional or regional development issues.

High-level intergovernmental meetings

12. The TCDC Unit will be responsible for the following substantive support to this meeting:

- (a) Preparing progress reports on the implementation of the Buenos Aires Plan of Action by UNDP, and arranging for such reports by the organizations of the United Nations development system;
- (b) Preparing studies, analyses and reports mentioned under previous paragraphs;
- (c) Working on any other requests of a substantive nature made by the high-level meeting.

(Organizational servicing of the high-level TCDC meeting will be handled by DER, in collaboration with the United Nations Secretariat).

Other activities

13. A number of other activities should be performed by the TCDC Unit, such as:

- (a) Promoting and establishing channels of communication with appropriate intergovernmental and non-governmental organizations so as to widen the awareness of TCDC and foster collaborative associations among them;
- (b) Organizing or supporting seminars, symposia, working groups and meetings on specific aspects as well as on general questions of TCDC, and preparing studies and documentation for them;

(c) Arranging for or organizing the training of professional staff of developing countries in the principles of TCDC and in methods of its promotion and implementation;

(d) Assisting the Division of Information of UNDP in the operation of public information support programmes to promote TCDC.

14. In view of the special expectations of UNDP's promotional and catalytic role in implementation of the Buenos Aires Plan of Action, and the complex range of tasks entrusted to the UNDP Special Unit for TCDC, the Administrator is recommending to the Governing Council the establishment of a post of Assistant Administrator for Technical Co-operation among Developing Countries and Director of the Special Unit for TCDC. The post would be established in the Office of the Administrator in order to provide direct advice and assistance to the Administrator and Deputy Administrator, and the optimum outreach and harmonization of UNDP's reorientation for TCDC throughout the Programme and with all other Agencies, organizations, and programmes of the United Nations development system. The post will have the following essential terms of reference:

(a) To seek to promote in the international community a heightened awareness and understanding of the concept and objectives of TCDC as a major new dimension in international co-operation for development;

(b) To advise the Administrator on Programme-wide policies and initiatives that will effectively discharge UNDP's responsibilities to help implement the Buenos Aires Plan of Action, in close consultation with the Bureaux, Divisions, and other offices of UNDP that are responsible for programming and project implementation;

(c) To direct the Special Unit for TCDC to function effectively as the special source of advisory, consultative, and other forms of assistance to the line programming structure of UNDP, on the expansion of the use of developing countries' capacities, and on increasing activities of a TCDC character in the Programme; and to provide similar services to requesting governmental, intergovernmental and non-governmental authorities undertaking TCDC activities;

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(d) To direct the Special Unit to expand and operate an effective, comprehensive user-oriented TCDC Information Referral System (INRES) and Inquiry Service on the capacities and needs of developing countries, appropriately rationalized and harmonized with relevant information systems within and outside the United Nations development system;

(e) To direct, and make recommendations from, studies and consultations on additional sources and methods of financing TCDC activities, and to act as the focal point within UNDP for the mobilization of additional financial resources for TCDC;

(f) To direct studies and analyses by (or initiated by) the Special Unit, of practical experience in and constraints facing TCDC; and to supervise preparation of the relevant guidelines, proposals for changes in programming policy and procedure, and other reports on such studies;

(g) To stimulate dynamic and innovative approaches to the implementation of the Buenos Aires Plan of Action, and encourage and monitor experimentation of all possible kinds in enhancing national and collective self-reliance, and in the strengthening and maximal use of the capacities of developing countries, both within and outside the United Nations development system;

(h) To assist the Administrator to achieve effective internal co-ordination and rationalization of UNDP's activities under the Buenos Aires Plan of Action, and effective co-ordination with the Participating and Executing Agencies, funds and programmes of the United Nations development system, including preparation of the Administrator's proposals and reports on TCDC to inter-governmental and interagency bodies and meetings;

(i) To assist the Administrator in his responsibilities for the convening, organization, and substantive servicing of the biennial High-Level Meetings to review progress on TCDC provided for in the Buenos Aires Plan of Action.

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15. Additional posts requested for the Special Unit for TCDC are four professional and above posts (1 ASG, 1 P-5, 2 P-4) and four general service (2 G-5 and 2 other levels).^{7/} This includes the P-4 post authorized by the Governing Council at its twenty-fifth session.^{8/} The general service posts proposed are required to adequately service the increased total of professional and other level staff. Temporary assistance funds in the amount of \$30,000 are requested for the 1980-1981 biennium in connexion with the improvement and expansion of the Information Referral System (INRES), the design, installation and testing of an Enquiry System, the planning, control and documentation of technical co-operation among developing countries and the editing of completed TCDC questionnaires in three languages.
16. Consultant services are required in 1980-1981 for the further development of TCDC/INRES, for working out specific solutions for the improved utilization of developing countries' capacities, and for developing proposals for specific TCDC programmes and innovations as requested by the UNDP Governing Council decisions and the Buenos Aires Plan of Action.
17. Additional travel funds requested for 1979 and for the biennium 1980-1981 are designed to facilitate and speed-up the launching and execution of the extensive work programme required by the Buenos Aires Plan of Action and to ensure substantive representation at selected regional and interregional meetings and conferences and essential interagency consultations in connexion with the development of TCDC/INRES and other priority TCDC Special Unit activities.
18. Funds requested for contractual services for translation, printing and binding are required to cover the cost of production and distribution of INRES questionnaires and directories.

^{7/} For the substantive preparation and servicing of the TCDC Conference there was a separate secretariat comprising 1 ASG and 4 officers plus support staff in 1977 and through October 1978. The workload experience of the secretariat has been assessed in calculating workload for the Special Unit's new responsibilities in substantive preparation and servicing of the high-level intergovernmental review meetings, open to all States participating in UNDP, in both 1980 and 1981, over and above other new or expanded responsibilities for the Unit arising from the Buenos Aires Plan of Action, as detailed in para.7 above.

^{8/} This post was authorized, at the Administrator's discretion in light of the TCDC Conference, from October 1978 through June 1979. It has been fully engaged to enable the Special Unit to meet the immediate new workload resulting from the Conference, as also several Conference Secretariat staff provisionally re-assigned to the Unit by the Administrator after the Conference.

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19. Hospitality funds are included to cover modest representational responsibilities of staff not receiving a representation allowance and for receptions to be held in connexion with each of the two High-Level inter-governmental meetings in 1980 and 1981.

Recommendation of the Administrator

20. The Administrator accordingly recommends that the Governing Council approve as submitted the proposals in tables A and B for the strengthening of UNDP's promotional, catalytic, and technical support capacity to meet the greatly increased mandate from the United Nations Conference on Technical Co-operation among Developing Countries. In the light of the above, the Administrator recommends that:

The Governing Council,

(a) Approve the 1979 supplementary estimates for strengthening the Special Unit for Technical Co-operation among Developing Countries in the total amount of \$267,755 (net) as submitted in table B of document DP/393 and, in order to finance these estimates, authorize an allocation in the amount of \$267,755 (net) from the resources of UNDP; and

(b) Approve the 1980-1981 supplementary estimates for the Special Unit for Technical Co-operation among Developing Countries in a total amount of \$1,357,167 (net) as submitted in table B of document DP/393 and, in order to finance these estimates, authorize an allocation in the amount of \$1,357,167 (net) from the resources of UNDP.

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Table B

Supplementary Budget Estimates - 1979 and 1980/1981
Summary by category and object of expenditure

Special Unit for Technical Co-operation among Developing Countries

<u>Category/Object</u>	<u>1979</u> <u>Supplement-</u> <u>ary request</u> <u>US \$</u>	<u>1980/1981</u> <u>Supplement-</u> <u>ary request</u> <u>US \$</u>
<u>Category 000 Salaries and wages</u>		
Object 010 Established posts	141 054	603 632
030 Temporary assistance	-	30 000
040 Consultants	-	170 700
050 Overtime	2 000	2 000
Total - 000 Salaries and wages	143 054	806 332
<u>Category 100 Common staff costs</u>		
Object 110 Staff allowance	4 225	22 300
120 Social Security payments	21 400	93 043
130 Education grants and travel	11 600	47 720
140 Home leave	-	23 450
150 Appointment, transfer and separation.	29 790	50 000
160 Reimbursement of income taxes	36 000	132 900
Total - 100 Common staff costs	103 015	369 413
<u>Category 200 Travel on official business</u>		
Object 240 Other staff travel	15 000	64 000
<u>Category 300 Contractual services</u>		
Object 330 External translation contracts	5 000	45 000
340 External printing and binding	-	120 000
Total - 300 Contractual services	5 000	165 000

Table B (cont'd.)

	<u>1979</u> <u>Supplement-</u> <u>ary request</u> US \$	<u>1980/1981</u> <u>Supplement-</u> <u>ary request</u> US \$
<u>Category 400 General operating expenses</u>		
Object 410 Rental and maintenance of premises	10 000	40 000
420 Utilities	1 000	5 000
430 Rental and maintenance of office equipment including maintenance supplies	500	3 000
440 Communications	11 000	44 000
450 Hospitality	500	15 000
490 Miscellaneous services	1 000	3 000
Total - 400 General operating expenses	24 000	110 000
<u>Category 500 Supplies and materials</u>		
Object 510 Stationery and office supplies	3 000	8 000
520 Internal reproduction supplies	500	1 600
530 Library books and supplies	-	1 500
Total - 500 Supplies and materials	3 500	11 100
<u>Category 600 Acquisition of furniture and equipment</u>		
Object 610 Office furniture and equipment	5 000	3 200
TOTAL GROSS BUDGET	298 569	1 529 045
<u>Category estimated income</u>		
Income from staff assessment	(30 814)	(171 878)
NET OPERATING BUDGET	267 755 =====	1 357 167 =====

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II. PROVIDING READILY DISPOSABLE ADDITIONAL FINANCIAL RESOURCES
TO STRENGTHEN UNDP'S CAPACITY TO PROMOTE AND SUPPORT TCDC

21. The Administrator accepts, as one of the mandates to UNDP from the Buenos Aires Conference the responsibility, not only to use existing UNDP programme (IPF) resources to the maximum 9/ for a major expansion of TCDC but, in collaboration with other elements of the United Nations development system, to "explore additional sources of finance for TCDC projects and activities including those of an interregional and global nature" 10/ and to report to the first high-level review meeting in 1980 on "the availability of financial resources and their effective use by the United Nations development system, without prejudice to existing programmes" 11/

22. As regards practical ways in which additional financial resources for TCDC may be generally mobilized, the TCDC Special Unit has been directed to undertake detailed studies and consultations in order to report, with recommendations, to the 1980 high-level meeting under this item of its agenda. These investigations will be conducted within UNDP, in technical consultations with the United Nations development system as a whole, with Governments and intergovernmental organizations and institutions of developing countries, and with developed countries in respect of their bilateral co-operation programmes. It is the objective of the Administrator thus to be able to report to the 1980 high-level meeting both on the status of responses to the various recommendations in the Buenos Aires Plan of Action concerning Financial Arrangements for TCDC, 12/ and on practical schemes to achieve various forms of additionality resourcing for TCDC, with special consideration for the needs of least developed and geographically disadvantaged, and newly independent, developing countries. 13/

23. In respect of the first charge upon UNDP referred to in paragraph 21 above, namely to use existing UNDP (IPF) programme resources to the maximum, the Administrator is incorporating into UNDP programming policy and procedural guidelines new instructions that, in the formulation of every project and the drafting of its project document, whether national, regional or interregional or global, account shall be taken and indication explicitly rendered of the extent to which it responds to and will help implement the Buenos Aires Plan of Action, stipulating which objective of and/or recommendation for TCDC the project will help advance. The purpose of these Programme-wide instructions is to ensure that all UNDP-supported projects are formulated with the objectives and recommendations of the Buenos Aires Plan of Action firmly in mind: and that the performance of each project responding to the Plan can henceforth be assessed in terms of its contribution to TCDC.

9/ Recommendation 38 (b), (c), (d), (e), (i), (j).
10/ Recommendation 38 (f).
11/ Recommendation 37 (d).
12/ Recommendations 2, 35, 38.
13/ Recommendations 28, 29, 38(j).

24. The Administrator anticipates a considerable volume of new requests to support TCDC operational projects at the interregional, regional and sub-regional levels during the present, Second Cycle, and of needed new TCDC operational projects identified through the promotional and research work of the TCDC Special Unit. Bearing in mind recommendation 38(d) and (e) of the Buenos Aires Plan of Action, the Administrator will ensure the fullest application of available regional, interregional and global IPF resources to meet such requests and will closely assess the extent to which such IPF resources will be adequate within the Cycle.

25. The Administrator believes, however, that over and above the steps outlined in the preceding paragraphs, further financial facilities are needed within UNDP to assure the Programme's effective discharge of its TCDC mandates. There are increasing calls upon UNDP resources to support promotional activities short of full operational TCDC projects, including research and feasibility studies to identify major needed initiatives in TCDC; meetings and seminars to exchange views on the uses of TCDC in various development problems, and on building networks and other linkages between institutions in developing countries for these purposes; advisory missions and consultations; and convertible currency financing for TCDC activities where the participating Governments provide the needed national currency and in-kind resources, but cannot provide the "convertible currency bridge".

26. The Administrator has carefully reviewed his existing authority from the Governing Council regarding the use of programme resources to support TCDC. In particular, the Governing Council, at its twentieth session, in discussing the uses of the UNDP Programme Reserve, decided that for the 1977-1981 period the Programme Reserve should be used (inter alia) for "the financing of contingencies, including special activities and studies designed to broaden the scope of the Programme, such as ... promotional activities for Technical Co-operation among Developing Countries, if resources were not available elsewhere, and to evaluate current activities".^{14/}

27. The Council's discussion leading to the foregoing decision clearly covered the use of the Programme Reserve for missions, research, seminars and other activities designed to promote TCDC, but not for the financing of TCDC operational projects.^{15/} In order to enable UNDP to respond rapidly and effectively during the present Cycle to needs short of full operational projects, or where resorting to full project procedures would be unnecessarily cumbersome, the Administrator recommends at this time that the Governing Council provide authorization for use of the Programme Reserve, additional to its authorization at the twentieth session, as follows: to provide the sums that may be needed for the convertible currency components of otherwise nationally resourced TCDC operational projects, requested by two or more Governments, where: (i) IPF resources are not available for such purposes and/or (ii) The project would incur counter-productive delay and use of staff resources in order to comply with full intercountry project formulation and approval procedures.

^{14/} E/5703/Rev.1, para. 314(i).

^{15/} Ibid, para. 308.

28. The Administrator proposes that the Governing Council authorize him at this time to draw upon the Programme Reserve for the aforementioned purposes up to a total of \$2 million within the present Cycle 1977-1981, in accordance with the following procedures:

(a) The Administrator will establish appropriate procedures to govern the use of the Programme Reserve funds for the above-defined TCDC purposes;

(b) Disbursements may be authorized by the Administrator for implementation by UNDP or Participating and Executing Agencies, other organizations and programmes of the United Nations development system, recognized intergovernmental organizations and properly sponsored institutions of developing countries, and non-governmental organizations and/or professional and technical associations endorsed by relevant Governments of developing countries;

(c) The Administrator will report annually to the Governing Council on the use of the Programme Reserve for such TCDC purposes;

(d) The Administrator will revert to the Governing Council, should drawings thus authorized on the Programme Reserve exhaust the sum of \$2 million and should he anticipate that further resort will be needed before the Third Cycle.

29. Further to paragraph 24 above, the Administrator will be in a better position to predict to the June 1980 session of the Council, on the basis of the longer period for response to the Plan of Action by Governments and the United Nations development system, the extent to which interregional and regional IPF resources will cover newly requested TCDC operational projects within this Cycle (1977-1981).

Recommendation of the Administrator

30. In the light of the above, the Administrator recommends that:

The Governing Council,

Recalling its decision at the twentieth session regarding the use of the Programme Reserve during the Second Cycle 1977-1981, further authorizes the Administrator to draw upon the Programme Reserve for the financing of the convertible currency requirements of otherwise nationally resourced TCDC projects where IPF resources are not available or where he judges it unnecessarily complicated to employ normal intercountry project formulation and approval procedures; and

Authorizes the Administrator to draw upon the Programme Reserve for such purposes up to the amount of \$2 million.

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