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JOINT INSPECTION UNIT

Technical co-operation between organizations of the United Nations system and the least developed countries

Note by the Secretary-General

The Secretary-General has the honour to transmit to the General Assembly the comments of the Administrative Committee on Co-ordination on the report of the Joint Inspection Unit entitled "Technical co-operation between organizations of the United Nations system and the least developed countries (LDCs)" (A/43/228).

* A/43/50.

ANNEX

Comments of the Administrative Committee on Co-ordination

I. GENERAL

1. The report of the Joint Inspection Unit (JIU) entitled "Technical co-operation between organizations of the United Nations system and the least developed countries (LDCs)" (A/43/226) provides an overview of the technical assistance extended by the United Nations system to the LDCs and an analysis of many important issues confronting the LDCs. The reaction of the majority of the members of the Administrative Committee on Co-ordination (ACC) to this report has been generally positive. On the whole ACC members welcomed the report, which they found timely and relevant, although some members considered that a number of the issues touched upon in the report would have merited a fuller discussion.

2. It was noted that the scope of the JIU report is in fact broader than the title indicates, as the report covers the whole range of operational activities of organizations of the United Nations system that provide grant assistance to the LDCs, including the activities of agencies not directly concerned with technical co-operation. However, the report does not account for the relevant activities of the financial institutions within the United Nations system, such as the International Fund for Agricultural Development (IFAD) and the World Bank, which also provide significant amounts of technical assistance to the LDCs. Furthermore, LDCs are also benefiting from activities carried out under the regular programmes and trust funds of member organizations that are not fully reflected in the report. Consequently the report provides an incomplete estimate of the total value of technical co-operation provided by the United Nations system to LDCs.

3. ACC members agree that there is scope for streamlining and strengthening the modalities and mechanisms for technical co-operation with the LDCs discussed in the report, including co-ordination among agencies.

4. It was noted that the report had not identified any specific mechanisms at the inter-secretariat level for co-ordinating technical co-operation and other operational activities of the United Nations system in favour of the LDCs. It was felt in this respect that the report could have discussed more fully the experience and potential of those mechanisms which do exist, such as the Consultative Committee on Substantive Questions (Operational activities), the Joint Consultative Group on Policy, and, at the country level, round-table, consultative group and similar arrangements, and the national technical co-operation assessments and programmes (NaTCAPs) initiated by the United Nations Development Programme (UNDP).

5. Additional information on members' activities and other observations on the analysis contained in the report are given in section II. Reactions to specific conclusions and recommendations submitted in the JIU report are summarized in section III.

II. SPECIFIC COMMENTS

6. The following observations were made by organizations on section II of the JIU report, dealing with the financing of technical co-operation:

(a) Table 1: UNDP questions the sufficiency of the table (which draws on a source originally designed to show the total flow of concessional resources, both financial and technical assistance, to LDCs from all multilateral donors) as a basis for assessing the volume and composition of technical assistance from the United Nations system. The United Nations bodies listed do not include such major sources of United Nations technical assistance for LDCs as the United Nations Sudano-Sahelian Office, the United Nations Capital Development Fund (UNCDF) or the Special Measures Fund for the LDCs;

(b) Paragraphs 28 to 35: Among the funds administered by UNDP and its Administrator, there is no separate discussion of the Special Measures Fund for the LDCs. UNDP considers that this omission considerably weakens this section. Moreover, paragraphs 32 to 34 do not adequately reflect the actual role UNCDF plays as one of those funds administered by UNDP which is primarily destined to LDCs. The primary feature of UNCDF as the only channel within UNDP to provide concessional capital assistance for small-scale investment projects to the LDCs has been ignored in the report, and the criteria for UNCDF assistance as spelled out in the report are incomplete;

(c) Paragraph 43: The United Nations Population Fund (UNFPA) does not concur with the statement that "the amounts that UNFPA allocates to these countries show a tendency to fall off". In fact, allocations to the 53 priority countries for population assistance, of which 34 are LDCs, rose from 54.1 per cent of the total UNFPA programme in the period 1977-1981 to 70 per cent in the period 1982-1984 (as shown in table 4 of the report). The five-year period 1977-1981 should not be compared with the three-year period 1982-1984 in terms of dollar amounts, unless allocations are averaged out per year;

(d) Paragraph 65: The United Nations Educational, Scientific and Cultural Organization (UNESCO) notes that its technical co-operation expenditure for 1986-1987 is estimated at \$126 million from all extrabudgetary funding sources, approximately a third of which has directly benefited the LDCs. Although "technical co-operation" in the strict sense is not financed from the regular budget, an estimated \$65 million was devoted to activities such as information exchange training seminars, fellowships and other activities analogous to "technical co-operation" during the biennium. Approximately 35 per cent of these expenditures directly benefited LDCs;

(e) Paragraph 84: The International Civil Aviation Organization (ICAO) currently has 36 mainly UNDP-financed projects in 21 LDCs totalling nearly \$19 million;

(f) In addition to development activities funded by UNDP and other sources, the Department of Technical Co-operation for Development of the United Nations Secretariat also implements activities that are funded under the regular programme

of technical co-operation. These activities include interregional advisory services, training programmes and pilot projects provided in response to the requests of developing countries. The Department notes that the regular programme has a special role as a catalyst and a source of seed money to meet high priority development needs. Funds are made available to LDCs - and particularly to African LDCs - on a priority basis. Funds for this purpose averaged approximately \$7 million annually from 1982 to 1986.

7. The following observations were made by organizations on section III of the JIU report, dealing with the programming of technical co-operation activities:

(a) Paragraphs 92 to 101: UNDP notes that there appears to be a misconception with respect to the role of UNDP vis-à-vis LDCs as described in this section. The round-table process is not just another approach for programming UNDP assistance to the LDCs. While round-table conferences have implications for UNDP programming, their scope and importance far exceed the UNDP programme;

(b) Paragraph 101: UNDP questions the statement that the LDCs consider the round-table process costly, noting that UNDP is financing the entire process from resources other than indicative planning figures (IPFs). Concerning the criticism about the length of the process, UNDP makes the point that the concerned LDCs are fully aware that the length of the process is tied to the Government's own procedure for preparing development plans or structural adjustment programmes. Regarding the statement that "no United Nations body has been in a position to come forward with a quantified estimate of the additional amounts that have been mobilized by the round tables", UNDP points out that it is not possible to estimate what resources would have been mobilized had the round-table process not taken place. UNDP feels that fund-raising is not the only important objective of the round-table process. It should nevertheless be pointed out that in the case of the Cape Verde, Central African Republic and Niger round-tables, organized under the new format, specific donor intentions exceeding LDC Governments' estimated financial requirements for proposed investment programmes were announced;

(c) Paragraphs 108 to 124: Under this section, it may also be appropriate to refer to the participation of agencies in UNDP country programming. An example is provided by the Department of Technical Co-operation for Development, which through its regular programme activities gives substantive support for the preparation of UNDP country programmes;

(d) Paragraph 113: The list of activities of UNESCO in the area of education could be extended to include literacy campaigns and the development of science and technology teaching;

(e) Paragraph 115: UNESCO notes that culture is increasingly seen as a part of the development process. Although resources committed to culture are relatively small, there are a number of positive indicators. In the field of cultural heritage, for example, UNESCO carried out activities in 28 of the 40 LDCs during 1986-1987;

(f) Paragraphs 126 to 128: The responsibility for the supervision of the special programmes of economic assistance (in countries where no special political questions are involved) has been transferred to UNDP. Whenever a country receiving such assistance also benefits from the round-table process, UNDP is integrating the two processes. The Department of Technical Co-operation for Development draws attention to its participation in these programmes to which it has frequently provided generalized planning and sectoral technical expertise;

(g) Paragraphs 135 to 142: On the topic of project identification and formulation discussed here, the Department of Technical Co-operation for Development considers that it would be appropriate to also mention its work and that of other agencies on behalf of or in co-operation with UNDP as well as missions carried out by interregional advisers and the Department's senior technical advisers in connection with the preparation of pipeline projects in response to the requests of countries;

(h) Paragraph 149: In the view of UNDP, the criticism contained here is unjustified; UNDP programming and the round-table documentation process are fully in line with the countries' own planning;

(i) For their part, agencies confirm that their programmes are also formulated in consultation with recipient Governments and in the framework of national plans and priorities.

8. Section IV of the JIU report discusses on a more general level the implementation of technical co-operation projects in LDCs and draws attention to some problems which the organizations of the United Nations system are requested to consider. ACC has the following comments to make on the issues discussed in this section:

(a) Paragraph 156: Implementation rates are affected by weak government infrastructures and national budgetary constraints, which result, inter alia, in delays in designation of counterpart staff and of candidates for training and in approval of project personnel. While these constraints are generally beyond the control of the executing agency, organizations of the system are addressing them, for example, by adopting more flexible arrangements for local and recurrent cost financing and utilization of national project personnel;

(b) Paragraphs 157 and 158: The agency support costs paid by UNDP to agencies at a standard rate are not a charge to the projects, as UNDP makes separate provision for these from its overall resources. Moreover, agencies are providing to LDCs additional services where required from other resources, for example under their regular programmes;

(c) Paragraph 166: With regard to the suggestions in this paragraph concerning equipment, ACC members consider that the suggestion on standardization is appropriate and that it should be adopted as widely as possible. However, proposals to the effect that repair personnel and spare parts be located regionally appear to be unrealistic. It would seem preferable to train technicians in each country rather than assigning them to regional centres covering several LDCs. The

travel that would be required would in many cases be so considerable and so costly as to make this proposed solution unworkable. It would also be more appropriate to locate stocks of spare parts within the countries concerned;

(d) Paragraphs 159 to 163: The report implies that government execution of projects leads to "considerable savings". This is not borne out by a recent evaluation of the modality undertaken by UNDP. Government execution is, however, justified on other grounds, such as building self-reliance in managing such projects individually or in co-operation with other developing countries. Thus the United Nations should assist LDCs in executing projects whenever possible;

(e) Paragraph 171: The report states that many projects "have a definite social aspect and are not paying propositions". The experience of member organizations, however, shows that economic profitability should not be the sole and not always the major criterion in technical co-operation; in most cases, social aspects are equally, or more, important and the benefits cannot always be quantified. It is important to stress that social and economic criteria should go hand in hand in development co-operation.

9. Section V of the JIU report discusses co-ordination of technical co-operation activities at the secretariat level and in the field. ACC notes that under the heading of inter-secretariat co-ordination (in paras. 181 and 182), inter-agency consultations on the follow-up of the Substantial New Programme of Action for the 1980s for the Least Developed Countries, adopted by the United Nations Conference on the Least Developed Countries in September 1981, are discussed together with intergovernmental machinery dealing with the problems of the LDCs without making a clear distinction between inter-agency and intergovernmental meetings and without bringing out the respective mandates and purpose of these bodies.

10. Inter-agency consultations on the follow-up of the Programme of Action have since its adoption been convened annually by ACC 1/ in line with the provisions in paragraph 123 of the Programme and the relevant General Assembly resolutions, to ensure at the secretariat level the full mobilization and co-ordination of all regional commissions, organs, organizations and bodies of the United Nations system for the purpose of implementation and follow-up of the Programme. Agency attendance at the inter-agency consultations on the follow-up of the Programme has largely, although not exclusively, been by officials from liaison offices in Geneva. No special substantive documentation is normally prepared for these meetings.

11. As regards the intergovernmental machinery concerned with the follow-up of the Programme of Action at the global level, the report makes reference to (a) the Intergovernmental Group on the Least Developed Countries, which was convened in 1985 to undertake the mid-term global review of progress towards the implementation of the Programme, and (b) meetings of governmental experts of donor countries and multilateral and bilateral financial and technical assistance institutions with representatives of least developed countries, which were convened in 1982 and 1985. ACC deems consideration of these meetings, which deal with the implementation of the Programme of Action at the global level, and which are convened by the General Assembly, to be outside the scope of the JIU report.

12. Furthermore, it is noted that the crucial subject of co-ordination at the country level would have merited a fuller discussion in the report. No mention is made of the role that the United Nations system is playing in promoting local co-ordination meetings, which are vital tools in support of the development efforts of the LDCs. UNDP commented that paragraph 186 could be read as supporting the establishment of more agency field representation, which contradicts previous JIU reports on this subject, as well as numerous intergovernmental decisions concerned with the promotion of a more cost-effective and streamlined United Nations system representation at the field level.

13. The United Nations Industrial Development Organization (UNIDO) remarked that its Least Developed Countries Section was established in 1977 as a result of the Second General Conference of UNIDO, held at Lima in 1975, and, therefore, antedates its specialized agency status.

III. COMMENTS ON SPECIFIC RECOMMENDATIONS

Recommendation No. 1 (a): UNCTAD and the Director-General for Development and International Economic Co-operation should make an exhaustive inventory of all the sources for financing the United Nations system's technical co-operation with the LDCs, keep watch on their evolution and proceed to update them so as to provide the various bodies within the United Nations system with tools whereby they can make a concrete quantified analysis of the development of such co-operation. This exercise should be undertaken by UNCTAD and the Director-General without allocation of special funds to that end, in the framework of their periodic reports on the implementation of the Substantial New Programme of Action (SNPA)

14. It is the intention of the Director-General for Development and International Economic Co-operation to include in his annual report supplementary information on sources for financing the United Nations system's technical co-operation and other operational activities for development with LDCs. This information will be prepared in close co-operation with UNCTAD and the other organizations of the United Nations development system. UNCTAD observed that as part of monitoring the implementation of the Programme of Action at the global level it has been reviewing multilateral aid efforts, including the activities of organizations of the United Nations system in favour of LDCs. Comprehensive statistics on the flow of aid to the LDCs from bilateral and multilateral donors are collected on a regular basis and published in the "Basic Data" series annexed to the annual report on the LDCs issued by UNCTAD. Moreover, for the preparation of reports for the General Assembly on the implementation of the Programme of Action, the UNCTAD secretariat also collects specific information on policies and programmes of United Nations organs, organizations and bodies in favour of the LDCs. Summaries of the information received have been presented to the General Assembly, agency by agency (A/37/197 and addenda, A/38/471, A/39/578 and A/42/576). Organizations have also regularly provided similar information on their policies and activities in favour of LDCs at inter-agency consultations, as well as in contributions to the intergovernmental meetings reviewing the implementation of the Programme of Action.

15. ACC notes that these reports could provide a basis for preparing an inventory of the sources for financing the United Nations system's technical co-operation, as proposed by the Inspector. UNCTAD should continue and further strengthen its efforts, as part of its work related to the monitoring of the Programme of Action, to collect relevant data on United Nations system funding of technical co-operation. Additional quantitative data on United Nations system technical co-operation and other operational activities for development in individual LDCs are to be found in annual reports submitted by the Secretary-General to the General Assembly as well as in UNDP Governing Council documentation. In this context UNDP drew attention to its Development Co-operation Reports, which also contain important information.

Recommendation No. 1 (b): The various funding and executing agencies of the United Nations system should make additional efforts and devise supplementary ways and means to enhance the absorptive capacity of the LDCs

16. ACC agrees fully with this recommendation. Overall, the question of absorptive capacity is of crucial importance to the LDCs and to the implementation of the Programme of Action. In their comments on the report, several agencies brought out the importance that they attach to increasing the capacity of LDCs to absorb technical co-operation funds, in particular through training. Thus UNESCO will continue its efforts in this area, notably in the training of trainers in educational planning and management. The Food and Agriculture Organization of the United Nations (FAO) likewise attaches great importance to this aspect, which was addressed in its last "Review of field programmes 1986-87" considered at the twenty-fourth session of the FAO Conference in November 1987, particularly in a special chapter on planning assistance in FAO field programmes and related training activities. The International Labour Organisation (ILO) maintains national self-reliance as one of the primary objectives of its technical co-operation programme; human resources development projects and training of national officials in LDCs are seen as the main means of increasing absorptive capacity. One of the means which the Universal Postal Union (UPU) is considering in order to increase this capacity is to arrange for national officials selected to serve as counterparts to be trained before the start-up of a technical assistance project.

17. The general issue of constraints on the absorption of technical co-operation funds is also being tackled by the institutions of the United Nations development system at the level of the Consultative Committee on Substantive Questions (Operational Activities). In the course of 1986-1987, important issues such as the financing of local and recurrent costs, the utilization of national project personnel, increasing the use of the entrepreneurial sector, experience with government-executed projects, and co-operation with non-governmental organizations were all addressed and recommendations made to participating organizations.

Recommendation No. 2: Taking into account the modalities and mechanisms suggested in this chapter (on the programming of technical co-operation activities) and, in particular, in the conclusions, the organizations of the United Nations system should, so as to make the programming of technical co-operation with the LDCs more consistent and effective:

(a) Gradually harmonize the programming time frame, on the basis of foreseeable financing;

(b) Bring programming into line with the objectives and strategy of each LDC's development plan; and

(c) Ensure that programming is an effective aid to the LDCs in moving ahead, cycle by cycle, along the path of rehabilitation and development.

18. This recommendation is in line with General Assembly resolution 42/196 of 11 December 1987 on operational activities for development, and with the Final Act of the seventh session of UNCTAD, in which the Conference called for donor and recipient countries together to seek to ensure that aid was fully supportive of development efforts and for harmonization and simplification of existing aid procedures. It is generally agreed that further harmonization in operational procedures will yield positive results. However, several agencies expressed reservations notably on recommendation 2 (a) concerning the harmonization of programming time frames, considering that this might prove difficult to achieve. Agreeing on a common time frame may be particularly difficult for programmes that are funded on an ad hoc basis or that, by their nature, do not lend themselves to programming. Attention was drawn to the system-wide efforts to harmonize programming and related procedures, which would also influence the situation in relation to LDCs.

19. ACC agrees with the general thrust of recommendations 2 (b) and 2 (c). It noted efforts by UNDP to enhance country programming and the useful role played by NaTCAPs, as well as the efforts of other organizations to adapt their own programmes and strategies to the development objectives of the LDCs and the assistance they offer to LDCs with respect to aid co-ordination and evaluation of development plans and programmes. In this connection, greater emphasis could be given in appropriate cases to the sectoral aspects of such exercises and to the effective involvement of the specialized and sectoral agencies of the system.

Recommendation No. 3: In the light of the comments and suggestions made in this chapter (on the implementation of technical co-operation projects), the organizations of the United Nations system should:

(a) Help LDCs directly to execute more technical co-operation projects, either individually, thereby promoting self-reliant development, or in co-operation with other countries, thereby strengthening ties of economic co-operation;

(b) Find appropriate solutions for implementation delays and, in particular, for problems relating to the purchase and maintenance of equipment; and

(c) Gradually attach greater importance to the training of national managers.

20. ACC agrees fully with this recommendation. Organizations have found equipment maintenance, provisioning of spare parts and management training to be areas crucial to the long-term success of their technical assistance programmes. It was noted that the direct execution of an increased number of technical co-operation projects depends to a large extent on the availability of local capabilities to implement projects. A number of organizations have already implemented measures in line with the recommendation.

Recommendation No. 4: The Director-General for Development and International Economic Co-operation should carry out a study of the number of meetings for the co-ordination of the activities of the organizations of the United Nations system in favour of the LDCs, of the cost of the documentation submitted to them and of representation costs and suggest ways and means of reducing the number of such meetings, avoiding duplication and making substantial savings in terms of human and financial resources so that they might be earmarked for the implementation of operational activities in the LDCs.

21. Some organizations expressed sympathy for the conclusions leading to this recommendation and supported the call for such an analysis, while others did not entirely see the need for it on the assumption that this task might well be carried out under the existing arrangements for monitoring the implementation of the Substantial New Programme of Action at the global level. ACC considers strengthening co-ordination among agencies an important area, from which LDCs could benefit. In this respect, the study proposed by the Inspector could be useful in streamlining meetings in and between the secretariats and could facilitate a reduction of the costs involved. It should be noted, however, that to the extent that these activities are financed under regular budgets, a reduction in the number of meetings would not in itself necessarily automatically lead to a corresponding release of human and financial resources for the implementation of field activities in the LDCs.

22. The Director-General for Development and International Economic Co-operation, recalling the priority emphasis placed on the full and expeditious implementation of the Substantial New Programme of Action by the General Assembly in its resolution 42/196 on operational activities for development, intends to examine the proposal for a study of inter-organizational meetings relating to LDCs in the context of the overall work of his Office on co-ordination within the United Nations system of support for economic and social development.

Notes

1/ Exceptionally, three such consultations took place in 1985 in preparation for the mid-term global review of the implementation of the Substantial New Programme of Action. In 1987, no meeting was held.