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INFORMATION ON UNITED NATIONS SYSTEM REGULAR AND EXTRA-BUDGETARY
TECHNICAL CO-OPERATION EXPENDITURES IN 1979
FINANCED FROM SOURCES OTHER THAN UNDP

Report of the Administrator

Summary

This is the latest in a series of reports containing statistical information on the technical co-operation expenditures of organizations in the United Nations system which are financed from sources other than UNDP.

Section I of the report points to some of the factors which have influenced the nature and content of this year's report. Paramount among these is the work done by the Office of the Director-General for Development and International Economic Co-operation for the forthcoming Economic and Social Council and General Assembly policy review of operational activities called for by General Assembly resolution 33/201. Section II refers to the work undertaken by UNDP and the Agencies over the last year to improve the content of the report. Section III reviews some of the characteristics of the data provided by the Specialized Agencies for 1979 and compares various features of the 1979 data with those for 1978. Section IV outlines data that have been made available by other organizations on their expenditures on operational activities in 1979. Section V indicates how these various data have been aggregated to provide a first estimate of United Nations system 1979 expenditures on operational activities on a country-by-country basis. Section VI contains a draft decision drawing the attention of the Economic and Social Council to this report at its forthcoming session in connexion with its policy review of operational activities.

The detailed data provided by the United Nations, the Specialized Agencies and IAEA on their 1979 non-UNDP technical co-operation activities is contained in the Statistical Annex. The data are provided by Agency, by sector, by recipient country and by source of financing. The country-by-country estimates of United Nations system expenditures on operational activities in 1979 are contained in the final table of this Annex, (DP/488 (PART II)).

I. INTRODUCTION

1. Since 1973, the Administrator has been providing the Council with an annual report on the magnitude and composition of the technical co-operation expenditures of the organizations in the United Nations system funded from sources other than UNDP. This practice is continued in the present report which contains data on the Agencies' non-UNDP technical co-operation expenditures in 1979. However, the presentation of the data in this report varies from that employed in preceding reports as a result of three separate but related considerations.

2. The first important consideration has been the work undertaken by the Office of the Director-General for Development and International Economic Co-operation in response to General Assembly resolution 33/201. This resolution calls for a report on policy issues pertaining to operational activities for development of the United Nations system. The report which is being prepared by the Director-General in response to this request includes data on United Nations system expenditures on operational activities in 1978 and on the financing of those expenditures.^{1/} UNDP participated in the compilation of these expenditure data and the experience gained in that exercise has been brought to bear in the present report. In particular, it was felt that it would be helpful to Governments if the data for 1979 in the present report were classified in a similar fashion to the data for 1978 contained in the report responding to General Assembly resolution 33/201, while at the same time maintaining an element of comparability with the data contained in previous reports to the Governing Council on this subject. Consequently, the Statistical Annex to this report contains not only the usual data on United Nations system technical co-operation expenditures funded from sources other than UNDP during the previous year, but also a table combining these data with other United Nations system expenditures on operational activities. The format of this summary table (Table A.9) is similar to, but not as comprehensive as, that contained in the Director-General's report.

3. The second consideration influencing the nature of the report has been the further development of some of the proposals made in previous presentations to the Council on this subject. In particular, last year's report identified three broad areas where improvement in reporting United Nations system technical co-operation flows would be desirable.^{2/} The statistical work undertaken in co-operation with the Office of the Director-General has served to reinforce the view that such improvements would increase the usefulness of the data. Consequently, in the course of the past year, the Administrator has continued his efforts to implement some of the changes in reporting which were considered necessary. Although considerable work remains to be done, some progress has been made in each of the areas identified. Section II below describes the changes that have been made in the presentation of the data in comparison with last year's report.

4. A final consideration in preparing the present document has been the revised form of the report which is presented to the Council by the United Nations on its regular and extra-budgetary technical co-operation activities. Document DP/RP/22, prepared by the Department of Technical Co-operation for Development, includes information covering many of the entities within the United Nations itself. In the course of preparing this report, UNDP has

^{1/} See A/35/...

^{2/} See DP/381, paragraphs 53-55.

consulted with the United Nations in order to harmonize the statistical data in the present report with those contained in document DP/RP/22.

5. As in previous years, the Specialized Agencies and the International Atomic Energy Agency (IAEA) have co-operated with UNDP in the preparation of this report by providing statistical data relating to non-UNDP technical co-operation expenditures and contributions. The basic data are contained in the Statistical Annex. In conformity with the practice introduced last year, the present report also includes data on development assistance expenditures by the World Food Programme (WFP) and the United Nations Children's Fund (UNICEF). In addition, data on World Bank technical co-operation expenditures are included in the report for the first time. Sections III and IV contained a brief description of these various sets of data. Section V points to the omissions which exist in the data used to give an indication of total United Nations system expenditures on operational activities by recipient country in 1979. The Administrator considers that these data reflect a significant improvement over those contained in previous reports and it is suggested that the Council may wish to bring this material to the attention of the Economic and Social Council for consideration at its second regular session of 1980.

II. CHANGES IN THE REPORT

6. One of the improvements in this report proposed previously was an increase in the number of organizations covered. In particular, it was felt that an effort should be made to obtain an indication of the magnitude of World Bank technical co-operation activities since it is now generally recognized that the World Bank has become an important source of financing for technical co-operation, both through World Bank loans and through International Development Association (IDA) credits. The present report contains country level estimates of World Bank and IDA technical co-operation disbursements and, in view of the magnitudes involved, it is considered that this is an important addition to the information available on the level of technical co-operation expenditures within the United Nations system.

7. Last year's report also pointed to the need to include data on expenditures of the regional commissions in this overview of United Nations system technical co-operation activities. For this purpose, UNDP has drawn on the statistical data on technical co-operation expenditures by the regional commissions contained in document DP/RP/22. As indicated in that document, these data are based on the United Nations Financial Statements rather than on reports by the commissions themselves. Document DP/RP/22 contains similar data for UNIDO and UNCTAD, but in these cases UNDP has continued to rely on the data provided directly by those two organizations since it was felt that such data would be more directly comparable with the respective data contained in previous reports in this series. Because different sources have been used, the UNIDO and UNCTAD data in this report do not conform with those in document DP/RP/22.

8. Care needs to be taken in comparing technical co-operation expenditures reported by the United Nations in 1979 to those for previous years. Difficulties arise because the United Nations Centre for Human Settlements (UNCHS) and the regional commissions have been separately identified in the 1979 data for the first time. In the 1978 data, UNCHS expenditures from both UNDP and non-UNDP sources were included under the United Nations. In the case of the regional commissions, 1978 regular programme technical co-operation expenditures were included in the data reported by the United Nations, but this was not true of all the corresponding extra-budgetary expenditures by the commissions. As a result, adjustments need to be made in the data in order to make a meaningful

comparison between United Nations non-UNDP technical co-operation expenditures in 1978 and 1979.^{3/}

9. A second area for further work identified in last year's report concerned the classification of United Nations system operational activities by type of activity. For the purpose of these reports to the Governing Council, a particular concern was to determine the conceptual boundary between technical co-operation and other United Nations system development activities. A preliminary examination of this issue was undertaken in the Consultative Committee for Substantive Questions (Operational Activities) (CCSQ(OPS)) in October 1979 and further work on this subject is being undertaken by this and other subsidiary bodies of the Administrative Committee on Co-ordination (ACC) in 1980. In the meantime, preparation of the report responding to General Assembly resolution 33/201 required some interpretation of the term "operational activities". In determining the coverage of that report, the Director-General for Development and International Economic Co-operation took into account the results of the CCSQ(OPS) consideration of the subject. Preliminary definitions of "operational activities" and of the different types of such activities are contained in the introductory section of that report.^{4/}

10. The third area for further work proposed in last year's report related to the nature of the data provided by the Agencies both on their technical co-operation expenditures and on the contributions they receive for such activities. In the course of preparing this year's report, the Administrator has endeavoured to address some of the specific issues in this area which were highlighted for attention in last year's report.^{5/} In particular, it was felt that two of these issues could be resolved by revising the questionnaire which is sent to the Agencies by UNDP each year in order to collect the data for these reports.

11. In previous years, the following different types of extra-budgetary financing have been identified in the questionnaire:

- (i) Trust funds (formerly funds-in-trust);
- (ii) Special purpose funds;
- (iii) Multilateral-bilateral arrangements; and
- (iv) Other voluntary contributions.

12. It has been pointed out in previous reports to the Governing Council that Agencies appeared to use these terms differently,^{6/} with the result that it was difficult to draw any meaningful conclusions about the sources of financing of United Nations system extra-budgetary technical co-operation expenditures. In particular, it prevented any assessment of the volume of technical co-operation expenditures which were financed by contributions from the "recipient" Government itself. It was noted^{7/} that these expenditures should not be regarded as grant development assistance provided through the United Nations system and for this reason it would be desirable to distinguish them from other extra-budgetary technical co-operation expenditures.

13. In addition to this recent growth in "self-supporting" contributions and expenditures, another feature of the growth in the United Nations development system has been the increase in financial transfers from funding organizations

^{3/} See footnote 9 below

^{4/} See A/35/..., Section I.

^{5/} See DP/381, paragraphs 54-55.

^{6/} See DP/265, paragraph 37; DP/337, paragraph 10; and DP/381, paragraphs 19 and 32.

to implementing organizations within the system. Here again, in previous years Agencies have differed in the way in which they have classified these disbursements and receipts when replying to the UNDP questionnaire. It seemed desirable that this deficiency in the data should also be remedied.

14. In order to address these two shortcomings in the classification of the data, UNDP proposed revised categories to the Agencies for the purpose of this year's report. The Agencies agreed with UNDP's proposal, as a result of which the present report separately identifies the following sources of funding in its analysis of United Nations system technical co-operation expenditures:

(i) Regular Budget (A) - This category is self-explanatory and remains unchanged;

(ii) Multilateral extra-budgetary sources (B):

(a) United Nations system (B1) - This category comprises project expenditures incurred by "executing" Agencies against resources provided by funding organizations within the United Nations system other than UNDP, e.g. project expenditures incurred by WHO as Executing Agency for UNFPA; UNICEF project expenditures on behalf of WFP; FAO project expenditures financed by the World Bank, etc;

(b) Other multilateral agencies (B2) - This category comprises project expenditures incurred by Agencies against resources provided by other multilateral agencies. These include the regional development banks, the Commission of the European Communities, the various Arab development funds, etc;

(iii) Bilateral and unilateral extra-budgetary sources (C)

(a) Bilateral resources channeled through the United Nations system (C1)
This category comprises expenditures against resources provided directly to the Agencies by a member State, non-governmental organization, etc., for expenditure in another country or countries. It includes expenditures against "multi-bilateral" contributions (e.g. a contribution by one country for a specific project in another country), as well as expenditures by the Agency against special purpose and other funds managed by the disbursing Agency itself, e.g. the Voluntary Fund for Health Promotion, the United Nations Industrial Development Fund, etc;

(b) Unilateral "self-supporting" expenditures (C2) - This category comprises project expenditures incurred against contributions by recipient Governments which are made directly to the Agency to undertake activities in the contributing country. UNDP refers to activities of this nature as cost sharing projects.

15. UNDP considers that this new classification system provides an improved insight into the nature and composition of United Nations system technical co-operation flows. On the other hand, and related to the increased information that is provided, the new system, coupled with the increased number of organizations covered by the report, appears to have increased significantly the quantity of data in this report. This arises because most Agencies report expenditures and contributions in two or more of the categories identified, whereas previously some Agencies indicated that all their extra-budgetary expenditures fell into one of the former categories. As a result of this development, the format of the Tables in the Statistical Annex has been revised and the present document contains separate tables for expenditures in each of the foregoing sources of funds, rather than aggregated tables as previously. It is recognized that the volume of data involved is now excessive and

16. Another difficulty identified in last year's report was that Agencies differed in their treatment of support costs when reporting on non-UNDP technical co-operation expenditures. UNDP raised this issue at an Inter-Agency Consultative Meeting with a view to obtaining consistency among Agencies in the data included in this year's report. However, two Agencies, the Food and Agriculture Organization of the United Nations (FAO) and the World Health Organization (WHO) indicated that it was not possible for them to separately identify support costs at the country and sector level as required for this report. Consequently, there continues to be an element of inconsistency in this dimension of the data.

III. 1979 REGULAR PROGRAMME AND EXTRA-BUDGETARY
TECHNICAL CO-OPERATION EXPENDITURES FUNDED FROM SOURCES
OTHER THAN UNDP

(a) Total non-UNDP technical co-operation expenditures

17. The 1979 regular programme, non-UNDP extra-budgetary, and UNDP-financed technical co-operation expenditures of each of the Agencies are shown in Table 1, together with a breakdown by sector. Eighteen organizations and the five regional commissions of the United Nations system accounted for technical co-operation expenditures of more than \$464 million in 1979 funded from sources other than UNDP. In last year's report, corresponding expenditures of some \$394 million for 1978 were reported by eighteen organizations.^{8/} However, in order to make a meaningful comparison of total non-UNDP technical co-operation expenditures in 1979 with those in 1978, it is necessary to adjust the data to take account of differences in coverage in the two years, particularly those mentioned in paragraph 8 above. With the necessary adjustments, estimated non-UNDP technical co-operation expenditures by seventeen organizations and the five regional commissions were some \$400 million in 1978 so that the comparable 1979 figure reflected an increase of some 16 per cent.^{9/}

18. Despite the fact that some of the expenditures previously reported by the United Nations are now identified separately, the five larger Agencies still accounted for more than 81 per cent of total reported non-UNDP technical co-operation expenditures in 1979, compared with 83 per cent in 1978. Of these Agencies, the World Health Organization (WHO) continued to have the largest programme of non-UNDP funded technical co-operation activities, with a total expenditure on such activities, including support costs, of some \$178.9 million in 1979, an increase of some 8 per cent over the corresponding figure for 1978.

^{8/} See DP/381, Section II

^{9/} The adjustments made in the data to facilitate this comparison were as follows: (i) an increase of \$6.9 million in 1978 expenditures to cover extra-budgetary expenditures of the regional commissions which were not included in last year's report (comprising \$1 million for the Economic Commission for Africa (ECA), \$0.1 million for the Economic Commission for Europe (ECE), \$2.3 million for the Economic Commission for Latin America (ECLA), and \$3.5 million for the Economic Commission for Asia and the Pacific (ESCAP)); and (ii) the removal of \$0.6 million in 1978 expenditures reported by the Universal Postal Union (UPU) which did not report on its 1979 expenditures. Although the UNCHS has been separately identified in this year's report, its expenditures were previously included with those of the United Nations, as were regular programme expenditures incurred by the regional commissions. Consequently, no adjustment is required for these additions to the coverage of the report. See also paragraph 8 above.

TABLE 1

United Nations system technical co-operation expenditures for 1979

Agency	Regular Programme	Funded by non-UNDP extra budgetary sources	UNDP	Sector	Regular Programme	Funded by non-UNDP extra budgetary sources	UNDP
United Nations	6 373	27 153	65 027	01 Political affairs	-	-16	-
UNCHS	-	1 657	12 272	02 General development			
ECA	686	1 310	4 372	issues, policy and			
ECE	-	141	79	planning	3 970	16 370	58 135
ECLA	460	6 010	1 563	03 Natural resources	2 505	31 935	58 250
ECWA	558	327	299	04 Agriculture, forestry			
ESCAP	516	4 344	3 742	and fisheries	15 260	55 198	140 524
ILO	6 478	25 206	46 026	05 Industry	3 146	17 586	63 729
FAO	13 873	82 744 ^{a/}	131 939	06 Transport and			
UNESCO	-	27 001	45 792	communication	306	26 605	69 144
WHO	81 129	97 756 ^{a/}	16 228	07 International trade and			
ICAO	-	9 619	29 524	development finance	615	2 953	16 399
UPU	n.a.	n.a.	2 138	08 Population	66	16 709	-
ITU	306	5 215	20 491	09 Human settlements	105	1 602	7 543
WMO	601	7 338	8 173	10 Health	83 191	105 045	22 880
IMCO	-	1 348	2 572	11 Education	601	22 429	37 009
IAEA	7 125	4 788	5 994	12 Employment	4 858	13 815	36 415
UNIDO	2 864	13 993	51 448	13 Humanitarian and			
UNCTAD	317	1 507	13 206 ^{b/}	relief	-	98	3 142
ITC	-	10 318	c/	14 Social conditions and			
OPE	-	12 299	45 220	equity	1 408	1 479	3 057
WIPO	1 385	707	217	15 Culture	305	3 117	1 666
WTO	40	171	407	16 Science and			
UNCTC	-	918	-	technology	4 155	7 838	24 100
				17 Unspecified	2 220 ^{d/}	13 789 ^{e/}	-
Sub-total	122 711	341 870	506 729	Total	122 711	341 870	541 993.
IDB	n.a.	n.a.	375				
ASDB	n.a.	n.a.	1 534				
AFESD	n.a.	n.a.	301				
World Bank and IDA	-	358 550	26 528				
Governments	-	-	6 526				

n.a. Not available

^{a/} Includes support costs.^{b/} Includes expenditures by ITC.^{c/} Expenditures are included under UNCTAD.^{d/} Comprises expenditures by UNCHS and the Regional Commissions.^{e/} Comprises expenditures by UNCHS for which a breakdown is not yet available.

Non-UNDP technical co-operation expenditures by the Food and Agriculture Organization (FAO) increased by almost 17 per cent during the year to more than \$96 million, including support costs. The non-UNDP funded technical co-operation programmes of the three other larger Agencies were all around \$30 million. However, total non-UNDP technical co-operation expenditures by the International Labour Organisation (ILO) increased by more than one-third whereas those by the United Nations Educational, Scientific and Cultural Organization (UNESCO) increased by less than 10 per cent. The reported increase in expenditures by the United Nations was only 2 per cent, but this is a reflection of the fact that a significant amount of its previously reported expenditures are now attributed to other entities.

19. In previous years, several of the smaller Agencies have experienced significant rates of growth in their non-UNDP technical co-operation expenditures. In 1979, the situation was somewhat mixed: in the Inter-Governmental Maritime Consultative Organization (IMCO), non-UNDP technical co-operations expenditures continued to grow rapidly with an increase of almost 90 per cent in 1979, while corresponding expenditures by the International Civil Aviation Organization (ICAO) rose by about two-thirds over the year. Non-UNDP technical co-operation expenditures in the United Nations Industrial Development Organization (UNIDO) rose by 60 per cent to almost \$17 million in 1979. At the other end of the scale, non-UNDP technical co-operation expenditures by the World Meteorological Organization (WMO) fell by about one-third in 1979 and those of the World Intellectual Property Organization by about one-fifth. There was also a slight decline in such expenditures by the International Telecommunications Union (ITU). The World Tourism Organization (WTO) had no non-UNDP technical co-operation expenditures in 1978, but in 1979 these amounted to more than \$200,000. Another recent addition to the United Nations system, the United Nations Centre on Transnational Corporations (UNCTC), more than doubled the level of its corresponding expenditures in 1979, although they remained less than \$1 million. The Office for Projects Execution (OPE) also more than doubled its non-UNDP financed technical co-operation expenditures during the year, but in its case this represented a resurgence following a decrease of almost 50 per cent in 1978.

(b) Regular programme expenditures

20. Following a significant increase in 1978, reported regular programme technical co-operation expenditures increased by only 6 per cent in 1979 (to almost \$123 million in 1979 compared with somewhat more than \$115 million in 1978). As in 1978, seven organizations (UNESCO, ICAO, IMCO, ITC, WTO, UNCTC and OPE) indicated that they did not finance any technical co-operation activities from their regular budgets. On average, Agency regular budgets accounted for only 27 per cent of United Nations system technical co-operation activities financed from sources other than UNDP, a fall of more than two percentage points from the corresponding figure for 1978, which itself was lower than in 1977. This would seem to indicate that assessed budgets are steadily becoming a less important source of financing for United Nations system technical co-operation activities.

21. Technical co-operation activities financed from WHO's regular budget increased by less than one per cent in 1979 but, at a level of over \$81 million, they continued to account for some 68 per cent of the regular programme technical co-operation expenditures of all Agencies combined. FAO accounts for the second largest share of such expenditures (almost 12 per cent). Following substantial rates of growth in recent years, expenditures against FAO's Technical Co-operation Programme increased by less than 10 per cent in 1979 to almost \$14 million. A more dramatic increase was registered by the ILO, where regular programme technical co-operation expenditures more than doubled in 1979

programme technical co-operation expenditures were the IAEA (an increase of 9 per cent to more than \$7 million), UNIDO (up by more than a quarter to nearly \$2.9 million), and ITU (whose expenditures increased by almost 50 per cent, but remain modest at \$300,000). Regular programme technical co-operation expenditures declined by about a third in WIPO to \$1.4 million, and by almost a half (to \$600,000) in WMO.

(c) Types of extra-budgetary funding

22. As indicated in paragraph 14 above, the classification of sources of funding for extra-budgetary expenditures was revised for the purpose of this year's report and the resulting data are contained in Tables A.3 - A.6. In reviewing these Tables, it should be noted that the UNIDO data on extra-budgetary expenditures are not broken down by the new categories of sources of funds. Rather than omit the UNIDO data, all reported UNIDO extra-budgetary expenditures have been classified as bilateral resources. Since the total amount involved is only \$14 million, this does not distort the analysis significantly.

23. According to the new classification, about one half, or some \$167 million, of total Agency extra-budgetary technical co-operation expenditures are financed from bilateral resources, i.e. contributions paid directly to the Agencies by governments or other organizations (excluding multilateral bodies) for activities outside their own countries. This figure is slightly inflated by the inclusion of the UNIDO data referred to in the previous paragraph.

24. WHO has the largest programme of technical co-operation financed in this way. Including support costs, it amounts to almost \$75 million and such financing accounts for about 40 per cent of WHO's non-UNDP technical co-operation activities. In other Agencies, the significance of this type of financing varies considerably. The ILO, WTO and OPE were the only organizations which did not finance any technical co-operation expenditures from bilateral resources. At the other end of the spectrum and although the amount was less than \$1 million, all 1979 technical co-operation expenditures by the UNCTC were financed from bilateral contributions.

25. The second most important source of financing for Agency technical co-operation activities in 1979 was United Nations system sources other than UNDP, for which expenditures of some \$75 million were reported. Of this total, the United Nations and WHO each accounted for some \$20 million. An insight into the particular sources of this funding may be obtained by examining the contributions data^{10/} from which it can be deduced that a significant proportion of these expenditures represent projects undertaken by the Agencies for the United Nations Fund for Population Activities (UNFPA). Similarly, the \$12.3 million of expenditures reported by OPE under this category reflect activities undertaken for other funds managed by UNDP, namely the United Nations Capital Development Fund (UNCDF), the United Nations Sudano-Sahelian Office (UNSO), the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE), and the United Nations Volunteers (UNV).

26. Other multilateral sources are reported as having financed a further \$42 million of Agency technical co-operation expenditures in 1979 and this amount was accounted for almost entirely by FAO (almost \$27 million) and the ILO (almost \$15 million). Here again, the data on contributions provides some indication of the organizations which provided this financing and these data are discussed in sub-section (e) below.

10/ See Table A.7 and paragraphs 32-37 below.

27. The final category of expenditure which was identified was that made against "self-supporting" contributions. It has not previously been possible to identify these expenditures separately, but it may be seen that they amounted to almost \$43 million in 1979. Most of these expenditures are in oil-exporting countries, with Saudi Arabia accounting for more than \$12 million (half of which is spent by ICAO) and Libya for almost \$8 million. In only a few non-oil exporting lower-income countries were any significant self-supporting expenditures reported. Two notable cases were Somalia and Sudan, for which such expenditures of some \$500,000 each were recorded.

(d) Sectoral distribution

28. In April 1979, ACC revised the sectoral classification for United Nations system expenditures which had been in effect since 1971 and the data in this report have been classified in accordance with the new system. The addition of some sectors and the reclassification of others pose difficulties in terms of comparability of data between 1979 and previous years. Furthermore, the inclusion of support costs by some Agencies in their data tends to inflate slightly the expenditures reported for the sectors in which those Agencies' activities are concentrated. Nevertheless, some general observations can be made on the distribution of United Nations system non-UNDP technical co-operation expenditures by sector.

29. The health sector continues to account for the largest share of non-UNDP technical co-operation expenditures, some 42 per cent in 1979. The agriculture, forestry and fisheries sector receives 16 per cent of these expenditures and is, as in previous years, the second most important sphere of technical co-operation activities funded from regular and extra-budgetary sources. The revised sectoral classification probably accounts for the sharp increase in expenditures reported in the natural resources sector which now accounts for 8 per cent of total non-UNDP technical co-operation expenditures (compared to 3.2 per cent in 1978). These three sectors are the only ones with shares of more than 7 per cent. The education and transport and communications sectors continue to account for about 6 per cent of total expenditures. The remaining sectors are divided between those accounting for about 4 per cent of expenditures and those with a share of 1 per cent or less.

30. The sectoral classification of regular budget technical co-operation expenditures in 1979 shows an even higher concentration in the health sector (69 per cent of total regular budget expenditures) because of WHO's large regular programme of technical co-operation. Close to 13 per cent of regular budget expenditures for technical co-operation, most of which fall within FAO's Technical Co-operation Programme, are in the agriculture, forestry and fisheries sector. The only other sector with a significant share of regular programme expenditures was employment (4 per cent), one of the results of the significant increase in technical co-operation activities funded by the ILO regular budget.

31. Unilateral "self-supporting" expenditures show a very different sectoral distribution. The transport and communications sector received the largest share with some 32 per cent of expenditures, largely by the International Civil Aviation Organization (ICAO) where almost all non-UNDP extra-budgetary technical co-operation activities are financed in this manner. Education (19 per cent) is also a major sector for this type of expenditure, as are natural resources (14 per cent) and agriculture, forestry and fisheries (12 per cent). In contrast with the pattern for expenditures financed from other sources, expenditure in the health sector accounts for only some 5 per cent of total unilateral self-supporting expenditures.

(e) Extra-budgetary contributions to the Specialized Agencies and IAEA for technical co-operation activities.

32. There are obviously certain correlations between extra-budgetary contributions for technical co-operation activities and extra-budgetary technical co-operation expenditures and an examination of the contributions data gives further insight into the nature and scope of the extra-budgetary financing of these activities. As with expenditures, the Agencies were requested to classify their contributions by type, distinguishing between general contributions and unilateral "self-supporting" contributions. These two new categories for the classification of contributions by type are the same as those for expenditures, given in paragraph 14 above. "Bilateral" contributions data (corresponding to category C.1 of expenditures) are contained in Table A.7, while contributions for self-supporting activities (corresponding to expenditure category C.2) are contained in Table A.8. Table A.7 classifies the sources of contributions by country, by United Nations system sources (corresponding to expenditure category B.1), by other multilateral sources (expenditure category B.2), and by other miscellaneous sources.

33. Fourteen Agencies reported extra-budgetary contributions of \$333 million for technical co-operation activities in 1979, compared to \$341 million reported by fourteen Agencies in 1978, a decline of about 2 per cent. However, the reporting Agencies in 1979 are not the same as in 1978; UPU (which reported contributions of \$397,000 in 1978) did not report for 1979, whereas IMCO, which did not provide data for 1978, this year reported contributions of almost \$3 million in 1979.

34. Most of the reported decline in contributions was the result of decreased contributions by Governments directly to the Agencies. These contributions amounted to \$230 million in 1979 (including unilateral "self-supporting" contributions of \$50 million) as against \$243 million in 1978 (a decrease of almost 6 per cent). The sources of the decrease were the developed market economies and oil-exporting countries. The 17 country members of the Development Assistance Committee (DAC) of the Organisation for Economic Co-operation and Development (OECD) contributed \$151.3 million to the extra-budgetary financing of technical co-operation activities in 1979 as against \$165 million in 1978, a decrease of 9 per cent.

35. In the case of oil-exporting countries, it is not possible to tell whether the decline in contributions reflected a decrease in self-supporting contributions or in general contributions since these two categories were not separately identified in previous years. Members of the Organization of Petroleum Exporting Countries (OPEC) contributed over \$20 million to the "bilateral" extra-budgetary technical co-operation resources of the Agencies in 1979. If "self-supporting" contributions are added to this amount, the total contributions of these countries amounted to \$57 million in 1979 compared with \$62 million in 1978, a decline of close to 9 per cent. Thus, the total decrease in the contributions from DAC and OPEC countries (\$18.7 million) was greater than the total absolute decrease in extra-budgetary contributions by all countries (\$13.2 million). This means that countries outside these groups have increased the level of their total contributions and that in 1979 contributions to the United Nations system for extra-budgetary technical co-operation activities were less heavily concentrated among countries than in 1978, although member countries of DAC and OPEC still accounted for some three-quarters of the total.

36. Agencies reported only a small increase in the flow of technical co-operation funds within the United Nations system, from \$61 million in 1978 to nearly \$63 million in 1979. Various United Nations trust funds and other

\$21 million was made available from the World Bank and other multilateral institutions. Finally, contributions from non-governmental organizations provided \$12 million.

37. As indicated above, "self-supporting" contributions amounted to some \$50 million in 1979. Although many of the individual payments were small, these contributions were made by almost 90 countries giving an indication of the extent to which developing countries choose to use the United Nations system to carry out technical co-operation activities financed by themselves.

IV. ASSISTANCE PROVIDED BY UNDP AND OTHER ORGANIZATIONS

(a) UNDP

38. For the purposes of comparison, Table 1 includes summary data on UNDP project expenditures in 1979. These data conform with those in document DP/461 and, as indicated in that document, are provisional.^{11/} In addition, these data include cost-sharing expenditures, estimated to be some \$40 million in aggregate.

39. Total UNDP project expenditures increased by about 26 per cent to almost \$542 million in 1979. Of this amount, the larger part (some \$507 million) was accounted for by the Agencies discussed in Section III above. UNDP project expenditures in 1979 grew more rapidly than United Nations system technical co-operation expenditures funded from other sources and consequently UNDP's share of the total supply of technical co-operation provided by the Agencies of the system increased. As well as being true in aggregate, this was also the case with most of the individual Agencies. Four Agencies, namely WHO, IAEA, WIPO and ITC, continued to have more of their technical co-operation financed from non-UNDP sources than by UNDP. In the case of WMO, the significant decline in its non-UNDP technical co-operation expenditures in 1979 resulted in UNDP's financing slightly over 50 per cent of its technical co-operation activities, a reversal of the situation in 1978. Of the organizations for which separate data have been provided for the first time this year, it is notable that the regional commissions receive more technical co-operation financing from non-UNDP sources than from UNDP. The same is true for UNCTC, but not for UNCHS. The remaining Agencies continue to receive the larger part of their technical co-operation financing from UNDP, although to varying degrees.

40. Last year's report^{12/} contained a statistical comparison of the level and composition of UNDP and non-UNDP technical co-operation expenditures in 1978. Although the various magnitudes have changed slightly over the last year, most of the observations made previously about the different Agency, sectoral and country/intercountry composition of these two flows remain valid, and consequently need not be reiterated in the present report.

(b) World Bank

41. The importance of the World Bank as a source of technical co-operation financing was emphasized in last year's report.^{13/} In the course of preparing the policy review for the General Assembly referred to in paragraph 2 above,

^{11/} See DP/461, Table 9.

^{12/} See DP/381, paragraphs 45-51.

^{13/} Ibid, paragraphs 34-38.

consultations were held between representatives of the World Bank and the Office of the Director-General for Development and International Economic Co-operation in order to decide on a suitable available measure of World Bank technical co-operation expenditures. The relevant data for 1978 have been incorporated into the report responding to General Assembly resolution 33/201 and the World Bank has provided corresponding data for 1979 which are included in Table A.9. of the present report. These data comprise expenditures against World Bank loans and IDA credits under the World Bank categories "training" and "consultants".

42. Total World Bank disbursements under these two categories were almost \$400 million in 1979 of which rather less than \$131 million was provided under IDA credits and some \$268 million from World Bank loans. The comparative figures for 1978 were \$340 million, \$103 million and \$238 million respectively so that total World Bank disbursements under these two categories have grown by some 18 per cent over the year, with the IDA component having grown more rapidly than that of the Bank. This distinction aside, total World Bank and IDA technical co-operation disbursements in 1979 grew at a rate commensurate with Agency non-UNDP technical co-operation expenditures in the same year.

43. Having these data on World Bank technical co-operation expenditures for the first time, it is apparent that the Bank is a major source of technical co-operation financing within the United Nations system. However, the World Bank figures should be used as an order of magnitude only and not compared directly with UNDP and Agency expenditure data. Apart from the difficulty of deciding what constitutes "technical co-operation", caution in the use of these data is necessary because they reflect disbursements against loans and credits rather than grants (as is the case with United Nations system expenditures).

(c) United Nations Children's Fund

44. While recognizing that the activities undertaken by the United Nations Children's Fund (UNICEF) are not of a purely technical co-operation nature, last year's report included data on UNICEF expenditures. Corresponding data for 1979 are contained in Table A.9. of the Statistical Annex. For reasons noted in last year's report,^{14/} these data are not directly comparable with those for other Agencies. Nevertheless, it will be noted that UNICEF expenditures (exclusive of programme support and administrative services) increased by almost one-half over the year, from \$142.1 million in 1978 to \$209.4 million in 1979.

(d) World Food Programme

45. Like UNICEF, the World Food Programme (WFP) cannot be regarded as a technical co-operation body, although it continues to be a major channel of development assistance. Data on its 1979 expenditures have been provided by FAO and are included in Table A.9. Assistance provided by WFP in 1979 amounted to almost \$507 million, an increase of close to a quarter compared with 1978.

^{14/} Ibid., paragraph 40.

V. EXPENDITURES ON OPERATIONAL ACTIVITIES OF
THE UNITED NATIONS SYSTEM IN 1979: A FIRST LOOK

46. Table A.9 contains a country-by-country summary of all the data referred to in this report and has been designed to conform as closely as possible with the corresponding table in the Director-General's report. However, it should be emphasized that these data are incomplete and that many are preliminary. In addition, there are other differences compared with the Director-General's report. Firstly, it should be borne in mind that the data in this report pertain to 1979, whereas those in the Director-General's report pertain to 1978. Secondly, the coverage of data in this report differs in important respects from those in the Director-General's report. The latter report includes expenditures incurred by the United Nations Relief and Works Agency for Palestine Refugees in the Near East (UNRWA) and by the Office of the United Nations High Commissioner for Refugees (UNHCR), whereas they are excluded in this report. Similarly, disbursements by the World Bank and IDA for items other than "training" and "consultants", i.e. the capital assistance element of World Bank loans and IDA credits, have not been reflected in the present report.

47. The data also differ in respect of some of the expenditures of such funds as UNFPA, UNCDF, UNRFNRE and UNFDAC. As noted in paragraph 25 above, Agency expenditures under the category "Other United Nations system sources" include UNFPA expenditures, and also include expenditures by the Agencies on behalf of other Funds such as UNCDF, etc. However, in the case of UNFPA, the data do not include expenditures which UNFPA makes as Executing Agency on its own behalf or expenditures on UNFPA projects executed by Governments, non-governmental organizations, etc., since UNFPA is not included as a reporting Agency. This is also true of the other Funds mentioned, but considerable further work is required to resolve the problem. In particular, double-counting will arise if total UNFPA expenditures are added to the present figures, and to avoid this problem it is necessary to have a breakdown of UNFPA expenditures by Agency and by country. Such data were not available at the time of preparation of this report. However, with a view to incorporating them at a later date, the expenditure data for the United Nations incorporated in Table A.9. were provisionally adjusted to exclude UNFPA expenditures. Table A.9. therefore reflects only those UNFPA expenditures reported by FAO, ILO, WHO and UNESCO. There is therefore an element of under-reporting in the data. In contrast, UNDP expenditures are inclusive of cost sharing which should be separated from other UNDP expenditures and included with Agency "self-supporting" expenditures. This results in a slight over-reporting of United Nations system development assistance flows in Table A.9.

48. With these reservations in mind, Table A.9. indicates that total United Nations system expenditures on operational activities in 1979 were in the range of \$1.6 - \$1.7 billion, while the corresponding figure for 1978 would be around \$1.3 billion. Coupled with the increase in IDA disbursements, this points to a significant increase in the official development assistance provided through the United Nations system in 1979.

49. The Economic and Social Council, in considering the Director-General's report, has been requested by the General Assembly, to elaborate guidelines for future comprehensive policy reviews of operational activities for development. The Director-General's report contains preliminary proposals for guidelines in respect of that issue. These proposals relate in part to the question of whether the Economic and Social Council and the General Assembly would wish to see in any subsequent policy reviews a further elaboration of the material contained in the statistical annexes of the Director-General's report, including, for example, information on the sectoral composition of

expenditures. In this context, it is important to recall that discussions are at present underway in the subsidiary bodies of the ACC, regarding the requirements of intergovernmental bodies for cross-organizational analyses of expenditure on technical co-operation and other operational activities. Bearing in mind that the Economic and Social Council will discuss this matter at its second regular session, the Governing Council may wish to draw the attention of the Economic and Social Council to the present report.

VI. DRAFT DECISION OF THE COUNCIL

50. The Governing Council

(a) Takes note of the report of the Administrator containing information on United Nations system regular and extra-budgetary technical co-operation expenditures in 1979 financed from sources other than UNDP (DP/488); and

(b) Draws the attention of the Economic and Social Council to this report in the context of its comprehensive policy review of operational activities to be undertaken at its second regular session of 1980.
