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GOVERNING COUNCIL
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Agenda item 8

TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES

TCDC and policies, rules and procedures of UNDPDraft decision submitted by Argentina, the Gambia and IndiaThe Governing Council,

Recalling the Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation among Developing Countries, as endorsed by General Assembly resolution 33/134,

Recalling also the Council's decisions 79/29 and 80/46,

1. Takes note of the report of the second session of the High-level Committee on the Review of Technical Co-operation among Developing Countries;
2. Decides to request the Administrator to:
 - (a) Ensure that for the period of the third programming cycle, earmarking from country IPFs for TCDC activities for the benefit of other countries does not exceed 10 per cent of the country's IPF or \$7.5 million, whichever is smaller;
 - (b) Lift the present blanket restriction on the reimbursement of local currency costs;
 - (c) Ensure that the following basic guidelines of TCDC be used in assessing TCDC project proposals:
 - (i) TCDC activities or projects involve the deliberate and voluntary sharing or exchange of technical resources, skills and capabilities between two or more developing countries for their individual or mutual development;

- (ii) TCDC is initiated, organized and managed primarily by developing countries themselves. In such a process Governments of developing countries would normally take the lead or responsibility. TCDC could also involve the participation of national public institutions, and within the framework of the policies laid down by Governments of developing countries, private organizations and individuals;
 - (iii) The financing and project inputs such as expertise, consultancy services, research and training facilities, equipment and supplies in TCDC activities should be the primary responsibility of developing countries themselves and the country IPF should be considered as a catalyst and a supplementary contribution. At its third session in 1983 the High-level Committee will on the basis of financial data for the years 1980-82 submitted by the Administrator of UNDP consider guidelines for the share of earmarked IPF funds of total TCDC contributions;
 - (iv) TCDC can include all sectors and all kinds of technical co-operation activities of developing countries. It can be bilateral or multilateral in scope, subregional, regional or interregional in character. It should try, whenever possible, innovative approaches, methods and techniques particularly adapted to local needs as well as existing modalities of technical co-operation to the extent that they are considered useful;
- (d) Allow that projects conforming to the basic guidelines enumerated in the previous paragraphs may be financed from country IPFs subject to the existing rules and procedures established for UNDP as a whole, with regard to project assessment, approval, implementation and evaluation. Within this framework, expenditure for provision of inputs necessary in the execution of projects should be allowed in the same manner and with the same flexibility as for the rest of UNDP;
- (e) Allow that advances, current payments and reimbursements from the IPF resources be made by UNDP in the currencies of expenditure on the inputs concerned, and shall be drawn as far as possible from UNDP's holding of such or any other suitable currencies;
- (f) Apply the following rules with regard to the reimbursement of certain local costs, associated with services and materials, which the Governments or national public or private institutions of the "IPF country" should primarily bear in accordance with paragraph 2 (c) (iii):
- (i) Any part of the salary and allowances of professional staff and any part of the cost of contractual services payable in the home country of the staff or contractor would be reimbursable in the "IPF country" currency only;
 - (ii) The local currency cost of equipment and materials purchased would be reimbursable in the "IPF country" currency only;

(g) Apply regular UNDP procedures related to approval of its assisted projects, compensation, hiring of national experts, procurement of equipment and services, subcontracting and related matters;

(h) Incorporate the above principles and criteria into the standing guidelines and instructions of the UNDP Policies and Procedures Manual;

3. Decides to request the Administrator of UNDP, for the purpose of monitoring the guidelines of TCDC set out in paragraph 2 (c), to notify the third session of the High-level Committee on the Review of TCDC and the thirtieth session of the Governing Council with respect to:

(a) The relevant financial costs of projects funded from the country IPFs;

(b) The amounts of IPF resources, if any, expended by UNDP in implementing the provision of paragraph 2 (e) and (f); and

(c) The breakdown of expertise, equipment and supplies, consultancy services, and training present in these projects.
