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Use of country IPFs for TCDC

Report by the Administrator

Summary

The Administrator presents this report in response to decision 81/31 of the twenty-eighth session of the Governing Council of UNDP.

Responses are provided to the Governing Council's requests for information on the use of IPFs for TCDC, then an account is given of the current status of the use of country IPFs for TCDC during 1980-1982. Conclusions are drawn on the use and planned use of the country IPFs for TCDC.

The attention of the Committee is drawn to the conclusions contained in paragraphs 19 to 21.

INTRODUCTION

1. In its decision 81/31, the Governing Council of UNDP confirmed its agreement that the country IPFs could be used to finance TCDC projects. Paragraph 2 of the same decision contained the criteria for using such funds. Paragraph 3 of the decision requested the Administrator to:

"Notify the High-level Committee on the Review of Technical Co-operation among Developing Countries at its third session and the Governing Council at its thirtieth session 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 provisions of paragraph 2 (e) and (f) of the decision;

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

2. Paragraph 2 (e) and (f) of the decision requested the Administrator to allow for advances, current payments and reimbursements from the IPF resources to be made by UNDP in the currencies of expenditure on the inputs concerned, drawing as far as possible from the programme's holding of such or any other suitable currencies; and to apply stipulated 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 the basic guidelines of TCDC given in paragraph 2 (c) (iii) of the decision.

3. In line with paragraph 2 (h), UNDP has incorporated the principles and criteria set out in the decision into the appropriate section (chap. 3620) of its policies and procedures manual, which was distributed to all resident representatives in September 1981.

4. Chapter I of this report responds to the Governing Council's requests for information. Chapter II presents information on the current status of the use of the country IPFs for TCDC. Chapter III contains conclusions suggested by the information in chapter II.

I. RESPONSE TO THE GOVERNING COUNCIL'S REQUESTS FOR INFORMATION ON THE USE OF IPFs FOR TCDC

5. The resident representatives of UNDP were asked for information to comply with the requests in decision 81/31 of the Governing Council.

6. Most of the replies confirmed that the possibility of using the country IPF for TCDC was at that stage still under consideration.

7. The information in the replies from 20 countries indicated that their country IPFs were currently being used for TCDC. The information on expenditures was, however, not always complete, especially in respect of the Governments' own contributions to the projects concerned, as project documents had only recently been concluded and actual expenditures had yet to be incurred; thus, tabulated information on that aspect of the relevant financial costs of projects funded from the country IPFs could not be prepared as part of this report. As project implementation gains momentum, this information should be available for the next session of the Committee.

8. The information on the financial cost to the country IPFs for TCDC projects and activities could be divided into three main categories: (a) specific amounts earmarked from a country IPF for TCDC projects; (b) the expenditures on TCDC projects; and (c) funds spent on TCDC components of traditional technical co-operation projects. Under the first category India earmarked \$5.8 million, China \$2 million and Indonesia and the Philippines \$0.5 million each for the period up to the end of 1982. As these were only allocation of funds, the actual financial costs to the IPF are recorded under the second category, expenditures on TCDC projects. With respect to the third category, specific information was only received in the reports on Sri Lanka and Peru indicating respectively that around \$6.1 million and \$73,500 were spent on TCDC components of projects. Those figures should be treated as estimates, however, as at that stage it was often difficult for the resident representative to pinpoint exact amounts used on the TCDC component within traditional technical co-operation projects. Table 1 contains information on the number of countries and projects as well as the amounts of the country IPFs used in TCDC projects during 1980-1982.

9. No reply made reference to any case of reimbursement from the IPF of inputs or local costs in currencies of expenditure.

10. Most replies gave total amounts of IPF obligations for projects. Thus, it was not possible this time to provide the breakdown of expertise, equipment and supplies, consultancy services and training present in those projects. Again, as these costs are actually incurred, the information should be more readily available.

II. CURRENT STATUS OF THE USE OF COUNTRY IPFs FOR TCDC

11. For the period 1980-1982 the country IPFs used by 20 countries for TCDC involving 51 projects amounted to \$9.2 million (table 1).

12. Most of the TCDC activities supported by the country IPFs concerned training and were therefore considered operational as distinct from promotional. For example, courses on business consultancy were held in the Philippines for participants from other developing countries. Botswana sent an official on a study tour to China in connection with the development of rural postal services. Indian engineers trained their technical counterparts in Cuba in the installation and management of a pilot plant for chemical synthesis connected with pharmaceutical production.

Table 1
Use of country IPFs for TCDC 1980-1982
(By country)

Country	TCDC PROJECTS	
	Number	\$ Cost
AFRICA		
Botswana	1	5 426
Burundi	2	14 000
Guinea	2	23 000
Guinea-Bissau	3	2 600 000
Lesotho	2	4 218
Uganda	1	681 500
Zambia	2	9 659
	13	3 337 803
ARAB STATES		
Morocco	2	108 000
	2	108 000
ASIA AND THE PACIFIC		
China	8	1 864 233
Lao People's Democratic Republic	2	61 250
India	11	1 530 000
Indonesia	1	500 000
Philippines	1	500 000
Samoa	7	10 000
	30	4 465 483
EUROPE		
None		
LATIN AMERICA		
Argentina	1	50 000
Cuba	1	758 000
Panama	1	348 441
Uruguay	1	60 642
Bermuda	1	2 500
Dominican Republic	1	50 000
	6	1 269 583
GRAND TOTALS		
20 countries	51	9 180 869

13. Many Governments used their country IPFs for the participation of their officials in meetings dealing with promotional TCDC matters such as the previous session of the Committee for the regional conference for Africa held in Nairobi (Kenya) in 1980 and in Libreville (Gabon) in 1982. Countries also participated in the technical congress organized by UNIDO and the Secretariat of the Technology for the People Trade Fair in Geneva in 1980, and attended symposia organized by India on various subjects (Water resources systems: modern metal forming techniques) conducive to development through TCDC. Morocco's IPF was used to support the third Afro-Arab Forum held in Asilah (Morocco) in 1982.

14. Several assignments of experts from developing countries were facilitated by country IPF expenditure. Samoa provided for short-term visits of a coconut agronomist to Niue, a hydrogeologist to Tokelau and a senior agronomist to the Cook Islands. Peru funded the provision of expertise from Argentina for its nuclear energy programme. The Lao People's Democratic Republic financed a Cuban expert on health statistics. Uganda used its IPF's resources to conduct a feasibility study on an irrigated rice programme in co-operation with China.

15. The country IPF of India was used to supply equipment to Cuba in connection with its chemical synthesis pilot plant. Peru used a small amount of its IPF to distribute documents and technical notes to other Latin American countries on the findings of its forestry development programme.

16. The reasons given for the limited usage of country IPFs for TCDC were: (a) the authorization and criteria to use such funds came only in 1981 with the decision of the Governing Council; (b) the IPFs of most country programmes were fully committed; and (c) the possibility of including TCDC activities at that late stage in a country programme was adversely affected by the stringency of UNDP resources at that time.

17. For the above reasons resident representatives in most countries, especially those with no IPF expenditures on TCDC to report during 1980-1982, indicated that significant amounts of IPF resources were being programmed for TCDC activities in the third cycle.

18. Some resident representatives stated that the Governments were not prepared to use the country IPF resources for TCDC activities, as such funds were already insufficient to support their development programmes through traditional technical co-operation. A few other Governments made cost-sharing arrangements with UNDP in which all in-country costs were met by the contributions of the host Government.

III. CONCLUSIONS

19. The facts reported in chapter II indicate that despite the short period since the authorization for the use of such funds and the current stringency of the financial resources of UNDP, a small initial use of country IPFs for TCDC has been made during the 1980-1982 period.

20. Even at this initial stage, Governments and resident representatives appreciate the advantages of using the country IPF as a catalyst in TCDC projects. Many reports mention that significantly greater use is planned in country programmes of the third cycle. In many cases allocations for projects have been mentioned. These projects need careful planning especially in respect of the greater possible provision of inputs by the developing countries themselves if the catalyst quality of the country IPF is to be fully realized in TCDC activities.

21. In the light of the limited financial data available for presentation in this report, the Committee may wish to defer until its fourth session its consideration of guidelines for the share of earmarked IPF funds of total TCDC contributions, which it would have undertaken in response to paragraph 2 (c) (iii) of decision 81/31 of the Governing Council of UNDP.
