



**Governing Council
of the
United Nations
Development Programme**

Distr.
GENERAL

DP/1984/4
2 April 1984

ORIGINAL: ENGLISH

Thirty-first session
June 1984, Geneva
Agenda item 3

P O L I C Y

**POLICY REVIEW: MEASURES TO BE TAKEN TO MEET THE CHANGING
TECHNICAL CO-OPERATION REQUIREMENTS OF THE DEVELOPING COUNTRIES**

Report of the Administrator

Summary

This report is submitted as a background document for the Governing Council's policy review of United Nations technical co-operation activities in response to decision 83/41 of the Council at its thirtieth session. It focuses both on what are likely to be key changes in technical co-operation requirements in the 1980s as well as on development problems that will continue as major tasks, and examines some of the ways in which the provision of technical co-operation by the United Nations system, and UNDP in particular, can be made more effective in responding to those needs.

The report begins by recalling past achievements as well as unsolved problems in the record of technical co-operation. It then turns to an examination of the basic philosophy of technical co-operation in terms of the objective of self-reliance. Next, it outlines some of the changing requirements in the substance of technical co-operation that are likely to gain prominence in the years ahead, and draws attention to the continuing needs of the poorer countries. Finally, the report discusses some essential functions of UNDP as measures of response to the changing requirements which have implications for the processes of programming, co-ordination, evaluation, resources mobilization and project planning and execution.

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Introduction

1. The Governing Council in decision 83/41 stated that it would consider as its policy review item at the thirty-first session "Measures to be taken to meet the changing technical co-operation requirements of the developing countries." The Administrator submits the following study as a background document for this policy review.
2. The study takes as its point of departure the present record of technical co-operation. It is evident, looking at this record, that remarkable results have been achieved over the last 35 years, but, given the present state of development in many countries, that the task ahead is enormous. The analysis takes a fresh look at the concept of self-reliance which has always been part of the thinking about technical co-operation. The study then highlights some of the major problems of development in the 1980s which may lead to changing requirements in technical co-operation. Resource mobilization, development management and modern technology are as prominent as the broad issues of enhanced social participation and the involvement of non-governmental organizations (NGOs). On the other hand, the issue of changing needs is only one among a large number which need to be tackled. Indeed, it appears as if some of the spectres of the past, such as the food problem, are still with us in the 1980s. One of the conclusions reached here is that a progression to higher-income levels does not diminish the need for technical co-operation but rather creates new and more complex requirements.
3. The analysis then turns to the United Nations Development Programme (UNDP) and the United Nations system of operational activities. It takes up programming, co-ordination, evaluation, resources and project work as essential functions of UNDP. Programming of technical co-operation is evolving into a broader relationship whereby UNDP can offer its services to all partners engaged in development. An outgrowth of this wider concept of programming of aid is assistance in the co-ordination of technical co-operation which UNDP can offer to Governments. Monitoring and evaluation have very much dominated recent discussions of UNDP activities; it is important to recall that this is as much a part of self-reliance as programming and co-ordination. The issue of resources will remain high on the agenda of UNDP, which serves as the central funding institution for technical co-operation in the United Nations system. Finally, the manifold practical questions of project planning and execution are addressed with a view to increasing the effective use of resources made available to respond to the changing requirements of technical co-operation.
4. The study covered much ground in a brief time, and many aspects have been addressed which the Governing Council may wish to take up in more detail at a later stage. The study does not aim at giving final answers but at stimulating a debate which might guide the Administrator in developing specific recommendations regarding those aspects of the Programme which Governments would like to change in the years ahead. It does not go into the issues relating to the fourth development cycle, which are dealt with in a separate paper. Nevertheless, it is clear that a re-examination of some of those aspects will have implications for the more immediate solutions which must be sought over the next two years. In the preparation of this analysis, the Administrator has had the benefit of the views of Governments in a number of developing countries visited by senior UNDP officials.

A scrutiny of the experience with country programming in which most of the resident representatives participated was an additional valuable source of information. Finally, a number of useful consultations were held with the participating and executing agencies of UNDP. Whereas this report has thus benefited from a multitude of views and experiences, the Administrator assumes sole responsibility for its contents.

I. THE FRAMEWORK OF TECHNICAL CO-OPERATION

A. Past achievements and future tasks

5. The present review takes place at a time when world-wide relations are under enormous strain, both economically and technologically, which is deeply affecting social and economic development.^{1/} Accordingly, technical co-operation is faced with a number of challenges that call for new approaches. In view of the extraordinary diversity among the developing countries today, technical co-operation will have to show enhanced flexibility without abandoning old traditions. While a small group of capital-surplus oil-exporting countries has freed itself from financial constraints and greatly accelerated the drive for domestic capabilities in some advanced technologies and the newly industrializing countries have continued their broad structural modernization, many other countries are still at the stage where their technical co-operation needs are similar to those that were common two and three decades ago for most developing countries. Thus, a balanced effort to examine technical co-operation needs must focus on those requirements that are changing and on those that are continuing, with emphasis placed on measures needed to strengthen the machinery for the identification of real needs at the country and project levels.

6. Notwithstanding the serious problems which the present economic situation poses for developing countries, the accomplishments in institution-building and the creation of human capacities have been remarkable and will not be easily eroded by the pressures of slower economic growth. Indeed, technical co-operation has led to many successes: the development and spread of high-yielding varieties of food grains (the "green revolution"); the reduction of mortality through the eradication or control of such endemic diseases as smallpox and malaria; diminished birth rates through family planning, coupled with the spread of new technologies for reducing infant and child mortality (e.g. oral rehydration, growth monitoring, immunization); the creation of planning methodologies and institutions; the vast expansion in human resource development and literacy; and the development of new strategies for satisfying basic human needs (primary health care, integrated rural development) are salient examples. Although economic assistance has been important in supporting the research, transfer and adaptation processes necessary to achieve these successes, technical co-operation has been an essential ingredient.

7. Technical co-operation has also played a key role in the installation and maintenance of transport, energy and other infrastructure systems. It has contributed essential inputs to integration processes in the Third World. And in industry, the successful transfer and adaptation of technologies has allowed exporters to penetrate highly competitive markets in the developed countries.

Special mention should be made of pre-investment studies and project engineering that have complemented and been closely associated with the vast flow of capital project financing to developing countries. In recent years, as an indication of rising capacities in developing countries, there has been the emergence of technical co-operation flows among the developing countries themselves, flows that have been significant by creating an additional potential to assistance available from other sources.

8. In contrast to these successes, there is a range of unsolved problems. These are particularly apparent in countries with low levels of per capita income, which have seen much less progress in self-reliance and economic development and in meeting the basic human needs for the bulk of their populations. The low-income countries of Sub-Saharan Africa have experienced an alarming trend of stagnation and decline over the past two decades; in the 1970s, population growth rates averaged about 3 per cent annually; the gross national product (GNP) per capita declined, on the average, 0.3 per cent annually; per capita agricultural GNP declined by 0.9 per cent; and exports per capita fell by 3.5 per cent. Indeed, some of these countries are currently bordering on a crisis situation. Trends in food production have been particularly alarming. Production increases have not kept pace with population growth so that the net result has been a decline in production per capita. Furthermore, this decline has accelerated from 7 per cent in the 1960s to 15 per cent in the 1970s. While cereal imports in Africa doubled between 1975-1980, Governments could not import sufficient quantities. As a result, food supply per capita remained inadequate and even fell in 18 least developed countries (LDCs). The Secretary-General of the United Nations therefore has recently drawn the attention of Governments to the serious situation faced by many African countries and has appealed for special measures to cope with it.

9. There are many reasons for this disappointing record of development. Most of the countries which now lag behind others in development achieved independence and initiated development plans much later than most of the more advanced countries. They began the development process with very limited cadres of trained personnel and few institutions of training or research. Political unrest, physical insecurities, population growth and refugee burdens have imposed additional constraints on economic development. Extended droughts and advancing desertification have hit several countries, while population encroachment on diminishing forests has greatly affected the environment and agricultural productivity. Thus, there has been a stubborn persistence of poverty in Sub-Saharan Africa, despite relatively high levels of per capita aid for many of the countries. Even in some of the more advanced and rapidly growing countries, conditions similar to the above characterize entire backward regions where populations have not participated in the general advance of the rest of the economy.

10. The entire pace of development is furthermore seriously constrained by the overall resource problems the developing countries are facing in the 1980s.^{2/} These include, in particular, the burden of debt service, prospects for stagnation of concessional aid flows and the depressing effects on export prices and earnings of the developing countries caused by the recession in the industrialized countries. These complex developments have compounded the heterogeneity of conditions among the developing countries, further increasing the need for flexibility and local adaptation of technical co-operation processes.

Additional insights into the development process, often formulated within the United Nations system, have led to a series of newly recognized concerns such as the interaction of modern development with the environment, the status and role of women, the critical role of such key resources as water and energy and the unprecedented rate of urbanization.

11. In this environment of increasing resource pressures and new issues, much greater attention is being given, and will continue to be given, to the need to raise the efficiency of resource use. Development management, covering such activities as policy analysis and formation, public administration, enterprise management, monitoring and evaluation systems, financial policy, design and administration of tariffs, tax systems and incentives for production, etc., urgently needs to be strengthened. Technical co-operation itself cannot fully compensate for unfavourable macro-economic trends or major resource shortfalls; however, it can help to increase the effectiveness with which macro-economic programmes are managed. To the extent that the weaknesses in these functions derive from lack of skills and institutional problems, rather than political conditions and natural resource endowments, technical co-operation can make important contributions to their amelioration. More specifically, technical co-operation can improve the ability of the planning and finance authorities to specify the relative effects and costs of alternative growth and adjustment policies and to find better ways of mobilizing external and domestic resources.

B. Self-reliance and technical co-operation planning

12. The objectives of technical co-operation have been set out by the General Assembly as follows: "The basic purpose of technical co-operation should be the promotion of self-reliance in developing countries by building up, inter alia, their productive capability and their indigenous resources and by increasing the availability of the managerial, technical, administrative and research capabilities required in the development process."^{3/} Two closely related objectives are contained in this definition: self-reliance and productive capability.

13. It is obvious from the above brief reminder of recent progress and current problems that there have been substantial achievements in the creation of self-reliant capacities in developing countries. On the other hand, forecasting and planning for development needs typically addressed by technical co-operation, such as human resources and institutional development, have often been unsystematic, even neglected. Planning the institutional structures required to generate needed technical skills and management capability for rising levels of economic complexity remains relatively ad hoc. This contrasts with planning methods for physical capital formation, which are increasingly based on sophisticated methods.

1. Three dimensions of self-reliance

14. Care must be taken not to confound the concept of self-reliance with that of a state of autarchy. The most intensive communication and sharing of science and technology, commercially and academically, takes place among the most advanced countries. That is, countries considered as most self-reliant are also the greatest importers of science, technology and production know-how. There is also a

vast movement of students and of trained persons among these countries, and very close institutional linkages and organized flows of information exist in science and technology.

15. In further examining the notion of self-reliance in technology, skills and institutional development, it becomes clear that it cannot be equated with autarchy. Three dimensions to the concept can be identified. The first relates to the capacity to handle and digest flows of skills and ideas, the second to sustaining acquired skill levels and the third to promoting the ability to undertake domestic research, problem solving and skills adaptation. All three dimensions are interrelated, but they do not necessarily develop consecutively. On the contrary, they are likely to evolve simultaneously, although the latter is apt to develop fully only after a fertile environment for the exchange of ideas and the sustenance of skills has been created.

16. The first dimension of self-reliance relates to the ability to determine needs for knowledge that cannot be met adequately domestically, to identify where in other countries such needs may be met and how to acquire this knowledge and to know how to use it in the context of one's own institutions and human resources. Such needs must not necessarily be related to a need for concessional financing. The capital-surplus countries that have been funding extensive programmes of technical co-operation managed under cost-sharing arrangements show that financial self-reliance and institutional and technological self-reliance do not necessarily go together. For countries not yet self-reliant in the latter sense, the United Nations development co-operation system serves as one of the world's major mechanisms for helping countries to identify, acquire and apply such knowledge. Looking at the development process over time, there comes a point in the development of skill levels when the country evolves, in some sectors and subjects and then for the generality of its economic and scientific activities, from being reliant on such intermediation systems to independently managing its information flows with the rest of the world.

17. The second dimension of the concept refers to the ability to sustain know-how and skill levels once they are acquired. There must be a simultaneous development of institutional capacities for training successive generations of scientific, technical and managerial personnel, so that these capabilities are permanently rooted and passed along. This process often takes more time than is generally assumed, to judge by the frequent extensions of institution-building projects. While it is true that there is a high level of exchange for training among the advanced industrialized countries, this exchange tends to be specialized and not very large in relation to the training carried out domestically. In this case, it would appear that the maintenance of skills already rests on a firm indigenous base that needs little supplementing from external institutions.

18. A third dimension is the ability to undertake domestic research, problem solving and skills adaptation. These functions are mature when a country's basic needs for new knowledge or skills can be developed indigenously. Depending on the complexity of the fields of research covered locally, the implied process of institution building will take time and be costly. Since the resources available for these often lengthy processes are scarce, both domestically and within the international technical co-operation system, the development of the third dimension must be undertaken rationally in terms of objectives, scale and timing.

2. A framework for technical co-operation

19. The approaches to planning the development of know-how and technology are much less developed than those in the area of physical planning. If ways of achieving self-reliance were more sharply defined, by sector or sub-sector, or by specific capabilities, the efficiency of technical co-operation programming could be greatly enhanced. The objectives of technical co-operation and the criteria for measuring the degree of progress could be much more precise than is now the case. Maturity in certain subsectors could be better identified, as could be the need for further international assistance in these areas.

20. The use of self-reliance as a criterion with respect to a specific area of activity could help clarify some of the issues in policies of technical co-operation. For example, the fact that a technology is embodied in particular equipment (e.g. data processing technology embodied in a computer) suggests that provision of equipment for training and demonstration purposes should be a normal component of a technical co-operation project, as is often the case. On the other hand, if an institution involved in a project can, for example, absorb computers and their technology without any associated external expertise, the institution should be viewed as having achieved self-reliance in this respect. It is therefore no longer dependent upon technical co-operation, which should then be shifted to some other purpose and/or institution still reliant on such assistance. Thus, in general, a diminishing need for advisory services as compared with physical inputs is an indication of increasing self-reliance in skill formation.

21. For an institution nearing self-reliance, the establishment of "twinning" arrangements with international centres of excellence sustaining their own state-of-the-art leadership in fields of mutual interest might be an appropriate mode of technical co-operation. Traditional technical co-operation would no longer be required by the institutions involved once an appropriate twin has been identified and arrangements have been processed and financed. Clearly, such arrangements can be viable only if they develop into self-sustaining, self-financing systems of exchanges.

II. CHANGING AND CONTINUING TECHNICAL CO-OPERATION REQUIREMENTS

22. The deterioration in the economic position of many developing countries makes it imperative that efforts be renewed both to gain access to additional resources as well as to increase the efficiency of resource use. There is widespread agreement that the effectiveness of domestic and concessional investment resources frequently has been limited by inadequate human resources, owing in part to insufficient attention to technical co-operation. Many areas can be identified for such attention in the years ahead, including public administration, capacity utilization, infrastructure maintenance, agricultural incentive systems, and macro-economic decision-making. In recognition of the need for more self-reliance and higher efficiency of programmes and projects, Governments are showing increasing interest in strengthening local monitoring and evaluation systems and in using technical co-operation for this purpose.

23. Changing requirements and future emphases in the substance of technical co-operation are outlined below. These cover the questions of external and internal resource mobilization, lacunae in development management, the application of modern technology and the involvement of wide segments of the population in the planning and implementation of development policies. Finally, attention is drawn to the continuing needs, especially of the poorer countries.

A. Access to external resources

24. It will be critical in the immediate future for developing countries to expand their access to external sources of finance and develop more effective systems for the management of these resources. Some of the specific tasks involved are the development or strengthening of comprehensive data systems on external accounts and on public sector borrowing, creation of legal and financial capabilities for negotiating debt rescheduling and joint ventures, establishment of economic and administrative monitoring systems, as well as better methods of access to medium- and long-term international capital markets.

25. Developing countries, more particularly those relying on export-led growth as an engine of development and adopting strategies of export-orientation, are obliged to: (a) improve marketing and export techniques; (b) develop programmes for in-service training of managers to cope with changing export markets; (c) create more effective linkages between training institutions and enterprises; and (d) apply exacting standards for the quality of export goods. With regard to these requirements, technical co-operation can make a significant contribution and thus enhance export competitiveness.

26. The ability of countries to demonstrate an absorptive capacity for external resources has become an important factor in obtaining project financing from the international capital markets. Technical co-operation should therefore concentrate on: (a) the capability to undertake pre-investment studies; (b) engineering, accounting and administrative skill requirements for managing power, transport, water supply and other infrastructure facilities; and (c) policy development and negotiating capabilities relating to the creation of a satisfactory climate for foreign private investment. This will be especially important for the least developed countries, which are now at a serious disadvantage in the inevitable competition for scarce external resources.

B. Internal resource mobilization

27. Policies to mobilize domestic resources are assuming increasing importance. Governments need an adequate analytic and administrative capability to determine and achieve the best distribution of resources between public and private consumption and investment, not least through appropriate tax policies and efficient tax administration. In addition, the potential contributions of the non-governmental sector to the formation of real capital and its maintenance will have to be acknowledged. Activities in this sector have been much less recognized by Governments as areas for technical co-operation than have public-sector activities.

28. Shifting the emphasis of technical co-operation towards more decentralization and small-scale development activities would also contribute to the distribution of the benefits of development to the relatively poor. One of the important tasks of the future is to find efficient ways of channelling external resources to the grass roots and combining them with financial and technical resources found at the local level. International financial institutions that apportion large funds for development have been deterred by the administrative burden created by disbursing very small loans. This would suggest a much greater effort than hitherto attempted for the development of intermediary structures to "retail" larger-scale resources in a manner that maintains flexibility while meeting the accountability requirements of Governments and financial institutions.

29. Enhanced mobilization of internal resources in this way would also help Governments to alleviate a major negative impact of the general resources problem that has often led to a curtailment in health, nutrition and income support programmes and other activities that directly address problems of poverty. Adjustment to short-run balance of payments and external debt problems often entails restrictions on the growth of public sector recurrent expenditures, especially for transfers and public consumption, while financing of payments abroad and of immediately productive investment takes precedence. Many countries have thus had to reduce allocations to the social sector. As a result, the initiatives of the 1970s, which were oriented towards meeting basic human needs and bringing the benefits of development more directly to the disadvantaged lower-income groups, are being impaired. The health and nutritional status of large numbers of children in particular is being threatened, as is evident from the report of the United Nations Children's Fund (UNICEF) on the State of the World's Children 1984.^{4/}

C. Development management

30. In many countries the central ministries of finance and planning are well developed and have benefited from extended technical co-operation and personnel training. Their needs are now more specific and likely to require sharply focused expertise. Many countries are now undertaking structural adjustments, often using World Bank loans, to bring basic economic functions into better harmony with the changed international economic environment. In other countries, short-term adjustment programmes are being implemented in conjunction with loans from the International Monetary Fund (IMF). In both situations, there is a need for technical inputs for the planning, negotiation and implementation of the external loans, a need which is now often covered through the expensive services of consultants outside the established channels for technical co-operation.

31. Quite apart from these needs for national management, there is also a need to shift away from "top-down" planning, especially in human resource development. This requires a high responsiveness to social structures. As the World Development Report 1983 states, "the task of management in this area is more one of experimenting and learning than of implementing known procedures, as is the case with physical development."^{5/} Such a process is not always welcomed since pressures to move project funds, coupled with an interest in easily measurable results, have encouraged a short-term view of the development process which focuses on the quick initiation of projects rather than on the conditions for their long-term operation and results. The persistence needed in mobilizing the rural

poor and in making full use of local experience for expanding income and employment has often been badly underestimated. Determined efforts are necessary to create incentives for a greater "bottom-up" responsiveness of planners. Serious consideration should be given to alternatives to pure government action, such as grass-roots projects, co-operatives and non-governmental organizations.

32. At both the national policy and project levels, there are new requirements for the training of civil servants and of managers of public and private enterprises. Better use could be made of existing training facilities by shifting the emphasis from pre- and immediate post-entry courses for administrative élites to in-service training, especially for mid-level employees.^{6/} More attention should be given to the development of personnel policies which most effectively link training, performance and career development. In all of these areas, technical co-operation, including technical co-operation among developing countries (TCDC), can play a major role in the future.

33. The training, institution-building and technical co-operation needs of developing countries can be divided into two general categories. In the more advanced developing countries, there has been a shift in requirements toward advanced levels of training, highly focused technical content and supplemental strengthening rather than fundamental training. This shift has been widely recognized and reflected in the changing content of technical co-operation programmes. Yet there are still considerable gaps in engineering, economics, public and business administration and other areas of economic policy formation and management. On the other hand, countries at earlier stages of development still need a major expansion in the stock of basic expertise and in institution-building, including policies and programmes that pay due attention to the need to raise the educational and technical competence of both men and women. In Africa, in particular, large-scale training across many disciplines, including long-term training, is still needed.

D. Application of modern technology

34. Science and technology cut across all sectors. In addition to the continuing elaboration of "appropriate" technologies, political attention has focused most recently on so-called "high" technology. This includes such subjects as genetic engineering, rapid diagnostic techniques, medical engineering, communication technologies, information processing and storage, satellite remote sensing, manufacturing process control, application of electronic data processing, robotics and new energy technologies. The term "high technology" can be misleading as some of these technologies have applications that cannot be duplicated in an alternative manner, whether by capital- or labour-intensive techniques. It would therefore not be appropriate to reserve genetic engineering, advanced communication techniques, remote sensing and similar technologies for advanced developing countries only.

35. In this context, a significant distinction can be drawn among the developing countries with advanced technological capacities:

(a) Some countries are able to absorb new technologies rapidly and diffuse their application through existing institutions and production facilities;

(b) In others, however, technology diffusion is less effective because shortcomings in such areas as institutional change, mid-level training, and extension services restrain the application of the new technologies to development problems, leaving them underused or even misused.

In the first case, technical co-operation should make sharply focused contributions while mature scientific and production institutions develop their own links with counterparts abroad, for example, through "twinning" arrangements and self-financed exchanges of technical knowledge. In the second case, however, technical co-operation projects will be required to put technology transfers into a "technology extension" framework to supplement the capability to understand the technology that has been developed successfully among smaller groups of scientific and technical personnel.

36. The United Nations Financing System for Science and Technology for Development (UNFSSTD), which is supervised by the Administrator of UNDP, has developed innovative financing and implementation arrangements.^{2/} The following measures have been negotiated and established for UNFSSTD over the last four years by both developed and developing Governments:

(a) Core general resources as well as non-core contributions, including trust funds with a certain proportion of tied resources;

(b) Contributions from private and non-governmental organizations;

(c) Loan operations, equity participation and other financing arrangements;

(d) Government execution of projects (over 40% of total UNFSSTD projects).

E. Enhanced social participation and non-governmental activities

37. The participation by all citizens of developing societies in the development process is required to sustain progress towards meeting basic human needs and to utilize potential resources. Many Governments see considerable potential for the use of NGOs in development work because of their grass-roots involvement and their ability to ensure the more direct participation of the rural population in the benefits of development. This is particularly true where a Government's ability to implement widely dispersed activities throughout a country is not strong, where scarce administrative capability is concentrated in a few ministries or where external and domestic resources are seriously constrained.

38. Indigenous NGOs already play an important role in many countries, particularly at the community level. But for several reasons, the development contributions of NGOs often remain below their potential. In some cases, there is hardly any organized NGO activity, and the emergence of new NGOs or the growth of existing ones is constrained by legal and cultural problems. While the difficulties of NGOs in extending their activities beyond a few localities and the preference of some NGOs for smallness may be seen by some Governments and aid organizations as limiting the potential for co-operation, this should not inhibit new efforts. Where NGOs have been engaged successfully in income-generating activities, such as in developing co-operatives, they point towards new ways of domestic capital

formation, self-help financing of recurrent costs in activities that would otherwise add to the government budget (or simply not materialize) and the use of an implementation potential that cannot be mobilized otherwise by the public or commercial sectors. The impressions gained in the countries visited during the preparation of this report reveal that many Governments recognize that there is considerable scope for the enhancement of NGO/UNDP collaboration through the country activities of UNDP. Not only could NGOs be a source of specific project inputs but they could also be recipients of UNDP-financed technical co-operation. Effective demand for such assistance will increase as Governments recognize the forfeited growth entailed by continuing neglect of this potential, quite apart from issues of equity.

39. A decisive element in any policy of participation is the integration of women into economic development. In some countries women already form a sizable percentage of the modern sector labour force and play important roles in commerce, manufacturing, government and the professions. In many countries, however, women remain largely confined to traditional roles in the family economy. Where they are moving into the mainstream of economic development, there appears to be a pattern that combines income-generating activities with better organization of child care and more efficient handling of domestic tasks, thereby freeing some of their time. As women's self-confidence increases, they tend to turn their attention to community problems such as water and fuel supplies, a second major claimant on women's time. Their organized community activities thus naturally tend to focus on health, nutrition and other child-centred problems that can be characterized as contributing to the human capital of the next generation.

F. Changing and continuing needs

40. An important insight regarding changing needs in the more advanced countries has emerged from the field studies undertaken in connection with this examination of future requirements. While the sectoral composition, the levels of expertise and shifts from basic institution building showed changes as countries moved to higher levels of income and accumulated development experience, the technical co-operation needs in general are seen to grow rather than diminish as their economic structures and technological requirements become more complex. In one case, it was noted that World Bank loans contained increasingly large technical assistance components as the country's development proceeded. This should come as no surprise since the bulk of international technological exchange takes place among the most industrially advanced economies. For these middle-income countries, UNDP and its participating and executing agencies, with their uniquely universal access and politically neutral character, can offer an international network for the acquisition of external inputs and advisory services at the local level. They thus complement the very specific access to high technology available through commercial channels.

41. On the other hand, there is also a continuing need for technical co-operation along traditional lines. As mentioned above (paragraph 5), technical co-operation requirements are specific to individual countries, with the type and level of inputs varying even from one project to the next. While it would therefore be misleading to draw a generalized profile of the economies, problems and potential of developing countries, the country missions have shown that there are common

characteristics which are important to technical co-operation requirements. These include critical shortages of skilled manpower, lack of managerial skills, insufficient or inefficient local infrastructures (administration, transport and communications, etc.), complex government procedures, inadequate development planning and lack of financial resources.

42. Thus, while technical co-operation requirements have not remained static, many of the traditional needs are still there. Some of those requirements, both new and old, are listed below:

(a) There is an urgent need to improve the effectiveness of technical co-operation by making it more responsive to the needs of "self-reliance" as defined above and by helping to achieve better co-ordination of assistance. The very large number of donor organizations, each with its own procedures, often overtaxes the resources of government administrations, particularly in the case of the poorest countries in which government machinery is weak;

(b) Some Governments have expressed the view that the services of United Nations experts have become very expensive, and are thus an excessive drain on limited development resources. As a minimum, more precise terms of reference for, and more careful selection of, experts are required. There is often a need for middle-level technicians and managerial personnel for a great majority of tasks rather than high-level expatriate experts. A greater recourse to associate experts, United Nations Volunteers and national personnel can often answer this need;

(c) The current economic difficulties experienced by low-income countries have led to a new requirement for technical co-operation dealing with fiscal issues, balance of payments and debt servicing;

(d) Technical training and the development of managerial skills in both the public and private sectors are becoming increasingly vital as the societies and economies become more complex;

(e) With the provision of food continuing as a major issue for the 1980s, a vigorous and systematic effort will be needed in the formulation and implementation of food strategies to increase self-sufficiency, and in a more conscious use of food aid as a catalyst to a lasting development effort (see paragraph 79 below);

(f) Energy and fuel deficits have become an increasingly vital economic and social concern;

(g) More attention must be paid to ecological and environmental issues, including the assessment and management of the productive capacity of land and water in relation to population growth, destruction of forest and fuel-wood resources, urban overcrowding, unsanitary living conditions and industrial pollution.

III. ESSENTIAL FUNCTIONS OF UNDP AND MEASURES TO MEET THE CHANGING REQUIREMENTS IN TECHNICAL CO-OPERATION

43. Changing requirements in technical co-operation and the problems of resources and aid effectiveness call for a re-examination of many aspects of technical co-operation. A more systematic framework for technical co-operation planning based on a deeper understanding of self-reliance would have major implications for the modalities of technical co-operation, in particular for the programming process. It would have a positive impact on the concentration of programme resources, co-ordination and harmonization among aid agencies, government management of external inputs, the definition of the objectives, scale and time-frame of projects; personnel policies; the ability to distinguish projects and programmes that should be developed on an inter-country basis; and the building up of an indigenous capacity for monitoring and evaluation.

A. Programming

1. Assessing technical co-operation requirements

44. Many of those consulted in the course of this study felt that technical co-operation activities fell short of their potential impact. The very fact that the extent or seriousness of this shortfall cannot be easily measured is a reflection of the lack of a clear conceptual framework. Development plans are often found to be inadequate for establishing technical co-operation priorities. In other cases, technical co-operation planning hardly exists or bears little relation to general development plans.

45. Some of those consulted expressed the concern that the dispersion of technical co-operation resources in each country across the entire spectrum of potential interests, in the form of a multiplicity of separate projects, weakened their effectiveness by forcing administrators in governmental and technical co-operation organizations to spread management time over them. The time required for planning, appraising, implementing, monitoring, evaluating and documenting so many separate activities places heavy burdens on the staff involved and reduces the attention that could be given to any single one. Yet, this should not distract from the fact that UNDP's involvement in a country's development can follow a variety of patterns, according to the functions and role devolved upon it by the recipient country. The function of international assistance can be that of filling gaps in sensitive technical co-operation areas, of opening up new fields for external co-operation, of supplying high-level training needs or of introducing new development practices in meeting domestic problems.

46. There is also a clear need for smaller measures to close gaps, in an unbureaucratic manner, which otherwise could not be easily filled. Much could be gained by allowing the field offices to undertake ad hoc support through the use of special funds and thus to supplement a given country programme through innovative measures (e.g. in assistance to NGOs and grass-roots projects, ad hoc training and fellowships, special advice to Governments and co-ordinative activities). As an additional mechanism, "umbrella projects", which group together several small-scale projects under one budget, have been used with good effect by several field offices. This approach will need to be encouraged and closely monitored in order to make more effective use of staff and financial resources.

47. Several of the Governments consulted in the preparation of this paper suggested that UNDP, through its field offices, could play an enhanced role in supporting the integrated planning and utilization of technical co-operation by the host Government. As pointed out in paragraphs 13-19 above, the mapping out of efficient strategies to achieve self-reliance and the use of technical co-operation for this purpose have not been pursued vigorously enough. The procedures applied by many Governments and external agencies for planning the use of technical co-operation resources do not contain sufficiently precise standards for the establishment of priorities. Support in the determination of technical co-operation needs and the conduct of a continuous policy dialogue would be one of the major services that the field network of UNDP could render to Governments, aided by the specialized agencies of the United Nations system. In many LDCs, the documentation prepared for round-table conferences with the support of UNDP can serve Governments as an input into their technical co-operation programming. To provide such services, UNDP would need to enhance its policy development capability, especially at Headquarters, and to link up with agencies and development research bodies within and outside the United Nations system to do more research on technical co-operation requirements.

2. Participation in policy dialogue

48. Although resident representatives are involved in some policy dialogues concerning technical co-operation, the United Nations system is not often represented in important policy discussions between Governments and the World Bank and IMF regarding macro-economic policies and the adjustment of economic structures. These discussions may influence Governments' policies and hence affect United Nations activities and programmes as well. It is of primary importance that the content of technical co-operation, food aid and similar activities be consistent with the overall policy frameworks, and that, on the other hand, the potential of the United Nations development system is taken into account when general economic policies are formulated. Where implementation of such policies may require technical co-operation inputs from the United Nations system, direct involvement by UNDP during their formulation could also increase their effectiveness. UNDP, together with its partners, the specialized agencies, is perceived as an appropriate source of such support because of its independent and neutral professionalism. Beyond that, there are other services which can be provided to Governments through the various facilities of the United Nations system, e.g. in trade promotion, relations with transnationals and in access to patents. In many situations, the resident representative could also bring into play perspectives drawn from local conditions unknown to multilateral institutions without field representation. The resident representative should also be involved in the follow-up or monitoring of the implementation of the policies agreed upon between donors and recipients as a result of these discussions. Consideration should therefore be given to reviewing appropriate measures with the Governments and their partners in the policy dialogue which would permit the participation of the resident representative in these discussions.

3. Strengthening the UNDP country programming process

49. In considering measures to improve the UNDP country programming process, one should keep in mind that it has to meet two basic requirements: (a) it must provide a planning framework to assess technical co-operation needs and priorities;

and (b) it must make rational and efficient use of UNDP resources in relation to priorities and objectives established by the Government and the Governing Council of UNDP. This requirement relates both to the allocation of resources over a given time period and to the manner in which priorities are set for the use of these resources. In his report "Examination of the experience with country programming" (DP/454), which was considered by the Council at its twenty-seventh session, the Administrator made the following key points which are still relevant:

- (a) Governments value highly the established concepts of country programming;
- (b) The dynamics of the development process require continuous accommodation within country programmes of the technical co-operation needs arising from changing national development priorities;
- (c) Experience indicates a need to improve the programming process both before the approval of a new country programme and by periodic reviews of country programmes;
- (d) Effectiveness of country programming depends on a more articulated role by the organizations of the United Nations system in support of the Government's own efforts;
- (e) Country programming offers considerable potential for the identification of additional technical co-operation requirements and for helping to generate the resources to meet them.

50. As the fulcrum of UNDP's operations, country programming has evolved into a flexible instrument, responsive to the changing environments in which it operates. Originally envisaged as a basic tool to plan and manage increasing levels of resources at the country level, it is still working fairly well in those few countries where UNDP has been expanding its operations. Elsewhere, some of the current concepts of country programming no longer apply fully, in view of stagnating resources. This fact has resulted, inter alia, in some "de-programming", evidence of disenchantment of Governments and agencies in the programming process and centrifugal trends stemming from efforts by sectoral ministries and organizations of the United Nations system to seek additional funding, often accommodating the special interests of donors and used outside the context of country programmes.

51. Most resident representatives have expressed the view that continuing uncertainty about UNDP's resources would have a serious impact on the validity of programming and on the confidence of Governments in the future role of country programming.^{8/} Through various adjustments, including cost-saving measures and cost sharing, the momentum usually has been maintained, but unless there is a significant improvement in UNDP's resources picture, there will be a very substantial shortfall in the approval of planned activities towards the end of the current IPF cycle. In some countries, country programming may thus lose its meaning. On the brighter side, resident representatives report that the identification of technical co-operation needs as part of the country programme process has served as a means of attracting other external resources. There are also some innovative instances of co-ordinated programming of all external

resources in connection with the preparation of country review meetings and round-table conferences.

52. UNDP field staff and specialized agency expertise support Governments in defining the priorities for a country programme, but too often the programme lacks focus and the benefits of scale that could flow from greater concentration of activities are lost. It also seems that the concept of continuous programming, introduced in 1975 and further refined in 1981, which would allow shifting the emphasis of a country programme by responding to changes in social and economic requirements, has not been fully applied or even understood. The survey confirmed that although in a large number of countries a serious effort is being made to focus UNDP support on major development goals, there are still cases where programmes are formulated on the basis of lists of projects, mainly because technical co-operation is not yet part of national planning.

53. In order to meet some of the above-mentioned problems and to achieve improved coherence and integration of action at the field level, a revitalization of the country programming process is needed. In pursuance of established sectoral priorities, a country programme should lead to a process of in-depth sectoral assessment and project identification. The specialized agencies would have a major role to play in these exercises, which would also assist them in making the best use of the technical co-operation resources available to them, and UNDP's involvement could help in ensuring that inter-sectoral dimensions would be fully covered. Where necessary, such sectoral reviews could be financed as projects from the indicative planning figure (IPF). The aim would be to develop a comprehensive and specific justification of needs for technical co-operation in priority sectors, thus providing a programming framework for all technical co-operation. This framework could not only help the United Nations system to realize the concept, embodied in General Assembly resolution 32/197 on the restructuring of the economic and social sectors of the United Nations system, of the country programming process as a frame of reference for its operational activities, but also assist non-United Nations donors in contributing to a more balanced and co-ordinated aid effort. This approach would assist Governments wishing to achieve a better focus by allocating substantial portions of the IPF to a limited number of development objectives. This could involve such measures as: (a) concentrating UNDP resources in a few sectors; (b) allocating increments in UNDP resources over the next cycle to a limited number of purposes; (c) earmarking funds for the strengthening of the indigenous NGO sector; (d) earmarking to a special TCDC fund; (e) improving linkages between country and multi-country programming.

4. A field structure for improved programming and more services

54. As a unique multilateral field structure, the UNDP country offices have a potential to perform services for Governments and donors that cannot be duplicated by other existing institutions without adding a heavy cost to their operations. The services performed vary a good deal among countries, depending on the stage of development and the preference of the particular Government as to the role of the field offices. The services can be summarized, however, under four rubrics:

(a) Advisory services to the Government in technical co-operation planning, co-ordination, implementation, monitoring and evaluation;

(b) Management of the UNDP country programme;

(c) Mobilization of additional funds, especially through cost sharing and other mechanisms;

(d) Management support to other donors.

55. Apart from managing UNDP's field programme, the field offices could co-operate with Governments in the processes of co-ordination, acquisition, monitoring and evaluation of technical co-operation in general. The wealth of information and experience UNDP has acquired with respect to the international processes and flows of technical co-operation are not limited to the United Nations system, and can be made available in the form of advisory services to government units charged with overseeing and co-ordinating technical co-operation. Such services could apply both to the offer, the receipt and the extension of technical co-operation (i.e. TCDC).

56. UNDP field offices could also provide project support and monitoring services to interested donors in countries where these have no field staff. Such services could help to meet the concern some donors have over the effectiveness of their own co-operation programmes. Arrangements would have to be agreed to by the Government and the donor agencies involved, and the specific scope of the responsibilities would have to be clearly spelled out.^{9/} As a neutral partner experienced in administering and monitoring project inputs, the UNDP office in many countries is particularly well-placed to perform such services and be acceptable to all parties concerned.

57. The UNDP field system should continue to provide other services in innovative ways. For example, it could supply countries with information on commodities and services to be procured under project loans extended by the multilateral development financing institutions and, similarly, by the bilateral aid agencies that open their procurement to developing countries. Although this has become an important component of international trade, owing to the very specific and technical nature of the information system through which potential suppliers learn about forthcoming bidding opportunities, countries often have only limited access to it. The UNDP field network could transmit the relevant information to interested Governments and advise them on procedures. This service could be financed by IPF funds for the services provided at the country level. Central information functions could be covered by central programme funds, in combination with funds from the development financing institutions.^{10/}

B. Co-ordination of operational activities of the United Nations system

58. The co-ordination of the operational activities at the field level is clearly the responsibility of the Government concerned, taking into account both the internal as well as the external inputs into the development process. Its purpose is to promote the complementarity of programmes and to avoid overlap and duplication. The nature of the aid relationship sometimes inhibits Governments from attaining this objective. In a number of countries, inadequate administrative structures exist which are unable to absorb the aid. An over-strained administration, already incapable of dealing effectively with activities financed

from internally generated resources, is further weakened by the demands resulting from dealing with a large number of bilateral, regional and multilateral aid agencies. Hundreds of aid missions arrive, each requiring masses of information, project documents, reports in different formats. The same overworked civil servants have to attend conferences, meetings and seminars of some 50 or 60 international, regional and subregional organizations. This diversion of manpower, particularly in the smaller and poorer countries, leads to poor implementation not only of externally assisted projects but of the Government's internally financed activities as well.

59. This situation is worsened by virtue of the diverse approaches used by aid agencies. Each agency has its own ideas about the appropriate priorities for the country and consults with individual ministries and administrations, either ignoring the central planning authorities or involving them only after a project or programme has already been endorsed. Under these circumstances, the Government is not in a position to ensure that the sum of these individually determined priority programmes becomes an integrated whole. Under the false assumption that technical co-operation has no local cost, no attempt is made to determine whether the continuing recurrent costs can be met from the local budget. This often leads to the collapse of the activity once the aid has ceased. It was precisely this problem of the rational use of external inputs that led member Governments of UNDP in 1970 to adopt the Consensus and to introduce country programming as a method of co-ordinating diverse inputs into the development process. As a further step, in view of the dilution and dispersion of resources that took place in the 1970s, the United Nations, as mentioned in paragraph 53 above, established the principle that the UNDP country programming process should serve as a "frame of reference" for all United Nations operational activities in the country. To facilitate the application of this principle, a single official of the United Nations was to be designated as Resident Co-ordinator.

60. The task of achieving better aid co-ordination is a manifold one and will need strenuous efforts on the part of both recipients and donors. Recipients will have to create conditions which allow for the absorption of aid flows and their long-term utilization for the benefit of the country. Donors will have to be prepared not only to support recipients directly in this task but also to improve indirectly the chances of making aid more effective by showing more willingness to change and adapt their procedures so that they can lead to a truly harmonious aid effort.

61. UNDP, with its presence in 115 countries, with its long experience and the mutual trust it enjoys as interlocutor of both donor and recipient Governments - who have created, after all, this instrument of multilateral co-operation - is in a position to support this process of aid co-ordination. The main avenues of such support at the field level would be the following:

- (a) Gathering and exchange of information on ongoing and planned activities;
- (b) Exchange of views on how best to integrate planned activities;
- (c) Direct support to Governments in the co-ordination of ongoing activities;

(d) Preparation of major aid programmes, for example through round-table conferences;

(e) Monitoring, evaluation and follow-up of aid programmes.

Such activities could be both of a general and sectoral nature, and could be supplemented by policy co-ordination at headquarters.

62. Concerning the gathering and exchange of information, the annual Report on Development Co-operation, prepared by each UNDP field office, is an effective co-ordinating instrument and an important source of information and service to Governments. It contains useful statistical information on technical co-operation and capital assistance provided by multilateral and bilateral sources. It also indicates major past trends of technical assistance but does not refer to future plans. In many countries, this report is the only source of comprehensive information on technical co-operation and capital assistance.

63. The Director-General for Development and International Economic Co-operation has requested the resident co-ordinators to report in future on:

(a) Significant economic or social changes over the recent past, including important events which have a bearing on the country's development;

(b) The field co-ordination experience, noting particular problems or accomplishments in relation to:

- i) The recipient country;
- ii) The donor community;
- iii) Organizations of the United Nations system, including the financial institutions;

This could include any significant achievements in evolving a multi-disciplinary dimension in programming and in securing greater coherence of action and complementarity among the activities of the United Nations system;

(c) Notable steps taken in relation to major United Nations actions, e.g. for the United Nations Development Decade, the United Nations Decade for Women, the International Drinking Water Supply and Sanitation Decade (IDWSSD), and similar programmes of action;

(d) Major occurrences in the operational activities of the United Nations system, including references to strikingly successful or clearly unsuccessful projects.

64. The exchange of views on how best to integrate planned activities can most effectively take place at the local level between the Government and the various field representatives of the aid agencies. Ideally, it should lead to co-ordinated programming of activities,^{11/} but short of that formal step, the organized exchange of views in itself will contribute to making the various projects more effective. Resident representatives have already been asked by Governments to participate in governmental committees dealing with aid co-ordination. As

field-level exchanges will do little to influence aid procedures, which are usually determined at headquarters, this process will have to be supplemented by co-ordination activities there. Such co-ordination currently takes place among UNDP, the United Nations Fund for Population Activities (UNFPA), UNICEF and the World Food Programme (WFP), who have set up a joint policy group in New York to discuss co-ordinated approaches at the field level. Another example is the Steering Committee for the IDWSSD chaired by UNDP, which brings together all United Nations agencies working in this area and which is serviced by a central secretariat located at the headquarters of the World Health Organization (WHO) in Geneva. The Administrative Committee on Co-ordination (ACC) has established specific machinery to improve co-ordination and harmonize aid procedures within the United Nations system. While there has been some progress, much remains to be done, and this is even more true for the harmonization of bilateral and multilateral approaches.^{12/}

65. The preparation of major aid programmes can draw on the wide experience gained by UNDP in more than ten years of country programming. This experience is now supplemented by UNDP round-table conferences for the LDCs which were introduced following the Paris Conference in 1981. They are similar to the consultative group meetings convened by the World Bank but differ in one respect, namely, that they are organized and chaired by the Government, with the active support of UNDP. About one dozen such round-table conferences have been held so far and about another dozen are planned for 1984 to 1985. Experience has shown that this new mechanism can help make aid more effective and that it can provide important inputs in a policy dialogue, but it is also quite clear that vigorous and consistent action is needed in the follow-up phase in order to maintain the momentum created in the first phase.^{13/} UNDP regularly participates in the consultative group meetings and has recently been requested in certain cases to assume an enhanced role in the co-ordination and monitoring at the country level of the technical co-operation discussed at such meetings.

66. Much of the strengthening of technical co-operation, both bilateral and multilateral, implies that donor Governments should entrust a larger measure of responsibility to the multilateral system, and particularly to the UNDP field office network. This would apply above all to the co-ordination among technical co-operation agencies (both the United Nations system and, if agreeable, bilateral agencies) which is best done locally and where the field structure of UNDP could enhance the effectiveness of the entire aid system. Given the wide differences among countries, the varying views of recipient and donor Governments regarding co-ordination, and the differences among United Nations agencies as to mandate and modes of operation, it is not surprising that co-ordination of this complex of instruments is likely to differ considerably from one country to the other. UNDP has shown a fair measure of flexibility, however, and technical co-operation has evolved over the past decade in response to changing conditions. This can be seen in the New Dimensions in Technical Co-operation decision (see footnote 3), in the General Assembly's establishment of the function of Resident Co-ordinator, in the initiation of TCDC, to cite only some progress apart from the substantive changes in many sectors.

C. Monitoring and evaluation

67. This subject has been discussed in much detail by the Intersessional Committee of the Whole. In the following, only those aspects are taken up which seem to be especially relevant to supporting Governments in building up their own capacities for evaluation. In order to manage and co-ordinate its development activities successfully, a Government must systematically analyze the progress of various programmes and projects. This requires an objective monitoring and evaluation system, which will automatically alert the authorities whenever there is a divergence between what is happening and what is desired, as well as provide independent confirmation when activities are going well and planned objectives are being attained. Indeed, the ability to use the feedback from an evaluation system successfully is yet another aspect of self-reliance. It is therefore in line with the philosophy of self-reliance that monitoring and evaluation should be carried out mainly by Governments, which are increasingly willing to allocate both human and financial resources to this task.^{14/}

68. There is a clear correlation between the quality of the design of projects and programmes and the efficiency of the systems to monitor and evaluate them. Consequently, the conditions for successful future monitoring and evaluation must be created during project preparation, through a link between design and evaluation, which would allow for a meaningful review of performance. By insisting on such a link, UNDP helps to raise the awareness of Government staff in applying this approach not only to UNDP-supported projects but to other development projects as well. In addition, UNDP and other United Nations organizations which have already acquired experience in this field can support Governments in the training of officials involved in evaluation. Based on its own experience with tripartite evaluation, the United Nations system can encourage the exchange of experience among developing countries in the area of monitoring and evaluation. Staff of recently-created evaluation departments of planning ministries in some developing countries should have the opportunity to learn from analogous institutions in other countries which have long-standing experience in evaluating projects.

D. Mobilization of resources

69. In view of UNDP's role as the central funding institution for technical co-operation in the United Nations system,^{15/} issues of resources mobilization have traditionally received much attention in the Governing Council. Owing to the slow growth and, indeed, shortfalls of voluntary contributions to the Programme's central resources during the last four years, the quest for resources has been broadened to include measures which go beyond the traditional ways of financing UNDP's core activities and those of certain special funds through voluntary global contributions. While it is not intended to repeat here the detailed discussions on how to achieve an accelerated and steadier growth of resources which took place in the Intersessional Committee of the Whole^{16/} or to deal with the issue of how to fund the fourth development cycle, some reflection on the present possibilities for resource mobilization in UNDP and their improvement or expansion is in order.

70. Three major categories of resources can be discerned which come under the administration of UNDP. By far the largest category, at present nearly 90 per cent

of the total, are the resources at the disposal of the "UNDP Account,"^{17/} comprising as major items the voluntary contributions, cost-sharing contributions and the Special Measures Fund for LDCs (SMF). The second category includes the special funds, set up as permanent funds either by the General Assembly or the Governing Council, and to which contributions are announced at the United Nations Pledging Conference for Development Activities. The United Nations Capital Development Fund (UNCDF) stands out in this category, with the UNFSSTD, resources of the United Nations Sudano-Sahelian Office (UNSO) and the Special Voluntary Fund for the United Nations Volunteers following as major items. Two of the funds are sectoral in nature: the Energy Account of UNDP and the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE). The third category, which in many ways is the most dynamic, comprises trust funds accepted by UNDP for activities specified by the contributor. These funds are kept in special accounts but they are not subject to replenishment at the Pledging Conference.

71. A closer look at UNDP's general resources reveals that while voluntary contributions as a total have more or less stagnated over the last few years, there has been a dynamic growth in cost-sharing funds. Such funds more than doubled between 1979 and 1983, rising from 42 to 94 million dollars. Over 10 per cent of the field programme is already carried out through cost sharing, and there is every indication that this source will continue to grow. Through this mechanism, project or programme costs which would normally be charged to the IPF are covered in full or in part by a contribution from the recipient Government or, in the case of third-party cost sharing, by other Governments or institutions. The fact that about four-fifths of cost sharing is covered by payments from recipient Governments is proof of their trust in UNDP and a recognition of its performance.

72. Cost sharing can supplement the technical co-operation funded through the IPF in an important way. Cost sharing can also add flexibility to country programming, easing the constraints of allocation formulas which perforce can only be changed over the mid-term. Grants for technical co-operation have often led to the false assumption that technical co-operation carries no local cost. More awareness, through cost sharing, of the open and hidden costs of a project, would be a powerful incentive to achieve a higher degree of accountability and effectiveness. This would also strengthen the drive towards more and better co-ordination of the whole aid programme. Indeed, programmes already exist where the Government has consented to surrender the IPF and which are therefore based on a 100 per cent "cost-sharing" scheme and where the Government even covers the full cost of the field office.

73. Through third party cost sharing, donor Governments can enhance the viability of the country programme concept by adding an element of flexibility which the general allocation formulas are not able to offer, that is, flexibility both in regional terms and over time. They can thus better integrate their manifold financial inputs with the UNDP country programme as the overall co-ordinating system. Recipient Governments utilizing such funds can establish their own priorities, consult on them with UNDP and the contributing Government while agencies, if Governments so wish, could advise on the sectoral and technical aspects. Such a system could support specific issue-oriented project work and at the same time avoid the current myriad of donor-originated extrabudgetary agency channels which weaken the integrity of operational activities. This would be

consistent with the spirit of General Assembly resolution 32/197, which stressed coherence and co-ordination of the operational activities for development of the United Nations system.

74. If donors wish to be less involved in country-level or single project considerations but still want to support specific types of projects or categories of countries, they can take recourse in the instrument of funding UNDP activities via firmly established special funds. Of these, the SMF is most akin to UNDP's general resources but offers the opportunity to further emphasize the traditional assistance of UNDP to the poorest countries and help realize the promises of the 1981 Paris Conference on LDCs. Sectoral approaches are supported by the Energy Account of UNDP and the UNRFNRE. Apart from UNCDF, there are a number of non-sectoral trust funds such as for the UNFSSTD, UNSO and the UNV, to name only the most important.^{18/} The experience of the United Nations Pledging Conferences in the last two years indicates that, apart from UNCDF and SMF, these funds have received very little attention, since pledges have only been in the order of one to two million dollars or even less. The special funds, such as UNFSSTD, were established by the international community after long discussions and they can serve as rallying points for additional resource mobilization through joint and parallel financing and the creation of ad hoc trust funds related to their specific activity. Simply letting them fall into disuse would not do justice to their potential. On the other hand, it must also be determined whether the activities of the funds have been optimally integrated into UNDP's general programmes and among themselves.^{19/}

75. While ad hoc trust funds established by the Administrator to finance activities (programmes and projects) specified by the contributor are not new to UNDP - they have been, for example, widely used by the United Nations Sudano-Sahelian Office - this instrument has received more attention in recent years only as it became evident that extrabudgetary financing had assumed major proportions in the activities of a number of specialized agencies of the United Nations system. Authority to accept such funds was granted to the Administrator in the new Financial Regulations adopted in 1981 by the Governing Council. As reported in DP/1984/69, there has been a dynamic growth of this facility in 1983. While this development is partly due to special circumstances, namely, the transfer of the larger part of the United Nations Emergency Operations Trust Fund to UNDP, it has been shown that Governments are increasingly utilizing this instrument. A case in point is the trust fund established from a special contribution of the Netherlands to enhance round-table conferences prepared by UNDP on behalf of LDCs. When such extra-budgetary funds are channelled through UNDP, their co-ordination within the framework of country programming is facilitated, thus strengthening rather than weakening the co-ordinated programming approach.

76. In addition to the above-mentioned resources under the direct control of the Administrator, there are many other ways in which UNDP can contribute to mobilizing resources which will appear neither on the UNDP Account nor in any of its special accounts devoted to special funds or ad hoc trust funds. One of the time-honoured devices has been the use of pre-investment projects financed by UNDP to attract investments, whether financed through internal or external capital. While it is not always easy to trace such investments and to establish true causality, there can be hardly any doubt that several billions of dollars' worth of investments are

generated each year.^{20/} In recent years UNDP has considerably expanded its instruments to improve the quality of pre-investment and to create a closer relationship with potential investors (see DP/1984/11).

77. There are still other ways in which UNDP-financed projects can serve as "seed money" for mobilizing resources, e.g. if donors continue or increase support to a UNDP-funded project or if they engage in parallel financing. The bringing together of donor and recipient for the purpose of specific project or programme financing has now been facilitated with the circulation (twice a year) among donors of a "Projects Annotated Listing" (PAL) containing proposals that the recipient Governments have submitted to UNDP for additional financing. But there have also been instances when UNDP took an even more active role in bringing about such support. For example, it financed such co-ordination projects as the "Regional Centre for Solar Energy" sponsored by the West African Economic Community (CEAO) and the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS) and the first phase of the feasibility studies for railways in the Kagera River Basin which facilitated the inputs of bilateral donors. This role of UNDP could also be relevant to major bilateral initiatives such as the Belgian Survival Fund where the issue of hunger is placed in a wider frame of reference than mere agricultural production factors alone, and where UNDP can make available its own capacity and that of the United Nations agencies to assist in carrying out activities that seek to alleviate hunger in the most deprived strata of the world.

78. Among those methods that have the largest potential for indirect resource mobilization (and for the better use of given resources) are those in which UNDP takes an active co-ordinating role. The whole country programming process as such should help both sides to channel aid resources and to optimize their use. In fact, the use of the country programme process for this purpose has been mandated for the United Nations system by General Assembly resolution 32/197. More specifically, UNDP also has tried to link up with other sources of funding in the United Nations development system to maximize the use of funds being made available to the system. Both food aid and aid to refugees are cases in point as they are flows generated mostly for humanitarian motives, but have great potential to promote development if appropriately used. In the case of aid to refugees, discussions are going on with the appropriate agencies regarding collaboration in those projects where development aspects are involved.

79. To ultimately obviate the need for food aid, increased attention should be given to using the food aid provided by the United Nations system (especially WFP), or by other sources, as an instrument to support a development process, especially in food production and distribution.^{21/} The dramatic developments in certain world subregions might now cause both donor and recipient Governments to pay more attention to long-term solutions offered by UNDP jointly with the specialized agencies. Four issues in food aid are germane to technical co-operation. First, there is great scope for closer integration of food aid with technical co-operation, as one complements the other. The effectiveness of food aid can be enhanced if it is used within a comprehensive development programme. Second, there is a marked need for training more personnel in the management of all aspects of the food chain, i.e., distribution, storage and marketing, both for food aid imports and domestically produced food. Third, while food aid is an instrument of

direct attack on hunger and poverty, further conceptual development of its use is needed to ensure developmental and, particularly, nutritional impact. Fourth, food aid, by its very nature, has an impact on such policy parameters as price structure, equitable distribution, etc. Food aid therefore needs to be integrated into food strategy and overall development plans.

80. The mechanism of round-table conferences, while not specifically designed as a pledging process, is another measure with great potential for resource mobilization. There can be no doubt that the Paris Conference on LDCs devised this instrument in the hope that it would facilitate the large increase of resource transfers to the poorest countries as envisaged in the Substantial New Programme of Action for the LDCs. In the end, the round tables will not be judged by the quality of their documents, the intensity of preparatory steps or the seniority of the participants but by the follow-up actions emanating from them. This is as much a matter of painstakingly detailed work as of the political will of the major donors and the host Government. UNDP considers the round-table conferences to be one of its major tasks ahead. This effort will need additional resources on the part of UNDP and it is encouraging that in recognition of this, one Government has established a trust fund to support UNDP's round-table activities.

E. Project planning and execution

81. The ultimate rationale of all the measures proposed above is that they should achieve a higher level of efficiency in technical co-operation for the benefit of the developing countries. Simply stated, they should lead to better projects.

82. Two essential principles should govern project planning and execution. The first is that the project is intended to achieve the objectives identified and required by the Government. Consequently, the distinction between "Government execution", "agency execution" and "UNDP execution" loses some of its meaning. All projects are undertakings of the Government. The second essential principle is to ensure that the resources provided by the Government and by UNDP (perhaps together with other donors) are sufficient in quantity and quality, and are used in a timely and cost-efficient manner to achieve the desired results.

83. The principle that projects are government undertakings does not necessarily imply that the United Nations specialized agencies have no role in Government-executed projects. On the contrary, an agency should normally be asked to advise on project formulation. Also, whenever it is determined, by agreement between the Government and UNDP, that the Government does not possess sufficient capacity to do so, an agency should be called upon to assist in the design of the project and/or to manage all or a part of project activities. The agencies' involvement could include a contribution to the identification and design of the project and to drawing up of the project work-plan. It could consist of professional advice and guidance during implementation, or operating responsibility for those elements in the work-plan for which the Government does not possess adequate capacity. When the Government so wishes, it would include participation in monitoring the implementation of the project and evaluating its results, and advising the Government on appropriate follow-up actions.

84. The above principles have been established by the Governing Council in the "New Dimensions" and subsequent decisions but the United Nations development system has been slow to apply them in practice. Some of the more important modalities of project planning and execution, which should be adopted more rapidly in order to meet the changing needs for technical co-operation, are set out below.

1. Project formulation and design

85. Different projects may have a wide variety of objectives, such as:

(a) enhancing self-reliance by strengthening institutional capability; (b) improving the planning, managerial or technical capacity of individuals through training; (c) solving specific problems through research; and (d) preparing or supporting capital investment by means of resource surveys, feasibility studies and investment support. The essence of project design in all these cases is to describe the outputs and activities, and the necessary inputs and funds required to achieve the project's objectives. Technical capability and judgement of the highest order are needed to choose inputs correctly and determine their best sources and their proper timing, although it would be wrong to regard input management as the only or most important aspect of project work, as is so often done.

86. The design of the project must be carefully tailored to suit its objectives, and these must be measurable, or at least observable, and thus amenable to evaluation. Not only will the design draw upon the lessons, both technical and managerial, derived from the evaluation of similar projects, but the results of the project will contribute to feedback and better quality in future projects. A clear determination and statement of the managerial responsibility for implementing the project is part of sound project design. In the case of large projects the design process will often occupy substantial effort over a period of several months or even a year. The process itself may require technical and financial assistance to the Government (i.e. what is termed by UNDP as "preparatory assistance").

87. When Governments require assistance in project design, the United Nations specialized agencies can make an enormously valuable contribution. One of the major problems in the past, however, was that the approach of the United Nations system had too often been to design projects to fit its own concepts and requirements rather than to seek the best way of achieving the Government's objectives. Inputs to projects were often too standardized, usually comprising: (a) the services of experts at standard United Nations system salaries; (b) training, normally through fellowships abroad; and (c) a certain amount of equipment. A more flexible approach, adapted to the various and changing requirements outlined in this report, is called for in the future.

88. Among the project inputs, the expatriate "expert" has played a prominent role by co-operating with and training national "counterparts", co-ordinating research and surveys, giving technical advice or sometimes by actually performing a staff function in the Government. These and similar services are often still required, but as self-reliance increases and development advances, the needs change. Therefore, when identifying personnel inputs for a project, it is necessary to assess the suitability of expertise available within the country and to make full use of national personnel wherever possible. In some countries, experienced senior

personnel are available but they are occupied with many tasks and unable to devote enough time to project activities. In many cases, there is a continuing need for mid-level managerial and technical personnel, and for short-term consultants. The required personnel can be obtained in a variety of ways such as through Government-to-Government exchanges (including TCDC), institution-to-institution transfers (including twinning), volunteer services (such as UNV or NGOs), direct recruitment by the Government, or from subcontracting firms, scientific institutions, etc.

89. The type of personnel required will vary. For example, a project to establish a petrochemical industry might require highly sophisticated petrochemical planners and engineers, who are only available for very short assignments at a high cost from private industry. To establish an agricultural research institute may require a team of agricultural scientists for periods of several years. On the other hand, a rural development project in a remote area may be more suitably staffed by associate experts or such volunteers as young nurses, agronomists, teachers or soil surveyors willing to live and work in difficult circumstances.

90. The UNV is an especially valuable source of specialized personnel. United Nations Volunteers already in the field are active in a wide range of development activities. They are willing to share their abilities with people who are less fortunate than them and to accept difficult conditions of life. Among them are experienced managers and technicians who are highly motivated and trained in a broad spectrum of specialized fields. This source should be much more widely used and financial resources provided for such expansion, e.g. through the Special Voluntary Fund for the United Nations Volunteers.

91. In seeking inputs from outside the country, full consideration should be given to the recruitment of personnel, use of training capacity, and procurement of equipment from other developing countries, especially those in the same region. Language and cultural differences are often less wide within a region than between traditional donors and recipients. Some of the areas where difficulties have been encountered with technical co-operation are those in which many developing countries have now accumulated their own experience, e.g. in rural development, decentralized administration, agricultural extension and primary health care systems. The potential of TCDC for increasing aid effectiveness has only begun to be realized and needs to be pursued vigorously in the years ahead. Again, it seems necessary to make specific financial provisions at the country or the inter-country levels to overcome the lack of funds for TCDC.

2. Participation of the private sector and NGOs

92. Much of the know-how of modern technology has been developed and is to be found in the private sector. Private industry has repeatedly expressed a willingness to contribute personnel to development activities of the United Nations system, and organizational arrangements have been established to inform industry of the needs and to identify suitable personnel. Such services are often available on a volunteer basis, such as through the Senior Expert Services which have been set up in several industrialized countries. There is a need, however, for stronger institutional arrangements to tap the enormous technical capacity of the private sector for the benefit of developing countries, and for the United Nations system

to enhance its capacity to ensure that only qualified and suitably motivated collaborators are utilized.

93. There are other possibilities, when Governments so wish, to involve private industry in technical co-operation. These have usually not been exploited because most technical co-operation programmes have been oriented towards the public sector. Although the mix of public and private ownership and management of industry varies among developing countries, in many of them a large proportion of industry is in private hands. The same is true of agriculture and of much of the service sector. Ways are needed to enable the private sector, where Governments wish, to participate in programme planning and in project formulation, to help ensure that projects respond fully to the requirements of the sector. Also, direct technical support could be increased to specific groups including, in particular, artisans, entrepreneurs and small-scale firms, through such services as research institutes, technology transfer and management advisory services. The agricultural sector, while heavily serviced and regulated by Governments, is essentially a private enterprise in most countries, and here, too, technical co-operation can benefit farmers directly. In many cases, industry associations and co-operatives would be the proper channels for reaching the smaller beneficiaries. One example is the provision of agricultural inputs in kind (fertilizers, pesticides, implements, seeds, machinery) through revolving funds. Similar approaches could be tried in other sectors, such as health, education and housing.

94. International NGOs are already supporting many development activities on their own, either directly or by collaborating with indigenous NGOs, especially with respect to grass-roots initiatives. Many multilateral and bilateral development agencies have close links with international NGOs, but less so with NGOs in the developing countries. Often NGOs serve as implementing agencies or receive assistance in institution building to enable them to take over functions previously carried out under more traditional forms of technical co-operation. International NGOs integrated into such schemes can not only contribute relevant technical and programming expertise but can also add additional, complementary funding sources.^{22/} Typically, however, external technical co-operation agencies have encountered difficulties in developing such relations. Problems of scale, financial accountability and the meeting of management norms have made it difficult for large donors to deal with individual indigenous NGOs. Another inhibiting factor has been the preference of a number of Governments to direct aid primarily to public sector recipients. Entrusting NGOs, in whole or in part, with the implementation of development projects, and the extension of assistance to help these organizations expand their capacities, present important opportunities to improve the effectiveness and efficiency of technical co-operation.

3. Project execution

95. One of the objectives of technical co-operation is to increase self-reliance. As this occurs, the Government's capacity to execute projects can be expected to increase. Nevertheless, care will be necessary to ensure that the extension and expansion of this modality does not exceed the Government's ability to use the resources provided by UNDP in a cost-efficient and effective manner. When a Government does not possess the capacity to execute part or all of a project, one or more organizations of the United Nations system would be asked to do so.

Furthermore, with the agreement of the Government, the United Nations specialized agencies can have an extremely valuable function by providing technical backstopping during implementation, as an important means of ensuring high quality of project operations. The agencies are carrying out a great deal of research and analysis and are the repository of substantial world-wide knowledge and experience in their fields of specialization. Technical backstopping not only provides a means of ensuring that this information is made available and used to support project activities; it helps agencies to keep abreast of problems as they evolve in the field.

96. Technical backstopping in this sense includes: (a) the continuous provision of relevant technical information to the project team, responding to queries arising during implementation; (b) advising on solutions of technical problems; and (c) reviewing and commenting on project reports. Some of the requirements for technical backstopping can be foreseen, and these should be explicitly included in the design and budget. Others may be unforeseen or unforeseeable and will require an ad hoc response from the agency. Technical backstopping requires regular correspondence between the project team and the technical staff and the agency(ies), periodic visits by agency staff to the project site or, occasionally, by project staff to the agency; as well as agency participation in tripartite reviews and project evaluations.

97. The tripartite system of technical co-operation which has been developed by Governments, UNDP and agencies is unique among aid organizations. It is characterized by the principle that it is for recipient Governments to determine their own priorities for technical co-operation, for the executing agencies to provide optimal technical inputs and support, and for UNDP to co-ordinate and monitor this process. It is further characterized by shared responsibility for the effective and efficient execution of activities, implying close collaboration among the three partners at all stages of the project cycle. The Administrator of UNDP is accountable for the proper use of the funds entrusted to him by member Governments but, in the final analysis, the effectiveness and impact of a project will depend on the degree of commitment of the recipient Government in planning and carrying out the project's activities and in ensuring that the structures and resources for appropriate follow-up are in place. UNDP is called upon to see to it that the whole process of technical co-operation remains flexible and responsive to the changing requirements of developing countries.

Notes

1/ The attention of Governments is drawn to the present review and appraisal of the International Development Strategy for the Third Development Decade which undoubtedly will yield many results relevant to the further discussion of technical co-operation.

2/ This subject was most recently treated, inter alia, in: Development Co-operation 1982 Review (DAC Review), Paris, 1982, Organization for Economic Co-operation and Development, (OECD), pp. 49-82; World Development Report 1983, World Bank, Washington, 1983, pp. 27-39. Another valuable source of information specifically relating to the operational activities of the United Nations system is

the annual reports issued by the Director-General for Development and International Economic Co-operation (e.g. A/37/445 and Add.1 and A.38/258-E/1983/82 and Add.1 and Add.1/Corr.1, Annex).

3/ Annex to General Assembly resolution 3405 (XXX) on New dimensions in technical co-operation, November 1975. The International Development Strategy for the Third United Nations Development Decade adopted by the General Assembly in resolution 35/56 also stresses the essential contribution of technical co-operation to the efforts of developing countries to achieve self-reliance "through its broad role of facilitating and supporting, inter alia, investment, research, training and development".

4/ James P. Grant, Executive Director of the United Nations Children's Fund (UNICEF), The State of the World's Children 1984.

5/ World Development Report 1983, op. cit., page 92.

6/ Ibid., page 108. (See also Samuel Paul, "Training for Public Administration and Management in Developing Countries, A Review", World Bank Staff Working Paper No. 584 (Washington), 1983.)

7/ See "Report on the operations of UNFSSTD to the Inter-Governmental Committee for Science and Technology for Development" (A/CN.11/39), 1 June 1983.

8/ It should be recalled that the terms of reference of the capacity study quoted in document DP/5 Vol. 11 (page 424) which led to the Consensus of 1970 contained the expectation that UNDP's resources would double by 1975. As it turned out, the real value of UNDP's resources in 1983 was no higher than at the time of the Consensus.

9/ An attempt to define the type of services that could be made available in this regard has been made in document DP/1983/35 and later was revised in document DP/1983/ICW/13. Since the presentation of this document, UNDP has developed an active relationship with the World Bank and is administering some of the inputs of World Bank-financed technical co-operation projects.

10/ On a very small scale, the Inter-agency Procurement Service Unit (IAPSU) in Geneva already offers such assistance to agencies and Governments.

11/ The term "co-ordinated programming" implies that the organizations would work together from the earliest stages of the programme and project formulation cycle to determine possible areas of complementarity and support to each others' programmes and to avoid wasteful duplication.

12/ The Communiqué of the DAC High Level Meeting of 29 November 1983 (OECD Press Release 83/61) might serve as a point of departure for such efforts as it quite clearly speaks of the need to "achieve greater complementarity among bilateral aid programmes and between bilateral and multilateral programmes", requiring "willingness on the part of both donors and recipients to adopt programmes, policies and approaches in the light of requirements emerging from joint consultations."

13/ In this regard, the Administrator particularly appreciates the willingness of the large contributors to the Special Measures Fund for Least Developed Countries to support round table meetings by the earmarking of funds. The recent special contribution by the Government of the Netherlands which was specifically given to strengthen the round-table process will enable UNDP to enhance the usefulness of the conferences in many ways, especially in the follow-up phase.

14/ The General Assembly, in its resolution 38/171 on operational activities for development, stressed not only the importance of evaluation for the rational and optimal utilization of overall resources (paragraph 20) but also requested the Secretary-General of the United Nations to elaborate proposals to promote the evaluation capacity of recipient Governments (paragraph 19).

15/ The recent confirmation of this role is to be found in UNCTAD resolution 165(VI) adopted by UNCTAD VI and endorsed by the General Assembly of the United Nations (Res.38/155).

16/ See documents DP 1982/15, ICW/1, 2, 4 and 11 and Governing Council decision 83/5.

17/ For a definition, see UNDP Financial Regulations, regulation 2.2, item U(i), October 1983.

18/ For a complete list of such funds, see sub-appendix 3.1 of the UNDP Finance Manual.

19/ One example comes to mind: the examination of the potential of UNCDF to finance certain major equipment inputs in UNDP's technical co-operation projects.

20/ cf. UNDP, 1982 Investment Commitments Related to UNDP Projects, which gives a figure of \$3.24 billion of investments reported in 1982 on the basis of "micro-type pre-investment studies" financed by UNDP. The corresponding figure for 1981 was \$2.53 billion.

21/ The issues addressed in this paragraph are to be discussed in detail in the Committee on Food Aid Policies and Programmes.

22/ Grants from private voluntary sources in countries that are members of the OECD Development Assistance Committee amounted to \$2 billion in 1981.
