



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

Distr.  
GENERAL

DP/1985/14\*  
23 April 1985

ORIGINAL: ENGLISH

Thirty-second session  
June 1985, New York  
Item 4(b) of the Provisional agenda

POLICY

PROGRAMME IMPLEMENTATION

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1984

Proposal to establish a human resources facility

Note by the Administrator

Summary

In its decision 84/4, the Governing Council requested the Administrator to consider, *inter alia*, the proposal for a human resources facility put forward during the thirty-first session and to report thereon to the Council at its thirty-second session.

In responding to that request, the Administrator, in the present note, indicates the substantive background against which the proposal was advanced. The nature of the skills that might be transferred to developing countries through the auspices of a human resources facility are examined from the standpoints of both demand for and supply of such services. The note then suggests the type of organization and functions for a human resources facility which would best facilitate its performance in providing a new channel for increased skills transfers. On the basis of this general review, the Administrator presents some specific recommendations for the Council's consideration dealing with an initial phase of activities by a human resources facility.

\* Re-issued for technical reasons

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
Introduction . . . . .	1 - 3	3
I. EXISTENCE OF SKILLS SHORTAGES	4 - 8	4 - 5
II. THE DEMAND FOR HUMAN RESOURCES FACILITY SKILLS . . . . .	9 - 18	5 - 7
III. THE SUPPLY OF HUMAN RESOURCES FACILITY SKILLS . . . . .	19 - 26	7 - 10
IV. ORGANIZATION AND FUNCTIONS OF A HUMAN RESOURCES FACILITY . . . . .	27 - 35	10 - 12
V. AN INITIAL PROPOSAL ON THE HUMAN RESOURCES FACILITY . . . . .	36 - 38	13 - 14

## INTRODUCTION

1. The Governing Council, at its thirty-first session, considered measures to be taken to meet the changing technical co-operation requirements of the developing countries. In its decision 84/4, the Council stressed the importance of covering the needs of developing countries for skilled manpower. It requested the Administrator to consider measures for addressing those needs, including the proposal for a human resources facility put forward by the Prime Minister of Jamaica, the Right Honourable Edward P. Seaga, during the thirty-first session. The Council requested the Administrator to report thereon at the thirty-second session.
  
2. Consideration of the viability of the proposal for a human resources facility proceeded in three stages. First, there were several meetings which directly involved the UNDP secretariat, potentially interested institutions and Government specialists in the field of technical co-operation including those with particular interest in the needs of developing countries for skilled manpower. These meetings indicated receptivity to the concept of a human resources facility. Second, case studies on skilled manpower needs were prepared for Jamaica, Lesotho, Malaysia, Mexico and Tunisia. These endeavoured to articulate in detail the role that a human resources facility could play in developing countries with diverse economic situations. Third, a round-table meeting to review the proposal for a human resources facility was held at Kingston, Jamaica, from 5 through 7 February 1985 at the invitation of the Prime Minister of Jamaica. Participants at the meeting represented Governments, intergovernmental organizations, parastatal institutions, local governmental bodies, universities, enterprises from industry and commerce, and organizations of the United Nations system. In his summary, the Permanent Representative of Jamaica to the United Nations, who chaired the round-table meeting, stated, inter alia, that the majority of participants welcomed and supported the proposal to establish a human resources facility which would complement the existing sources of technical co-operation. On the basis of documentation prepared by UNDP and through the presentation of the five case studies, the meeting provided an opportunity for the expression of a wide range of detailed observations; the present note by the Administrator endeavours to take account of them.
  
3. After a brief statement on some of the causes of skills shortages in developing countries, and on the significant contribution that has been forthcoming heretofore from conventional technical co-operation modalities, the note considers the nature of the potential demand for and the potential supply of skills that might be brought together through a human resources facility. An indication is given of the possible functions and organization of the human resources facility. These chapters reflect views that were expressed at the Kingston meeting. Finally, the Administrator presents his recommendations to the Governing Council. These are couched in broad terms since they refer to an initial and experimental phase of a human resources facility, a phase that would be served better by a high degree of flexibility of operation.

/...

## I. EXISTENCE OF SKILLS SHORTAGES

4. Skills shortages exist in most developing countries and reflect the imbalances between the dynamics of their economic development and the evolution of forces, mostly long-term, affecting their supply of human skills.

5. Economic development and transformation in each developing country has resulted from unique interactions among its political, cultural and social circumstances, demographic developments, resource endowments and their exploitation, and the nature of the Government's efforts at planning and policy for both its public and private sectors. These efforts include consideration of trends in and attitudes towards the following: the balance between a country's agricultural and industrial output; the public sector; its international trade, technology and payments flows; and its international debt. These influences have resulted in unique patterns of demand for manpower and skills. Despite efforts at surveys, it has often proved difficult to assess the precise implications for the demand for manpower and skills related to each country's complex of developmental trends. This is most obviously so as regards "frictional" demand, i.e., urgent, short-term and highly localized requirements for skills.

6. The adequate and appropriate supply of manpower and skills to facilitate a country's particular economic development is generally regarded as essentially a national responsibility, with international assistance serving to fill gaps. The prime national response has emanated from its education and training sectors, whose purposes, however, are to meet several objectives of which economic progress is but one. Other influential factors include wage policies and migration. From the standpoint of what is required for economic growth in many developing countries, the challenge is to adjust the emphasis of relative investment efforts for human and for physical capital formation, ensuring proper priority for the former and giving consideration to quality as well as quantity. Without sacrifice of the social objective of achieving an educated population on as broad a base as possible, there often needs to be modification of the current mix between primary, secondary and university education and vocational training, since in many situations the content of academic education has provided an insufficient springboard for the vocational training needed by emerging economies. Otherwise stated, changes in the structure and curricula of the educational system need to respond to the current general position of an inadequate supply of persons with technical and middle-level management skills, and of an excess supply of persons with few economic skills.

7. Domestic migration from rural to urban areas, which has been typical within developing countries, has enhanced the mismatch between skilled manpower supply and demand because of the extra difficulty of achieving timely consistency between regional educational policies and regional economic development policies. Further, emigration from developing countries has accentuated skills shortages. Some 40 developing countries, for example, report significant workers' remittances 1/ in their balances of payments; and while these remittances include foreign exchange flows by unskilled labour, much represents the result of the "brain drain" either to other developing countries or to developed countries.

8. This situation of skills shortages has long since produced a response by development assistance agencies through the provision of technical assistance to developing countries. In 1983, for example, industrialized countries are estimated to have disbursed some \$6 billion, or close to one third of their total bilateral official development assistance, in the form of technical assistance. These disbursements allowed, inter alia, for the movement of more than 60,000 publicly financed technical co-operation personnel (experts and volunteers) and more than 70,000 fellowships (students and trainees). Multilateral institutions, furthermore, acted as the channel for more than \$2 billion of such technical assistance; and other countries, including developing countries, have also provided significant assistance. Notwithstanding these current dimensions, further efforts are needed to fill the unmet needs of developing countries for skills transfers.

## II. THE DEMAND FOR HUMAN RESOURCES FACILITY SKILLS

9. A particular category of unmet needs for skills concerns short-term missions of highly specialized experts who can be made available from currently untapped sources, chiefly from the private and parastatal sector, to developing countries at little more cost than that required to cover the travel and per diem expenses of the experts. There is an understandable absence of precise quantitative evidence on this type of demand, which involves hundreds of different types of skills in more than 150 developing countries. Not only would it be inordinately expensive to assemble sufficient quantitative survey data on this but their usefulness would be limited because of likely substantial changes in the data between the times of the preparation of the surveys and the use of their results. On the basis of numerous observations that have been made, including those at the meeting in Jamaica, the Administrator considers that at present there is a substantial unmet demand for numerous types of specialized skills in many developing countries beyond that which can be satisfied by current sources of supply. The demand emanates chiefly from the enterprise sector - public, parastatal and private - and also from such other entities as scientific institutes, utilities and local government institutions. It exists in the least developed countries as well as in the newly industrializing and all other developing countries. The specialized experts made available to the least developed countries would need to give particular attention, for example, to the more limited infrastructure available in the country of their assignment.

10. It is considered that there is an urgent demand for short-term specialized expert services in all the productive, commercial and service sectors of the economy. Given the diversity of each country's development path and its unique complex of skills shortages, a policy to satisfy demand only of particular sectors would put some countries at a disadvantage. While enterprises of all sizes could be covered in practice, this type of demand may be greater in small- and medium-size enterprises, etc., since they may be less able than large-size entities to afford, and otherwise have less familiarity with, commercial consultancy services. The need for specialized skills advice undoubtedly exists throughout the range of technology, high to low. The comparative requirements of the parastatal enterprises and private enterprises of a particular developing country will depend on the particular conditions and policies in the developing country. Furthermore, ongoing technical co-operation projects as well as capital investment projects of

the United Nations system organizations in developing countries may also have an unmet need for certain types of short-term, highly specialized skills.

11. It is considered that within the category of unmet needs, there is a particular requirement for advisers experienced in so-called "hands on" and "troubleshooting" assistance. The nature of the physical capital structure of many developing countries, which often includes technologically advanced imported plant and equipment, places special emphasis on the need for advisers who are highly qualified in maintenance and rehabilitation. The types of advisers likely to be much in demand also include those with considerable knowledge of the management of the programmes and projects of enterprises, particularly in regard to marketing, including export marketing.

12. While the main focus of the new category of demand concerns skills transfers through the provision of advisory services, it is clear that the durability of such advice sometimes requires that advisory services be supplemented by one form or another of training services or other support. These training services would include training on the spot; seminars in the developing country; and a range of fellowships awarded in the donor country. Emphasis might be put, for example, on meeting the needs of middle management in developing countries, as well as the need to train instructors from the developing country.

13. A principal feature of the type of demand for specialized expert services as discussed above is that the cost of these services to the developing country would be below commercial rates. Some developing countries, faced with sufficiently urgent requirements for special skills, would be willing to satisfy those needs by direct purchase of consultancy services on the open market, rather than pursue the lower direct-cost option as suggested here, especially since this option, in certain circumstances, might well include a variety of bureaucratic procedures that indirectly add to cost. In many other cases, however, the substantial latent demand for special skills would remain unmet unless covered at a price below what is required by commercial consultants.

14. For this demand to be satisfied by a new, non-market mechanism such as the human resources facility, the roles both of that mechanism and of the associated government focal point must be to provide low-cost services together with still other incentives. The focal point would be that agency of the Government that is appointed to deal with requests from enterprises and institutions for those services and the human resources facility on the matters discussed in this note. While it might wish to ensure that the particular needs for more affordable skills transfer were compatible with overall national plans and objectives, it would also have to ensure that its bureaucratic involvements facilitated the transfer process through, for example, speedy handling of visa requests.

15. In addition to the provision of specialized skills at very modest cost, it may be possible through the new mechanism to secure and provide to developing countries certain types of skills that are normally not available on the open market.

16. The type of demand for expert services by enterprises and institutions in developing countries that is being considered would require that they bear certain minimum costs of the skills mission requested, either directly or indirectly. Thus, although a beneficiary might expect to be relieved of the major cost component of a mission (i.e., the salary of the adviser), the beneficiary would be expected to be responsible for the cost of international travel of the adviser, as well as all such in-country costs as daily subsistence, travel costs in the developing country and allowances for required equipment such as special clothing or instruments. The Intergovernmental Committee for Migration has indicated the possibility of procuring the international travel for the type of experts and fellows here considered at significantly reduced rates. Since the aggregate net costs to the beneficiary would generally constitute a minor part of what the total costs of a mission would be if valued fully at market prices, the recipient country would, in effect, be obtaining a subsidy. This may be considered worthwhile in that this essentially small and limited assistance, multiplied in a number of instances in a given country, could help the productive sector materially in playing its role of fostering the economic development of the country as a whole. Such help could be among the most productive forms of international assistance for the economic development of developing countries.

17. In those cases where developing countries may find difficulty in directly meeting all or part of even the minimum costs indicated, indirect financing would be necessary. This may be the case more frequently with regard to the international travel cost component because of the generally high foreign exchange resources involved. As an illustration of the type of indirect financing that could occur, agreements and arrangements might be possible with both bilateral and multilateral donor agencies. It may be recalled, for example, that the World Bank, which is now a major force in the field of technical co-operation loans and credits, includes freestanding components in these loans and credits which initially may contain undefined allocations. Without commitment, it is possible that World Bank assistance could be given for a skills transfer of the type discussed, provided it is in the context of the World Bank project operation and the Bank and the developing country agree to such use of a small part of the loan/credit. Similarly, a developing country may be willing to finance the cost of one of these skills missions indirectly by using a part of its UNDP indicative planning figure (IPF). It might prove efficient to effect such IPF financing through a UNDP "umbrella project", which would allow for financing several such skills missions to a particular developing country through the mechanism of only one project document.

18. Concerning all the elements of mission costs chargeable to the beneficiary as outlined above, it is recognized that lower-income countries may have serious problems in meeting them. Pursuing procedures that are both efficient and equitable, it may prove expedient in such cases to consider indirect financial assistance on a very simple, sliding-scale basis, giving greater help to countries with lower per capita GNP. This assumes the availability of the required finance.

### III. THE SUPPLY OF HUMAN RESOURCES FACILITY SKILLS

19. It is considered that there undoubtedly exists, both in developed and in some developing countries, substantial availability of those skills described above required in many developing countries, which could be used to supplement

/...

present international technical co-operation. This would not amount to establishing a new category of skills transfer but a new element would be added by using sources that have not been sufficiently exploited by the present systems of technical co-operation. Thus, the overall international flow of skills to developing countries might be increased significantly by reaching out far more than has been done until now to those sources of supply in the donor countries where the expertise, together with its financing, is in their non-governmental sectors. Further, relatively more emphasis would be given to the instrument of short-term missions of highly specialized advisers. To be effective, these missions would generally need to be mounted as quickly as possible after the demand for them has been articulated by the enterprises and institutions of developing countries, as described above.

20. It would appear that such specialized skills are available from a wide range of entities, in both industrialized and developing countries, that have been relatively untapped sources so far. They include agricultural, industrial and commercial enterprises of all sizes; industry and commerce associations, both private and public; port, power, transportation and communications utilities; state, provincial and local authorities; universities and research and scientific institutes; professional associations; international law firms; foundations; co-operatives; and other private voluntary organizations.

21. Some doubts exist as to the extent to which experts from these sources would be willing to serve enterprises and institutions in developing countries at either no salary charge or at only a nominal charge. Overall, however, it appears that while some hesitation may be indicated, this relates to orders of magnitude of supply well beyond what needs to be considered for a reasonable level of activity in the early and foreseeable stages of a new effort (such as through the human resources facility) to match the supply and demand of "more affordable" transfer of specialized skills. It would not seem feasible, as suggested earlier, to undertake detailed quantitative surveys of the likely supply of experts that would be available without remuneration; but the dominant view of those involved with a number of the sources indicated above is that there is a great potential supply available. It includes many skilled persons in donor countries who until now might not have thought about a role in skills transfer to enterprises and institutions in developing countries. The extent of availability of experts at little or no salary charge to the beneficiary probably varies from one donor country to another, depending on language, traditions and previous exposure to this type of assistance for developing countries. The extent of availability may vary, also, with the type of entity with which the expert is associated. Thus, under present economic conditions, it may have become more difficult in some donor countries to look to publicly aided universities as an ample source of supply. Or again, age may well be an influential factor; whereas it appears relatively easier to obtain retired experts at little or no salary charge, the situation for working experts is more varied. It has been suggested that the potential availability of short-term skills expertise from among those still in the work force may be greater among the younger age groups which perhaps have not been tapped as much by conventional technical co-operation organizations.

22. For all these categories, however, it has been further suggested that the readiness of experts to contribute their services through a new, non-market mechanism could be greater if (a) they were presented with well-defined projects, (b) they viewed the new mechanism as well-managed and (c) non-financial



incentives existed. For the individual expert, such incentives might include ideological considerations or the value of the experience in the developing country to career development. For the individual's employer, incentives might include contributing to the long-term stability of developing countries; co-operation research; the establishment of links with developing countries; staff development; or co-operation with a donor Government's policy favouring increased linkages between the private sectors of developed and developing countries. Rules of conduct would require that expert activities be carried out for the sole purpose of encouraging economic and social development in developing countries, and not to promote the commercial or other interests of the supplying institutions. On the other hand, it is altogether natural that the successful completion of an assignment might lead eventually to further contacts with such mutually fruitful consequences as joint ventures, training schemes or twinning arrangements between the recipient and the supplier of the advisory services here considered.

23. Some expert services may only become available provided that a nominal payment be made to the expert. Such a charge, perhaps equivalent to one tenth of the expert's regular remuneration, would be wholly within the presently considered philosophy of making skills transfer "more affordable" to the developing countries. Such a token charge would still achieve the goal of additionality of assistance. In those instances where an employer does not absorb the token salary charge of an expert, it may be expected that either the requesting entity in the developing country would carry that small additional cost or, failing this, the entity would have to find alternative financing from among industry groups, foundations, non-governmental organizations, or bilateral or multilateral aid agencies.

24. It is important to reflect the strongly held view that altruism should not be overstated in regard to the services of highly qualified experts to be provided free of charge, or nearly so. More business-like thinking, it is held, focuses on the large groups of highly qualified experts who expect to be paid for a skills transfer mission. For the individual, economic needs have to be recognized; or a parastatal organization in a donor country, for example, might find it difficult to justify subsidizing a similar entity in a developing country. Both individuals as well as entities, whether they be corporations or universities, are accustomed to being remunerated, at least at full cost, whether through regular commercial consultancies or through conventional technical co-operation modalities. Experts governed by these views would not be available to the new effort seeking to match offer and demand for more affordable skills transfers to the developing countries; rather, they would be dealt with under regular technical assistance programmes.

25. Attention needs to be given to the considerable assistance that developing countries might obtain from skills transfers from other developing countries. Apart from political aspects, the usefulness of the approach of technical co-operation among developing countries (TCDC) is that experts from other developing countries might often start with a closer cultural and economic familiarity with the problems of the beneficiary developing country. Thus far, official efforts at TCDC have focused attention on the needs of other than enterprise sectors of recipient countries. Should a new mechanism be established to

/...

focus on international skills transfers from all donor countries to the enterprise sectors of developing countries, it would undoubtedly be helpful to make a comparative review of the operational and financial modalities and activities of the mechanism and those of the UNDP Special Unit for TCDC to ensure consistency and intimate co-operation, including lack of duplication, between the two facilities. It may be noted that in 1984, 260 experts and 266 trainees were involved in activities sponsored by the UNDP Special Unit for TCDC.

26. A broadly similar co-operative linkage would need to be established between a new mechanism, once it were established, and the transfer of knowledge through expatriate nationals (TOKTEN), another UNDP window on technical co-operation which, at relatively low cost, seeks to mitigate somewhat the impact of the "brain drain" on developing countries. Naturally, the new mechanism, as considered below, would draw on far wider sources of expert supply than TOKTEN. The latter effort has by all accounts achieved significant success in at least five developing countries and is operating in several others. Cumulatively, by the end of 1984 there had been more than 1,000 TOKTEN consultancies, and there are expected to be some 400 completed consultancies in 1985. Typically, TOKTEN consultancies have assisted the recipient country's public sector and universities and research institutes. There have been expressions of interest from the private sector in utilizing TOKTEN consultancies.

#### IV. ORGANIZATION AND FUNCTIONS OF A HUMAN RESOURCES FACILITY

27. On the basis of the preceding, it may be granted that there is a substantial demand for, and availability of, highly skilled expertise to assist Governments, parastatal and private enterprises as well as other non-governmental entities in developing countries through short-term missions and at a cost to the beneficiaries well below conventional rates. The core issue, then, concerns the organization and functions of a mechanism that might facilitate as large a volume as possible of transfers of such skills to interested developing countries. In its decision 84/4, paragraph 18, the Governing Council referred to such a mechanism as a human resources facility.

28. It is both a technical and political matter whether a new mechanism needs to be established to meet the challenge of expanding the international transfer of skills, or whether that objective can be gained more simply by extending the duties of a number of ongoing institutions. Technically, account should be taken of the comparative benefits and the costs of the alternatives. As regards benefits, the notion of a new entity appeals particularly because, to be successful, the basic idea requires a unique and concentrated effort. The perception of benefit would be different if a new unit such as the proposed human resources facility were to be seen as a mere duplication of existing institutions or a new layer of bureaucracy. This does not appear to be the dominant view of those who have been consulted. It is considered that existing institutions have tapped and exploited only a very limited number of the potential sources of more affordable specialized skills.

29. As regards the cost of a new unit, the variable element would depend partly on the size of the proposed human resources facility which would grow only as the volume of transactions expanded. The fixed-cost element would be influenced materially by whether the new facility would be an independent entity or associated with an ongoing technical co-operation organization and

thus able, at low cost, to share its experience and services. The establishment of a human resources facility within UNDP would serve to reduce the cost of the unit since UNDP has a relevant, complete-service structure established over the course of two decades in which it has funded cumulatively several billion dollars of technical co-operation. UNDP, further, has been involved in a range of forms of technical co-operation, and has the experience of opening new "windows". Most particularly, UNDP also has had experience in grafting on new functions for its staff in its network of field offices throughout the developing countries. In considering the functions and financing of a human resources facility as described below, it is tentatively assumed that, should such a facility in fact be established, it would operate within the UNDP structure.

30. The most basic function of a human resources facility would be to act as a clearing-house, thus helping to bridge the distance between potential demand for specialized skills on one side and potential sources on the other side. The first step in this function would require that requests for missions be submitted through the field offices of UNDP which might be able to lend precision to the requests after having examined them on their merits and, if appropriate, having related them to ongoing projects and to such existing ways and means of meeting requests as, say, by using conventional United Nations system experts, volunteers, TCDC, TOKTEN, etc. The UNDP field offices would obtain assistance from United Nations system organizations in the field, as appropriate, in the processing of the requests. Depending on circumstances and policies in each requesting developing country, it also might prove appropriate for those initial requests for a human resources facility skills mission which are made by a parastatal or private enterprise in a developing country to be looked at by a domestic industry association and/or its governmental focal point before it is processed by the UNDP field office. With its overall knowledge of a local enterprise sector, a domestic industry association would be able to improve the quality of a request. The Government, for its part, will wish to review such requests to ensure their validity in relation to its overall priorities. Clearly, however, there may need to be a trade-off to ensure that an initial (and urgent) request is not rendered useless by time-consuming reviews.

31. As a second step in the clearing-house function, the human resources facility would build up the necessary information on the potential supply of services by those with required skills who are prepared to channel them through the facility, under its terms and conditions. Especially in its initial stages, but undoubtedly also as a permanent feature, the facility would work closely with intermediaries: i.e., professional associations, senior expert services and similar groupings. With their full co-operation, the human resources facility would collect from them "indirect" data on the skills likely to be available to the facility, using their data banks and rosters of experts. The intermediary institutions that attended the Jamaica meeting on the human resources facility held in February 1985 illustrate the type of intermediary that might consider collaboration with the facility. It is hoped that this list could be expanded quite considerably. Should the data on experts available for the human resources facility from a particular country become substantial, it might prove worthwhile for the facility to work with a liaison office in the donor country. In turn, the liaison office would work with the several intermediary trade and industry associations in the country. Such a liaison function could well be undertaken by an existing intermediary: e.g., a Senior Expert Service of that country.

32. The third step in the clearing-house function of the human resources facility would be achieved by its selection of intermediaries that might be responsive to particular requests for skills services, and by the facility's ensuring that there is a communication back to the requestor, or his representative, of the names of candidate advisers by one or a number of the intermediaries chosen by the facility. Thus, on grounds of efficiency, including speed of handling requests, it is assumed that the intermediaries in donor (developed or developing) countries, as working partners with the facility, would be responsible for quality control of their individual rosters of potential experts and willing to undertake communications with their members who are being considered for particular missions. This type of decentralization from the human resources facility to the intermediaries would be a bureaucratic imperative.

33. The facility, as necessary, would be charged with performing three further categories of duties at appropriate stages. First, it would engage in publicizing its activities both in recipient and in donor countries, with the objectives of increasing the volume of its activities and, through broadened access, of achieving improved quality in the matches between individual requests for and offers of skill services. While this public relations effort is generally regarded as essential, every effort would be made to take advantage of such low-cost approaches as press releases, public speeches and the like. Second, the human resources facility would establish easy-to-use guidelines related to the flow of skills services through the facility, including guidelines on the preparation of requests and on the range of contractual terms and conditions governing expert activities. 2/ Third, the facility would itself effectuate individual missions using the existing project execution services and other institutional support available within UNDP.

34. The human resources facility would also monitor and evaluate performance. Subsequent to the completion of a skills transfer mission, it would require a copy of the project completion report and would apply succinct procedures on follow-up and evaluation. The reports would be stored centrally in UNDP's institutional memory. The facility would evaluate the results and effectiveness of assignments on a selective basis, in consultation with concerned recipient Governments and resident representatives. The Governing Council would be informed annually on the volume of operations of the facility and on its performance.

35. The functioning of the human resources facility would require financing, both for administrative costs and for special operational costs. Administrative cost items include staffing, computer hardware and software, travel, communication and public information. Special operational costs financing would permit the undertaking of a skills transfer mission regarded as urgent and essential but for which the normal financing required for token salary, travel and per diem expenses may not be fully available. (Normally, donors would be expected to meet any salary costs and beneficiaries would be expected to meet travel and per diem costs.) For a facility of the type indicated, it would be desirable to have a simple financing structure. Thus, on a trial basis, UNDP's Special Programme Resources might be used to fund administrative expenses. To cover special operational costs, either developing countries could use a small part of their IPFs, or the human resources facility would have to undertake a minimal financing campaign. Modest voluntary contributions would be obtained either primarily from donor countries and from selected multilateral organizations, or primarily from intermediary organizations with an interest in the human resources facility, together with special fees charged to recipient countries related to services provided to them by the facility.

## V. AN INITIAL PROPOSAL ON THE HUMAN RESOURCES FACILITY

36. The present note has suggested that although current responses to the challenges of human resources development in developing countries have been substantial and generally successful, nevertheless there remain opportunities, at both the national and international level, to improve further the fit in developing countries between their needs for and the availabilities of various types of highly specialized skills. The proposal for a human resources facility represents one of these opportunities at the international level. Since the Administrator considers that the success of such a facility over the long term demands that it evolve carefully, stage by stage, with the lessons from one stage incorporated into the next, the Governing Council is being requested to consider an initial proposal dealing only with a first stage of the human resources facility.

37. A basic criterion underlying this initial proposal concerns the universality of the human resources facility. Located within the United Nations framework, it would be natural for the facility to be open to all interested donors and to all interested recipients, whatever their economic system or stage of development. Universality would imply, except perhaps as a short-term condition, that the facility would not limit its operations to particular countries or to particular sectors. As a second principle, the operations of the facility would be demand oriented; i.e., they should be inspired by the expressed actual needs of developing countries. Thus, the facility would use the experience of prior technical co-operation efforts by avoiding assistance planned simply on the basis of disposing of readily available supplies of certain types of skills. Third, the human resources facility would operate with a total awareness of the whole range of international human resources activities already being pursued by public and private agencies, both bilateral and multilateral. In seeking to supplement to the utmost these other forms of technical co-operation, the facility would ensure that it avoided duplication and, in particular, that it co-operated fully with United Nations system organizations in the field. Fourth, the present proposal requires that the cost of the facility would be set at a reasonably low level. The principal means of achieving this would be through the connection of the human resources facility with UNDP. The unique nature of the facility's hoped for contribution to developing countries may require, certainly in its initial stage, that it should retain independent status within the UNDP structure. The facility would endeavour to achieve a significant volume of operations at the same time as it developed its infrastructure. In that regard, without sacrifice of the criteria of universality and demand-orientation, initial operations might pay special attention to any articulated backlog of needs for special skills transfers to particular developing countries and/or to particular sectors.

38. On the basis of the foregoing, the Administrator requests that the Governing Council consider recommending the following:

(a) That a human resources facility be established. The facility would endeavour to enhance substantially the flow of skills to the enterprises and institutions of developing countries, through short-term missions of highly qualified advisers drawn from enterprises and other relatively untapped sources in donor countries, with salary costs of the expert generally borne by the donor, and travel and per diem costs generally borne by the beneficiary. The human resources facility would also assist in meeting the demand for related training services;

(b) That the human resources facility function under the administrative control of UNDP and that its central unit function at UNDP headquarters. This approach would permit the facility to avoid duplication and to share the institutional services and experience which UNDP has accumulated as a result of its administration not only of the IPF-supported programme but of several other programmes of technical co-operation as well;

(c) That the human resources facility function during its first two years in a flexible and experimental fashion. Its primary functions in this initial period would be to create a clearing house and to foster among interested intermediaries, UNDP field offices working in concert with United Nations system organizations in the field and interested Governments, as much decentralization and delegation as possible of such other functions as the effectuating of missions; the promotion of the human resources facility and the development of guidelines. Particularly in the initial period, however, the facility itself should assume these functions directly as experience dictates. The facility should endeavour to limit bureaucratic procedures to ensure that requests for assistance are handled speedily;

(d) That the staffing of the human resources facility for the initial period be limited to two or three professional posts, and that the financing of the facility (i.e., staff and related general costs, travel, computer costs, promotion, etc.) be met from Special Programme Resources. During the first two years, the direct cost of the facility's central unit would not exceed \$425,000 per annum (in 1984 prices);

(e) That beneficiary countries meet special operational costs directly or, if this is not possible, with funds from their UNDP country IPFs, or from such other resources as may be contributed to the human resources facility for such purposes, under appropriate financial procedures, and/or from special fees that may be charged to beneficiaries for the facility's services;

(f) That the human resources facility report to the Council, through the Administrator, on its experimental activities, including, as appropriate, their relation to other UNDP operations, and providing detailed suggestions for the further evolution of the human resources facility.

#### Notes

1/ See United Nations, Supplement to World Economic Survey, 1983, page 32.

2/ The mission status of experts under the human resources facility, for example, would be that of consultants under United Nations Special Service Agreements. They would be considered as "Experts on Mission" for the purposes of the Convention on the Privileges and Immunities of the United Nations. This status would ensure them free access and movement in-country to accomplish their assigned tasks and would also provide protection.