



Technical co-operation among developing countries

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PROGRESS REPORT ON THE UTILIZATION OF FUNDS FROM SPECIAL PROGRAMME
RESOURCES (SPR) FOR ACTION-ORIENTED PROMOTIONAL ACTIVITIES FOR TCDC
DURING THE PERIOD 1983-1985

Report of the Administrator

Summary

The Administrator has prepared this report in response to paragraph 4 of decision 3/5 of the Committee. The report contains an account of the action-oriented TCDC activities financed from the SPR for the period 1983-1985 and is supplemented by statistical analyses and diagrams. The Committee's attention is drawn to the conclusions and recommendations contained in paragraphs 19 to 22.

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INTRODUCTION

1. The present report is prepared in response to paragraph 4 of decision 3/5 of the High-level Committee on the Review of Technical Co-operation among Developing Countries and on the basis of paragraph 2 of decision 83/15 of 18 June 1983 1/ of the Governing Council of the United Nations Development Programme (UNDP), in which the Council approved an allocation of \$600,000 for action-oriented promotional activities for technical co-operation among developing countries (TCDC). In accordance with these decisions, the Administrator approved the interregional project, Promotion of action-oriented TCDC activities, with the following objectives:

(a) To provide direct support at the intercountry level by means of training and exchange of expertise and to encourage and promote the voluntary sharing and exchange of technical resources, skills and capacities through action-oriented TCDC activities;

(b) To provide direct support to all developing countries and territories with a view to strengthening their TCDC capacities and potentials.

2. The UNDP Office for Projects Execution (OPE) was designated executing agency for this project.

3. To accommodate the growing number of requests from developing countries for assistance under this project - as at 15 March 1984, 66 requests had been received from 59 countries at an estimated cost of \$780,000 - the project's budget was subsequently increased to \$1.4 million. To make such a revision possible, the Governing Council by its decision 84/25 of 29 June 1984 2/ approved a further allocation of \$800,000.

I. PROJECT RESULTS AS AT FEBRUARY 1985

4. Within this framework, it was emphasized that the project was aimed specifically at promoting action-oriented TCDC activities and should be a fund of last resort on evidence that other sources of funding are not available bearing in mind the Governing Council's decision which amended the policies that determined the use of indicative planning figures (IPFs) for the support of TCDC projects during the third cycle of country programming (Governing Council decision 81/31 of 26 June 1981 3/). Originally, it was intended that the resources of the project would be allocated by regions on the basis of the proportionate distribution formula used to allocate the regional IPFs. However, as the project's implementation progressed, countries in some regions were more prepared than others, and instead of holding funds indefinitely by regions, it was decided to use a global approach on the basis of first come first served.

5. As at 15 February 1985, a total of 133 action-oriented TCDC activities estimated at \$1.28 million have been or are being financed, broken down by regions, as shown in table 1 (see also annex for diagrams).

Table 1. Distribution of activities/resources by regions

| <u>Regions</u> <u>Recipients of aid</u> | | <u>Number of</u> <u>activities</u> | <u>Actual/estimated cost</u> <u>in US dollars</u> | <u>Percentage</u> <u>distr.</u> |
|--|---------|---------------------------------------|--|------------------------------------|
| Africa | (RBA) | 34 | 649 500 | 50.9 |
| Asia and the Pacific | (RBAP) | 22 | 173 500 | 13.6 |
| Arab States | (RBAS) | 15 | 75 500 | 5.9 |
| Latin America and the Caribbean | (RBLAC) | 57 | 328 900 | 25.8 |
| Europe | (U/E) | 5 | 47 800 | 3.8 |
| Total | | 133 | 1 275 200 | 100.0 |

6. From table 1, it can be seen that for 34 TCDC activities in the African region, the cost is estimated at \$649,500, while in the Latin American and Caribbean region, the cost for 57 activities is estimated at \$328,900. It is necessary to explain the apparently higher costs in relation to Africa. Diagram 6 in the annex shows that for 39 countries in Africa, the flow of assistance is from 7 countries in the region itself, 1 from Asia and the Pacific, 3 from the Arab States, 3 from Latin America and the Caribbean and 2 from Europe. A further breakdown shows that in the region itself the 7 countries are involved in 12 activities resulting in travel and/or per diem for 147 nationals; Asia and the Pacific, 1 activity and 14 nationals; Arab States, 4 activities and 10 nationals; Latin America and the Caribbean, 14 activities and 59 nationals; and Europe, 3 activities and 11 nationals.

7. In Latin America and the Caribbean, the situation is as follows: diagram 9 in the annex shows that the flow of assistance is mainly from the region itself. Broken down further, this meant 2 activities from Africa involving the travel and/or per diem of 6 nationals; 3 activities and 5 nationals from Asia and the Pacific, 1 activity and 1 national in the Arab States; 1 activity and 1 national in Europe; and in the region itself, 50 activities and 146 nationals.

8. Taking into consideration the longer distances travelled within and between Africa and other regions and higher per diem rates, the overall costs for the activities in this region would obviously be higher than in the Latin American region, where the flow of assistance was more indigenous in addition to the fact that consultancies and training were of shorter duration than that from which Africa benefited.

9. In terms of overall distribution of the resources by components, a total of \$651,000 was requested for experts' services, \$611,700 for training and \$12,500 for equipment, broken down by regions as shown in table 2:

Table 2. Distribution of resources by components

| <u>Regions</u> <u>Recipients of aid</u> | <u>Amount allocated in US dollars</u> | | | <u>Total</u> |
|--|---------------------------------------|-----------------|------------------|------------------|
| | <u>Experts</u> | <u>Training</u> | <u>Equipment</u> | |
| RBA | 252 000 | 388 000 | 9 500 | 649 500 |
| RBAP | 121 000 | 52 500 | - | 173 500 |
| RBAS | 43 000 | 32 500 | - | 75 500 |
| RBLAC | 223 200 | 102 700 | 3 000 | 328 900 |
| U/E | 11 800 | 36 000 | - | 47 800 |
| Total | 651 000 | 611 700 | 12 500 | 1 275 200 |

10. Sectorally, the bulk of resources are being utilized in agriculture, forestry and fisheries, general development issues, policy and planning, natural resources, transport and communications and industry, while lesser resources are being channelled in health, education and international trade and development finance. Still lesser amounts have been used in science and technology, culture, social conditions and equity, human settlements and employment. The breakdown by regions and sectors* is shown in Table 3:

Table 3. Distribution of resources by sectors

(in US dollars)

SECTORS

| <u>Regions</u> <u>Recipients</u> <u>of aid</u> | <u>02</u> | <u>03</u> | <u>04</u> | <u>05</u> | <u>06</u> | <u>07</u> | <u>09</u> | <u>10</u> | <u>11</u> | <u>12</u> | <u>14</u> | <u>15</u> | <u>16</u> | <u>Total</u> |
|--|----------------|----------------|----------------|----------------|----------------|---------------|--------------|---------------|---------------|--------------|--------------|--------------|---------------|------------------|
| RBA | 102 000 | 18 500 | 272 000 | 50 000 | 81 000 | 11 000 | - | 53 000 | 45 000 | - | - | 5 000 | 12 000 | 649 500 |
| RBAP | 13 000 | 26 000 | 67 000 | 36 500 | - | 20 000 | - | 11 000 | - | - | - | - | - | 173 500 |
| RBAS | 22 000 | - | 15 500 | 4 000 | 23 000 | 3 000 | - | 4 000 | 4 000 | - | - | - | - | 75 500 |
| RBLAC | 71 300 | 86 200 | 73 000 | 25 600 | 28 000 | 15 200 | 3 000 | 5 000 | 9 800 | 2 000 | 5 000 | 2 500 | 2 300 | 328 900 |
| U/E | 1 000 | 18 000 | 9 000 | - | - | 3 800 | - | 16 000 | - | - | - | - | - | 47 800 |
| Total | 209 300 | 148 700 | 436 500 | 116 100 | 132 000 | 53 000 | 3 000 | 89 000 | 58 800 | 2 000 | 5 000 | 7 500 | 14 300 | 1 285 200 |

* Sectors in accordance with ACC classification as follows:

- 02 - General development issues, policy and planning
- 03 - Natural resources
- 04 - Agriculture, forestry and fisheries
- 05 - Industry
- 06 - Transport and communications
- 07 - International trade and development finance
- 09 - Human settlements
- 10 - Health
- 11 - Education
- 12 - Employment
- 14 - Social conditions and equity
- 15 - Culture
- 16 - Science and technology

11. Overall, 260 experts (214.3 work-months) at an estimated cost of \$651,000 will be exchanged between developing countries, while 266 nationals (637.77 work-months) will receive training utilizing the capacities of developing countries at an estimated cost of \$611,700. Cost-wise to UNDP and excluding the costs contributed by the developing countries to the 133 TCDC activities (see para. 10), the cost of an expert per month is estimated at \$3,038. The cost for training averaged \$960 per trainee per work-month. To emphasize and further clarify, these average costs do not take into consideration the co-operating Governments' contribution, just as in calculating standard costs for experts in traditional UNDP-funded projects, the recipient Governments' contributions in cash and kind are not included. Table 4 shows the statistical breakdown by regions:

Table 4. Breakdown of costs for experts/training by work-months and regions

| <u>Regions</u> <u>Recipients of aid</u> | <u>Number of work-months and cost in US dollars</u> | | | |
|--|---|----------------|---------------------|----------------|
| | <u>For experts</u> | <u>Cost</u> | <u>For training</u> | <u>Cost</u> |
| RBA | 59.46 | 252 000 | 249.60 | 388 000 |
| RBAP | 77.10 | 121 000 | 319.00 | 52 500 |
| RBAS | 14.00 | 43 000 | 7.27 | 32 500 |
| RBLAC | 62.40 | 223 200 | 37.90 | 102 700 |
| U/E | 1.34 | 11 800 | 24.00 | 36 000 |
| Total | 214.3 | 651 000 | 637.77 | 611 700 |

12. As indicated in paragraph 11, the costs reflected do not include the financial contributions of the co-operating Governments. To be more precise, the costs represent UNDP inputs and comprise mainly the cost of airfare and/or partial or full daily subsistence allowance (DSA) and stipend. In the case of the least developed countries (LDCs) as recipients and hosts of aid under the project, full DSA was paid to experts and trainees going to these countries. It is necessary to point out that in some of the TCDC activities the donor countries met the full local costs of either experts or fellows received for training.

13. In addition to the UNDP contribution, the project has mobilized additional resources of some \$4.2 million in cash and in kind from the co-operating countries. In arriving at this figure, the following were taken into consideration based on information supplied by UNDP field offices: the cost of the salaries of the experts exchanged, local transportation costs, other local costs, purchase and use of equipment, report costs, tuition costs of institutions providing training in donor countries, cost of board and lodging where full DSA or stipend were not applied and the cost to recipient Governments when sending nationals abroad for training and/or exchange of experience.

14. Under the project, a small input was also given for equipment. However, the cost for equipment was minimal and represents the cost for transporting fish

species donated by Peru to Cuba, books for training in public administration from Brazil to Cape Verde and the cost of transporting solar distillators donated by the Niger to the Comoros. The total cost under this component is estimated at \$12,500 or 0.98 per cent. (See paragraph 9 for distribution of equipment by regions.)

15. It is significant from the foregoing that the African region has received the bulk of assistance in monetary terms; and looking at the sectors in which the activities were concentrated, they show that, despite the smallness of the inputs, the activities undertaken under TCDC will have a multiplier effect far greater in crucial areas consistent with UNDP's policies in the region, i.e. to increase food production, improve transportation and communication and develop human resources in a continent which is facing a crisis situation at this time. The other regions preferred to diversify their TCDC activities, emphasizing more specialized areas, including natural resources, industry, international trade, education and health.

16. The response from donor Governments to assist was fast and timely. The role of the resident representatives in assisting in matching needs with capacities contributed greatly to the fast implementation of the project. The delivery of inputs by OPE under the project was prompt and efficient.

17. It is still too early to report on the impact of the project because of the numerous reports which are still being awaited from the field. However, it should be noted that from the few reports received so far, the quality of service being delivered is of a high standard. One such case in point may suffice here. Bauxite is the most important aluminum-bearing ore, accounting for more than 90 per cent of the world's aluminum production. Up to 1982, Haiti was numbered among the bauxite-producing countries of the world. In that year also, bauxite for metallurgical purposes - a non-renewable resource - became exhausted. Revenue declined from \$US 11.3 million in 1979 to \$US 3.7 million in 1982, creating unemployment and untold hardships in the mining towns of Haiti. As a result, Haiti, already facing serious financial difficulties, wanted an assessment of its remaining resources to determine whether the use of bauxite for other non-metallurgical uses is economically feasible.

18. Unable to raise funds to pay for the required consultancy, Haiti approached the Government of Jamaica for assistance. (Jamaica is the world's third largest exporter of bauxite.) The Jamaican Government agreed to send two senior experts free of charge provided the costs for international travel and per diem were met by UNDP. Following a request from the UNDP Office in Jamaica, it was agreed to finance the international travel cost and per diem from the interregional project. The two-week mission took place in January 1984 and submitted a comprehensive preliminary assessment which concluded that the data base of the Haitian bauxite industry was extremely weak and recommended that it had to be strengthened before any decision could be taken for future investment. The Jamaican Government has also agreed to assist in strengthening this data base through the free use of its modern laboratories and pilot plant for testing samples, etc. Haiti has accepted the recommendation and is now working closely with the Jamaican Government on future developments. The cost of the mission to UNDP was less than \$US 2,000.

II. CONCLUSIONS AND RECOMMENDATIONS

19. The experience gained so far in the implementation of the project suggests that the catalytic role which UNDP is playing is successfully strengthening TCDC at the regional, interregional and global levels in accordance with recommendation 38 of the Buenos Aires Plan of Action for Promoting and Implementing Technical Co-operation among Developing Countries. In addition, UNDP's own capacity to facilitate TCDC is being better utilized and demonstrates to other United Nations organizations the efficacy of using seed money to mobilize additional resources and at the same time enhance TCDC activities.

20. The project is also proving that once the bottle-neck of the scarcity of foreign exchange for travel, DSA and some equipment has been overcome, the developing countries are willing to contribute human resources, institutions, infrastructure and training to strengthen co-operation among themselves.

21. Other experiences gained from the implementation of the project suggest that:

(a) UNDP, through its field offices and with the active support and co-operation of the developing countries, has been able to tap and mobilize qualitative resources in the form of expertise and training institutions to further the cause of TCDC;

(b) The appropriateness and cost-effectiveness of programming UNDP resources using the TCDC modality in technical assistance programmes is viable;

(c) The experts exchanged are acquiring international experience while at the same time transferring their skills to the benefit of the recipient developing countries in a meaningful manner;

(d) The experts and trainees are able to exchange experiences in developing countries which themselves are facing similar problems and sharing common aspirations;

(e) Training under TCDC is likely to assist in stemming the brain drain phenomenon;

(f) The overall outcome of exchanging experts and training nationals among developing countries is a form of human resources facility.

22. The present report has shown that, with the provision of a small amount of external resources, TCDC activities which would not otherwise take place are made possible. For every dollar contributed externally, approximately another \$3.32 of contributions in cash and in kind are generated by the developing countries themselves. The special programme resources (SPR) were used to demonstrate that there was a genuine demand for TCDC activities, which would become a reality if a small amount of external funds was made available. Thereafter, interested Governments would be willing to use their IPFs to meet such costs. This must be the goal. There are many Governments, however, which have fully committed their IPFs for the present programming cycle and should the Committee, after reviewing this report, recommend further allocation from the SPR, the Administrator would be prepared to approach the Governing Council of UNDP.

Notes

1/ See Official Records of the Economic and Social Council, 1983, Supplement No. 9 (E/1983/20), annex I.

2/ Ibid., 1984, Supplement No. 10 (E/1984/20), annex I.

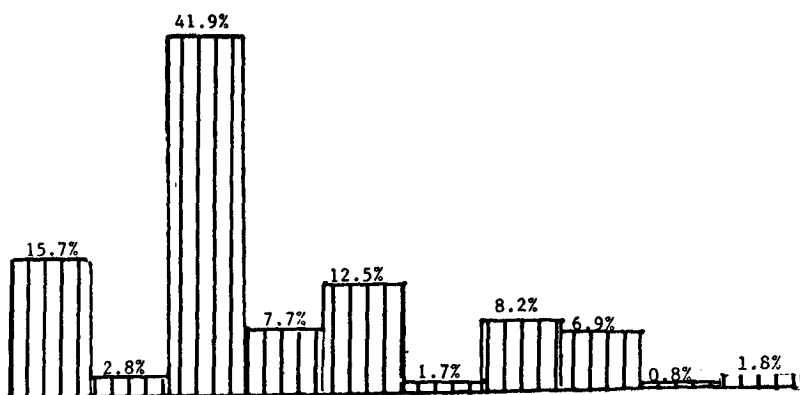
3/ Ibid., 1981, Supplement No. 11 (E/1981/61/Rev.1), annex I.

ANNEX

Diagram 1. Distribution of resources in the RBA region
 by sectors and components

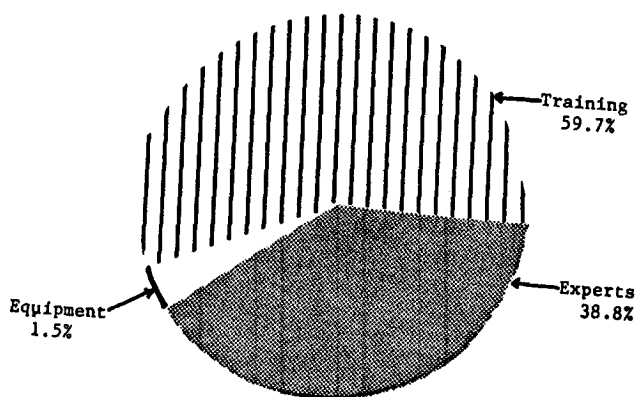
By sectors*

| Sectors | Amount in US\$ | % Distr. |
|--------------|-------------------|--------------|
| 02 | 102,000 | 15.7 |
| 03 | 18,500 | 2.8 |
| 04 | 272,000 | 41.9 |
| 05 | 50,000 | 7.7 |
| 06 | 81,000 | 12.5 |
| 07 | 11,000 | 1.7 |
| 10 | 53,000 | 8.2 |
| 11 | 45,000 | 6.9 |
| 15 | 5,000 | 0.8 |
| 16 | 12,000 | 1.8 |
| Total | 649,500 | 100.0 |



By components

| Components | Amount in US\$ | % Distr. |
|--------------|-------------------|--------------|
| Experts | 252,000 | 38.8 |
| Training | 388,000 | 59.7 |
| Equipment | 9,500 | 1.5 |
| Total | 649,500 | 100.0 |

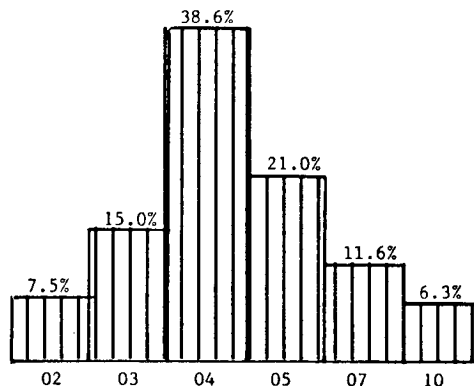


* See table 3 on page 6 for description of sectoral codes.

Diagram 2. Distribution of resources in the RBAP region
 by sectors and components

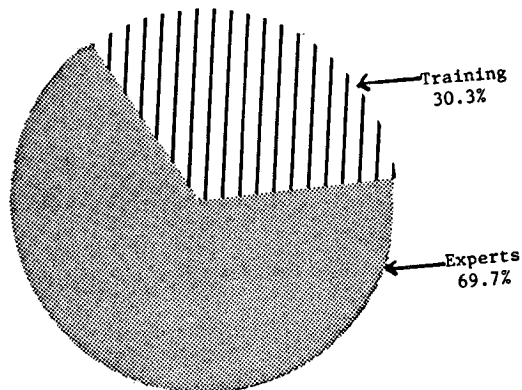
By sectors*

| Sectors | Amount in US\$ | % Distr. |
|--------------|-------------------|--------------|
| 02 | 13,000 | 7.5 |
| 03 | 26,000 | 15.0 |
| 04 | 67,000 | 38.6 |
| 05 | 36,500 | 21.0 |
| 07 | 20,000 | 11.6 |
| 10 | 11,000 | 6.3 |
| TOTAL | 173,500 | 100.0 |



By components

| Components | Amount in US\$ | % Distr. |
|--------------|-------------------|--------------|
| Experts | 121,000 | 69.7 |
| Training | 52,500 | 30.3 |
| Equipment | - | - |
| Total | 173,500 | 100.0 |

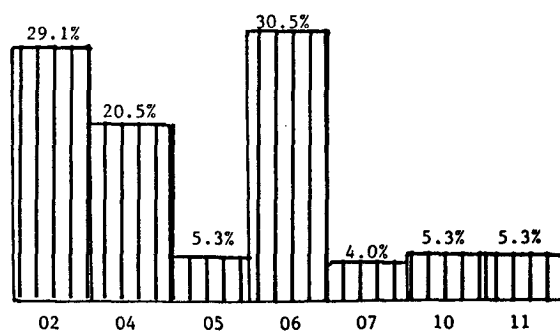


* See table 3 on page 6 for description of sectoral codes.

Diagram 3. Distribution of resources in the RBAS region
 by sectors and components

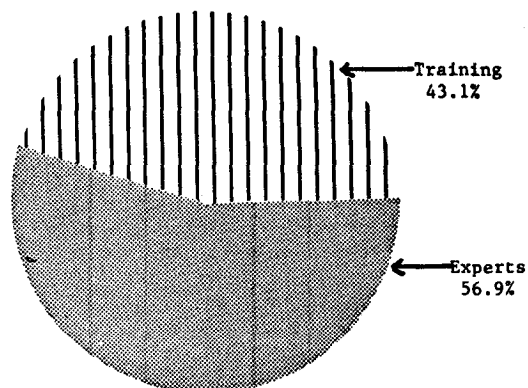
By sectors*

| Sectors | Amount in US\$ | % Distr. |
|---------|-------------------|--------------|
| 02 | 22,000 | 29.1 |
| 04 | 15,500 | 20.5 |
| 05 | 4,000 | 5.3 |
| 06 | 23,000 | 30.5 |
| 07 | 3,000 | 4.0 |
| 10 | 4,000 | 5.3 |
| 11 | 4,000 | 5.3 |
| Total | <u>75,500</u> | <u>100.0</u> |



By components

| Components | Amount in US\$ | % Distr. |
|------------|-------------------|--------------|
| Experts | 43,000 | 56.9 |
| Training | 32,500 | 43.1 |
| Equipment | - | - |
| Total | <u>75,500</u> | <u>100.0</u> |



* See table 3 on page 6 for description of sectoral codes.

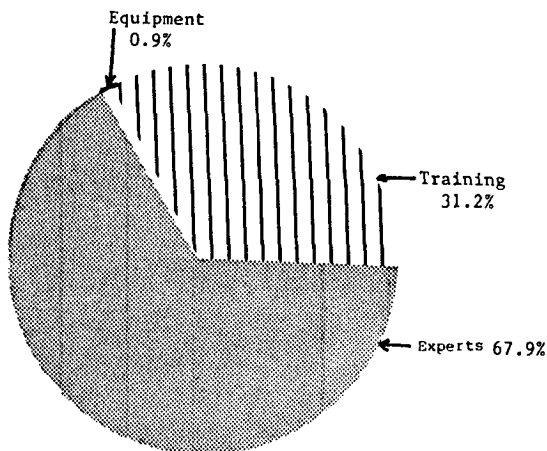
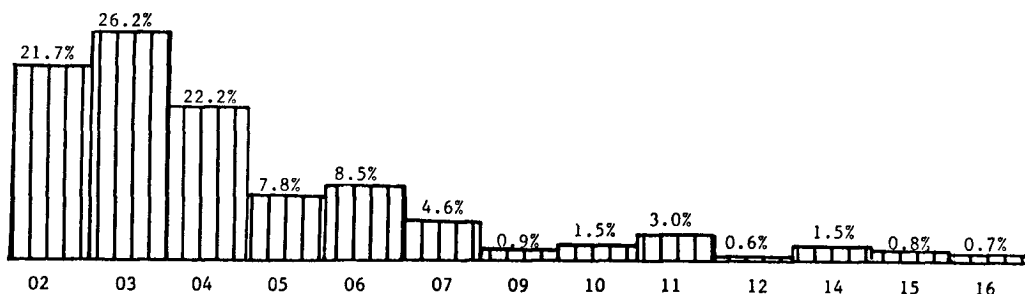
Diagram 4. Distribution of resources in the RBLAC region
 by sectors and components

By sectors*

| Sectors | Amount in US\$ | % Distr. |
|--------------|-----------------------|---------------------|
| 02 | 71,300 | 21.7 |
| 03 | 86,200 | 26.2 |
| 04 | 73,000 | 22.2 |
| 05 | 25,600 | 7.8 |
| 06 | 28,000 | 8.5 |
| 07 | 15,200 | 4.6 |
| 09 | 3,000 | 0.9 |
| 10 | 5,000 | 1.5 |
| 11 | 9,800 | 3.0 |
| 12 | 2,000 | 0.6 |
| 14 | 5,000 | 1.5 |
| 15 | 2,500 | 0.8 |
| 16 | 2,300 | 0.7 |
| Total | <u>328,900</u> | <u>100.0</u> |

By components

| Components | Amount in US\$ | % Distr. |
|--------------|-----------------------|---------------------|
| Experts | 223,200 | 67.9 |
| Training | 102,700 | 31.2 |
| Equipment | 3,000 | 0.9 |
| Total | <u>328,900</u> | <u>100.0</u> |

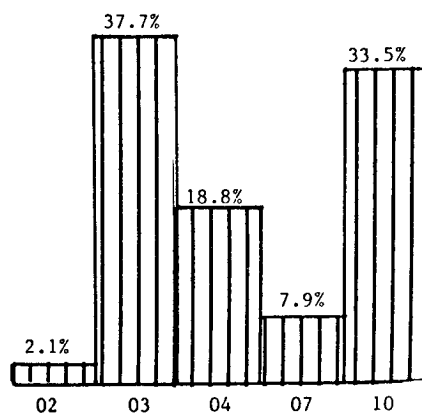


* See table 3 on page 6 for description of sectoral codes.

Diagram 5. Distribution of resources in the U/E region
 by sectors and components

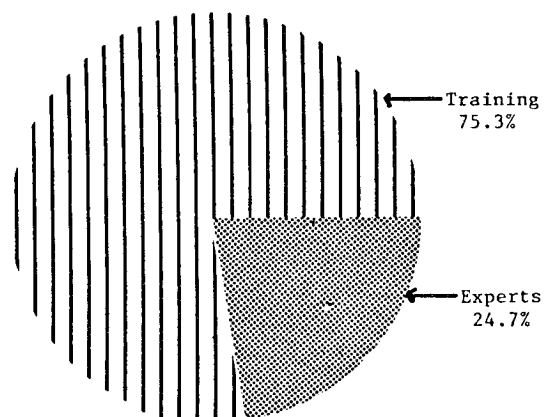
By sectors*

| Sectors | Amount in US\$ | % Distr. |
|---------|-------------------|--------------|
| 02 | 1,000 | 2.1 |
| 03 | 18,000 | 37.7 |
| 04 | 9,000 | 18.8 |
| 07 | 3,800 | 7.9 |
| 10 | 16,000 | 33.5 |
| Total | <u>47,800</u> | <u>100.0</u> |



By components

| Components | Amount in US\$ | % Distr. |
|------------|-------------------|--------------|
| Experts | 11,800 | 24.7 |
| Training | 36,000 | 75.3 |
| Equipment | - | - |
| Total | <u>47,800</u> | <u>100.0</u> |

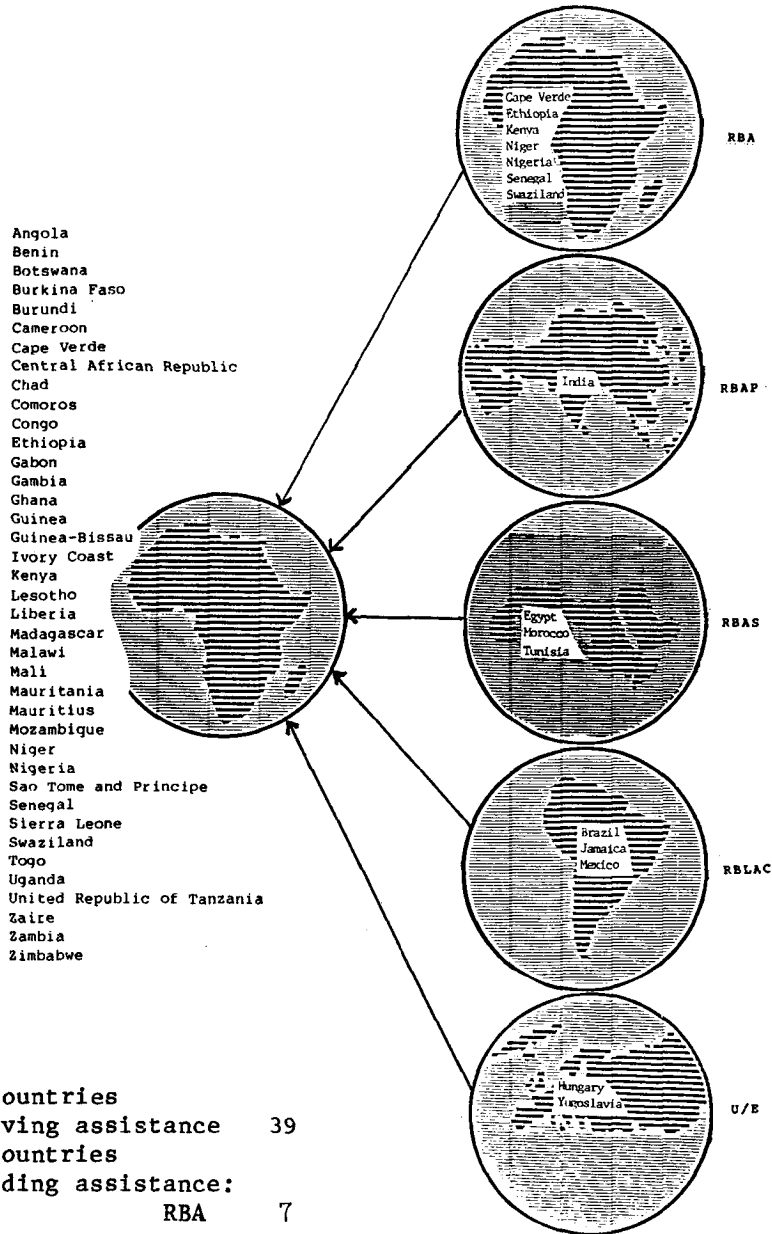


* See table 3 on page 6 for description of sectoral codes.

Diagram 6. TCDC in action - Countries in the RBA region as recipients of aid

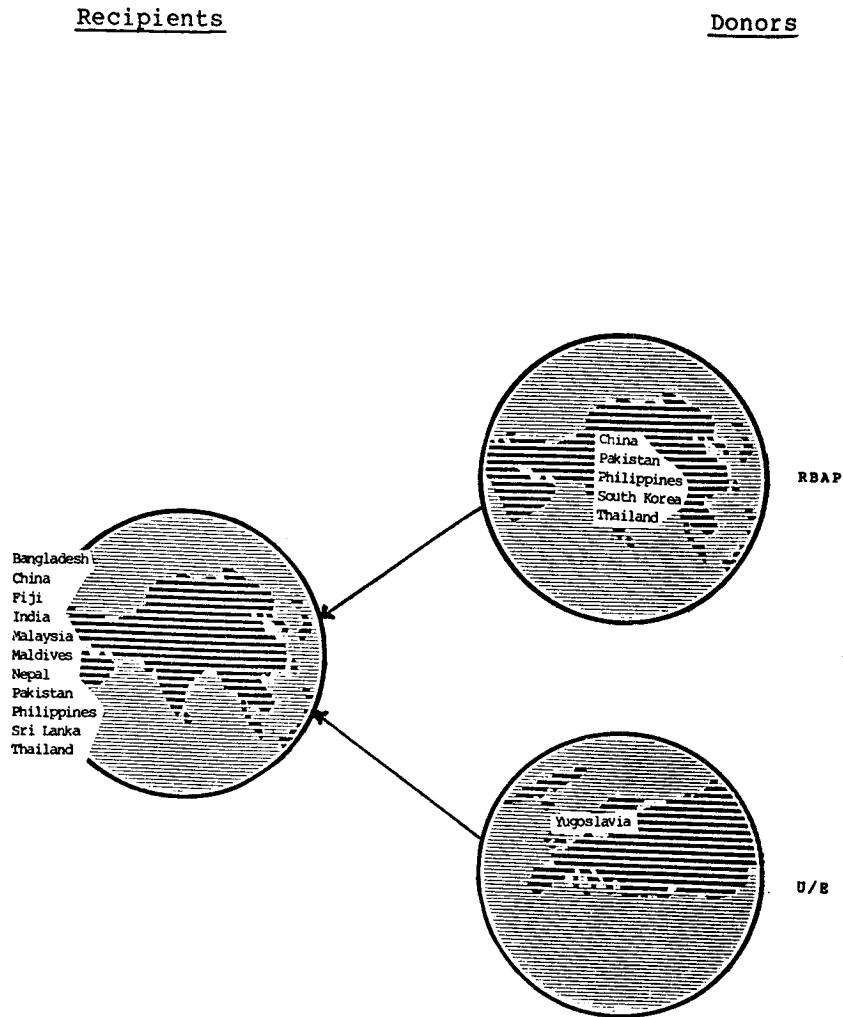
Recipients

Donors



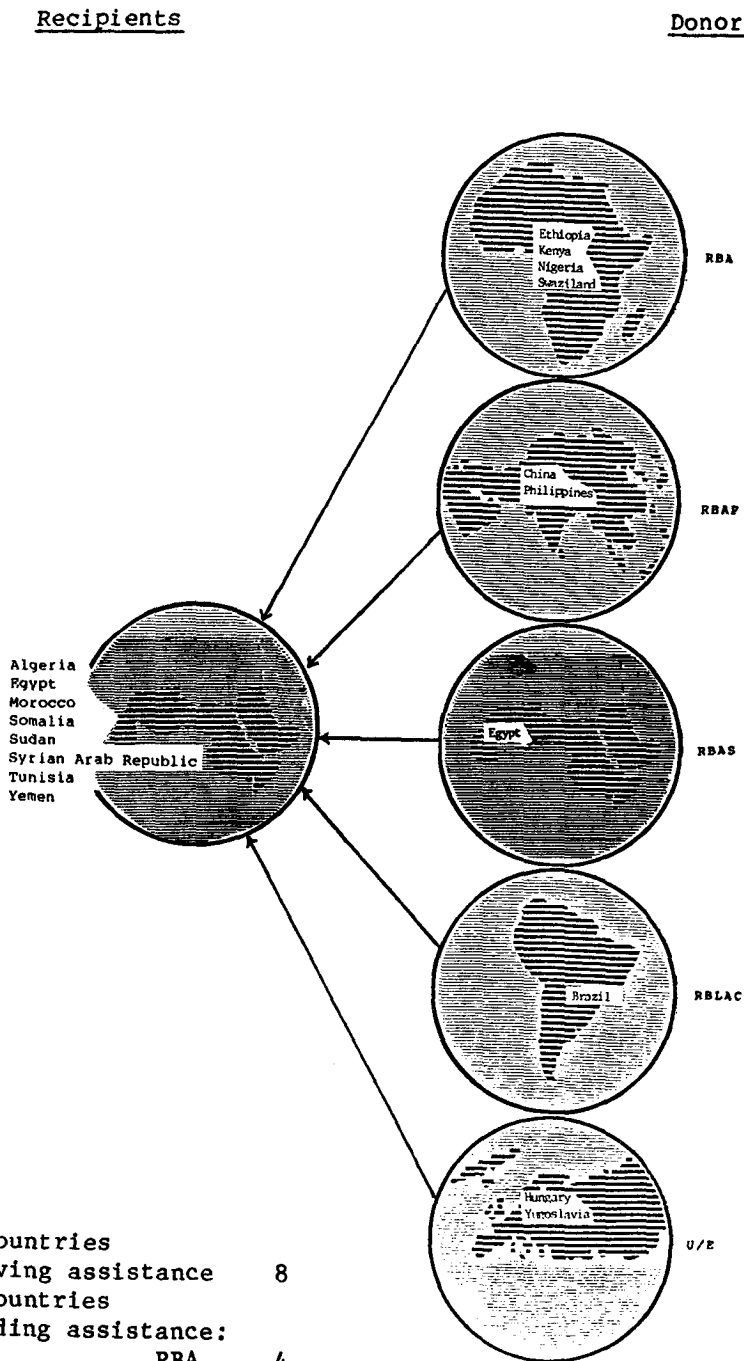
| | |
|--|-----------|
| . No. of countries receiving assistance | 39 |
| . No. of countries providing assistance: | |
| RBA | 7 |
| RBAP | 1 |
| RBAS | 3 |
| RBLAC | 3 |
| U/E | 2 |
| | <u>16</u> |

Diagram 7. TCDC in action - Countries in the RBAP region
 as recipients of aid



| | | |
|-----------------------|------|----------|
| . No. of countries | | |
| receiving assistance | 11 | |
| . No. of countries | | |
| providing assistance: | | |
| | RBAP | 5 |
| | U/E | <u>1</u> |
| | | <u>6</u> |
| | | == |

Diagram 8. TCDC in action - Countries in the RBAS region
 as recipients of aid

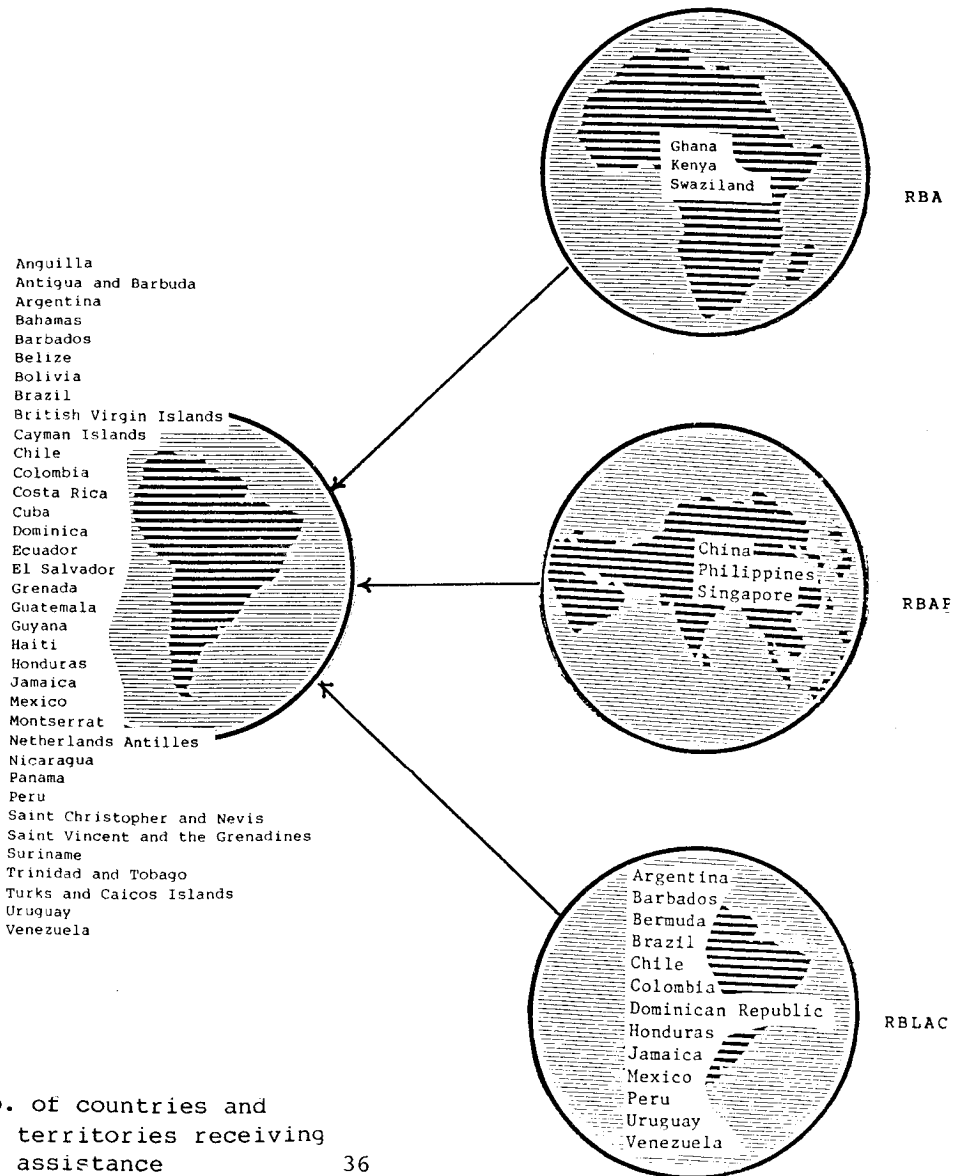


| | |
|--|-----------|
| . No. of countries receiving assistance | 8 |
| . No. of countries providing assistance: | |
| RBA | 4 |
| RBAP | 2 |
| RBAS | 1 |
| RBLAC | 1 |
| U/E | 2 |
| | <u>10</u> |

Diagram 9. TCDC in action - Countries and territories in the RBLAC region as recipients of aid

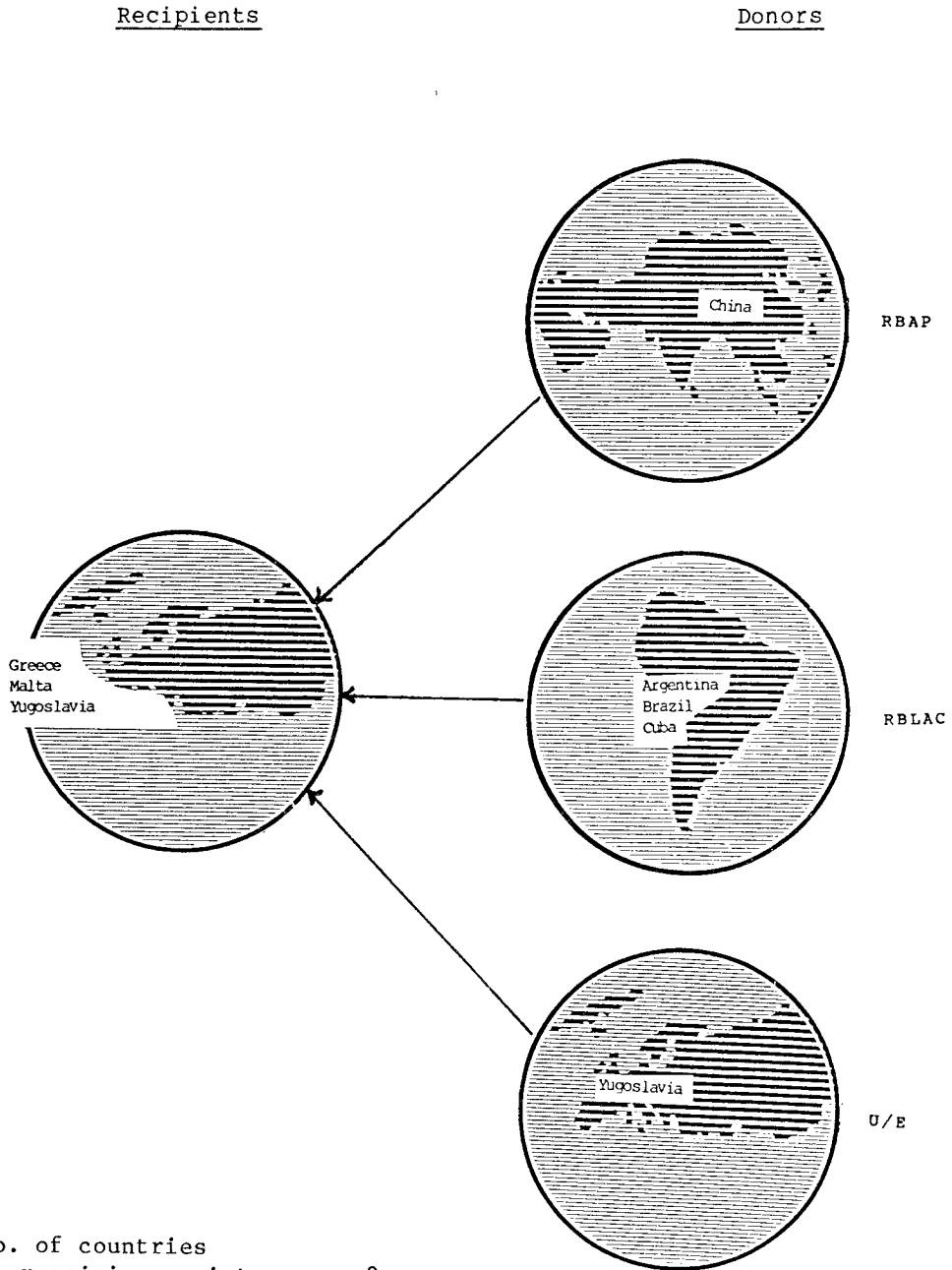
Recipients

Donors



| | |
|---|-----------|
| . No. of countries and territories receiving assistance | 36 |
| . No. of countries providing assistance: | |
| RBA | 3 |
| RBAF | 3 |
| RBLAC | 13 |
| | <u>19</u> |

Diagram 10. TCDC in action - Countries in the U/E region as recipients of aid



| | |
|--|----------|
| . No. of countries receiving assistance | 3 |
| . No. of countries providing assistance: | |
| RBAP | 1 |
| RBLAC | 3 |
| U/E | 1 |
| | <u>5</u> |
