



Technical co-operation among developing countries

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Item 6 of the provisional agenda

USE OF COUNTRY IPFS FOR TCDC ACTIVITIES

Note by the Administrator

1. In paragraph 2 of its decision 3/10, the High-level Committee requested the Governing Council of UNDP, in the light of the inconclusive discussions at the Committee, to permit certain additional flexibilities in the use of country IPFs for TCDC. The Governing Council having considered this decision at its thirtieth session requested the Administrator, in part III of its decision 83/21, to study the consequences of the proposals and to report his conclusions to the Council at its thirty-first session.

2. In response to decision 83/21 of the Governing Council, the Administrator has prepared a report in which he analyses the consequences of the proposals and presents his conclusions. The report (DP/1984/47), which was scheduled to be reviewed by the Governing Council at its thirty-first session, could not receive attention at that session for lack of time. At its special meeting from 19 to 22 February 1985, the Council, while in the process of considering the report, felt that a meaningful consideration of the proposals in decision 3/10 would be facilitated by the views of the High-level Committee on the Administrator's conclusions on the consequences of those proposals. Accordingly, the Council decided to refer document DP/1984/47 to the High-level Committee for review at its fourth session, and to resume its own consideration of the proposals, in the light of the Committee's reactions, at its thirty-second session.

3. In transmitting document DP/1984/47 to the Committee, the Administrator wishes to draw attention to two basic facts: first, the consistency in the Committee's position, and that of the Governing Council, on placing the primary responsibility on the developing countries themselves for financing of activities for TCDC, with the country IPF being considered as a catalyst and supplementary contribution only, as reflected in paragraph 8 (b) (i) of its decision 1/7, paragraph 2 (c) (iii) of its decision 2/9, paragraph 4 (a) of Council decision 80/46 and paragraph 2 (c) (iii) of Council decision 81/31; and, second, the conflict between these decisions and paragraph 2 (a) of the Committee's decision 3/10, which requests the Governing Council to allow the use of country IPFs to cover fully the local currency expenditure on TCDC projects financed from these resources.

4. A similar conflict emerges between the position of the Committee and the Council on the rules with regard to the reimbursement of certain local costs associated with services and materials, which the Government, or national public or private institutions, of the "IPF country" should primarily bear, as reflected in paragraph 2 (f) (i) and (ii) of the Committee's decision 2/9 and paragraph 2 (f) (i) and (ii) of the Council's decision 81/31, on the one hand, and paragraph 2 (b) of the Committee's decision 3/10, on the other.

5. In his report the Administrator has endeavoured to analyse, in the light of the TCDC concepts, and the prevailing legislation adopted to give effect to these concepts in UNDP-supported programmes, the consequences of the adoption of the proposals contained in decision 3/10 of the Committee. The Administrator draws the Committee's attention to paragraph 11 of his report that carry these conclusions.
