The present report has been prepared in response to decision 88/13 of the Governing Council.

After a brief review of the historical perspective and a short description of the criteria and guidelines on technical co-operation among developing countries (TCDC) as approved by the High-level Committee on the Review of Technical Co-operation among Developing Countries and by the Governing Council, the report outlines current status of TCDC in UNDP’s programme policies and procedures, as also the role of TCDC in the programmes and projects being assisted from the country, regional, interregional and global indicative planning figures (IPFs). The status and functions of the Special Unit for TCDC are reviewed together with the use of the Special Programme Resources for promoting TCDC, especially through TCDC programming. The present constraints to the fuller utilization of TCDC modalities are highlighted, and some remedial measures are proposed.

The attention of the Committee is drawn to the proposals for strengthening TCDC in UNDP contained in paragraphs 29 to 40.
I. THE PRESENT SITUATION

A. Historical perspective

1. Although action by UNDP to foster and support TCDC predated the United Nations Conference on TCDC held at Buenos Aires in 1978, the Plan of Action 1/ adopted by that Conference and endorsed by the General Assembly and the United Nations development system as a whole has been and remains the basis of the policies, procedures and activities of UNDP in this area.

2. The Plan of Action in fact recognizes that UNDP, as the principal funding source of technical co-operation within the United Nations development system, has particular responsibility for the promotion and support of TCDC, in close collaboration with the other programmes and organizations of the system. UNDP is required to give the necessary orientation to its activities, programmes and projects to support the objectives of TCDC, namely to foster the national and collective self-reliance of the developing countries by enhancing their creative and technological capacities for development; sharing their human and technical resources; and increasing the quantum and quality of international co-operation.

3. UNDP has been mandated to carry out its responsibilities in respect of TCDC in the following principal ways:

(a) Translating the concept of TCDC into practical terms for the identification, formulation, appraisal and implementation of projects and other activities;

(b) Endeavouring at all levels of the UNDP/agency/Government partnership to have TCDC understood and treated as a valid and potentially cost-effective option among the various means of technical co-operation;

(c) Encouraging and assisting the institution and development of TCDC focal points and their functions within the administrations of UNDP itself and the other organizations of the United Nations system, Governments, intergovernmental organizations and non-governmental organizations (NGOs);

(d) Assisting the Governments of developing countries to organize and carry out TCDC programming at the subregional, regional and interregional levels;

(e) Providing for the use of country, regional, interregional and global IPFs in support of TCDC projects or components of projects;

(f) Developing, computerizing and expanding an information referral service (INRES-South) and fostering its use as a source accessible to all concerned of information on TCDC capacities in the developing countries;

(g) Providing funds from Special Programme Resources for catalytic support to specific TCDC activities, for training seminars and for intercountry programming;
(h) Seeking information on additional resources outside the United Nations system;

(i) Substantive servicing of the High-level Committee on the Review of Technical Co-operation among Developing Countries;

(j) Maintaining public information programmes on TCDC.

4. The results of these endeavours to date - and the constraints which have limited their effectiveness and scope - are described briefly below.

B. Criteria and guidelines

5. On the basis of guidelines approved by the High-level Committee (decision 2/9) and adopted by the Governing Council (decision 81/31), a TCDC project or activity should include the following characteristics:

(a) It should involve the deliberate and voluntary sharing or exchange of technical resources, skills and capabilities among two or more developing countries for their individual or mutual benefit;

(b) It should be initiated, organized and managed primarily by developing countries themselves;

(c) The financing and other project inputs should be the primary responsibility of developing countries themselves, with contributions from developed countries and United Nations system sources playing only a supplementary and catalytic role.

6. A distinction is drawn between promotional and operational TCDC activities. The former are preparatory activities such as those aimed at identifying opportunities for TCDC, advising on modalities for project formulation or otherwise preparing the ground for operational activities. They may be executed by Governments, intergovernmental organizations, UNDP or other United Nations organizations or NGOs. Operational TCDC activities, on the other hand, are executed by the developing countries concerned, with minimum support from third parties when necessary.

7. Not only is UNDP support for TCDC - including financial support applied within the framework of country, regional and interregional programming against the relevant IPFs; it also goes beyond the IPF framework into assistance in the identification and formulation of TCDC projects and activities that are carried out by the developing countries concerned with little or no call on their IPF resources.

C. IPF programming and projects

8. UNDP has endeavoured to incorporate the TCDC element into all its procedures for country, regional, interregional and global programming and project
identification, formulation, appraisal, approval and implementation, including the reporting and evaluation aspects of implementation.

9. In principle, a TCDC project or activity intended to involve UNDP support within the country programme begins with the Government concerned identifying it as suited to the TCDC approach in whole or in part. It may do this on its own initiative or at the suggestion of the resident representative or an agency representative or as the outcome of intercountry consultations on technical co-operation. While responsibility for opting for the TCDC modality rests wholly with the recipient Government, UNDP procedures in effect expect the resident representative and the Regional Bureau concerned to ensure that, if there are sufficiently clear possibilities of using TCDC resources in an effective manner, they are adequately explored. The procedures also provide for TCDC potential and opportunities to be taken into account at all stages of project design, implementation and follow-up.

10. The same approach generally applies to regional, interregional and global programming and project design and implementation.

11. At both the country and the regional levels, IPFs may be used to finance the TCDC projects (or TCDC components of projects) that are included in UNDP programmes so long as they conform to the definitions given above and the normal criteria for UNDP-assisted projects. The only limitation that has been imposed on the use of IPF resources (and this only at the country programme level) has been to restrict to 10 per cent or $7.5 million, whichever is smaller, the proportion of the IPF which the developing country concerned wished to earmark in the third programme cycle for TCDC activities of benefit to one or more developing countries (Governing Council decision 81/31). This was intended as an experimental arrangement until its impact on the country IPF system as a whole could be determined. There is no financial limit on the amount of IPF resources that a country may apply when the country itself is the beneficiary.

12. Country IPFs may be and are used to provide selected inputs from the country providing the IPF resource, selected inputs of other developing countries and, where necessary, international inputs of the traditional kinds. Thus IPF resources can cover home-country and duty-station costs of experts provided by the immediate partners in the TCDC activity, including replacement staff where appropriate; fellowship stipends and allowances; costs of transportation, training courses, seminars and study tours; support costs of internationally acquired expert, consultancies and other contractual services; and costs of equipment, materials and supplies acquired in the participating or other countries. In the least developed countries, IPF resources may also be used to provide additional facilities and services such as buildings, vehicles and support staff. Payments and reimbursements are made in the normal currencies of expenditure on the inputs concerned.

13. The same principles apply to regional and interregional IPF programmes.

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D. Assistance outside IPFs

14. Beyond the IPF system, the Governing Council has since 1979 approved a total of $11.75 million from Special Programme Resources for the promotion of action-oriented TCDC activities whose implementation is usually funded by the developing countries themselves. The larger part of these additional UNDP resources has been devoted to the continuing interregional project INT/83/904. This project, for which the Office for Projects Execution (now renamed the "Office for Project Services") serves as executing agency and provides direct support at the intercountry level by such means as training and the exchange of expertise and assistance in the organization of TCDC programming, as well as catalytic support to specific TCDC projects and activities. Part of the Special Programme Resources has also been used to carry out studies and to provide documentation and information support.

E. Special Unit for TCDC

15. While the task of promoting and supporting TCDC rests with UNDP as a whole, the Special Unit for TCDC has particular tasks which were revised and expanded after the Buenos Aires Conference in accordance with Governing Council decision 79/29. These responsibilities fall both within and beyond the range of UNDP programming as such.

16. The principal functions thus mandated to the Special Unit are as follows:

(a) To assist developing countries in TCDC programming and other activities;

(b) To develop new ideas, concepts and approaches for promoting TCDC, on the basis of substantive studies and analyses;

(c) To serve as the secretariat of the High-level Committee;

(d) To co-ordinate the TCDC activities of UNDP with those of the United Nations development system;

(e) To prepare modifications in the policies, rules and procedures of UNDP to improve its capacity to implement TCDC;

(f) To support Governments in strengthening their institutional and procedural arrangements for TCDC;

(g) To mobilize financial resources for TCDC projects;

(h) To prepare and carry out training programmes on TCDC;

(i) To expand and strengthen INRES and promote its use;

(j) To lend support to public information programmes on TCDC.
F. Results and constraints

17. Although far from complete and uniform, the information available to the Administrator shows that the efforts of UNDP in support of TCDC have added to a modest but promising extent to the totality of technical co-operation among developing countries.

18. It needs to be borne in mind that the actions of UNDP form part of a long-standing and far more widespread sharing of skills and experience initiated and executed primarily by the developing countries themselves. Beginning among countries with close political, economic, linguistic and geographical links, this process has grown steadily in substantive and geographical scope as more and more countries have brought their development institutions and skilled human resources to the stage where they can supply and in many cases exchange a wide variety of skills within their regions and, increasingly, from one region to another. The developing countries are the prime movers and the primary suppliers of resources in this process; the role of the United Nations development system - and in the present context UNDP in particular - is to support and assist them to the fullest extent that their priorities demand, their needs require and the resources of UNDP in matters of co-ordination, advice, innovation and finance permit.

19. It is not possible to quantify in any meaningful way the exact contribution which the efforts of UNDP have made to the flow of TCDC. A most necessary but hardly tangible endeavour has been that of establishing at all relevant levels of activity an awareness of TCDC as a modality of technical co-operation that is often more appropriate and timely than the still prevalent traditional forms and invariably less expensive. Institutional arrangements and procedures intended to develop this awareness, to facilitate the use of TCDC and to foster new approaches and techniques have been established within UNDP, from the headquarters to the field, and between UNDP and its partners in the United Nations system.

20. The IPF-financed programmes as a whole have contained a small and slowly growing component of TCDC projects and activities, except at the regional level. In country programming, the largest IPF sector, the number of countries using IPFs for TCDC activities rose from 17 in the period 1982-1984 to 30 in 1985-1986, but their TCDC commitments represented less than 4 per cent of their total IPF expenditure for the latter period, and only 1.42 per cent of the IPF utilization of all countries. This result cannot, however, be taken as an accurate reflection of the countries' interest and participation in TCDC as such, for in many countries TCDC figures largely in their total development assistance exclusive of UNDP funding. It is to be noted, also, that the opportunity to earmark up to 10 per cent of the IPF (to a maximum of $7.5 million) for TCDC activities of benefit to other countries has been used by only a few Governments and in no case to its full extent.

21. At the regional level, more than one quarter of total IPF expenditures in 1985-1986 were identified by the Regional Bureaux as TCDC. This result reflected, in large part, the growth of subregional and regional development institutions, as well as of national institutions capable of providing training and expert assistance to other countries. Among regions, however, the incidence of TCDC was uneven.
22. In the IPF-based interregional and global programmes, slightly more than 5 per cent of total expenditures went to TCDC activities. Several of the international centres, programmes and networks being supported from the interregional and global IPFs are providing a mechanism for, and are themselves promoting a considerably greater amount of, TCDC-related activities.

23. Beyond the IPF-based programmes, the use of Special Programme Resources for action-oriented TCDC promotional activities has had positive results in three main areas: seminars and other types of orientation and training in TCDC policies and procedures for government officials concerned with their countries' TCDC activities; catalytic support for urgent, action-oriented TCDC projects and activities; and TCDC programming among groups of countries on a regional and interregional basis. More than 1,100 operational TCDC projects, mostly small in scale, have been developed in this way among about 80 developing countries.

24. Projects and other activities selected by Governments for UNDP support or identified with UNDP assistance have proved extremely wide in method and scope. Several Governments have made use of umbrella projects in order to programme a range of activities continuously. A great deal of the work consists of various types of training of personnel in institutions, workshops and study tours.

25. INRES-South has been developed from an improvised directory to a computerized service containing more than 40,000 entries relating to some 3,500 institutions in over 100 developing countries through which training and expertise can be provided. It is being continuously updated and linked with other data banks in and outside the United Nations system. The use of INRES has increased perceptibly, with the number of inquiries received by it having almost tripled in 1987 to about 100 a month.

26. A public information programme on TCDC, including the periodical "Co-operation South", has also been maintained and improved.

27. From the experience gained so far, the Administrator believes that the main obstacles to increased use of TCDC modalities in technical co-operation activities supported directly or indirectly by UNDP lie in the familiar area of inadequate understanding of the potential effectiveness of TCDC, inadequate knowledge of the specific TCDC resources that are available and inadequate care and skill in applying that understanding and knowledge to the practical tasks of project identification and development. It is true that there are also financial constraints, but they are not to be found within the IPF-based country, regional and interregional programming processes so much as in the availability of resources needed to improve understanding, knowledge and application of the TCDC modalities in the work of UNDP, agencies and Governments.

28. The foregoing forms the basis for the proposals for further action set out below. In formulating these proposals, the Administrator has taken into account the relevant recommendations of the High-level Committee 2/ and the Joint Inspection Unit 3/ and the comments on the latter by the Administrative Committee on Co-ordination. 4/
II. STRENGTHENING OF UNDP ACTION

A. IPF-based programmes and projects

29. The Administrator considers that more intensive efforts must be made, from the earliest stages of country and regional programming and project formulation, to identify projects or activities that lend themselves wholly or in part to the use of TCDC.

30. The objective will be to ascertain with the Government or Governments concerned which of the general areas and specific projects and activities contemplated for inclusion in the UNDP-assisted programmes could feasibly be carried out under TCDC arrangements. Such arrangements would normally be the financial and executing responsibility of the Governments concerned. If both the donor and the recipient country could fully meet the needs of a given project, it would obviously not find a place in the relevant UNDP programme. In the case of many developing countries, however, as experience has shown so far, there may well be a need for catalytic action or supplementary support from the IPF for the intergovernmental action required.

31. With the agreement of the Government concerned, this kind of attention to TCDC possibilities will be given in a positive and conscious manner even at that stage of programming where proposals are conceptual and not formulated as precise projects or activities. In the formulation and implementation stages and in the review of ongoing projects and proposed extensions, further deliberate consideration will be given to the use of TCDC inputs. The current form and check-lists, which include TCDC in a list of global priorities to be taken into account, will be modified in such a way as to require resident representatives and regional bureaux to signify that the TCDC factor as a modality for implementation has been deliberately examined to the full extent agreed by the Government.

32. In country programming, the Government's willingness and its access to TCDC resources will obviously be the decisive elements in these processes. The responsibility within UNDP will fall primarily on the resident representative, with the assistance of the competent agency representatives. Most UNDP-assisted TCDC activities have so far been within the range of the approval authority of the resident representatives. Assistance and advice will be available to the resident representative from the regional bureau concerned and particularly from the Special Unit for TCDC.

33. In regional programmes, the Governments concerned must again have the decisive voice, while UNDP's share of the responsibility for examining TCDC potential will be undertaken by the regional bureaux with the assistance and co-operation of the Special Unit for TCDC and other UNDP headquarters units, the resident representatives and agencies. Under similar arrangements, the Division for Global and Interregional Programmes will bear this responsibility in the case of the programmes and projects at that level.

34. The Administrator recognizes that with some exceptions UNDP and the agencies, especially at the country level where the responsibility for these actions must
chiefly fall, are not yet by any means adequately equipped to carry out their tasks as effectively as they desire. The same situation applies in many Governments of developing countries, including several which at their present stage of development could derive the most benefit from TCDC. At the country level especially, the problem is not only one of lack of understanding and appreciation of the role of TCDC, nor of habitual reliance on traditional modes of technical co-operation. A most serious aspect of the problem is the lack of knowledge of specific TCDC resources and the means of access to those resources. This difficulty is less acute where intergovernmental institutions and other arrangements at the regional and interregional levels are in effect providing TCDC to the participating countries and often to other countries as well. But their fields of activity and their services can respond only to a part of the needs of many developing countries, meaning that the problem of obtaining knowledge of and access to TCDC remains a serious one. The Administrator recognizes the responsibility and opportunity of UNDP to help to resolve these difficulties, and his proposals for action are set out below.

35. The Administrator believes that, over the long term, the positive factoring-in of the TCDC element in UNDP programming could contribute, at least in some countries, to meeting the frequently expressed desire of the governing bodies to see country programming used as a framework for the broader programming of technical co-operation. While it is recognized that combined programming even of the resources of the United Nations system itself is far from an accomplished fact, UNDP and the United Nations system as a whole will need, for immediate purposes, to acquire a body of knowledge of TCDC resources that should also be used to help the developing countries to enlarge the technical co-operation activities that they have developed among themselves. The UNDP country programming carried out with the TCDC factor kept systematically in view and supported by further action-oriented promotional activities, could help in this direction.

B. Requirements

36. The Administrator considers that the following actions would need to be taken by UNDP to strengthen its capacity to promote and support TCDC:

   (a) Briefing, orientation and training: the preparation and use of improved briefing, orientation and training programmes in TCDC approaches, methods and resources for UNDP field and headquarters staff, agency field and headquarters staff and government officials (especially in the least developed countries) involved in country and regional programming and project development and officials of intergovernmental organizations and NGOs concerned with technical co-operation matters;

   (b) Identification of and access to TCDC: the continuation and expansion of UNDP promotional assistance to developing countries through TCDC programming exercises; further promotional support in respect of specific TCDC activities; the undertaking of country-based studies of opportunities for and obstacles to the wider use of TCDC resources, especially in Africa; the study and development of additional innovative approaches to and methods of TCDC; the continued development

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of INRES-South as an authoritative source of information on TCDC resources and the facilitation of access to it by Governments, resident representatives and agencies; and a review of existing UNDP-supported regional and subregional institutions as a basis for action to ensure their proper management by the Governments concerned and their functioning as sources and instruments of TCDC;

(c) **Policies and procedures:** the further revision of UNDP policies and procedures to ensure, as described above, the positive consideration, at all stages of programming and project development, of the use of TCDC;

(d) **Institutional:** the staffing of the Special Unit for TCDC at a level commensurate with its responsibilities for substantive support and co-ordination of the actions described above, together with its other functions.

37. As a result of budgetary constraints, especially those affecting the staffing of UNDP, the strength of the Special Unit has, since 1982, admittedly remained below the level approved by the Governing Council in 1979 (decision 79/29). The same factors have constrained the Administrator's ability to restore the staffing of the unit to the level determined desirable by the review undertaken by him in 1984 at the request of the Council. Nevertheless, efforts have been made to support the unit by temporary detailing to it staff awaiting reassignment and by the use of consultants. The Administrator is conscious that more satisfactory arrangements must continue to evolve to endow the Special Unit with the capacity to deal with the increasing momentum and scale of activities that it has helped to generate. He is also conscious of the fact that some functions to which importance is attached in the Plan of Action 1/ and which remain critical to the enhancement of UNDP action in support of TCDC need to be given greater attention. These include, notably, the strengthening of TCDC focal points of Governments of developing countries, especially the least developed countries, the intensification and expansion of the activities in the area of orientation and training and in the further development of co-operation with agencies and intergovernmental and non-governmental organizations. In addition, it is desirable to undertake studies necessary to the development of new ideas and approaches that will help UNDP to expand its actions in support of TCDC. Approval by the Governing Council of the actions now being proposed by the Administrator will allow him to plan and programme the implementation of these activities, to determine the staffing levels required and to allocate the necessary funds from Special Programme Resources until provision can be made in the administrative budget for the longer term.

C. **Financing**

38. The Administrator recommends that the existing provisions for the use of country IPFs for TCDC projects and activities within the country programmes should continue in effect.

39. For TCDC to permeate further into the regional, interregional, and global programmes and in response to General Assembly resolution 42/180, paragraph 11, the Administrator proposes that renewed efforts be made to increase the utilization of
TCDC modalities in various projects or project components financed from the regional, interregional and global IPFs in the fourth programming cycle.

40. The Administrator is making recommendations, in another document before the Governing Council, on the future use of Special Programme Resources and the allocation of further resources for TCDC purposes.

Notes


2/ A/42/39, decisions 5/2, 5/5, 5/6, 5/8, 5/9, 5/10.

3/ A/40/656.

4/ A/40/656/Add.1.