



A STUDY OF THE CAPACITY OF THE UNITED NATIONS DEVELOPMENT SYSTEM

Volume II

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Volume II

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PART II

CHARACTER AND CONTENT OF THE PROGRAMME

Chapter Two

THE FIRST TWENTY-FIVE YEARS

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Chapter Two

THE FIRST TWENTY-FIVE YEARS

"And there is nothing left remarkable
Beneath the visiting moon."

- Shakespeare, Antony and Cleopatra

I. INTRODUCTION

1. The capacity of the UN organizations to assist the process of development must be seen in its historical setting; firstly, with regard to the general attitudes toward development and foreign aid prevailing during the time in which the UN system was being evolved; secondly, in relation to the evolution of the functions and organization of the UN and the Specialized Agencies; and thirdly, in the context of the emergence of independent developing countries on the world scene.

2. An academic and detailed analysis is not intended but rather a general description, highlighting the main features of the period, and demonstrating how events during the last twenty-five years have now created a major dilemma for governments.

II. THE GENERAL FRAMEWORK OF AID FOR DEVELOPMENT

3. UN activities in development assistance would almost certainly not have assumed the importance they did had they not grown up against a background of expanding foreign aid for development throughout the 1950's and during the early 1960's, and of increasing realization of the scale of the needs as more and more former colonies achieved independence. Indeed, the concept of assisting less-privileged countries to accelerate their progress might be singled out as one of the main themes of our era. However, this theme emerged only gradually over a period of time and underwent a number of variations. It originated in UNRRA and in the international economic and social co-operation embarked upon in the aftermath of the Second World War. The main goal at that time was relief, followed by assistance in the work of reconstruction and rehabilitation after the devastations of war. Support for development was not the primary objective. This was also true of Marshall Aid, which thus differs in a very fundamental way from the later development programmes to which it is constantly held up as an example; moreover, by and large, it was a programme of assistance from the developed to the developed.

4. The transition towards the concept of aid for development purposes began early on with GA resolution 52(I) and 58(I) (1946) and ECOSOC resolution 51(V) of ECOSOC (1947) instructing the Secretary-General to establish machinery for providing expert assistance to Member

Governments. Another major step was President Truman's historic inaugural address in 1949 which led to the creation of "Point IV" and, one year later, to the Act for International Development. During the 1950's, the concept steadily gained support through the rapid growth in bilateral programmes, especially during the second part of the decade.

5. In some ways, the concept of aid became formalized, for example, in the discussion of one per cent of national income as the target to which developed countries should aspire when allocating resources to help the Third World.^{1/} Partly as a result of the tremendous surge in the number and size of bilateral programmes, co-ordinating bodies such as the Development Assistance Committee of OECD were created. Yet, although the theme was constant, its interpretation varied widely from one donor to another. The United States' Act for International Development, establishing Point IV, had defined its motives as charitable, economic and strategic. Other programmes adopted one or more of these as their leitmotiv. Some saw it as a means of exerting political, strategic, economic or cultural influence, or of finding new markets for their own expanding economies; in other countries, usually former colonial powers, the paternalistic note was still apparent, although the child had come of age; in others again, economic and social misery were seen as the root cause of disorder and war, which must be eradicated; in a few cases, the moral aspects took precedence and development was seen as a desirable end in itself; and even those sceptical about the effectiveness of aid as an instrument of development embarked on programmes as a matter of political necessity.

6. Thus, although the ultimate objective was the same in all cases - development - the motives prompting the provision of aid for this end varied considerably from one donor to another and even in many individual instances were not well defined. Although development assistance had grown from small beginnings into a large-scale activity, considerable confusion and uncertainty still persisted about the nature of foreign aid; it was aggravated by the constant and illusory search for some magic formula for development, epitomized in a series of slogans which went in and out of fashion as the years went by, and by the proliferation of mechanisms for providing assistance. This, in turn, led to a blurring of the image of development aid in the eyes of public opinion which, to a large extent, determines the amount of support to be given to it.

^{1/} As a matter of historical interest, the idea of "one per cent" arose much earlier. It appears to have originated with Mr. Harry Dexter White, after a lunch with Lord Keynes in September 1943, and was applied to the UNRRA operation.

III. THE EVOLUTION OF UN STRUCTURES FOR DEVELOPMENT ASSISTANCE

7. Such problems were by no means confined to the bilateral providers of development aid.

8. In the initial debates about the form the UN should take, development assistance had not loomed large. The UN was also conceived in the midst of the Second World War and, although international co-operation was to be the corner-stone, the primary goal was security, defined in its narrowest sense. This is not to say that no attention was paid to the economic and social aspects but rather that they were given secondary importance. ECOSOC, after all, has existed from the outset but, according to E. Stettinius, it was only the insistence of the United States at the Yalta Conference that secured agreement for its creation, the other Great Powers being less convinced of the need for an organization that was broader in concept than a security body. ^{1/} But at San Francisco a few months later, the strengthening of the economic and social chapter of the Charter derived from the recognition that wars might be prevented not only by international action but also by the removal of the conditions of poverty and deprivation which make them possible.

9. The Charter foresaw the need for Members to pledge themselves to take joint and separate action in co-operation with the organization for the purpose of international economic and social co-operation. Nevertheless, there was little awareness at that time that the new organization would launch operational activities of a development nature on a long-term basis. ^{2/}

10. Development operations were also relegated to second place by the founders of the various Specialized Agencies created around the same period to encourage international co-operation of a sectoral kind in areas such as agriculture, education, health and civil aviation; the International Labour Office (ILO), the International Telecommunications Union (ITU) and the Universal Postal Union (UPU) had, of course, existed since long before the war. ^{3/}

^{1/} E. Stettinius The Yalta Conference, page 25.

^{2/} The first major action in international economic and social co-operation, UNRRA, was set up to provide relief and rehabilitation after the destruction of the Second World War. When it was coming to an end, independent successor organizations were established, notably UNICEF and IRO, to deal with some of the problems still unsolved. The UN itself at first remained on the periphery of these actions; the Economic Commission for Europe was concerned with policy for reconstruction, and was not action-oriented. IBRD also was already in operation but its activities at that time were mainly directed towards reconstruction and emergency work; development financing came later.

^{3/} Table 1 in Appendix Six in Part V gives the dates of creation of the various Specialized Agencies of the United Nations.

In their early days, the Agencies were seen more as clearing houses of information, designed primarily to organize international co-operation, harmonize policy, promote research and set standards in their respective fields rather than to engage in operational activities (though the World Health Organization (WHO) was an exception, having from the outset included in its mandate responsibility for technical assistance to Member Governments).

11. Yet, despite this limitation in concept upon which each had been founded, the UN system of organizations could not remain indifferent to the needs of a rapidly changing and decolonizing world.

12. For the dedicated advocates of development, the UN seemed peculiarly suited to meet these needs: in their eyes, the Charter had sent out a clarion call to all the nations of the world to unite together in solving their common economic and social problems. The fanfare had aroused equally stirring echoes among the newly-independent countries, who found both inspiration and hope in the ideals of the Charter and expressed their needs and aspirations in a steady flow of strongly-phrased resolutions from ECOSOC and its dependent Commissions, both functional and regional. These set a pattern for international action and policy for a decade.

13. The UN channel had other advantages to commend it. It could provide political objectivity, access to resources of all Member States on a virtually world-wide basis, and a multilateral channel for a form of mutual co-operation in which both developed and developing countries could take part on equal and mutually agreed terms. It had a special interest in the welfare of the newly-independent countries, which, in some cases, it had helped into the world, and which desperately needed assistance in finding their feet. And, given its responsibility for ensuring universal peace and security, it was appropriate that it should help to alleviate the conditions of poverty, sickness and hunger which, in the eyes of many, were a basic cause of strife.

14. The response of the UN system to this new opportunity - tentative, ad hoc and experimental as it was - represented the beginning of what must be regarded as a major revolution in the concept of the role of the UN organizations in a dynamic world of rapid economic and social change. New programmes were initiated, new operational units were established and additional financial commitments were made to enable the UN system to enter the field of direct support to development.

15. The breadth of UN activities and the number of its sectoral arms have expanded greatly since the founding of the UN itself. ^{1/} Its own membership has increased from the forty-six sponsoring and invited governments at San Francisco (later increased to fifty-one)

^{1/} See Tables 1, 2 and 3 in Appendix Six in Part V.

to 126; the UN budget has grown from US\$44 million in 1950 to an estimated US\$151 million in 1969; while the combined budgets of the Specialized Agencies (IBRD group not included) increased over the same period from US\$28 million to US\$209 million. Graph No. 2.1 illustrates the growth of these regular budgets from 1950 to 1969 and, by comparison that of voluntary pledges to EPTA, the Special Fund and UNDP. 1/ The practical impact of decisions taken some twenty years ago in such different circumstances has necessarily multiplied proportionately.

16. It was against this background of rapid growth and great interest in aid for development, on the one hand, and of the broadening of the machinery and the activities of the UN and Specialized Agencies on the other, that the international organizations entered the development arena. Thus, the UN pioneered many of the early advances in theory through certain of the functional commissions of ECOSOC and through the groups of experts set up by the Secretary-General to consider measures for economic development and stability. It also sponsored the early field work of organizing advisory missions.

17. The purposes and the numbers of the resolutions marking the main stages of the evolution of UN activities in this sphere are given in Table 1 of Appendix Six in Part V. The following paragraphs trace the main trends running through this process and forming the character of UN programmes.

18. In the early years of post-war co-operation, the regular budgets of some of the Agencies were the only source of direct UN assistance to Member Governments in the various economic and social sectors. However, the scope and financial resources of such activities were greatly limited, except in the case of WHO, and even here their scale in relation to the size of the problem was not great. At the General Assembly meeting in 1948, 2/ an important step was taken towards the widening of such UN activities by the adoption of a resolution authorizing technical assistance to be carried out by the Secretary-General of the UN, in addition to the programme already undertaken by the Specialized Agencies.

19. But the first significant advance toward a concentrated and large-scale effort by the UN organizations on behalf of the developing countries came with the creation of the Expanded Programme for Technical Assistance (EPTA) in 1949 3/ financed, like the Special Fund and UNDP later, from voluntary contributions pledged annually by Member Governments.

1/ More details can be found in Table 4 in Appendix Six in Part V.

2/ GA resolution 200(III).

3/ ECOSOC resolution 222(IX); GA resolution 304(IV).

The enabling resolution specified that the knowledge and facilities of the Specialized Agencies should be fully drawn upon by the new programme. This gave occasion for renewing the debate between centralists and decentralists which has attended all the major changes in the evolution of the UN system. There were some who felt that the new programme should centre on the UN and that the Agencies should be considered merely as agents of the programme. Protagonists of the other view considered that the Agencies should participate on a full and equal basis, as they were already doing in the Administrative Committee on Co-ordination. After long and arduous debate, an agreement was reached which secured the position of sectoral interests within a loose framework providing but little recognition for the common purpose of development. This arrangement, which established the Technical Assistance Board (TAB) with an Executive Secretary and a Chairman, representing the Secretary-General, but without authority, lasted until 1952 when an Executive Chairman's post was established. The new programme was to be directed by TAB, which was composed of representatives of all the Specialized Agencies and headed by an independent Executive Chairman. At the inter-governmental level, the programme's policies were decided by the Technical Assistance Committee of ECOSOC. However, the Executive Chairman's independence and powers were severely limited by the fact that he had control over only a contingency fund, whereas the main bulk of the budget was distributed between the Agencies by a system of shares. The apportionment of the contingency fund was in practice also decided collectively on the same shared basis.

20. This pattern of responsibility for the utilization of financial resources was a reflection of attitudes adopted in the early post-war period when the international institutions were established within the limited concept of their role as then conceived and to which reference is made in paragraph 10 above.

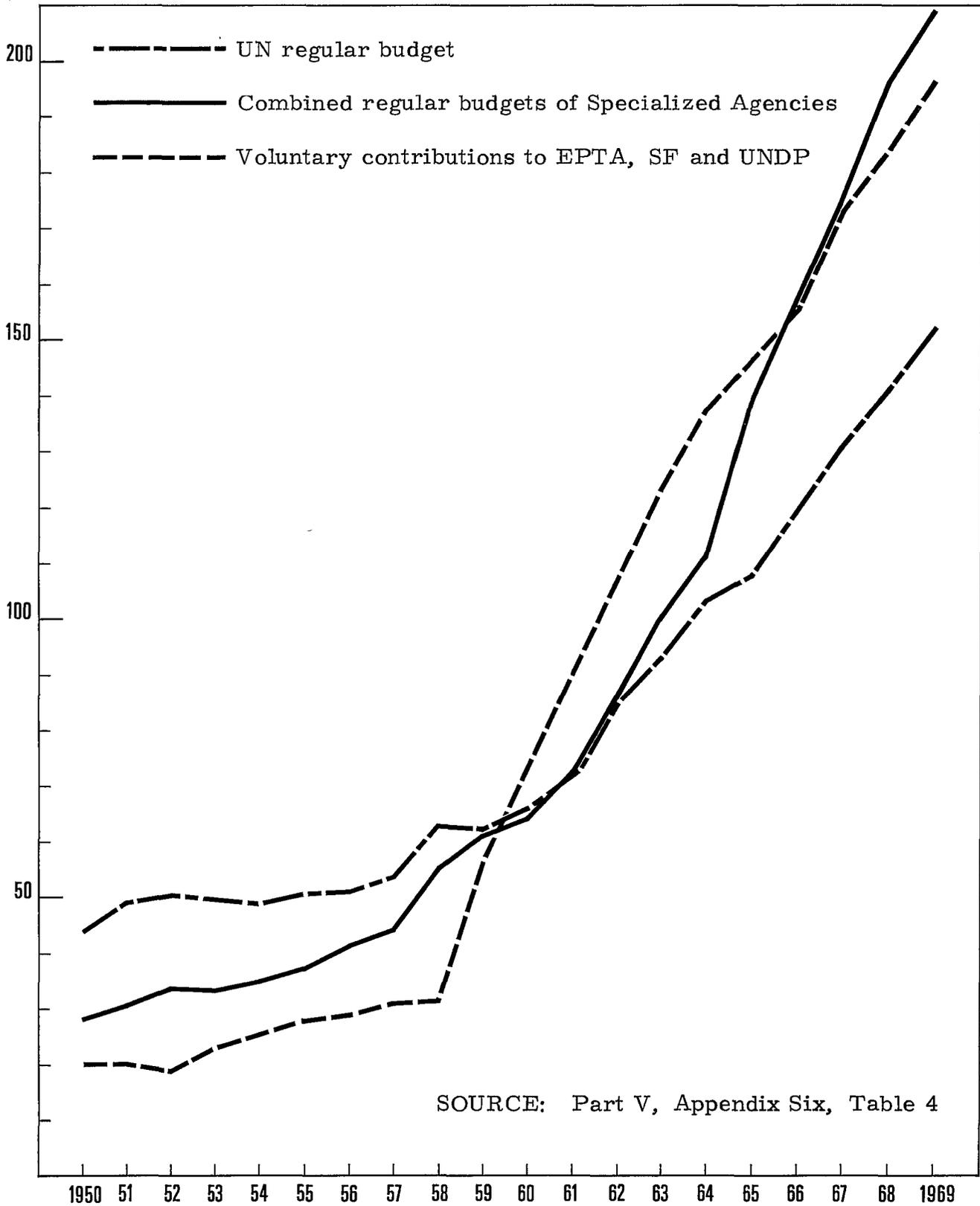
21. The Specialized Agencies had been established as autonomous bodies, each with its own bailiwick carefully defined to guard against duplication. The need to co-ordinate these various activities, which at that time did not include the new operational functions of direct development assistance, was recognized and provided for through the machinery of ECOSOC. This was loosely conceived and varied greatly in interpretation between one organization and another. For example, the agreements between the UN and ILO, FAO, UNESCO, ICAO and WHO respectively contained provisions by which Specialized Agencies recognized "the desirability of establishing close budgetary and financial relationships with the UN". ^{1/} The Agencies agreed to consult with the UN in the preparation of their budgets and to transmit the proposed budgets to the UN annually for examination by the General Assembly and possible recommendations. The agreements with UPU and ITU were less specific, stating

^{1/} See Agreements between the United Nations and the Specialized Agencies and the International Atomic Energy Agency (United Nations publication, Sales No. 61. X.1).

Graph 2.1

GOVERNMENTS CONTRIBUTIONS TO UN SYSTEM FROM 1950 THROUGH 1969

\$million



SOURCE: Part V, Appendix Six, Table 4

only that "the annual budget of (the Agency) shall be transmitted to the UN, and the General Assembly may make recommendations thereon". The agreements with the Bank and the Fund were more restrictive, stating that the two organizations would furnish to the UN copies of their annual reports and quarterly financial statements but specifying that "the appropriate authorities of (the Agency) will enjoy full autonomy in deciding the form and content of such budget"; in practice, they are recognized as completely independent organizations.

22. Yet the possibility of an alternative approach had not been overlooked and the arrangements adopted were only reached after the desirability of a consolidated budget for the whole network of international agencies had been discussed and rejected. Both the Preparatory Commission of the UN and the ECOSOC Committee on Negotiations with the Inter-governmental Agencies favoured greater control at the centre for international economic and social activities, and the controversy now so familiar in international circles between the centralists, who wished the Specialized Agencies to be subjected to the authority of the UN itself, and the decentralists, who supported their virtually complete independence, was aired for the first time. The latter view prevailed. But the basic dilemma has never really been solved and the decision at that time to set up a functionally decentralized system of autonomous organizations with strict division of responsibilities (in direct contrast to the principle of the League of Nations) has had a profound organizational impact. This became especially significant once the organizations entered the field of operations and it set the pattern for the specialized bodies that were created later, until the establishment of UNCTAD and UNIDO marked a return to a policy nearer to that of the League.

23. There has been a gradual shift from that time to the present day, marked by a lessening of the sectoral influence and a larger emphasis on the developing country. This emphasis, which, in organizational terms, can be seen as one of relating the autonomous Specialized Agencies to the machinery charged with economic and social development in both policy and operational spheres, has been a constant element in the debate on the acceleration of development. A succession of adjustments were made in the relationship between central and decentralized control which sought to bring the system more nearly into line with the conditions to be met, i. e. the changing needs and strengths of the developing countries themselves.

24. In June 1954, for example, the adoption of the French proposals for a "country target" ^{1/} led gradually to the concept of what was termed "a country programme", although this differed considerably from the kind of country programme advocated by the Capacity Study in Chapter Five. The concept of "agency shares" was retained, though in a less rigid

^{1/} ECOSOC resolution 542 (XVIII).

form, and each Agency's participation in any given programme continued at much the same level as previously.

25. Another obstacle to long-term planning derived from the annual voting of funds which reverted at the end of each financial period. This was remedied to a certain degree by the introduction of biennial programming in 1959 1/ and, a year later, by the complementary measure of "project programming" whereby governments, when submitting a formal request for assistance over a two-year period, were encouraged to plan the various projects up to the expected termination of outside assistance within a limit of four years. This introduced a new element of continuity, while the gradual elimination of individual agency shares represented another step towards the concept of a more coherent country programme. The process was greatly facilitated by the parallel evolution of the functions of the Resident Representative, who began in the early years as little more than a glorified administrative officer but who came more and more to be recognized as the primus inter pares among the Agency heads of mission and the general spokesman of TAB before the government.

26. These evolutionary processes were part and parcel of a general and growing understanding during the 1950's that the needs of the developing world far exceeded the imaginings of those who had first conceived the idea and the early mechanisms of development aid. The voluntary funds pledged by governments for EPTA reflected this in a gradual but steady increase during the decade. In 1958, the OPEX programme 2/ was set up, under the auspices of UN, to provide experts who would occupy executive positions in governments rather than perform purely advisory functions as under EPTA. As another example in the international sphere, UNICEF was transformed in 1952 from a relief agency into an organization with a long-standing mandate for providing assistance to children, particularly in the developing world; from the outset, it worked closely with WHO, and subsequently became increasingly involved with the work of other Agencies, UNESCO and FAO under EPTA (later the TA component of UNDP), thus becoming an additional international input into development assistance. For its part, IBRD, which had made its first loan to a developing country in 1949, extended its loan activities to the private sector with the creation, in 1956, of the International Finance Corporation (IFC).

27. Being envisaged as technical assistance pure and simple, EPTA had restricted its activities to the provision of experts and fellowships, plus token allocations of equipment "for demonstration purposes" which, in practice, were very small. Soon it was argued that this was not sufficient. Skilled manpower, it was said, was not the only - nor perhaps even

1/ It was first applied in the 1961-1962 biennium.

2/ GA resolution 1256(XIII).

the main - requirement of the developing countries which also desperately needed capital provided on easy terms which was not available either from bilateral sources or from the IBRD. Pressure grew for the establishment of an international capital development organization which would fill this gap and a concrete proposal was made for the creation of a Special United Nations Fund for Economic Development (SUNFED). This move was prompted by several forces, among which were the rapid growth in the understanding of development problems, the great expansion of practical technical assistance work, and also the incipient concern felt over the developing countries' growing debt service burden. It naturally attracted the enthusiastic support of the developing countries, whose political strength in bodies such as the General Assembly, ECOSOC and the Specialized Agencies, had by then increased very substantially. However, the majority of the richer countries expressed a rooted dislike of the idea, an attitude shared by IBRD.

28. The issue was fiercely and constantly debated for several years, from 1953 onwards, without either side making any concessions. In the end, however, compromise was reached, this time in the form of the Special Fund, but this was not created until 1958. ^{1/} Another possible by-product of this protracted debate was the International Development Association (IDA), set up in 1960 as an affiliate of the International Bank and empowered to make loans on easier terms than had been the case previously; its creation thus conceded something to the developing countries' demand for less onerous development loans, while at the same time retaining the IBRD pattern of weighted voting. This was another important watershed which has exercised a decisive influence on the direction of UN development activities.

29. The Special Fund was not to provide capital, but was to concentrate on "pre-investment" activities, with a view to facilitating the access of governments to development funds available from other sources. Like EPTA, it adopted the formula of experts and fellowships, but some capital inputs were envisaged in the form of much larger amounts of equipment and projects were generally to be on a bigger scale and longer term in nature.

30. In part also, the Fund reflected a drive on the part of certain governments to rectify the administrative deficiencies of the TAB system. The Fund was, therefore, to be different and, while policy was determined by an inter-governmental body, the Governing Council, which was not dissimilar in nature from TAC, its organization at the secretariat level reflected some of the lessons derived from TAB. Thus, the structure was more centralized and the Managing Director had greater executive powers than the Executive Chairman of TAB. He was to be advised by a Consultative Board, composed of the Secretary-General of the UN, the President of the World Bank, and the Executive Chairman of TAB. While the sponsoring resolution specified that projects financed by the Fund should

^{1/} GA resolution 1240(XIII).

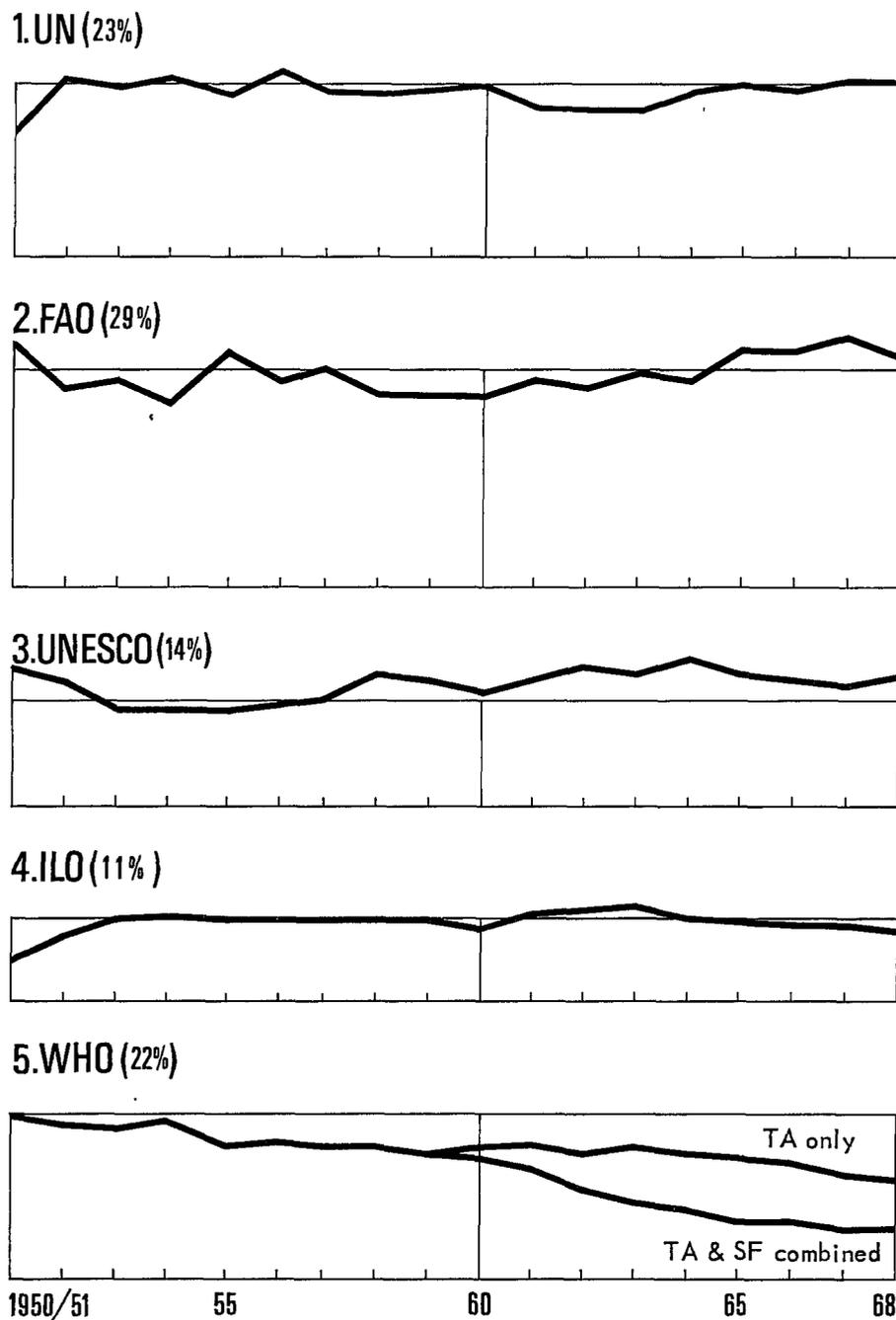
preferably be planned and executed by the Specialized Agencies, the possibility of these functions being carried out by outside bodies as necessary was envisaged, and the Agencies themselves had no voice in policy-making at the centre. ^{1/} At the ground level, the role of the Resident Representative of TAB, who also became Director of Special Fund Programmes, was considerably strengthened as a result of this more centralized structure. The system of programming adopted by the Fund was also different; no country target was established nor was there any form of annual programming. Instead, individual projects were considered on their merits as and when they were submitted by governments. The principal criteria for the approval of projects were to be their technical and economic validity and their relationship to the economic and social development plans of the recipient countries. Once a project was approved, the finance required from the Special Fund was earmarked for the whole duration of the project, within an outside limit of five years. The concept of agency shares was to be completely eliminated.

31. In the continuing tug of war between centralist and decentralist forces, the early years of the Fund therefore signified a strong pull towards administration by the centre, which had not previously existed. This was not, however, accompanied by any comprehensive planning in substance and, over the succeeding years, the sectoral pull has proved to be at least of equal, if not greater, strength. In part, this may well be due to the sweeping transformation and rapid growth which have taken place in most of the Agencies since the Fund was created, as a result of the very large sums of Special Fund money that have been injected into them for operational purposes. Another related factor is the practice that has grown up of assigning all Special Fund projects (with the exception, so far, of two entrusted to the Regional Banks) to one or other of the Specialized Agencies for execution, despite the wider licence permitted by the legislation. Perhaps it was as a result of this that the custom of many of the Agencies to promote projects with governments continued unabated - indeed, it intensified in some cases, because of the higher financial stakes involved, and the tendency of Agency personnel to consider that they have a "right" to a certain proportion of the total funds is still often marked.

^{1/} The basic resolution (GA 1240(XIII)) specified that the Fund itself, EPTA, the UN and the Specialized Agencies "should be ready to assist and advise governments, at their request, in the preparation of their applications for assistance"; that the Managing Director would be responsible for the appraisal of requests while normally relying upon the assistance of existing services; and that projects were to be executed "whenever possible" by the UN or the Agencies. However, the Managing Director was authorized to contract the services of other agencies, private firms or individuals to carry out his appraisal task "in case the services of the UN . . . are wholly or partly unavailable or inadequate". He was also authorized to contract for the services of outside bodies to execute.

Graph 2.2

PROPORTIONS OF EPTA, SF AND UNDP FUNDS SPENT BY FIVE PRINCIPAL AGENCIES FROM 1950 THROUGH 1968



— Agency's "share" according to ECOSOC resolution 222(IX).

— Actual proportion of EPTA, SF or UNDP funds spent by the Agency

SOURCE: Part V, Appendix Six, Table 8.

32. Thus, despite the changes in policies and approach, the relative share in the programme of different Agencies (with the exception of WHO) has remained largely unchanged from the "shares" originally allotted to them in the first years of EPTA, as Graph 2.2 shows. ^{1/}

33. Although the Special Fund and EPTA were expressly regarded by governments as two separate programmes, they worked closely together from the outset, sharing the same administrative services at the field and the headquarters level, and it was therefore logical that some closer relationship should be worked out. After considerable debate in TAB and ECOSOC about the need to maintain the individual characteristics of each programme, a merger was eventually agreed ^{2/} and came into effect from 1 January 1966. The new programme was entitled the "United Nations Development Programme". The merger was not absolute, since the programme was still divided into two sectors, entitled respectively the Special Fund component and the Technical Assistance component, to which virtually all governments for some time continued to make separate pledges, although at a single Pledging Conference.

34. At the inter-governmental policy-making level, the merged programme answered to an enlarged Governing Council. But, at the secretariat level, the new structure represented a compromise, half-way between the more monolithic structure of the Special Fund and the more collective approach of TAB. The TAB and the Consultative Board were replaced by a single Inter-Agency Consultative Board, composed of the Secretary-General and the Heads of the Participating and Executing Agencies. This Board assists the Administrator in an advisory capacity and discusses his programme recommendations which are submitted to twice-yearly sessions of the Governing Council for approval. During the first two years of the programme, it was headed by an Administrator and a Co-Administrator who were, respectively, the former Managing Director of the Fund and the former Executive Chairman of TAB. Certain modifications were introduced into the technical assistance sector, in order to promote planning on a long-term basis, namely, the adoption of project budgeting and a system of continuous programming. Efforts were also made to develop a procedure of joint programming between UNDP and the Executing Agencies in order to exercise some co-ordinating control over the project promotion activities of individual Agencies, but this centred more on the headquarters than the field level and was necessarily a bilateral operation rather than one in which all Agencies participated simultaneously.

^{1/} See also Table 8 in Appendix Six in Part V for greater detail.

^{2/} GA resolution 2029(XX).

35. The voluntary financial contributions to the combined programmes continued to grow. Some idea of the scale of the increase can be obtained from comparison between the initial contributions to EPTA and the Special Fund - US\$20 million for the first eighteen months of the former and US\$26 million for the first year of the latter - and the combined contribution of some US\$196 million to both sectors of UNDP in 1969, at a time when very substantial support was also being given to other international efforts. Graph 2.1 demonstrated this growth of financial resources over the years. ^{1/}

36. A somewhat ironic offshoot of the growth of UNDP's resources and its decision to work exclusively through the Agencies is that, whereas the idea of a consolidated budget for economic and social activities was discussed and rejected when the ECOSOC and the first General Assembly were set up, UNDP resources at the present time constitute a de facto consolidated budget for the operational activities of most of the Agencies. But there is no corresponding consolidation of "overhead" expenses.

37. Graph No. 2.3 illustrates the impact of this influx of money on the Agencies. ^{2/} These new responsibilities, which differ from the activities envisaged in the original constitutions, not only in size but also in character, have caused considerable growing pains in the larger Agencies and have given rise to major organizational changes, designed to place more emphasis on development matters and to make activities more efficient - e.g. FAO and ILO.

38. In spite of this succession of improvisations, no satisfactory solution has yet been found. Other factors were at work, besides the immense increase in the operational responsibilities of the Agencies. There has, for example, been a rapid increase in the territories to be served; a great increase in the complexity of the requests for assistance and in their duration, scope and purpose; an increasing shortfall in the counterpart resources of new applicants; and growing difficulties in expert recruitment due to many causes. These elements, in combination, and despite the best efforts of the Agencies, have inevitably led to increasing delays and reduced efficiency and to a decline in the quality of the assistance offered, aggravated in some cases by jurisdictional problems between Agencies.

39. The growing emphasis on integrated "country programmes" has also led to the need for modifications in the organization at the country level and for a clearer definition of the relationships there between the Resident Representative and representatives of Agencies.

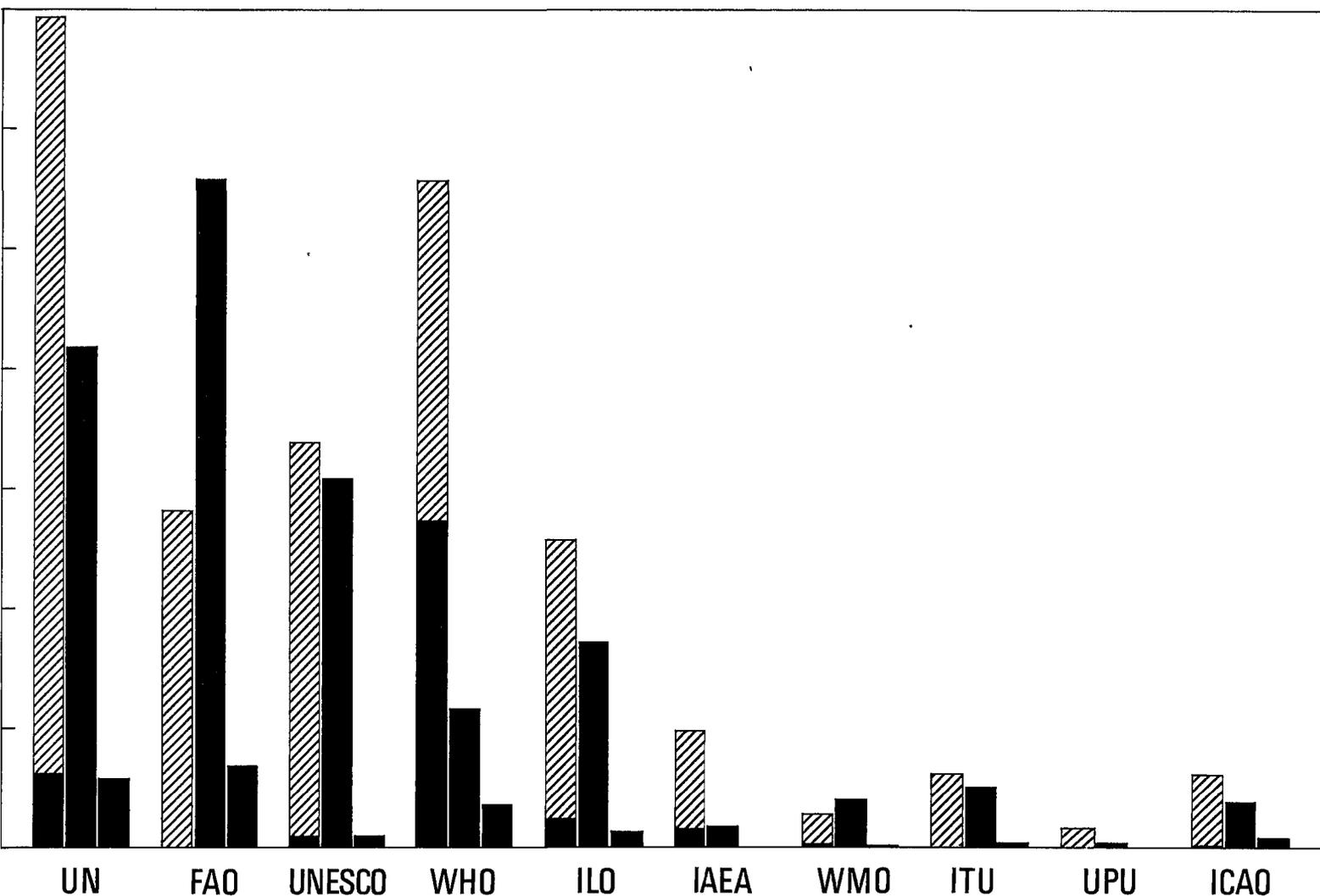
^{1/} See Table 5 in Appendix Six in Part V for more details.

^{2/} See also Tables 7, 9, 10 and 11 in Appendix Six in Part V for more details, including indications of the significance of these additional resources in terms of numbers of experts and of Special Fund projects.

Graph 2.3

UN AND SPECIALIZED AGENCIES REGULAR PROGRAMMES AND TECHNICAL ASSISTANCE OPERATIONS
BY SOURCE OF FUNDS, 1968

million



KEY: First column indicates the amount of the regular (assessed) budget.
Second column indicates the amount of UNDP funds channelled through the Agency.
Third column indicates the amount of other resources (e.g., funds-in-trust, FFHC, SIS).

Expenditures on technical assistance operations.

Expenditures on activities other than technical assistance operations.

SOURCE: Part V, Appendix Six, Tables 4 and 11.

This was the objective of the ten principles approved by ACC in 1961 and revised in 1967, ^{1/} but because of the constitutional autonomy of Agencies, even these could not be very clear-cut, and the Resident Representative's position therefore varies greatly from country to country, according to the individuals involved. More recently, a welcome trend towards closer integration at the country level had taken place with the signing of agreements between UNDP and FAO, and UNDP and UNIDO, whereby the two Executing Agencies provide field advisers in their respective fields of competence who are directly attached to the Resident Representative's office in selected countries. This movement towards more effective co-ordination at the country level was halted during the current year by the expressed wish of the FAO Council to revert to former practice by appointing fifty-five country representatives directly. A temporary arrangement has been made between the Director-General of FAO and the Administrator of UNDP by which twenty-eight of the fifty-five will still be financed by UNDP as UNDP/FAO Senior Agricultural Advisers under the terms of the agreement mentioned earlier. ^{2/}

40. The increasing size of the programme has also encouraged a gradual tendency towards regionalization. In general terms, this has been more in the nature of deconcentration than devolution of authority in the true sense, though the situation has varied greatly from one organization to another. It is not intended to deal with this aspect here, since it is described elsewhere. ^{3/} It is enough to note here, first, the creation of the Regional Commissions, followed by the progressive evolution of their responsibilities for technical assistance, and, secondly, the varying degrees of regional networks developed by Agencies - especially WHO, FAO and ILO - though the location and functions vary considerably from one organization to another. Sometimes, however, these Agency regional outposts work in close collaboration with the Regional Commissions, either because their regional offices are located in the same place, or through the appointment of liaison officers, as has happened, for example, in the case of the Economic Commission for Africa or, yet again, through devices such as the joint agriculture divisions set up in the Regional Commissions by common agreement with FAO. Nonetheless, the pattern remains very complex, and a recent interesting move towards closer integration between the Commissions and FAO - the Director-General's proposal that the Executive Secretary should, in each case, be the FAO Regional Representative - was rejected by all the FAO Regional Conferences.

^{1/} Development and Co-ordination of the Activities of the Organizations within the United Nations System, Co-ordination at the Country Level, Report of the Secretary-General (doc. E/4336) and ECOSOC resolution 1262(XLIII).

^{2/} See Chapter Seven, paras. 83-86, for the Capacity Study's proposals for Agency representation at the country level.

^{3/} See Appendix Three on The Regional Structures of the UN Development System in Part V.

41. At the same time, the surge in the number of UN-sponsored organizations at the centre continued to increase the complexity of the system in the 1960's. As more developing countries became members of the United Nations and of the Specialized Agencies, the problems and the pressing needs of their peoples were ever more insistently brought forward for attention, and the international organizations, under this compulsion, began to marshal fresh reinforcements for the fray and to establish new machinery and new plans to tackle individual aspects of the problem.

42. Thus, the World Food Programme (WFP) was created in 1961 and began operations in 1962, its purpose being to mobilize world food surpluses in the cause of development. Contributions were again voluntary - mainly in kind - and the resources of the programme grew from US\$93 million in the first three years of its life to US\$169 million in 1969-1970. ^{1/} While it had its own central inter-governmental body and administration under the joint aegis of the UN and FAO, it did not create a separate field organization of its own but recognized the Resident Representative as the field representative of the programme, attaching project officers to his staff as necessary.

43. In 1964, UNCTAD was created to cover the field of trade, while, three years later, industrial responsibilities were transferred from the UN Department of Economic and Social Affairs to a new organization, UNIDO. These two organizations are not, however, autonomous Agencies but are organs of the General Assembly. UNCTAD has no field establishment, whereas UNIDO, as already mentioned, has a special arrangement for field representation through UNDP offices, where this is necessary, and also through the Regional Commissions. In all three cases, therefore, there has been an avoidance of duplication at the field level. The same has not been true at the centre, however, where the creation of new governing bodies has inevitably multiplied the number of forums within the UN system where discussions of all or some aspects of development policy take place, such as the General Assembly, ECOSOC, the UNDP Governing Council, the legislative bodies of the Specialized Agencies, the UNCTAD Trade and Development Board, the Industrial Development Board of UNIDO, the Executive Board of IBRD, the Inter-Governmental Committee of WFP, and the Executive Board of UNICEF.

44. Other devices have been found to increase assistance to developing countries through multilateral channels: for example, the Freedom from Hunger Campaign launched under the aegis of FAO. Developing countries with greater financial possibilities were encouraged to make increasing use of the Funds-in-Trust system, whereby they themselves made available money from their national budgets for the recruitment of technical assistance personnel

^{1/} ECOSOC at its last session recommended to the General Assembly a pledging target of US\$300 million for 1971 and 1972 (resolution 1443(XLVII)).

through the UN system. Some developed countries sponsored the creation of trust funds, to which they made separate contributions for certain defined purposes, e.g. for Special Industrial Services, administered jointly by UNDP and UNIDO, and for population, managed by the Administrator of UNDP. ^{1/}

45. And then, in 1966, the developing countries, feeling even more sharply the deficiencies of both bilateral and United Nations systems of aiding their development, finally used their voting strength in the UN General Assembly to force through the Capital Development Fund, in the hope that their urgent needs would prompt the more generous of the donors to endow it adequately. The purpose of the Fund was to provide capital at low rates of interest and the intention was to finance it by voluntary contributions. But the pledging conference was largely boycotted by the developed countries and its resources limited to inconvertible currencies.

46. Three years later, pledged contributions to the Fund still totalled only US\$2.6 million, of which no more than US\$128,000 had been actually paid in by 3 June 1969. No separate organization has been set up, the administration of the Fund being entrusted, for the time being, to the Administrator of UNDP.

47. On the organizational side, then, the tendency has been towards increasing complexity, tempered by growing emphasis on the "country approach" and on the need for concerted action by the many organizations making up the system. The latter has followed a rather chequered course, however, seeking a not always happy compromise between the decentralization dictated by the original concept of discrete functional organizations on the one hand and, on the other, the need for an increasingly centralized control required by the growing demands of operational activities and in order to operate within some comprehensive concept of the nature of the development process.

48. It is plainly in the nature of dynamic but unregulated mechanisms, such as the UN development system has become, that their elements should thrust into every relevant area of activity and seek to find new ways of fulfilling their purposes of assisting developing countries. And in the process, inevitably, collision or encroachment will occur. While the extension of UN services toward the provision of capital has been checked by the rejection of SUNFED and by the weakness of the CDF, the extension of the IBRD's services both to pre-investment and some forms of technical assistance has been considerable. Although, by agreement, collision and duplication have been avoided, the tendency is clearly present and there has been a gradual blurring of the lines of demarcation. The Regional Development Banks have a similar impulse, while the pre-investment axis represented by the agreements

^{1/} Tables 12 and 13 in Appendix Six in Part V indicate the scale.

between the IBRD and FAO and UNESCO are also examples of this tendency. As all this will help lessen the dearth of well-prepared projects, such actions are to be welcomed in the immediate interests of the developing countries. While recognizing their value, it may nevertheless be timely to emphasize that this is an enlargement of the IBRD's approach and the fact that, although UNDP was established to meet such specific needs, and can do so over a broader field, it has, in fact, been unable to meet all demands. It could be said that this merely demonstrates the insufficiency of UNDP's resources to meet the needs in these fields of activity, but it remains true that a more rational distribution of resources would be obtained if multilateral technical assistance and pre-investment work were channelled through the body set up for that purpose.

49. In short, the efforts to reduce the inadequacies of an over-complex structure merely served to create even greater complexities. There is now a very serious danger of the various organizations tripping over one another in an area where there ought to be ample scope for all available contributions, if properly organized.

50. There has also been a parallel evolution in the content of the programme, depending on the differing ideas of scarce resources at various times and the growing realization of the complexity of the development process. Programmes were an operational reflection of the very considerable advances in the theory, which in these years was changing and advancing at a great pace - much faster than was generally appreciated. Thus, in the early days of the Expanded Programme, the emphasis was on the transference of knowledge and skills, based on the theory that "know-how" was the main bottleneck in the developing countries. Later, attention came to focus on the need to facilitate access to capital investment on easier terms, reflected in the creation of the Special Fund and IDA. This was, for a time, accompanied by greater concentration on so-called "economic" priorities and correspondingly less interest in "social" programmes. Later, however, increasing difficulties in obtaining necessary counterpart personnel for Special Fund projects pointed up once again the importance of manpower deficiencies and gave rise to a new appreciation of the need for training and for the transfer of knowledge and skills, and of the important contribution that "social" activities, as for example in the fields of education and health, have to make to the whole process of development. At the present time, there is a wider realization not only of the complexity of development but also of the incontrovertible fact that it is many-sided, and influenced by many interdependent forces - political, institutional, economic, social and cultural - whose linkages and relative strength vary from one country to another. It must, therefore, be treated as a whole and not partially.

IV. CHANGING ATTITUDES TO AID IN THE 1960's

51. The "first fine careless rapture" which launched so many financial and technical aid programmes, both bilateral and multilateral, during the early 1950's and 1960's, seems to have faded in the last two years. At times, one cannot avoid the impression that the world has grown weary of doing good.

52. And yet, some progress has been made. The overall growth rates in GNP of developing countries have attained an average only marginally less than the target of 5 per cent per annum set for the First Development Decade. ^{1/} These years have undoubtedly seen the growth of a "development mentality", accompanied by a more rational approach to the solution of problems, epitomized in the creation of planning mechanisms in most developing countries which, though they obviously cannot operate with optimum efficiency everywhere, have at least encouraged a logical and co-ordinated treatment of development questions. Certain individual countries - and not only the petroleum countries - have made considerable strides ahead. Between 1960 and 1967, twenty developing countries achieved an average annual rate of growth of 5 per cent or more, and in 1967-1968, sixteen of them were still in this category. The group includes such countries as Taiwan (10 per cent), Korea (7.9 per cent), Thailand (7.6 per cent), Malaysia (5.8 per cent), Iran (7.7 per cent) and Pakistan (5.5 per cent) in Asia; Libya (21 per cent) and Ivory Coast (8 per cent) in Africa; Iraq (5.7 per cent) in the Middle East; Mexico (6.6 per cent), Honduras (5.4 per cent) and Bolivia (5.4 per cent) in Latin America; Trinidad and Tobago (6.5 per cent) in the West Indies. Another ten countries achieved a rate of 5 per cent or more between 1967 and 1968. They include Morocco (10 per cent), Tunisia (7 per cent) and Tanzania (5 per cent) in Africa; the Philippines (6 per cent), Ceylon (6 per cent) in Asia; Brazil (6 per cent), Venezuela (5 per cent) and Colombia (5 per cent) in Latin America. ^{2/}

53. But while there have been successes, there have been still more disappointments. The average growth rate figures mask considerable differences in growth rates between regions and countries, while the population explosion reduced the growth rate per capita for

^{1/} "When the General Assembly set a target of 5 per cent as the rate of growth in income and output to be attained by developing countries as a whole by the end of the present Development Decade, it may have seemed optimistic in the light of historical experience. However, while the present decade has not yet come to a close, it seems likely that the actual performance of the developing regions may not fall much short of this initial objective. If effective policies for growth were pursued in both developing and developed countries, there there is no objective reason why such performance could not be improved in the years to come." (United Nations, World Economic Survey, 1968 - Part One (doc. E/4687, page 2).)

^{2/} United Nations, World Economic Survey, 1968 - Part Two (doc. E/4688, table 2).

the least-developed countries. At the same time, the gap between rich and poor countries has continued to widen. Between 1960 and 1965, the per capita GDP of developed countries increased by US\$59 per annum to US\$1,725, while that in developing countries rose by US\$3 per annum to US\$157. Here again, there are marked regional differences: South and South-East Asia - US\$1 per annum; Latin America - US\$6; Africa - US\$3; and West Asia - US\$16. ^{1/} Indeed, in his speech to the Economic Commission for Africa in Lagos in 1967, the late Mr. Tom Mboya, the Kenyan Minister of Economic Planning and Development, referred bitterly to the 1960's as the "Dollar-a-year Decade".

54. Many individual developing countries have failed to reach their targets, and the disenchantment has been aggravated because both donors and recipients had harboured extravagant hopes of what might be achieved in the short term. There has, in fact, been a constant under-assessment of the complexity of development problems and an inadequate appreciation of the difficulties of moving traditional societies to adopt other modes of action. Thus, the strenuous efforts of many countries to accelerate their development are frustrated by factors which are in themselves endemic to under-development: political instability; a deficient world market structure for primary commodities; the difficulty of increasing the output of primitive agriculture; the unemployment and under-employment of the unskilled; the lack of administrators and trained manpower; the lack of resources and misallocation of scarce resources; and the difficulty of making the necessary social and institutional transformations which are as vital to development as the injection of resources from outside.

55. Finally, many countries have come to the sad realization that GDP figures, although a useful guideline, are not necessarily as significant as they seem because growth as such is not necessarily synonymous with development in the true sense of a better life for all the people.

56. These disappointments, which derive from the intricacies of development itself, have been compounded by factors reducing confidence in the efficacy of external assistance from whatever source. The recipients, for their part, have expressed growing dissatisfaction with the policies of many donor countries and agencies and complain that the assistance given no longer corresponds to their needs, which have changed with the changing situation, and that too often follow-up, particularly in the form of investment, is inadequate or entirely lacking. On the side of the donors, development assistance has been pushed into the background by political and financial difficulties. Many of the individual donor countries have had to grapple with balance of payments problems and difficulties arising from the unstable international monetary situation, and few of them have heeded the advice of

^{1/} United Nations, World Economic Survey, 1967 (doc. E/4488/Add.1). For more details of the figures quoted in this and the preceding paragraph, see Table 14 in Appendix Six in Part V.

Mr. Eugene Black, a former President of the World Bank, that it is more important to maintain the "balance of hope . . . ". ^{1/} When budgetary allocations have to be made, it is aid, rather than national priorities such as space or defence, which is likely to suffer, an outcome made almost inevitable by the preferences of taxpayers and the fact that, in the final analysis, foreigners are not voters. Such tendencies have been reinforced by disappointment in many developed countries with the results so far obtained in aid. Their principal concern is that, although economic growth has occurred, the lot of the masses, by and large, has been unaffected, and the image of foreign aid is not enhanced by press reports of political conflicts in and between developing countries and allegations of misuse of resources. Among thoughtful people, therefore, there has been an increased questioning about the extent to which foreign aid can contribute - if at all - to the development of the Third World and, if it can, the ways in which this contribution can be most effective.

57. Such criticisms have been levied both against bilateral assistance and that provided through the UN and the Specialized Agencies. In the latter case, they have probably been more numerous, because the multilateral character of the operation makes for administrative difficulties - as revealed in this chapter - and for tardy delivery of assistance. The specific criticisms directed against the UN - some of which are unjustified, reflecting insufficient realization that no precedents existed for a multilateral operation of this scale nor any prior indication of its eventual size and complexity - are dealt with in the next chapter.

V. WHAT CAN WE LEARN FROM THE LAST TWENTY-FIVE YEARS OF DEVELOPMENT ASSISTANCE, WITH PARTICULAR REFERENCE TO THE UNITED NATIONS ?

58. In general terms, development assistance has evolved from a marginal activity to a central concern of both developed and developing countries. But this growth has been accompanied by an increasing feeling of disconcertment about the role of outside aid and its effectiveness. There is now much more understanding than before that development is a long process and a complicated one. There can be no "instant development", no blueprint for success, and no single development approach. At the same time, in spite of all the disenchantments, it is widely recognized that development co-operation, far from being played out, is more necessary than ever before. The problem to be resolved, then, is how best to apply that co-operation effectively.

59. These larger and more complex considerations are the primary concern of the Pearson Commission; since it is assumed that they will deal with them in depth, this Study will not explore them in detail. However, it must be noted that, insofar as the UN development system and its numerous channels are concerned, they apply equally, and possibly even

^{1/} E. R. Black, The Diplomacy of Economic Development.

more acutely, because of the latter's baroque structure. As has been shown, the numerous components of the international system were built up on an ad hoc basis, some of the principal ones at a time when the concept of multilateral aid for development did not exist. The type of machinery evolved later for the administration of such assistance through the UN system was, therefore, predetermined by the fact that certain organizations already existed and by the earlier decisions about their inter-relationships.

60. It would not, on the other hand, be true to say that the UN development system has remained static in the face of changing and increasing demands. As has been shown, considerable modifications have been introduced - certainly much greater ones than have occurred in the political sphere of the UN - but they have not been able to keep pace with the greatly increased responsibilities exacted of the system, partly because of the original heritage, and partly on account of the reluctance of governments to take any initiative directed at changing the basic tenets of the system itself. The summary given above has shown how, time and again, decentralization and centralization have constantly pulled against one another; all the various efforts to weave them into a tough and durable fabric, adorned with a harmonious pattern, have, at best, led to patchwork. One could argue that, in the context of the original and fundamental role of the Specialized Agencies to promote co-operation and foster the exchange of ideas in their respective spheres, such a state of constant ebullition was by no means a bad thing; that diversity, of itself, ensured a varied approach, stimulated imaginative thinking and staved off fossilization.

61. That may well be so, but it is equally incontrovertible that such a system was not conducive to the efficient management of one of the most complicated operational programmes ever conceived, involving rapid and effective action on a worldwide scale to resolve complex problems varying greatly from one country to another, and the mobilization of staff covering a vast range of specialities and drawn from many nations and very varied backgrounds. In the most favourable of circumstances, such an enterprise could not fail to be arduous and difficult. It would have required the most sophisticated of management techniques, uniform policies based on firm direction at the centre, and optimum decentralization to the country level to ensure maximum adaptation of the assistance given to individual needs and characteristics. Instead, decisions that should have been taken at the centre were, through deformations of the system, diffused through its various components, and decentralization to the country level was impossible because there was no recognized point of leadership for the system, the Resident Representative being vested with little authority other than that he could create through his own personal prestige. One can commiserate with the Agencies, who found themselves in an impossible situation, caught in a cleft stick between their original, broader, responsibilities, and the increasingly peremptory demands of operational functions which had crept up upon them almost unawares. One can feel

admiration and sympathy for the administrators of the successive programmes of EPTA, the Special Fund, and UNDP, in their efforts to surmount the endless administrative and procedural hurdles presented by the UN development system. But none of this should mask the basic, sobering truth: that, in the final analysis, the principal losers were the developing countries, because the cumbersome machinery devised over the years could only be maintained at the expense of the operational efficiency of the programmes of co-operation carried out on their behalf.

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Chapter Three

CONSTRAINTS ON PRESENT AND FUTURE CAPACITY

"There is a certain degree of capacity in the greatest vessel, and when 'tis full, if you pour in still, it must run out."

- Shakespeare, Antony and Cleopatra

I. THE DEFINITION AND MEASUREMENT OF CAPACITY

1. Capacity is clearly a central concept for the Study since it figures so prominently in the title. It is a term which gives rise to some difficulty because it does not lend itself to precise definition. Some elaboration is therefore required before analysing the problem entrusted to the Study.

2. Any analysis of the capacity of an organization must necessarily be related to its declared objectives. When considering the measurement of the present capacity of the United Nations Development Programme (i. e. , without taking into account any changes in the character and content of the programme which might be considered desirable, possibly as a result of the findings of the Capacity Study), it is appropriate to examine the aims set out in the various resolutions setting up the Programme and its forerunners.

3. Salient points which might be underlined among these are:

(a) ECOSOC resolution 222(IX) (setting up EPTA in 1949) which refers to:

"The significant contribution to economic development that can be made by an expansion of the international interchange of technical knowledge through international co-operation among countries",

and further states that:

"A sound international programme of this character must combine and make use of the experience of many nations, with different social patterns and cultural traditions, and at different stages of development, so as to facilitate progress in the less-advanced countries and to help solve their technical and economic problems."

The Annex to this resolution enunciates a number of general principles, of which the first states that, in extending technical assistance, the participating organization should:

"... regard it as a primary objective to help those countries to strengthen their national economies through the development of their industries and agriculture, with a view to promoting their economic and political independence in the spirit of the Charter of the United Nations, and to ensure the attainment of higher levels of economic and social welfare for their entire populations."

These principles were reaffirmed in General Assembly resolution 304(IV) establishing EPTA.

- (b) General Assembly resolution 1240(XIII) (creating the Special Fund in 1958) which specifies that this step is:

"... in conformity with the determination of the United Nations, as expressed in its Charter, to promote social progress and better standards of life in larger freedom and, for those ends, to employ international machinery for the promotion of the economic and social advancement of all peoples."

The resolution further indicates that the creation of the Fund is intended to enlarge the scope of the United Nations programmes of technical assistance and:

"... is thus envisaged as a constructive advance in United Nations assistance to the less-developed countries which should be of immediate significance in accelerating their economic development by, inter alia, facilitating new capital investments of all types by creating conditions which would make such investments either feasible or more effective."

- (c) General Assembly resolution 2029(XX) (legislating the merger of EPTA and the Special Fund into UNDP in 1965) which states that a consolidation of the two programmes:

"... would go a long way in streamlining the activities carried on separately and jointly by the Expanded Programme of Technical Assistance and the Special Fund, would simplify organizational arrangements and procedures, would facilitate overall planning and needed co-ordination of the several types of technical co-operation programmes carried on within the United Nations system of organizations, and would increase their effectiveness."

The resolution also emphasizes that:

"The United Nations assistance programmes are designed to support and supplement the national efforts of developing countries in solving the most important problems of their economic development, including industrial development."

4. Related questions are the method recommended for the attainment of these objectives and the resources made available for the purpose. Although the legislation was not very specific on the subject, the emphasis, from the early years, has been on "technical assistance" as the principal, and even the sole, method to be used, and this has led to reliance, in the main, on the traditional "mix" of experts, fellowships and equipment. At first, this was probably inevitable in view of the very restricted amount of resources available to EPTA but, even later, when the creation of the Special Fund enlarged the financial horizons, the difference was one of scale rather than of content. Although the term "pre-investment" now came to the fore, the tools available remained basically unchanged, except that it was possible to use them in more varied proportions, principally owing to the greater leeway for purchasing equipment. In great part this was due to what one might call the philosophical watershed at the time of the rejection of SUNFED, which marked a definite policy decision on the part of

the major contributors that the programme should stop short of actual investment. (This aspect is described in its historical context in "The First Twenty-Five Years".) 1/

5. It may also be asked for what purposes should the United Nations development system establish a capacity? Within the broad category of economic and social development, there are a multitude of activities, not all of which fall within the competence of the United Nations and the Specialized Agencies. Further, while a larger measure of flexibility and innovation should doubtless be sought, there is little prospect of entirely new methods being evolved, so that technical assistance is likely to continue to take the form of experts, fellowships, and supporting equipment. There are evident limits to the efficacy of this method. Thus, the United Nations development system's capacity has built-in constraints, both as to the range of services it can render and as to their effectiveness. Both factors establish a very real frontier to capacity, and it is only within that frontier that a fruitful discussion of capacity can be undertaken.

6. These considerations lead to the conclusion that both the "character", in terms of the objectives established for the programme, and the "content" of the programme, in terms of the tools and the resources at its disposal, have a vital relationship to "capacity". In the analysis of the present capacity⁴ of the United Nations system which follows in the next section, these properties are considered as given, since at the present time the programme has no other framework in which to work.

7. The question posed to the Study, however, is a somewhat different one. It is how far the United Nations system can provide effective development co-operation to the developing countries, first at the present level of resources and, secondly, in the hypothetical case of the doubling of those resources within the next few years. This implies not only an examination of the efficiency of the system in carrying out its present terms of reference, but also an analysis of how far those terms of reference in themselves are adjusted to the attainment of the stated goals. This latter point clearly raises serious issues in relation to the practical effectiveness of "technical assistance" as a method and the possible need to find other modalities in the future. These will be dealt with later, notably in the third section of this chapter - on the future capacity of the system - and, in more detail, in Chapter Four.

8. First, however, some consideration is needed of the elements which constitute capacity, within the given framework of "character and content", and of ways of measuring them. The Capacity Study therefore made an analysis of these factors, which is included in

1/ Paras. 27-28.

Appendix One, Part V, 1/ since this analysis led to certain conclusions which have shaped the approach adopted by the Study in carrying out its remit.

9. Firstly, although quantitative analysis can be of some use in measuring certain aspects of the system's capacity, such data cannot produce conclusive evidence on the subject unless, indeed, it demonstrated that the quantitative performance fell so short of planned targets as to render its quality irrelevant. This provides some partial consolation for the difficulty – described in the next section – which the Study has experienced in obtaining adequate and coherent data from all parts of the system.

10. Secondly, by its very nature, capacity in its qualitative (and basically more important) sense cannot be discussed in specific terms. However, even a very general analysis can show up the main bottlenecks limiting the capacity for more effective action, whether at the present level of resources or at some higher level in the future, and thus help to identify the actions required to resolve these bottlenecks at the country, Agency and headquarters level in terms of human, material, and financial resources.

11. Thirdly, the constant interplay between quantitative and qualitative elements in the analysis demonstrates clearly that the two are essentially inter-related. "Development co-operation" is indivisible and therefore the concept of "capacity" in this context is also indivisible.

12. The corollary of this important conclusion is that the capacity of UNDP, both as an institution and as a programme of action, cannot be discussed in isolation. On the one hand, it is a function of the type of organization and operating methods which have grown up in the United Nations system. On the other, it is, or should be, a co-operative enterprise with the countries concerned, and one cannot therefore draw a firm line indicating on whose side the definitive constraints lie, since "capacity" in itself must be a joint concept. In other words, one cannot discuss the capacity of UNDP other than in the framework of the whole development effort of the United Nations and its Agencies, or without also considering the responsibilities of governments. For obvious reasons, those most directly involved are the developing countries receiving the co-operation of the system but, since the system is conceived as a multi-lateral co-operative enterprise, the "capacity" of all participating governments, including the major contributors, is of direct, if more general, relevance, particularly with regard to their general policies and attitudes toward such matters as development and trade. 2/ If, then, the

1/ Section II-B A Methodology for the analysis of the capacity of the United Nations Development System

2/ See Section B-2 below for further elaboration of this last theme:

Study appears to cast its net rather wide, and perhaps wider than anticipated, it can safely be said that unless there is a far-ranging investigation of all these myriad, interlocking aspects, there can be no adequate analysis of present capacity and, therefore, no prospect of formulating recommendations of the depth and imagination required to meet the challenge of the future. At the same time, the Study has always tried to maintain a common-sense and pragmatic approach to the complex issues involved.

II. PRESENT CAPACITY

13. The intricacy of the concept makes it difficult to arrive at a realistic appreciation of present capacity. This section nonetheless attempts to do so, dealing firstly with the capacity of the United Nations system to carry out effectively the programme entrusted to it, and, secondly, and more briefly, with the capacity of the developing countries to absorb the co-operation offered.

A. The capacity of the United Nations development system to carry out the programme entrusted to it

14. This heading groups together the findings of the Capacity Study as regards both the quantitative and qualitative capacity of the system under present arrangements, because the two are, to a large extent, interdependent. There will also be some assessment, in general terms, of how far the programme is able to achieve both its quantitative and qualitative objectives. It should be emphasized that this will in no sense be an evaluation of results achieved to date – a mammoth task surpassing both the remit and the resources of the Study – but rather an attempt to analyse how far the various factors singled out in the methodological annex 1/ as having a direct bearing on the problem, are handled in a way conducive to the attainment of optimum results.

15. A cautionary word is necessary. Inevitably, given the object of the Study, the emphasis may appear to lean on the negative side. This does not signify a failure to recognize the substantial achievements of the United Nations development system or the advantages that the multilateral approach has to offer in the form of the accumulated knowledge and experience gathered from all over the world, as well as by virtue of its universality. (The reader is referred here to the statement of principles at the beginning of the main report 2/ and also to the analysis of the raison d'être of the multilateral approach given in Chapters Two and Four.) 3/ It is rather a requirement to identify and remedy the weak points in such a way

1/ See Part V, Appendix One, Section II-B, passim.

2/ Chapter One, para. 4.

3/ Chapter Two, paras. 12 and 13; Chapter Four, para 14.

as to enhance both the achievements and the advantages of the United Nations system.

(1) Quantitative

16. The Capacity Study has tried to analyse various quantitative aspects of the programme through questionnaires sent to the headquarters of UNDP and of the Executing Agencies and to the Resident Representatives, as well as through personal inquiries. A description of the various investigations will be found in Appendix One on Methodology in Part V of the Report.

17. As intimated earlier, the results have not been entirely satisfactory. The data provided was often incomplete – particularly for the TA component where records are scant and spread over a very large number of small projects – and sometimes was not only inconsistent with information from other sources, with which it should have been compatible, but even contained internal discrepancies. ^{1/} This lack of reliable and uniform statistics on the progress and results of the programme has not only been a major stumbling block to the assessment of the capacity of the system, but is also in itself a serious limitation on capacity since information is not available promptly to enable the management of the programme to take any necessary corrective action. Moreover, the lack of adequate "feedback" means that the lessons of past mistakes cannot be fully assimilated and applied.

18. On the other hand, although the specific data provided has not always been adequate, there has been considerable agreement from many differing sources on certain main themes, especially among governments, who were not asked any specific questions referring to either quantitative or qualitative aspects but simply invited to give their views on the matters that appeared most important to them. The section related to qualitative capacity will spell out most of these, but one or two have a clear quantitative connotation and should be touched on here. For instance, a familiar criticism suggests that, because the programme has to conform to cumbersome and out-dated procedures, delays have become so frequent as to impair the success of individual projects and the essential dynamism of the programme.

19. Even here it is difficult to obtain a clear picture of the situation in the TA component, partly because of the dearth of complete and easily accessible records already mentioned, and partly because several factors make the delays which do occur less serious, so that little evidence is to hand as to the size of the problem. The chief factors to be noted are: (a) the formulation of TA projects is usually very much simpler; (b) the inputs are smaller and,

^{1/} For this reason, the tables and charts given later in this section may not always be considered precise to the last figure by every component of the UN development system. However, after recalculating them many times, the Study is satisfied that discrepancies are negligible. Moreover, whatever the basis of calculation, the results and trends have shown a remarkable degree of consistency. The Study believes, therefore, that they give a true picture of the overall situation.

although mis-timing can be serious, the project may make do without the small items of equipment required; (c) counterpart support requirements are usually smaller but, even if they are not forthcoming on time and of appropriate quality, an expert can carry out his mission, although the project may fail to make its full contribution. The existence of the problem may therefore be noted, but no further analysis is attempted here. 1/

20. The balance of this section is concerned wholly with the quantitative performance of the Special Fund component and the larger and more complex projects it supports, with particular reference to:

- (a) delays in the formulation, appraisal and approval of projects and in their eventual entry into operations;
- (b) the incidence and main causes of delay during the execution phase of projects;
- (c) delays in the presentation of final reports.

Another measure of the quantitative success of the programme is the degree to which "pre-investment" projects, in the narrowest sense of the term, have sparked off investment from other sources as a result of their findings. This will be looked at in sub-Section (d).

- (a) Delays in the formulation, appraisal and approval of projects in the Special Fund component and in their eventual entry into operations

21. No less than half of the recipient governments who expressed views to the Study complained that the time-lag between the presentation of a request and its approval is excessively long. An examination of the time profiles of the projects approved for execution by the four principal Agencies 2/ from the inception of the programme until June 1969 shows that the average interval between the receipt of an official request for a Special Fund project and its approval by the Governing Council has widened with the increase in size of the programme, from six or seven months in the early years to a steady average of more than a year since 1963. Detailed figures are given in Table 3.1 and illustrated by Graph 3.1. This does not, however, tell the whole story as each project has usually been under discussion in an unofficial form for some time before it is formally presented. These earlier discussions invariably involve the Specialized Agency concerned, and may also involve UNDP to a lesser and varying extent, according to the nature and the history of the project. It has proved impossible to find any reliable figures for measuring the amount of time taken up in these earlier negotia-

1/ Moreover, a comprehensive survey of the main aspects of the EPTA programme was undertaken by TAB, through the Resident Representatives, in 1964. See United Nations, Technical Assistance Committee, Annual Report of the Technical Assistance Board for 1964 (doc. E/4021/Rev. 1).

2/ The sample is reasonably representative since between them the UN, FAO, UNESCO and ILO are responsible for the execution of about 80 per cent of the total number of projects.

TABLE 3.1
SF PROJECTS: ANALYSIS OF TIME REQUIRED FOR APPROVAL
Average interval between opening of project file, receipt of official request and approval by the Governing Council
(Expressed in number of months)

Based on projects approved as at 30 June 1969 and computed by year of approval for the four principal Agencies

Year of approval	A G E N C I E S									FOUR AGENCIES							
	UN			FAO			UNESCO			ILO			Total no. of projects	Weighted averages			
	(1)	(2)	(3)	No. of projects	(1)	(2)	(3)	No. of projects	(1)	(2)	(3)	(1)		(2)	(3)		
1959	6	1	5	6	16	-	6	6	6	7	1	5	6	35	-	6	6
1960	6	4	6	10	32	1	7	8	9	6	-	7	7	54	1	7	8
1961	8	1	9	10	16	1	8	9	9	7	1	6	7	39	1	8	9
1962	10	1	7	8	29	-	10	10	10	15	1	9	10	71	1	9	10
1963	14	1	10	11	33	2	13	15	18	6	2	15	17	67	2	13	15
1964	20	1	13	14	38	2	12	14	21	7	3	18	21	75	2	14	16
1965	27	2	10	12	41	6	12	18	17	8	4	11	15	89	4	12	16
1966	25	2	10	12	52	3	11	14	13	17	1	12	13	113	2	12	14
1967	21	6	11	17	47	3	14	17	18	19	3	15	18	100	3	14	17
1968	24	7	11	18	58	3	13	16	19	19	3	16	19	118	4	13	17
1969	33	...	13	...	51	...	14	...	...	28	...	15	...	125	...	14	...

KEY: (1) Average interval, in months, between opening of project file and receipt of official request
(2) Average interval, in months, between receipt of official request and approval by Governing Council
(3) Average interval, in months, between opening of project file and approval by Governing Council (1 + 2)

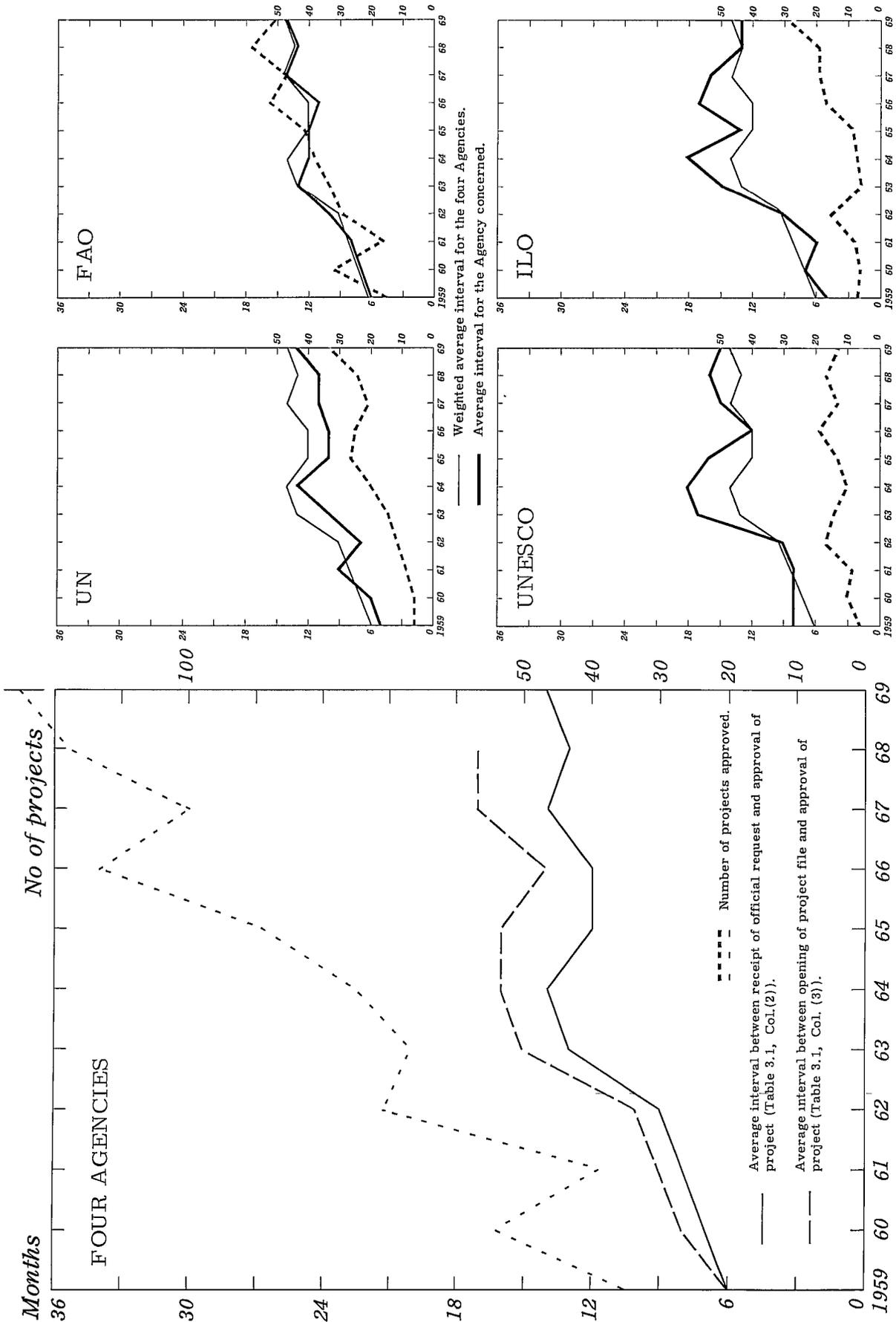
SOURCE: Based on documentation prepared for the Capacity Study by UNDP

TABLE 3.1

Graph 3.1

SF PROJECTS: ANALYSIS OF TIME REQUIRED FOR APPROVAL

Average interval between opening of project file, receipt of official request and approval by the Governing Council, from 1959 through 1969



tions. A calculation based on the date on which the project file was opened at UNDP Headquarters shows that, if this preliminary consideration is also added in, then the total average time-lag comes to seventeen months. However, this figure is misleading on two counts: first, negotiations may have been going on for a considerable time between the Agency and the government on a particular project before it becomes a sufficiently firm prospect to warrant the opening of a file at UNDP Headquarters and, secondly, for many projects the opening of the project file seems to coincide with the date of receipt of the official request – whereas, in fact, previous correspondence must have taken place – so that the average given here must certainly be false. In practice it is known that the majority of SF type projects may be under discussion for between one to two years before an official request is submitted.

22. Graph 3.1 also shows the time-lag between the official receipt and approval of requests, broken down for the UN, FAO, UNESCO and ILO respectively, and compared in each case to the average. It will be seen that for projects for which the UN was responsible performance has been consistently better than the average and that, with the exception of 1964 and the present year, the delay has been kept to less than one year. In the case of FAO, the time-lag corresponds almost exactly to the average, since almost half the projects examined fell into this category. For UNESCO projects it has been consistently longer than average, except in 1961 and 1966, while for ILO projects it has been uneven but has tended to keep above the average.

23. Obviously, the responsibility for these delays is not solely attributable to the Executing Agency concerned since project formulation is a joint process in which UNDP and the Agency are both involved – so closely, in fact, that it is impossible to distinguish their respective responsibilities clearly and discover where the bottlenecks lie. As a rough rule of thumb, it is probably true that the Agency is most active in the phase prior to the submission of the official request, when it is helping the government to prepare the draft, whereas UNDP comes more centrally into the picture after the official submission, when the process of appraisal and reformulation begins, often involving, in the case of large projects, the despatch of further consultants to the country concerned. Some Agencies have complained that this latter phase has been tackled with excessive zeal and that UNDP has often indulged in an unnecessary degree of "second-guessing" which has unnecessarily protracted the appraisal and approval of projects. On the other hand, their efforts in this regard might also be interpreted as laudable attempts to improve the crucial process of project preparation and formulation with the result that this work has become more detailed and thus extended over a longer period, particularly as the number of projects under review has increased. Yet, as will be shown later, the general consensus among most of the sources consulted is that project formulation is still one of the weakest parts of the programme. It could be inferred from this that still more time will be needed to get the project formulation process right, if time is indeed the only variable involved. This would clearly be unthinkable, being prejudicial

both to the interests of the developing countries and to the ability of the organization to deliver the programme promptly as well as effectively. An evident need emerges of finding ways and means of simultaneously perfecting and accelerating the project formulation process.

24. The activities of UNDP at this stage cannot account for the significant differences in the time-lags between the four Agencies. They are not easy to explain. In part they must be due to the differing procedures and organizational structures of the Agencies concerned but the information made available to the Study was not sufficient to permit a judgement. However, given the consistently better performance of the UN, which is borne out later by a similar analysis, ^{1/} it is hard to avoid the conclusion that geographical proximity to UNDP has had some bearing, and possibly a very considerable bearing, on the speed of the decision-making process. Issues are likely to be settled much more swiftly and satisfactorily by a local telephone call or a personal meeting than through an exchange of correspondence between two continents, with all its attendant delays and possible room for misunderstanding.

25. It is also interesting to note that, although there is a similar movement in the time-lag corresponding to the increase in the number of projects approved, the two graphs do not follow exactly parallel courses. Thus, though the approved programme remained at approximately the same level for each of the years 1962, 1963, and 1964, the average time-lag for the four principal Agencies grew from nine months to fourteen. This would tend to suggest that other pressures are at work on the system, apart from those reflected in the growing number of approved projects.

26. One of the forces making both for delay and for additional but not always productive work is clearly the growing number of proposals for projects under examination. This backlog, usually termed the "pipeline", has no official definition and clearly can be almost indefinitely enlarged to include even the vaguest speculation about a possible project. However, its size becomes significant in present circumstances as soon as serious work on a project is involved, whether by a government, a Specialized Agency or by UNDP.

27. The pipeline, on a rough definition of this sort, would consist essentially of three kinds of project requests: those which have been officially submitted and are under active consideration by UNDP and the Agencies; those which, while not yet official, have been referred to UNDP informally and are being further examined by both UNDP and the Agencies, and possibly by preparatory missions; and those which are in early stages of discussion at the country level, possibly as a result of a suggestion from an Agency. To a considerable

^{1/} See para. 33.

extent, the size of the pipeline is dictated by the fact that nearly one in every three Special Fund approved project leads to a second-phase project. ^{1/}

28. Every project request allowed to enter the pipeline represents a past and future work-load for all three parties. It must therefore be a matter for concern that, according to information supplied by UNDP, Agency headquarters and Resident Representatives :

- (a) 573 official and unofficial projects were receiving consideration in UNDP on 31 August 1969, of which 136 should be approved by January 1970, leaving a balance of 437;
- (b) some 450 potential projects appear to be under consideration in Agency headquarters in addition to those under (a);
- (c) some 100 projects were in early stages of preparation at the country level in addition to those in (a) and (b);
- (d) Phase II projects (calculated on the basis of past experience) could amount to some 200 additional projects which do not appear to have been included in the foregoing figures.

Thus, the United Nations development system and the developing countries are now working on a total of about 1,200 potential projects or, allowing approximately one-third to fall by the wayside, as has been the case in the past, ^{2/} about 800 potential firm projects expected to reach the Governing Council in due course. Assuming that the Council approved an average of 200 projects a year, ^{3/} it would take four years to clear the existing backlog. Even this

^{1/} Cf. The Activities of the UNDP in 1968, Report by the Administrator (doc. DP/L.104, para. 23): "Slightly less than one of every three completed projects under the Special Fund component has led to a second phase project!" A survey undertaken by the Capacity Study among 90 Resident Representatives indicates that 32 per cent of currently operational and approved projects will also lead to Phase II projects. A slightly higher proportion is forecast by the independent investigation of a member government which set the figure at 37 per cent.

^{2/} This assumption is based on an analysis of the SF component from 1959 until April 1969, viz:

(a) SF project requests approved	1,025
(b) SF project requests rejected	220
(c) SF project requests withdrawn	191
Total project requests received	-- - <u>1,436</u>

If one takes into account 28 cancelled projects, the number of project requests which failed to develop into operational projects totalled 439, or 30 per cent of the 1,464 project requests received in all.

^{3/} The Council approved 135 projects in 1966, 122 projects in 1967, 151 projects in 1968, and 156 projects in 1969.

is a conservative figure, however, presupposing that the average cost of the projects remained constant, and that the programme's resources continued to expand at an average annual rate of 13 per cent as heretofore. ^{1/} Even on the best of outcomes, therefore, the present pipeline is likely to clog the UNDP machine for a very considerable time ahead, especially as much time and effort is spent on projects that are either rejected in the end or withdrawn by the requesting government. ^{2/}

29. Obviously, it would be wrong to exaggerate the problem. On the one hand, it is clearly necessary and inevitable that the programme should consider a larger number of projects than are eventually selected for approval. On the other, it would be misleading to regard all of the projects in the pipeline as receiving active and constant consideration. At the same time, the proportions of the problem are disquieting, as also the fact that the heavy workload involved must inevitably increase if the present ad hoc arrangements for submitting projects continue. This is only to be expected as the prospect of growing resources, an increased knowledge of the possibilities of assistance and a better command of the procedures involved encourage governments to present requests at a faster rate, a process naturally supported by the zeal of the representatives of both UNDP and the Agencies.

30. Although this offers clear evidence of the value of UNDP assistance, an uncontrolled growth in the number of project requests requiring attention while in the pipeline is a serious problem. It represents a very large burden of work, lengthens the interval between submission and approval, and establishes a claim on UNDP resources which diminishes flexibility

^{1/} The 13 per cent is the average compounded rate of growth per annum for the last ten years. However, it masks considerable annual variations and a marked downward trend over that period, revealed by the following annual figures, each showing the percentage increase over the previous year:

<u>Year</u>	<u>Percentage</u>
1960	32
1961	23
1962	19
1963	16
1964	12
1965	6
1966	7
1967	11
1968	7
1969	7

^{2/} In the case of rejected requests, the average time-lag between an official request and the rejection decision over the years 1963-1969 (January-April) was seven months. For withdrawn requests, the average over the same period was much higher - 19 months - and in 1969 reached 32 months. The total number of requests rejected was 73 during those seven years and of withdrawn requests 157.

and the ability to modify the programme with changing needs. Above all, for the individual country the delay in moving a project through the pipeline may well seriously reduce the value of the assistance or even invalidate it entirely when, at last, it becomes available. Already, in some individual countries, the problem has reached very serious proportions which are masked by the average figures given above.

31. Part of the solution lies in a more rational and long-term system of programming, based on the simultaneous analysis of the overall needs of each individual country, rather than a piecemeal approach to sectoral priorities. This will be dealt with in detail in Chapter Five. Part also lies in improved managerial procedures, more decentralization and greater flexibility in organization, designed in combination to make the processes of formulation, appraisal and approval speedier and more supple, without reducing their efficiency. Recommendations to this effect will follow in Part IV, mainly in Chapter Seven.

32. Delays in the initial stages of a project do not end with its approval by the Governing Council. Table 3.2 and Graph 3.2 show a significant increase in the interval between the date of approval and the date of signature of the plan of operation, corresponding, except in 1964, to the increase in the number of projects involved. The average time-lag now appears to have stabilized, for the last few years, at more or less the same level of thirteen to fourteen months. This has meant that the total interval between the official request and the signature of the plan of operation for these same projects ^{1/} has averaged nearly twenty-six months between 1963 and 1969 (though it will be noted that, in the case of one Agency, the delay has, in 1966, risen as high as three years.

33. The breakdown by Agency in Graph 3.2 shows that here again, the UN fares consistently better than average, while FAO, as usual, corresponds fairly closely to the average. The graphs for UNESCO and ILO both swing up and down a great deal, but UNESCO is consistently worse than average, while ILO, on the whole, is nearer to the average.

34. These delays are clearly excessive, and detrimental to an effective response to the needs of developing countries. It is difficult to analyse the causes without examining the circumstances in each individual case, or in a representative sample. Unfortunately, the data required for such an investigation was not readily available. In its absence, it is impossible

^{1/} It should be noted that this is not the same sample as was used for Table 3.1 and Chart 3.1. The latter gave figures for the projects approved in any given year, while Table 3.2 and Graph 3.2 are based on the projects for which plans of operation were signed in any given year. This accounts for small differences in the figures for the time-lag between the dates of its official request and that of its approval in the two examples, though it is interesting to note that the underlying trends show a considerable degree of consistency.

TABLE 3.2
SF PROJECTS; ANALYSIS OF TIME REQUIRED BEFORE SIGNATURE OF PLAN OF OPERATION
 Average interval between receipt of official request, approval by the Governing Council and signature of plan of operation
 (Expressed in number of months)

Based on projects for which plan of operation has been signed as at 30 April 1969 and computed by year of signature of plan of operation for the four principal Agencies

Year of signature of plan of operation	A G E N C I E S									FOUR AGENCIES									
	UN			FAO			UNESCO			ILO			Total no. of projects	Weighted averages					
	(1)	(2)	(3)	No. of projects	(1)	(2)	(3)	No. of projects	(1)	(2)	(3)	(1)		(2)	(3)				
1959	-	-	-	3	4	6	10	1	4	6	10	1	2	7	9	5	4	6	10
1960	7	8	13	19	6	7	13	8	9	4	13	8	6	8	14	42	7	7	14
1961	9	10	15	22	6	8	14	8	7	9	16	6	7	7	14	45	7	7	14
1962	13	6	9	15	9	11	20	11	8	13	21	9	10	10	20	64	8	11	19
1963	5	11	6	17	11	13	24	21	12	12	24	13	9	14	23	73	11	12	23
1964	13	9	12	21	14	10	24	8	14	10	24	4	8	17	25	51	12	11	23
1965	27	10	11	21	11	13	24	10	15	14	29	10	15	11	26	81	12	12	24
1966	24	12	14	26	15	14	29	13	20	16	36	8	14	11	25	86	15	14	29
1967	27	11	10	21	11	16	27	16	11	13	24	14	16	12	28	111	12	13	25
1968	18	9	14	23	14	12	26	19	16	15	31	22	18	14	32	107	14	14	28
1969 (4 months)	3	14	10	24	11	14	25	3	17	10	27	4	13	14	27	30	13	13	26

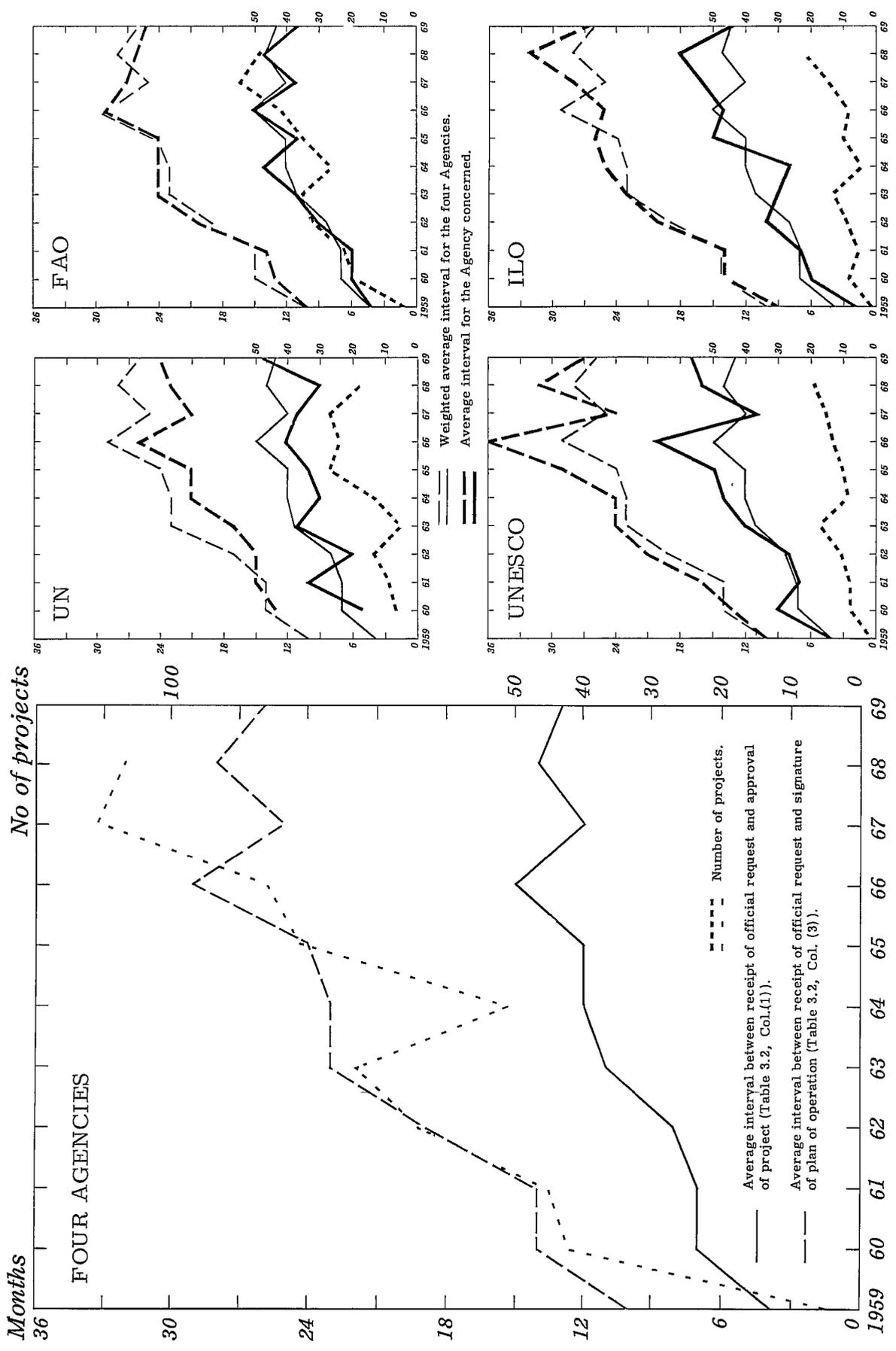
KEY:
 (1) Average interval, in months, between receipt of official request and approval by Governing Council
 (2) Average interval, in months, between approval by Governing Council and signature of plan of operation
 (3) Average interval, in months, between receipt of official request and signature of plan of operation (1 + 2)

SOURCE: Same as Table 3.1

TABLE 3.2

Graph 3.2 SF PROJECTS: ANALYSIS OF TIME REQUIRED BEFORE SIGNATURE OF PLAN OF OPERATION

Average interval between receipt of official request, approval by the Governing Council, and signature of plan of operation, from 1959 through 1969



to determine how the responsibility for delay should be attributed as between those involved, i. e., the government, the Agencies, or UNDP. One general conclusion may be drawn from these figures, however. It is that, despite the increasing time devoted to the project formulation phase, the greater use of preparatory allocations, the drive to prepare draft plans of operation even before project approval, and the earlier appointment of project managers, the project as approved by the Governing Council still does not provide an adequate basis for the signature of a plan of operation within two or three months at the outside, as one would expect. This would again seem to point back then to deficiencies in the present methods of selecting and formulating projects.

35. The final stage before a project becomes fully operational comes with the formal authorization to start, which is given after the government has made its first counterpart payment. Table 3.3 and Graph 3.3 ^{1/} show that the delays are not serious, since they do not normally go beyond two to three months. All in all, however, the figures since 1963 show that anything between two and two-and-a-half years normally elapse between the presentation of an official request and the authorization to start operations, and that in individual cases this delay may be even longer. If the period of preliminary discussion while the request was still unofficial is also taken into account, it will be seen that the total decision-making process may easily take three or four years.

(b) The incidence and main causes of delay during the execution phase of projects

36. By their nature, development projects can never be executed exactly according to plan. However meticulous their formulation, unforeseen contingencies are bound to intervene and change the course of events. This caveat should therefore be kept constantly in mind when reading the present sub-section.

37. Notwithstanding, some analysis of delays in this phase can throw light on capacity, particularly if it is possible to identify the main causes and thus show whether these might have been avoided with more foresight or whether they were unpredictable.

38. First, it may be helpful to establish the degree of the delays involved. Table 3.4 compares the actual duration of projects completed by the four principal Agencies with their planned duration. It will be seen from this that, from 1965-1968, the completed projects

^{1/} See footnote to para. 32 on Table 3.2 and Graph 3.2. The same considerations apply there, where the figures given are based on the year in which the authorizations to start were given.

TABLE 3.3

SF PROJECTS; ANALYSIS OF TIME REQUIRED BEFORE AUTHORIZATION TO COMMENCE
Average interval between receipt of official request, approval by Governing Council, signature of plan of operation and authorization to commence operations
 (Expressed in number of months)

Based on projects for which authorization to commence operations has been given as at 30 April 1969 and computed by year of authorization to commence for the four Principal Agencies

Year of authorization to commence	A G E N C I E S												FOUR AGENCIES																		
	UN				FAO				UNESCO				ILO				Total no. of projects	Weighted averages													
	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)	(1)	(2)	(3)	(4)		(1)	(2)	(3)	(4)										
1959	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-			
1960	7	5	8	1	14	16	6	6	2	14	8	8	9	4	1	14	8	5	8	1	14	39	6	7	1	14	6	7	1	14	
1961	8	11	4	2	17	24	6	8	1	15	7	7	7	8	1	16	5	7	6	1	14	44	7	7	1	15	7	7	1	15	
1962	11	6	9	1	16	29	8	11	2	21	11	9	9	12	1	22	10	10	9	1	20	61	8	10	2	20	8	10	2	20	
1963	7	10	7	2	19	35	10	12	1	23	17	11	11	12	1	24	11	10	10	12	1	23	70	10	12	1	23	10	12	1	23
1964	13	8	11	2	21	28	15	10	2	27	14	14	14	10	2	26	6	7	7	21	2	30	61	13	11	2	26	13	11	2	26
1965	23	9	11	2	22	31	12	14	1	27	6	20	20	13	2	35	11	15	15	10	2	27	71	12	12	2	26	12	12	2	26
1966	22	13	12	2	27	36	15	13	2	30	13	17	17	14	2	33	7	14	14	11	1	26	78	14	13	2	29	14	13	2	29
1967	31	11	11	3	25	49	10	16	3	29	15	12	12	15	3	30	14	14	14	12	2	28	109	11	14	3	28	11	14	3	28
1968	16	12	13	1	26	56	13	13	2	28	21	15	15	15	2	32	22	19	19	14	1	34	115	14	14	2	30	14	14	2	30
1969 (4 months)	6	10	11	1	22	25	13	13	1	27	5	17	17	10	3	30	3	13	13	14	1	28	39	13	12	1	26	13	12	1	26

KEY: (1) Average interval, in months, between receipt of official request and approval by Governing Council
 (2) Average interval, in months, between approval by Governing Council and signature of plan of operation
 (3) Average interval, in months, between signature of plan of operation and authorization to commence
 (4) Average interval, in months, between receipt of official request and authorization to commence (1+2+3).

SOURCE: Same as Table 3.1

TABLE 3.3

Graph 3.3

SF PROJECTS: ANALYSIS OF TIME REQUIRED BEFORE AUTHORIZATION TO COMMENCE

Average interval between receipt of official request, approval by Governing Council, signature of plan of operation, and authorization to commence operations, from 1959 through 1969

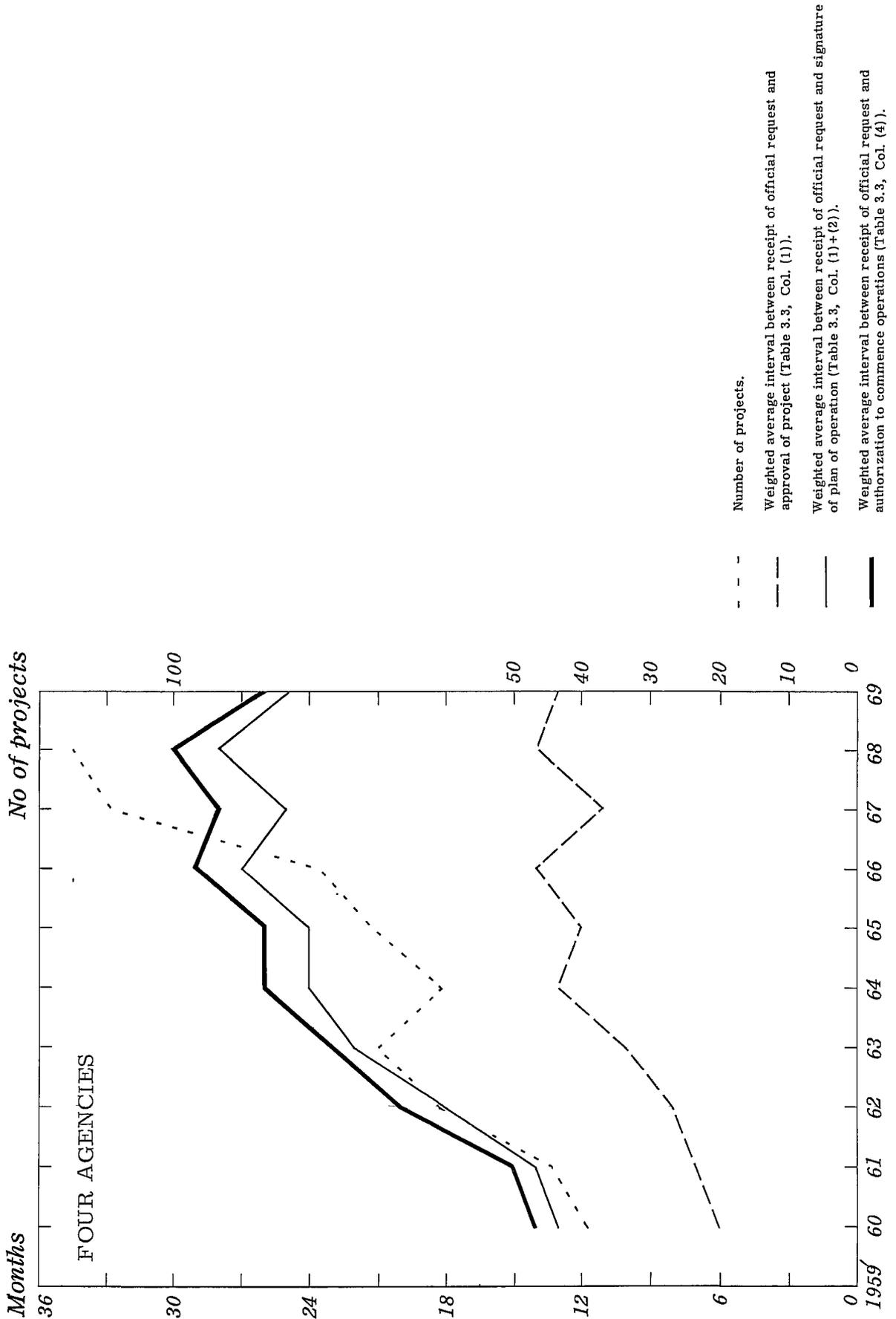


TABLE 3.4

COMPLETED SF PROJECTS: ANALYSIS OF TIME DELAY

Actual duration compared with planned duration
(Expressed in number of months)

Based on projects for which field work has been completed as at 31 December 1968 and computed by year of field work completed for the four principal Agencies

Year of field work completed	UN		FAO		UNESCO		ILO		FOUR AGENCIES		
	No. of completed projects (1)	(2)	No. of completed projects (1)	Weighted averages (2)							
1959 to 1963	4	18	5	31	-	-	1	48	10	27	30
1964	5	27	13	32	-	-	4	48	22	34	38
1965	6	38	7	40	3	60	3	40	19	43	51
1966	12	32	20	47	2	54	5	55	39	44	48
1967	7	37	23	46	4	48	15	50	49	46	55
1968	10	43	15	54	13	56	9	56	47	52	60

KEY: (1) Average planned duration

(2) Average actual duration (interval, in months, between date of authorization to commence and date of field work completed)

SOURCE: Same as Table 3.1

TABLE 3.5

SF PROJECTS: ACTUAL EXPENDITURE BY YEAR AND UNSPENT PLANNED EXPENDITURE CUMULATED THROUGH THE END OF EACH YEAR

(Expressed in \$ million)

Excluding overhead costs

Year	All Agencies		UN		FAO		UNESCO		ILO	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)
1960	2.3	9.5	0.8	1.8	0.5	1.1	0.2	2.7	0.1	1.4
1961	7.5	23.8	1.7	3.8	2.6	7.3	0.8	5.5	1.3	3.0
1962	20.1	39.2	3.9	8.3	6.8	13.2	3.0	8.4	3.4	3.9
1963	35.6	52.4	6.5	10.1	10.7	19.5	6.9	9.3	5.4	5.2
1964	45.4	67.3	8.3	12.6	16.1	26.2	9.4	11.9	5.3	6.6
1965	56.0	84.4	12.3	14.5	19.6	33.7	10.2	16.1	5.9	7.5
1966	72.4	100.2	14.7	21.0	27.4	38.3	12.1	19.8	6.7	7.4
1967	88.7	117.2	19.1	23.8	31.9	44.9	15.3	20.7	8.4	7.7
1968	112.0	117.2	23.2	23.2	39.4	48.0	18.8	18.1	10.6	9.0

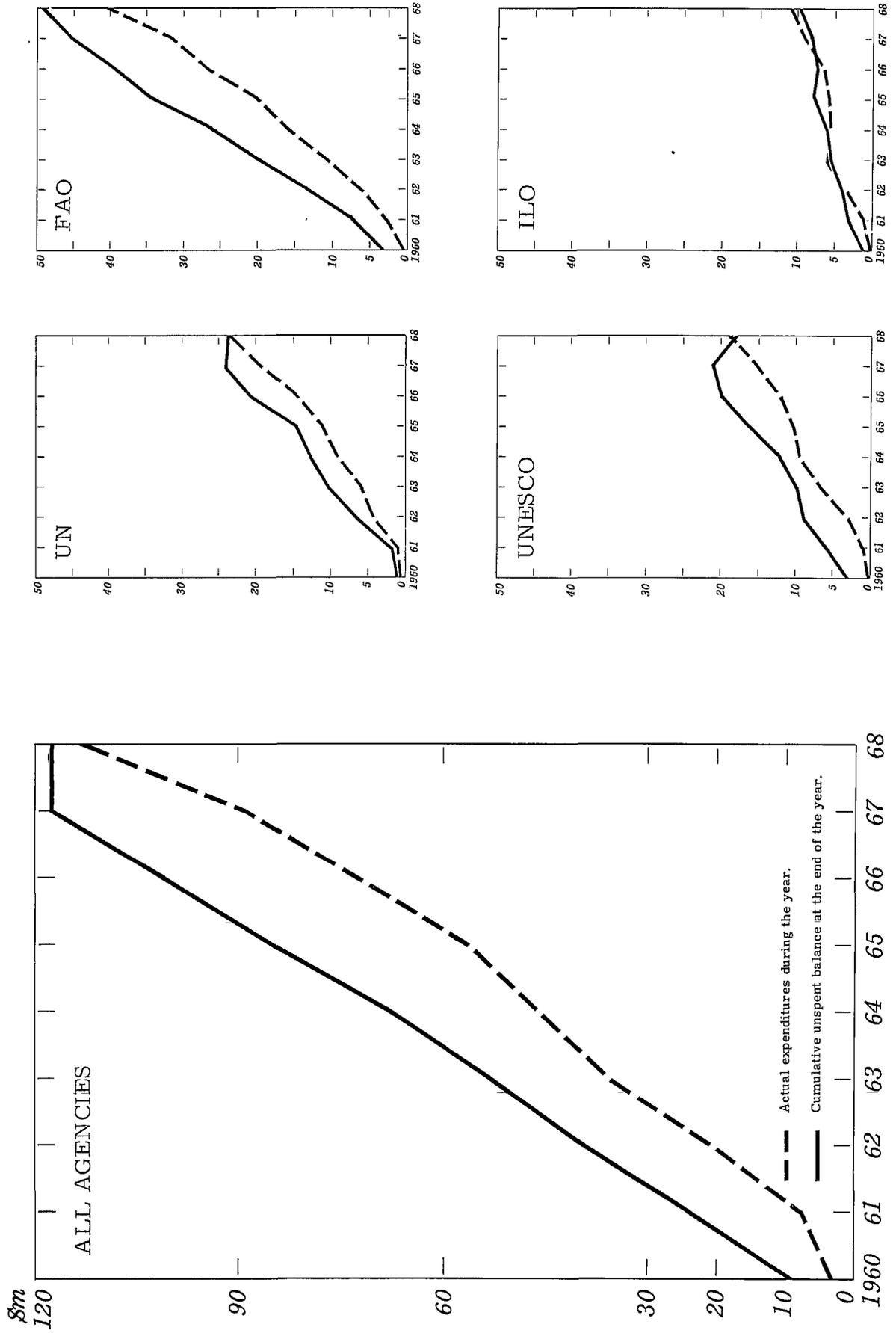
KEY:

(1) Actual expenditures during the year

(2) Cumulative unspent balance at the end of each year (difference between cumulative actual expenditures and cumulative planned expenditures as per original project budgets through indicated year)

Graph 3.4

SF PROJECTS: ACTUAL EXPENDITURES BY YEAR AND UNSPENT PLANNED EXPENDITURES CUMULATED THROUGH THE END OF EACH YEAR FROM 1960 THROUGH 1968



examined were on average running nearly six months beyond their scheduled date of completion, with a tendency for this to increase (in 1967 and 1968 to an average of eight months). Here again, the figures are not conclusive. They do not take account, for example, of cases where the difficulties encountered in achieving the objectives of a project within its allotted lifespan are so great as to require a Phase II project which was not originally envisaged, although, in such instances, delays in implementation must have reached serious proportions.

39. Another approximate way of measuring delivery performance in quantitative terms is to measure the actual expenditure against planned expenditure. It is rough and ready because the project budgets as prepared at present are not always realistic. Nonetheless, in the absence of more precise information, and assuming that project budgets, as a whole, are just as likely to be revised upwards as downwards (if not more so), such a comparison does give an overall picture of the situation. Here again, there is cause for disquiet: by the end of 1968 the total backlog, i. e., the difference between actual expenditures and the planned project budgets had risen to US\$117 million, a figure larger than the total of US\$112 million actually spent on projects in that year. In other words, the programme as a whole was approximately one year behind schedule in its delivery. Table 3.5 and Graph 3.4 in this chapter and Table 15 of Appendix Six in Part V show how the situation has evolved between 1960 and 1968, on an Agency-by-Agency, as well as on a global basis. Performance has been uneven, and if most recent figures suggest that there was eventually some improvement, for all Agencies aggregated, but individually only for UN and UNESCO, the situation is still unsatisfactory for the largest Agency, FAO.

40. A more precise method of measuring quantitative performance is to examine a sample of operational projects, assess how many of them are behind schedule and identify the principal causes of the delay. Even here, however, hard facts and figures are not easy to come by and there is still room for subjective bias as, for example, when estimating the relative importance of the delaying factors. It is also impossible to separate the quantitative totally from the qualitative, except in a very arbitrary fashion, e. g., failings in quality may spark off delays in the quantitative progress of a project or otherwise diminish measurable results. With these reservations, the Capacity Study presents in Table 3.6 an analysis of the difficulties encountered in 252 projects, selected from the Special Fund component, and operational in 1968 (out of a total of 595). Table 3.7 gives a similar analysis for twenty-five regional projects. The main source of information was the quarterly reports of the Resident Representative. While this means that the subjective views of the individuals concerned were necessarily involved, in general terms this was the most objective first-hand material readily available. It will be noted that the analysis has been done not only by economic sector, but also by the various standard fields of UNDP activity and by geographical region.

TABLE 3.6

SF PROJECTS: ANALYSIS OF IMPLEMENTATION DIFFICULTIES

Sample based on country projects operational in 1968
(Expressed in number of projects)

Category of Analysis	Projects operational end 1968	Number examined	Number behind schedule	Percentage behind schedule	TYPE OF DEFICIENCIES ENCOUNTERED ^{1/}					
					(1)	(2)	(3)	(4)	(5)	(6)
TOTAL	495	252	126	50	50	41	35	18	7	32
<u>I. Analysis of Projects by Economic Sector</u>										
Agriculture	198	101	48	48	18	22	14	7	1	6 ^{a/}
Industry	138	71	35	49	15	7	9	7	3	10 ^{b/}
Public Utilities	51	30	13	43	3	1	4	2	-	5 ^{c/}
Housing, Building & Physical Planning	11	5	4	80	1	2	1	-	1	1 ^{d/}
Multi-sector	23	8	5	62	2	2	2	1	-	4 ^{e/}
Health	3	4	1	25	1	-	-	-	-	1 ^{f/}
Education & Science	52	24	14	58	9	4	3	1	1	4 ^{g/}
Social Welfare	2	-	-	-	-	-	-	-	-	-
Public Administration & Other Services	17	9	6	67	1	3	2	-	1	1 ^{h/}
<u>II. Analysis of Projects by Field of Activity</u>										
Resource Surveys	174	90	46	51	16	17	16	8	1	...
Technical Education & Training	193	109	55	50	24	16	8	4	5	...
Applied Research	120	51	23	45	10	8	9	6	1	...
Economic Development Planning	8	2	2	100	-	-	2	-	-	...
<u>III. Analysis of Projects by Geographical Area</u>										
Africa	187	63	31	49	16	13	5	3	4	...
Americas	110	82	44	54	11	18	16	7	1	...
Asia, Far & Middle East	159	89	43	48	17	10	12	7	2	...
Europe	39	18	8	44	6	-	2	1	-	...

KEY: (1) Problems and delays in receiving counterpart personnel
(2) Delays in receiving Governments' cash counterpart contributions, land, buildings, equipment and supplies
(3) Problems in recruiting experts of required calibre resulting in project implementation delays
(4) Delays in receiving UNDP-financed equipment and supplies
(5) Delays in selecting suitable fellows
(6) Other deficiencies as itemized on next page (references ^{a/} to ^{h/})

NOTE: ^{1/} A single project might be included under several types of deficiencies

SOURCE: Quarterly Reports of Resident Representatives

TABLE 3.6

TABLE 3.6 (continued)

Reference	Economic Sector	Number of projects		Reason for Deficiencies
		Total	distributed as follows:	
<u>a/</u>	Agriculture	6	1	- lack of statistical data
			1	- unavailability of students owing to excessive entry standard
			1	- local resources dependent on bilateral assistance
			3	- government's practices and procedures
<u>b/</u>	Industry	10	6	- wrong location of project fragmentation of responsibility between two government departments lack of housing for experts lack of transport delay in formulating work programme
			1	- steady decline in enrolment of students
			3	- questionable competence of project manager ill-defined work programme lack of contact with industry
<u>c/</u>	Public Utilities	5	1	- lack of adequate roads
			1	- delays in presenting draft plan of operation to government
			1	- slow action by Executing Agency which delayed government negotiation of associated bilateral aid
			1	- bad relations between project manager and co-manager
			1	- delay in provision of pertinent data to sub-contractor owing to Executing Agency's failure to make adequate arrangements with government
<u>d/</u>	Housing, Building and Physical Planning	1	1	- nebulous institutional status of project
<u>e/</u>	Multisector	4	3	(- delays in government decisions (- lack of interministerial collaboration
			1	- refusal of government to release findings of project for use in other UN programmes
<u>f/</u>	Health	1	1	- minor local administrative difficulties
<u>g/</u>	Education and Science	3	3	(- shortage of students (- delay in construction of buildings (- lack of fellowship candidates
			1	- extension of experts without government concurrence (in one case, poor quality of expert, subsequently declared medically unfit, caused 45 students to lose whole year)
<u>h/</u>	Public Administration and other Services	1	1	- decline in interest of government agency concerned and faulty training of fellows

41. Taking first the country projects listed in Table 3.6, it will be seen that of the 252 projects analysed, 126, or exactly 50 per cent, ^{1/} were behind schedule and encountering difficulties of one kind or another. The main causes of delay lay in problems encountered by the government providing counterpart support, fifty projects being affected by the unavailability of counterpart personnel and forty-one by deficiencies in the provision of counterpart finance, and local facilities normally provided in kind, such as land, buildings, and local equipment and supplies. (The numbers are not cumulative, as in some projects both kinds of difficulties occur simultaneously; the total number of projects affected in one way or another by difficulties in provision of counterpart support was, in fact, fifty-eight.) Delays in the inputs provided by the Specialized Agencies executing the project on behalf of UNDP caused difficulties in thirty-seven projects; thirty-five of these were affected by the tardy recruitment or inadequate quality of experts and eighteen by late delivery of equipment and supplies. In seven cases progress was hampered by delays in the provision of fellowships. Thirty-two projects were troubled with other kinds of difficulties not falling into any of these categories. As the explanation on page 2 of Table 3.6 shows, these were of a most varied nature, some of them quantitative but others qualitative.

42. The inability of governments to provide counterpart personnel relates to the question of the absorptive capacity of recipient countries and will therefore be dealt with in Section B of this chapter.

43. The late arrival of experts caused considerable dislocation in twenty-two of the Special Fund projects examined and in ten of these the development of interdependent activities was rendered impossible as a result. In nine of these cases these difficulties attained very serious proportions; in only two of them was the government at fault through lengthy clearance procedures.

44. Delays in the delivery of equipment were less serious. In thirteen of the eighteen cases noted they were due to tardy placing of orders, delayed supply by the manufacturers or shortage of ocean transportation facilities. In two instances equipment was late because it had not been envisaged originally but had later been found to be essential. In three others, the difficulties arose from the landlocked situation of the countries concerned, while in yet another transportation facilities from the port of entry to the project site were poor.

45. As regards fellowships, the basic shortage of manpower and lack of funds to pay the fellow's salary accounted for the delays in four cases, the difficulty of releasing counterparts for fellowship awards were responsible in two instances, while delays by the Executing Agency and the recipient government occurred in only one case.

^{1/} It is interesting to note that this percentage is almost identical with an estimate made recently by the Administrator of UNDP when expressing his concern over operational delays.

46. The regional Special Fund projects, which were studied in somewhat less detail, show similar results. Nearly half - twelve out of twenty-six - were behind schedule; in six cases, problems had arisen over counterpart support; delays by the Executing Agency had hampered four projects (three by the late arrival of experts and one by late delivery of equipment); and other mishaps.

47. Yet another analysis was carried out of twenty-two multipurpose projects because they are among the largest and most complex in which the UN system is co-operating with governments, and because they represent a very considerable amount of resources, not only in terms of the actual project costs (these total US\$61 million, of which US\$35 million are provided by UNDP, and US\$26 million as counterpart contribution by the governments) but also of potential investment, if they produce the desired results. Here the proportion of projects behind schedule was somewhat less - 36 per cent - but the pattern of failings was similar: five projects being affected by problems over government counterpart support, four by the late arrival of experts, and three by delayed delivery of equipment, while other factors impinged to an important degree on five projects. (It will be realized that several of these projects behind schedule were affected simultaneously by more than one difficulty.)

48. As is shown elsewhere, ^{1/} the availability, as well as the quality, of human resources, are central to the programme's capacity. Taking here the quantitative aspect of the timely recruitment of international development personnel, it is clear that the problem has reached serious proportions which are perhaps not fully revealed in the random sample described above. It is a theme which constantly recurs among the replies of the many organizations and individuals consulted by the Study. Thus, over half of the sixty-five governments of developing countries which gave their views on the UN operation underlined belated expert recruitment as a major problem.

49. Yet here, too, precise facts are hard to come by and the replies provided by the Specialized Agencies to a very detailed series of questions on this aspect are neither sufficiently complete nor consistent to permit any general conclusions to be drawn. One Agency indicated that recruitment delays may vary from a week (presumably in a few highly exceptional cases) to, over a year. Another one reported that the average is ten months, while some "hard core" posts remain unfilled for eighteen months. In other cases, average figures

^{1/} Part V, Appendix One, Section II

TABLE 3.7

SF PROJECTS: ANALYSIS OF IMPLEMENTATION DIFFICULTIES

Sample based on regional projects operational in 1968
(Expressed in number of projects)

Category of Analysis	Projects operational end 1968	Number examined	Number behind schedule	Percentage behind schedule	TYPE OF DEFICIENCIES ENCOUNTERED ^{1/}			
					(1)	(2)	(3)	(4)
TOTAL	38	26	12	46	6	3	1	5
I. Analysis of Projects by Economic Sector								
Agriculture	12	6	4	67	2	1	-	-
Industry	2	2	2	100	1	-	-	1 ^{2/}
Public Utilities	7	4	-	-	-	-	-	-
Housing, Building & Physical Planning	-	-	-	-	-	-	-	-
Multi-sector	10	10	3	33	1	1	-	2 ^{3/}
Health	1	1	1	100	-	-	-	-
Education & Science	3	1	-	-	-	-	-	1 ^{4/}
Social Welfare	-	-	-	-	-	-	-	-
Public Administration & Other Services	3	2	2	100	2	1	1	1 ^{5/}
II. Analysis of Projects by Field of Activity								
Resource Surveys	21	14	6		...	...	...	...
Technical Education & Training	5	3	2		...	...	...	...
Applied Research	7	4	2		...	...	...	...
Economic Development Planning	5	4	2		...	...	...	...
III. Analysis of Projects by Geographical Area								
Africa	23	13	4		...	...	...	...
Americas	10	10	8		...	...	...	...
Asia, Far & Middle East	5	2	-		...	...	...	...
Europe	-	-	-		...	...	...	...

KEY: (1) Problems and delays in receiving counterpart
(2) Problems in recruiting experts of required calibre resulting in project implementation delays
(3) Delays in receiving UNDP-financed equipment and supplies
(4) Other deficiencies

NOTES: ^{1/} A single project might be included under several types of deficiencies
^{2/} High fees charged consultancy services led to under-utilization of capacity
^{3/} Lack of interest in project training courses; more time needed to carry out work than was planned - unforeseen operational difficulties
^{4/} No operational difficulties but when UNDP assistance was phased out, grave weaknesses revealed in decreasing ratio of teaching staff in comparison with large increase in student enrolment
^{5/} Limited government budget

SOURCE: Quarterly Reports of Resident Representative

TABLE 3.7

ranged from six to fourteen months. ^{1/} Again, a modest sample which the Study took of recruitment by the Geneva Office of the UN Technical Assistance Recruitment Service showed that the average time spent on recruitment, from approval of a job description until the appointed expert took up his duties, was approximately 334 days in 1965 and approximately 295 days in 1968. It is evident that figures vary widely. What is abundantly clear is that a serious problem exists. Most of the Agencies appear to be of the opinion that the situation is improving ^{2/} but this view is not shared by governments.

50. The problem largely derives from the complexity of recruiting personnel on a world-wide basis and from the lack of uniformity in recruiting procedures. It is complicated by many features: the short supply of many specialists; non-competitive emoluments compared with those obtainable in many individual countries; inadequate job descriptions; out-of-date rosters; shortage of recruiting personnel; the cancellation of posts; lengthy clearance delays on the part of the recipient governments; and the varying performance of the National Committees who assist in the recruitment process.

51. Probably the best illustration of the immense range of the problem is given in a survey submitted to the UNESCO Executive Board in 1968,^{3/} which is the most comprehensive study of the subject that the Capacity Study has seen. This shows that the ratio between

^{1/} Some insight into the rate of delivery of expert services for the TA component in the biennium 1967-1968 is provided by the following figures, based on the Category I projects and contingency projects approved for that biennium:

	<u>Man-months of expert services</u>
Approved programmes 1967-1968 (country programmes only)	45,111
Delivery by end of biennium	40,818

Delivered expert services thus represented 90 per cent of the authorized expert man-months. However, it is not self-evident that the type of services supplied corresponded to those originally requested. A large proportion of "programme changes" which occurred during the biennium 1967-1968 consisted of a switch from expert services as originally authorized to fellowships, thus seeming to show that fellowships were hastily arranged at the last moment to replace expert services which could not be delivered within the programme period. The following figures appear to confirm this:

<u>Fellowships</u> (Biennium 1967-1968)	<u>Man-months</u>
Originally approved (country programmes only)	22,659
Delivered	27,003

Thus, the man-months of fellowships actually delivered during the biennium 1967-1968 represent 119 per cent of the number originally authorized.

Source: Report on the Activities of UNDP in 1968 (doc. DP/L. 104/Add.1, page 21).

^{2/} Replies on the percentage of authorized posts vacant at the year end showed that for four Agencies these had decreased from a range of 13-23 per cent five years ago to one of 5-18 per cent at the present.

^{3/} UNESCO, Recruitment of Field Staff (doc. 78 EX/28 of 25 April 1968).

applications received and candidates appointed is very high – about 8:1. For the 484 field posts which were established by UNESCO in 1966, 3,166 applicants were considered, some of them for several posts. After the first selection, 932 applications (1.9 per post) were submitted to the UNESCO Directorate responsible. 228 of these fell by the wayside for one reason or another; 835 candidates were submitted to governments; and, finally, 393 were either appointed or approved by 31 December 1966. This means that 89 per cent of the posts established in 1966 (484 less 41 cancelled or modified posts) were filled during the year. The extent of the problem is vividly illustrated by Table 3.8 which shows, for the countries which provide 85 per cent of UNESCO experts, what happened to the candidates officially submitted.

52. Obviously, there are no easy solutions and the problem must be tackled on a number of different fronts simultaneously. Some suggestions to this effect will be made in Chapter Eight, on Human Resources. ^{1/} A basic consideration is that speed of recruitment cannot be at the expense of quality and therefore time must be allowed for the delicate process of ensuring that the right person is recruited for the job. Comprehensive and longer-term programming of the kind described in Chapter Five should help greatly by making it possible to project personnel needs much further ahead and allowing more time for project formulation.

53. If the direct recruitment of experts in the numbers now needed imposes an excessive burden on the Agencies, it would seem sensible to resort more frequently to subcontracting, which would do much to expand the effective capacity of the system and could have other notable advantages. Yet it is surprising to note that, although the use of subcontracts has increased with the growth of the programme, it has certainly not grown in the same proportion. Graph 3.5 shows that, for all the Agencies, the percentage of total project expenditure on subcontracts has risen barely perceptibly during the last few years, while total expenditure has advanced rapidly. Graph 3.5 also indicates the percentage of subcontracting used by UN, FAO and WHO respectively, which are the only Agencies for which it is large enough to warrant singling out. ^{2/} It will be seen from this that, whereas the UN follows the general trend of a very slow rise, in the case of FAO, the Agency carrying the heaviest load of responsibility for executing SF projects, the proportion of subcontracting has declined steadily and consistently since 1963, and now constitutes only 7 per cent of total FAO project expenditure.

^{1/} See paras. 60-63, 68-82.

^{2/} This analysis does not include IBRD, which normally subcontracts all projects.

Graph 3.5

SF PROJECTS: TOTAL PROJECT EXPENDITURES AS COMPARED WITH EXPENDITURES ON SUB-CONTRACTS FROM 1960 THROUGH 1968

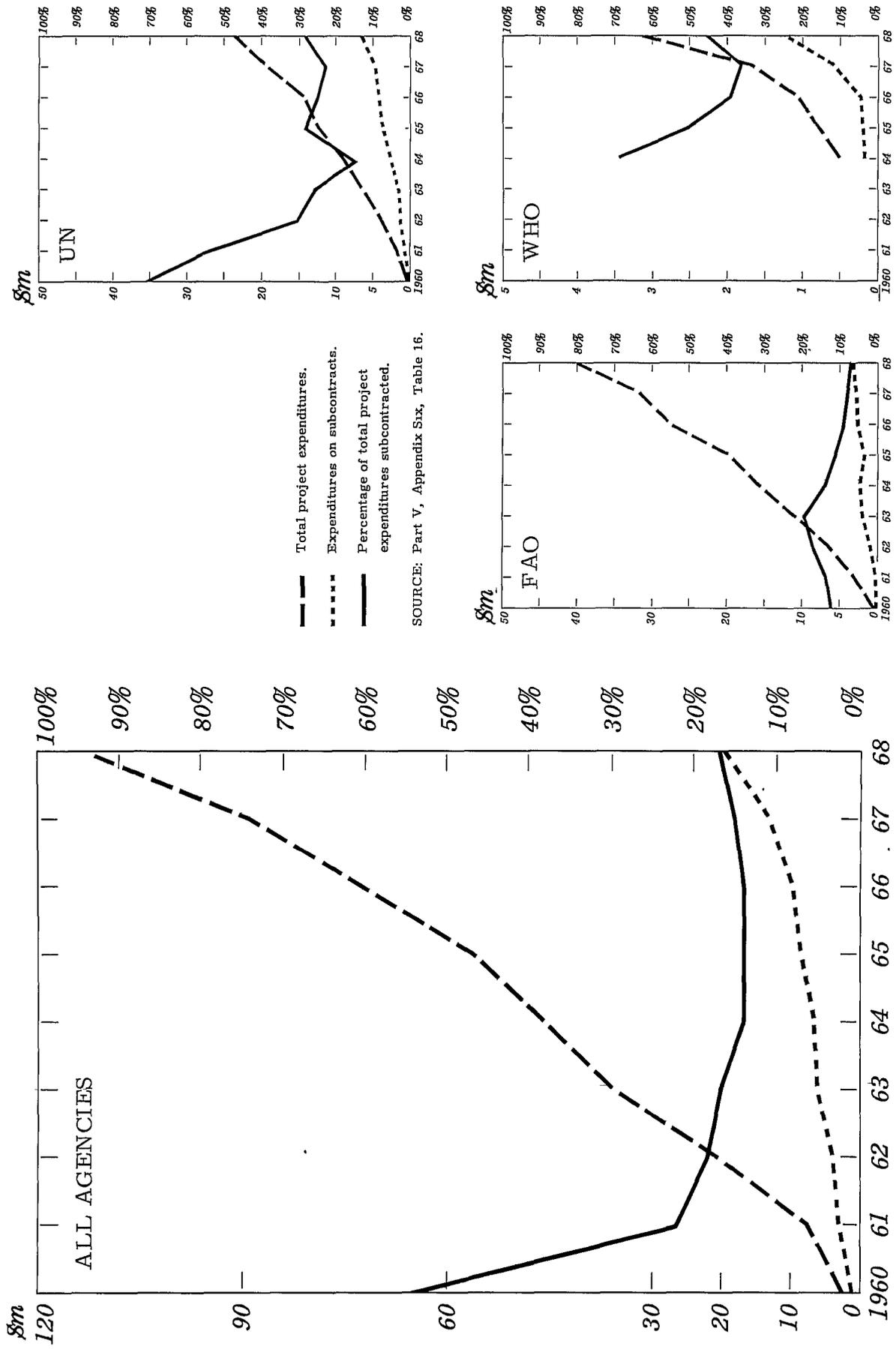


TABLE 3.8 UNESCO: CANDIDATURES AND APPOINTMENTS OF EXPERTS FROM 29 COUNTRIES
(Expressed in number of candidates and percentages)

Country	No. of candidates			Comparative ratios (percentages)		
	(1)	(2)	(3)	(4)	(5)	(6)
Australia	77	11	4	14	36	5
Austria	17	7	1	40	14	6
Belgium	49	19	8	38	42	16
Canada	24	4	2	16	50	8
Chile	10	7	1	70	14	10
Czechoslovakia	46	32	12	69	38	26
Denmark	27	10	4	35	40	15
Finland	26	4	0	16	0	0
France	230	56	24	24	43	10
Federal Republic of Germany	82	17	4	20	24	5
Greece	10	1	1	10	100	10
India	151	39	12	26	31	8
Iran	14	4	0	20	0	0
Iraq	11	7	1	69	14	9
Israel	15	3	0	20	0	0
Italy	32	15	7	47	47	22
Netherlands	21	10	6	47	60	29
New Zealand	11	6	1	54	17	9
Norway	40	22	8	55	36	20
Peru	18	0	0	0	0	0
Spain	12	6	2	50	33	17
Sweden	30	17	8	56	47	27
Syria	58	17	0	29	35	10
Union of Soviet Socialist Republics	103	67	14	65	21	14
United Arab Republic	32	25	6	78	24	19
United Kingdom	207	88	26	42	30	13
United States of America	221	93	15	42	16	7
Uruguay	10	4	2	40	50	20
Yugoslavia	19	8	1	42	13	5

- KEY:
- (1) Candidatures officially received
 - (2) Candidates submitted in 1966
 - (3) Candidates appointed
 - (4) Candidates submitted to governments (expressed as a percentage of the total number presented by recruitment sources)
 - (5) Candidates appointed (expressed as a percentage of the total number submitted to governments)
 - (6) Candidates appointed (expressed as a percentage of the total number presented by recruitment sources)

SOURCE: UNESCO, Recruitment of Field Staff (doc. 78 EX/28 Corr.)

TABLE 3.8

54. While subcontracting is by no means a panacea, there would certainly seem to be room for much greater use of this device. Proposals to this effect will be made both in Chapter Four 1/ and Chapter Five. 2/ This would permit the sharing, not only of the recruitment burden, but also of part of the responsibility for administration, technical backstopping, and follow-up, to the great benefit of the programme.

55. The punctual delivery of suitable equipment also has a direct bearing on capacity as far as SF projects are concerned since it has represented 26 per cent of project expenditure over the last nine years (compared to about 6 per cent for EPTA and, subsequently, for the TA component of UNDP). In absolute figures, expenditures on equipment amounted to some US\$25 million for the year 1968, the bulk of which (US\$22.4 million) was in the SF component. The problems most frequently mentioned to the Capacity Study are inadequate specifications in the project request; lack of standardization, for reasons of currency utilization or other causes, leading to unnecessary delays and expense over maintenance and spare parts; excessive zeal in observing lengthy tendering procedures, especially in cases where the final outcome is a foregone conclusion for reasons of currency utilization; and delays in delivery attributed variously to cumbersome procurement procedures, suppliers' default, and lengthy customs clearance procedures and inadequate transport arrangements in the receiving country. While the responsibility for this situation does not lie exclusively with the Agencies, clearly, any improvements which they could introduce would be extremely beneficial. Some suggestions to this effect are made in Chapter Ten.

(c) Delays in the presentation of final reports

56. The final report is clearly of crucial importance in relation to the efficacy of a project, since it summarizes the findings of the project for the government and outlines the various steps required to make the best use of them – i. e., it is intimately related to follow-up. While it is true that governments normally see an advance copy of the final report as soon as it is ready, the availability of an officially approved document is often an essential prerequisite for subsequent action, particularly if the aim is to attract investment from other sources. Delays at this stage can therefore seriously reduce the value of the project, and there is the additional danger that recommendations could lose much of their relevance in the interim through variations in external factors – e.g., in local, or world, market conditions.

57. It is thus disturbing to note that, up to the present, a long time-lag has customarily occurred between the completion date of the project and the presentation of the final report

1/ See paras. 39-40.

2/ See paras. 108-127.

to the government concerned. Every Executing Agency has failed to observe the three-month time limit fixed in the regulations on reporting which prevailed until recently ^{1/} and, as a rough average, it seems to take about one year to prepare the draft, plus another year to print and deliver the final versions. As Table 3.9 shows, half the reports due on projects completed before 30 March 1969 had not been submitted by 30 June 1969, and the average overall delay was sixteen months. Table 3.10 relates to final reports that have been submitted to governments and gives the average time by year and by Agency that elapses between the completion of field work and the submission of the report. It will be seen that the average interval for all Agencies in the period 1960-1969 was twenty months (or twenty-three months, if the atypical example of IBRD is excluded, with its average of five months), but that it has widened considerably since 1966 when the increase in reports falling due first became marked.

58. A particularly crucial problem seems to arise over the production of final reports for projects that are entirely or partially subcontracted (again, IBRD is an exception). In some cases, the Executing Agency's final report is still awaited on subcontracted projects completed two years earlier. It is not easy to find an explanation for this, but part of the difficulty appears to derive from problems encountered in evaluating the subcontractor's recommendations. If so, this would point to the need for improved arrangements for the supervision of subcontracts, possibly on the lines so successfully pursued by IBRD.

59. One of the reasons for the delays in reports generally lies in the inadequate quality of the first versions submitted (demonstrating again the connection between quantitative and qualitative assessments) which necessitates the preparation of two or three successive drafts. This, in turn, adds to the costs, which often amounts to as much as 4 per cent of total UNDP earmarkings for project support, and almost always exceed pro forma allocations. Most difficulties and delays naturally tend to occur over projects which have already encountered considerable problems in their execution phase. This gives rise to a new danger, namely, that such "problem" projects may be extended into a second phase before the Agency's interim report on the first phase is available, with the result that shortcomings (which may even have led to the need for a second phase) continue uncorrected. Thus, a cumulative process, still further detrimental to the programme's future capacity, is set in motion by present deficiencies.

60. A number of efforts have been made by UNDP and the Agencies to correct this situation, especially since 1966, when the problem was becoming especially acute with the sharp increase

^{1/} See para. 60.

TABLE 3.9 COMPLETED SF PROJECTS: SUBMISSION OF FINAL REPORT TO GOVERNMENT, BY AGENCY
(Expressed in number of projects)

Agencies	No. of projects for which field work completed 1960-1969 as at 30.3.1969	No. of final project reports submitted to Government as at 30.6.1969	No. of Final Reports overdue (by year of field work completed) 1/						Overdue reports: weighted average delays (months)2/	
			Total	64	65	66	67	68		69
UN	45	18	27	-	3	7	6	11	-	21
UNIDO	3	-	3	-	-	-	1	2	-	10
FAO	88	56	32	-	-	5	9	12	6	13
UNESCO	22	10	12	-	-	1	2	9	-	10
WHO	5	1	4	-	1	1	1	1	-	26
ILO	38	7	31	3	2	3	13	10	-	21
IAEA	2	2	-	-	-	-	-	-	-	-
WMO	7	7	-	-	-	-	-	-	-	-
ITU	6	2	4	-	-	-	1	3	-	11
ICAO	6	4	2	-	-	-	-	2	-	9
IBRD	26	19	7	-	-	-	-	6	1	7
All Agencies	248	126	122	3	6	17	33	56	7	16

NOTES:

1/ In some cases an interim technical report has been submitted by the Agency to the Government

2/ Delays are calculated between the date when the reports should have been submitted to the Government (i.e. 3 months after the completion of field work) and 30 June 1969

SOURCE:

UNDP - Cumulative list of reports transmitted to Governments on completed SF projects (as of 30 June 1969)
- Projects in the SF component as of 30 June 1969 (doc. DP/SF/Reports, Series B. No. 8)

TABLE 3.10

SF PROJECTS: ANALYSIS OF DELAY IN SUBMITTING FINAL REPORT TO GOVERNMENT
(Expressed in number of projects and months)

Computed by year of submission and by Agency

Year of submission of final report to government	UN		FAO		UNESCO		WHO		ILO		IAEA		WMO		ITU		ICAO		IBRD		Total no. of projects	Weighted average (months)	
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)					
1960 to 1965	3	9	6	15	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	11	5	20	9
1966	2	28	10	24	-	-	2	26	1	6	-	-	-	-	-	-	1	12	-	-	16	22	
1967	1	10	13	21	1	27	-	2	17	-	-	3	28	-	-	-	2	9	4	12	26	19	
1968	7	31	9	24	3	24	-	-	-	-	-	2	15	1	36	1	20	4	3	4	27	22	
1969	5	46	18	23	6	16	1	21	3	26	1	25	2	33	1	27	-	-	-	-	37	26	
Total no. of projects and weighted average (months)	18	30	56	22	10	20	1	21	7	23	2	16	7	26	2	32	4	13	19	5	126	20 ^{1/}	

KEY:

- (1) Number of projects for which final report has been submitted to Government
(2) Average interval between completion of field work and submission of final report to Government, in months

NOTE:

^{1/} If IBRD were not included the weighted average for all other Agencies would be 23 months

SOURCE: Same as Table 3.9

TABLE 3.10

in projects being completed. Thus, in 1967 a new procedure was introduced which required, among other things, that Agencies should deliver a brief statement on each project within six weeks of the completion date. But the Executing Agencies seemed to find difficulty in conforming to this requirement also. On its side, too, UNDP has had to face a rapidly increasing workload, in part due to the extensive nature and volume of the work and, in part, to the lack of sufficient qualified staff. This, then, has added to the bottleneck. In another attempt to break it, UNDP has made another drastic revision of the reporting instructions in 1969. Under these, substantive reports on specific components and/or subject areas of the project will be prepared as required during project implementation for immediate presentation to the government concerned. The final report format will be eliminated and replaced by a terminal Agency statement summarizing the major substantive findings and conclusions and setting forth the Agency's recommendations to the government. These new procedures would certainly seem likely to improve matters but at the time of writing the Capacity Study they are of too recent vintage to permit any assessment of their effect in practice.

(d) Volume of investment stimulated by "pre-investment" projects

61. The real test of how far the programme has achieved its objectives is provided by the history of projects once UNDP co-operation has ended. Although many projects may be broadly described as "pre-investment", not all require substantial new investment to fulfil their objectives; for example, many teacher-training and vocational training institutes are fully capitalized at the start of the project and require recurrent budget support rather than new investment; technical assistance projects also may fulfil all their purposes without any significant capital inputs. However, in the UNDP/Special Fund programme, particularly in relation to "pre-investment" projects in the strictest sense, a large part of follow-up action ought to be measurable in terms of subsequent investment flow, directly or indirectly related to studies and surveys carried out with Special Fund co-operation.

62. As of 31 May 1969, it was estimated that reported investment commitments influenced directly or indirectly by Special Fund-assisted projects came to some US\$3,000 million. Of this, an estimated US\$1,800 million, or 60 per cent, was considered to have resulted directly from the findings and recommendations made with the assistance of UNDP. However, the investment commitments identified spring from only sixty-nine projects, whereas, in the SF component, as of December 1968, 240 projects had been completed (i.e., including projects not intended to attract investment); Table 3.11 indicates the ratio between the investment generated and the cost of pre-investment for those sixty-nine projects. In their case, US\$1 of UNDP co-operation produced, on an average, US\$48 of investment. This result should, however, be weighed against the distribution of projects according to the amount of investment generated. As will be seen from Tables 3.11 and 3.12, 78 per cent of the reported total of US\$3 billion, i.e., US\$2,300 million, were invested as a follow-up to eleven projects, which represent 17 per

cent of UNDP "seed money". These eleven projects also accounted for 86 per cent of the total follow-up investment financed by IBRD which, as a whole, financed about a quarter of the total investment, or one-half of the "direct" investment. Another thirteen projects, representing together 24 per cent of pre-investment costs, hardly produced any follow-up investment (US\$3.3 million against a total pre-investment cost of US\$28 million).

63. This does not necessarily mean that the remaining projects did not produce the desired results. Any such conclusion would be dangerously sweeping because, firstly, financial investment is only one aspect of follow-up; secondly, there can be no arbitrary date at which one decides that there is no longer any hope of complementary action taking place (indeed, history shows that some really large multipurpose development projects have taken up to fifty years to germinate); thirdly, not all of the ensuing investment may have been reported to UNDP; and fourthly, a project also serves a useful purpose if, by revealing the unsoundness of a proposed investment, it prevents a needless waste of scarce financial resources by the country concerned. However, in view of the high importance, within the total effort, for economic and social development, of pre-investment projects and of the overall result shown by these figures, there is plainly a case for a fresh attack on the problem.

64. Supporting evidence for this conclusion may be obtained from the analysis carried out by UNDP 1/ of 114 survey projects, these being the main category of projects which are destined to attract large-scale investment. Of these, forty-two (thirty-five of them completed, the other seven still under implementation) have led to investment amounting to the sum of US\$1,881 million, of which US\$1,019 million was directly related to UNDP survey projects, and US\$863 million was consonant with UNDP recommendations, although not a direct consequence of them. Of the balance of seventy-two projects, all of which had been completed by 1967, and a quarter of them as much as three years earlier, none had, at the time of the investigations, led to investment, though thirty-one were in the process of being followed up by the government or by external sources of finance. While twenty-seven were the subject of Phase II projects, the rest were more or less quiescent. Thus, active investment was directly generated in only a relatively small proportion of the projects designed to that end; many projects either did not achieve this goal at all, or only after a long delay, and a large number of completed surveys still required further UNDP co-operation in the shape of a second-phase project.

1/ See UNDP, Promotion of Follow-up Investment, Report by the Administrator to the sixth session of the Governing Council (doc. DP/L.73 of 9 May 1968).

TABLE 3.11 SF PROJECTS: COST OF PRE-INVESTMENT AND FOLLOW UP INVESTMENT GENERATED
(Expressed in \$ million and ratios)

Grouped by size of investment^{1/}

Investment generated per project (\$ million)	Number of projects in each category	Pre-Investment (\$ m)			Investment (\$ m)			Investment - pre-investment ratio resulting from figures in:					
		UNDP	Govt.	Total	Direct	Other	Total	of which IBRD	Col.4&1	Col.6&1	Col.6&3	Col.7&1	Col.7&3
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
100 and more	8	6.3	6.7	13.0	1 252	861	2 113	656	199	335	163	104	50
50 to 99	3	4.2	3.6	7.8	120	70	190	70	29	45	24	17	9
50 & more, cumulative	11	10.5	10.3	20.8	1 372	931	2 303	726	131	219	111	69	35
30 to 49	10	6.3	4.8	11.1	250	137	387	81	40	62	35	13	7
30 & more, cumulative	21	16.8	15.1	31.9	1 622	1 068	2 690	807	97	160	84	48	25
10 to 29	9	8.3	6.5	14.8	105	50	155	28	13	19	10	3	2
10 & more, cumulative	30	25.1	21.6	46.7	1 727	1 118	2 845	835	69	113	61	33	18
1 to 9.9	26	22.1	19.5	41.6	77	46	123	9	3	6	3	-	-
1 & more, cumulative	56	47.2	41.1	88.3	1 804	1 164	2 968	844	38	63	31	18	10
Less than one	13	14.6	13.1	27.7	3	-	3	-	-	-	-	-	-
Total	69	61.8	54.2	116.0	1 807	1 164	2 971	844	29	48	26	14	7

NOTE: 1/ Refers only to projects generating measurable investment and for which such investment was reported

SOURCES: UNDP - Reported investment commitments related to SF projects (as of 31 May 1969)

- Projects in the SF component as of 31 January 1969 (Doc. DP/SF Reports, Series B, No. 7)

TABLE 3.11

TABLE 3.12 SF PROJECTS: COST OF PRE-INVESTMENT AND FOLLOW-UP INVESTMENT GENERATED
(Expressed in percentage)

Grouped by size of investment

Investment generated per project (\$ million)	No. of projects in each category	Pre-Investment		Investment									
		Percent of UNDP cost	Percent of Govt.c/part	Percent of total	Percent of direct investment	Percent of other investment	Percent total investment	Percent of IBRD investment					
100 and more	8	(1) 10	(2) 10	(1) 11	(2) 11	(1) 69	(2) 69	(1) 74	(2) 74	(1) 71	(2) 71	(1) 78	(2) 78
50 to 99	3	7	17	7	19	7	18	6	80	7	78	8	86
30 to 49	10	10	27	9	28	14	90	12	92	13	91	10	96
10 to 29	9	14	41	12	40	6	96	4	96	5	96	3	99
1 to 9	26	35	76	36	76	4	100	4	100	4	100	1	100
Less than one	13	24	100	24	100	-	100	-	100	-	100	-	100
Total	69	100		100		100		100		100		100	

KEY: (1) In project category
(2) Cumulative

SOURCE: Same as Table 3.11

TABLE 3.12

65. This would seem to lend credence to the opinion expressed to the Capacity Study by one Agency that "a basic weakness of many of the past survey projects has been their excessive attention to technical details and considerations and their inadequate investment orientation, i.e., the neglect of economic and financial analyses which are essential for investment decision". If so, this would constitute a serious limitation on capacity, given the pre-investment orientation of much of the co-operation provided by UNDP.

66. Yet it is also self-evident that the responsibility for these results can by no means be laid entirely at the door of the UNDP or of its Executing Agencies. Other factors intervene which totally elude the sphere of influence of the UN development system. Thus, the existence of unstable political conditions in a particular country could well deter a potential investor, however promising the findings of a UNDP-assisted project. It stands to reason, therefore, that UNDP cannot, on its own, find a solution to the problem as a whole, but will undoubtedly continue to seek remedies for those shortcomings which do fall within its compass. Suggestions to this effect will be made in Chapter Five. ^{1/}

(e) Conclusions on the present "quantitative" capacity of the UN system

67. The preceding four sections illustrate the existence of a serious condition of over-strain in the system which weakens the possibilities of supplying adequate and timely co-operation to governments, and which must be corrected. The preceding analysis shows that it may very well take anything up to nine years (and probably more) for a government to obtain the expected benefit from a large-scale project planned to last five years, i.e., two years for the preparation of the project leading up to its entry into operations, five years of execution, and nearly two years before the final report is issued. Even this assumes that the execution phase itself will be carried out on schedule, a questionable assumption when, as has been shown, projects are at present spilling six to eight months over completion dates or even requiring a second phase. Moreover, completion of the project and publication of the findings do not necessarily mean that follow-up investment will automatically be forthcoming in projects directed to that end, even when conditions have been shown to be conducive to it. In a fair proportion of instances, investment may never take place, or may do so only after further long delay.

68. Even allowing for the fact that some of the delays are due to causes beyond the control of the UN development system, the detailed analysis suggests that there are grounds for serious concern as to the capacity of the programme in these respects. Development, it is

^{1/} See paras. 203-211.

true, is a long and complex process, but time is not on our side, and it is therefore all the more important to reduce delays to an absolute minimum. A situation where a five-year project may take nearly a decade to achieve its object cannot continue uncorrected.

(2) Qualitative

69. Here, it is necessary to come to grips with something much more complicated, namely, an assessment of the quality of the programme delivered by the United Nations system. For the reasons given earlier, this is a difficult, if not virtually impossible, undertaking, for all judgements are bound to be subjective. However, when an opinion is widely shared, and expressed independently by a number of different sources, there are grounds for believing that it has a considerable basis in fact. The Capacity Study has consulted a very wide range of authorities: the governments of developed and developing 1/ countries; UNDP and the Executing Agencies; Resident Representatives; regional organizations inside and outside the system; and official and non-official institutions and individuals. The following observations therefore are drawn from these consultations and reflect the views that were most frequently echoed - that is to say, a general, if not in every case a total, consensus. It is inevitable that at times quantitative considerations will come to mingle with the qualitative but the main objective will be to present an overall impression of the state of the programme. For ease of analysis, and in order to conform to the pattern of the rest of the Report, the following aspects will be treated in sequence: first, the "character and content" of the programme; second, the operations and achievements of the programme itself, through all its phases, namely, programme and project formulation and appraisal, implementation, final reports, follow-up and evaluation; and third, a brief look at the organizational aspects.

(a) Character and content of the programme

70. As stated earlier, the character and content of the programme has remained virtually unchanged since the inception of the regular operational programmes of the Agencies and of EPTA. The evident virtues of technical assistance established it as the UN method: it is economical, making the maximum use of a multiplier; requires participation, thus defeating the neo-colonialist position; and permits the mobilization of many small contributions to achieve a greater purpose. The crucial question here, however, is whether capacity has to be judged simply and solely as function of technical assistance or whether it is permissible to think in other terms than the standard categories of experts, fellowships and seminars with a modest equipment component.

1/ The Commissioner wrote to 91 governments of developing countries of which 65 replied by letter, while others responded orally. The Commissioner's letter merely asked for an expression of views about the main factors affecting the capacity of the UN development system. The governments' replies, some of which are cited in this and following sections, therefore represent their own spontaneous opinions.

71. Many of the comments received by the Capacity Study throw doubt on the thesis that technical assistance is the all-purpose instrument it has been assumed to be up to now. Some of the difficulties, as has been shown in Chapter Two, are inherent in the UN structure and its organizational failings. But the problem is wider than this, for many bilateral donors encounter very similar difficulties, although their structures and organizations are far simpler. If one considers these defects, it appears in the nature of technical assistance to fall short of the ideal of a simple, rapid and efficient transfer of skills. In other words, too much has been expected of the method.

72. It is not easy to define these inherent limitations, but they seem to stem from two main elements in the technical assistance transfer operation, the strictly technical aspect and the less-well-appreciated cultural transfer involved.

73. As to the first, the steeper the "transfer gradient", the less suitable is ordinary technical assistance as a method. Thus, "sickle to scythe" is not a steep gradient and transfer is quite feasible; from "sail to outboard motor" is steeper but may come off if the steepest part, i.e., engine maintenance, can be handled. But advanced, twentieth-century technology, on which the hopes of greatest material advance must mainly rest, presents a very steep gradient for most developing countries. Transfer will, in these cases, only be successful if the gradient is adjusted, e.g., by an intermediate technology, by process simplification or by a notable lengthening of the time scale.

74. The second point refers to cases where the technical assistance transfer also requires the transfer of large chunks of an alien culture, or the abandonment of important aspects of the indigenous culture. It may be countered that technical assistance rarely tries to do any such thing but, in fact, whether recognized or not (and technicians often forget the point), many projects do demand some social or political or cultural change as well as the immediate technical or economic change sought.^{1/} Assistance which makes this kind of demand may evoke sufficient response to be successful in a rapidly-changing, dynamic society which is strongly motivated toward development. But if the society is not so prepared or motivated, the assistance will achieve very little or, if the change is forced, may even lead to the "worst of both worlds". The point to be noted is that, although technical assistance is extremely valuable, it is not powerful enough alone to change fundamental cultural characteristics, though it can be of great help where such changes are occurring independently.

^{1/} Examples are: Contour ploughing where strip-farming is designed to give everyone some good and some poor land; land improvement in communally-held territory; low-cost housing for nomads; social security systems where the "extended family" still prevails.

75. These are considerations which must be constantly borne in mind as background to the observations made on the quality of the programme in the immediately following sections. More will be said in the section on "Future Capacity" and in Chapter Four entitled: "The Next Twenty-Five Years" about means of widening the scope of the programme, and sharpening its development tools.

76. A related factor affecting capacity in the wider sense is the contribution that the international organizations, and particularly the Specialized Agencies, have to make per se. They are, or should be, world authorities in their respective spheres, having world-wide access to an immense store of knowledge through the governments of their Member States and through their own direct professional contacts with institutions and individuals, reflecting experience obtained in countries at all stages of development. They are, therefore, in a position not merely to assemble this information in a readily-available form, but also to diagnose, from their accumulated lore, the nature of the main obstacles to development in each sector, and to devise policies to overcome them which will bear a universal cachet. This is their primary and most important function, to which operational activities in technical assistance ought to serve as an adjunct, providing first-hand knowledge of development problems, practical experience, and a medium through which to test the efficacy of proposed antidotes. There are the elements, therefore, of a mutually advantageous relationship between the primary functions of the Agencies and their activities as operational arms of UNDP. In practice, however, as is shown elsewhere in this Report, the tremendous growth in operational activities of late has impaired the balance between the two.

77. How, then, does one reap the benefit of the universal knowledge of the Specialized Agencies on a scale large enough to contribute more effectively to the needs of developing Member States, without overshadowing the basic role of the Agencies, and without overloading their operational side at the expense of efficiency, to the detriment both of the Agencies and the developing countries involved? This question is fundamental to the whole question of capacity and will be returned to later.

78. But the character and content of the programme in relation to its capacity derive not only from the methods adopted and the mechanisms through which they are channelled, but also from the way in which those methods and mechanisms are used. Here, several criticisms have been repeated frequently enough by the different sources consulted by the Study as to merit mention. They relate to:

- (i) what, for want of a better term, might be called the "donor bias" of the programme;
- (ii) lack of understanding of the comprehensive nature of the development process;
- (iii) training;

(iv) institutes;

(v) surveys.

(i) The "donor" bias

79. Most of the individuals who conveyed their views to the Study – including many who are in the employment of the United Nations system or of governments – expressed the view that a large proportion of UN technical assistance activities represent an extension of the headquarters' policies of individual UN organizations, and a reflection of the entrepreneurship of the various departments, branches, and individuals making up those organizations, rather than a response to the real needs of developing Member States. Similar views are often echoed in the reports of the independent evaluation missions organized by ECOSOC 1/ or by the ECOSOC Commission for Social Development. 2/

80. The essence of this criticism is that each developing Member State is not seen as the very centre of gravity of the whole operation: the place where problems have to be understood and solved. As one correspondent put it: "For development assistance to have a real impact, it must start at the roots; development from the top down, although it may appear as the most expedient way to show progress in the short run, is not only deceiving but uneconomic as well as unrealistic."

81. In this connection, several people mentioned the difficulty discussed earlier, namely, the failure to adapt technologies to local conditions and to take proper account of the differing cultural values of developing societies; as the Indians' spokesman replied in the late eighteenth century to the Government of Virginia: "You, who are wise, must know that different nations

1/ United Nations, An Evaluation of the Impact of the Technical Co-operation Programme of the United Nations Family of Organizations in Thailand, Report of the Thailand Evaluation Team (doc. E/4151/Add.1, 25 January 1966).

- An Evaluation of the Impact and Effectiveness of the Technical Co-operation Programme of the United Nations Family of Organizations in Chile, Report of the Chile Evaluation Team (doc. E/4151/Add. 2, 13 April 1966).

- An Evaluation of the Impact and Effectiveness of the Technical Co-operation Programme of the United Nations Family of Organizations in Tunisia, Report of the Tunis Evaluation Team (doc. E/4151/Add.3, 21 April 1966).

- Evaluation of the Technical Co-operation Programmes of the United Nations System of Organizations in Ecuador, Report by an Evaluation Mission in Ecuador (doc. E/4598, 3 December 1968).

- Evaluation of Programmes of Technical Co-operation, Evaluation of the Impact and Effectiveness of the Technical Co-operation Programmes of the United Nations System of Organizations in Iran, Report prepared by a United Nations Evaluation Mission appointed under the United Nations Programme of Technical Co-operation (doc. E/4626, 24 March 1969).

2/ United Nations, Report of the Special Rapporteurs appointed to undertake a Review of Technical Co-operation Activities in Social Development (doc. E/CN.5/432, 12 December 1968).

have different conceptions of things." ^{1/} Thus, UNITAR has pointed out that "one basic reason for shortcomings in achievement has been the inevitable tendency of experts simply to transplant to developing countries techniques and procedures used in developed countries." ^{2/} A Resident Representative put the point very clearly:

"Considerable research is needed to know more about how advanced technology can be transplanted without destroying the delicate inter-relationships which produce the special character of a society. Much can be learned from history as the record is full of experiences involving the transmission of technological know-how between clans, tribes, nation-states and urban industrial societies. Unfortunately, not enough has been done so far to study the process of technical change and social response. The UNDP should set aside resources to conduct systematic studies on these problems."

82. The consequence of an approach which is not primarily country-based is that the environment within which United Nations development assistance has to operate, i. e., the situation, resources and policies of the individual country, as well as its actual and potential "absorptive capacity", in terms of human, institutional, and financial resources, is not properly investigated. The inevitable result is a large number of projects which do not fully respond to the needs of the recipient country.

(ii) Lack of understanding of the comprehensive nature of the development process

83. This, again, is a theme which recurred constantly among the authorities which the Study consulted. The following extracts from the ECOSOC Evaluation Mission to Thailand are representative both of the views of the other ECOSOC evaluation missions ^{3/} and of a large number of governments and institutions contacted by the Study:

"The programme appears to be extremely diversified and scattered during the early years. Projects in related fields were in many cases not articulated . . . In retrospect, it seems clear that the logical sequence between interdependent projects was not respected . . . However, great progress has been made in recent years both in terms of consistency and strategic emphasis. The ensemble of technical assistance activities of the United Nations Agencies under the respective Regular programmes, the Expanded Programme and the Special Fund with the added resources of the WFP and UNICEF, is still far from constituting an integrated programme . . . Co-ordination and articulation of projects which should ideally be interrelated is still weak, and we can find few

^{1/} Benjamin Franklin, Remarks Concerning Savages of North America, ca. 1784.

^{2/} UNITAR, Criteria and Methods of Evaluation: Problems and Approaches (UNITAR Series No. 1, 1969, p. 55).

^{3/} Tunisia is an exception but this is not due to any better programming by the United Nations system "... for in Tunisia, it is actually the Government which draws up the list and order of priorities for which it requests UN technical assistance" (Report of the Tunis Evaluation Team, op. cit.).

instances of attempts to place in proper overall sequences the establishment and articulation of such projects. The reasons for this include inadequate communication between Agencies . . . together with the inability of the SF or TAB to insist too strongly on co-ordinated planning as a condition of its support. " 1/

84. This view has also been confirmed sectorally. As the Secretary-General put it in his report on "Technical Co-operation Activities in Social Development":

"There is a certain amount of diffusion and fragmentation of individual projects which are not sufficiently related to overall development objectives and which do not contribute in any substantial way to integrated development . . . The most general criticism that has been made of assistance in the social field, whether multilateral or bilateral, is that there is a multiplicity of agencies granting technical assistance, a large number of individual projects, frequently implemented in isolation and with insufficient relation to national goals and priorities, and that in general there are many gaps in co-ordination between the different programmes and projects. . . The problem of fragmentation . . . remains perhaps the most serious problem to be solved with respect to operational programmes. " 2/

85. The theme recurs frequently in the comments received by the Capacity Study from governments, Agencies and Resident Representatives. It is perhaps most succinctly expressed by one Resident Representative:

"Who makes the Programme? The Government? The Agencies and their Country Representatives? The UNDP and its Resident Representatives? The Regional Economic Commissions? In actual practice all of them play their role, but the intensity of their individual role varies from country to country and from project to project in accordance with the circumstances of the moment and the personalities involved. Nowhere, perhaps, could it be said that a country programme is the result of a concerted effort exercised in close unison by all of the parties concerned. As a consequence, the existing Programmes are lacking in a coherent development strategy designed to serve the fundamental problems of individual countries and, in turn, the interests of global development. This does not of course mean that the present Programmes are not contributing to development. Undoubtedly they are; but if it were possible to apply the same resources on the basis of a systematic and co-ordinated consideration of the key problems of development of individual countries, far greater results could perhaps be achieved in the long run. "

(iii) Training

86. Training has always been considered as one of the main functions of multilateral technical assistance, to be achieved through the granting of fellowships, the establishment of

1/ Report of the Thailand Evaluation Team, op. cit., paras. 111, 112, and 116.

2/ United Nations, Technical Co-operation Activities in Social Development, Report of the Secretary-General (doc. E/CN.5/412, paras. 3, 28, and 30).

training institutes and the expert-counterpart relationship. However, the reality has not always measured up to this objective.

87. Thus, a discussion paper prepared within a large Agency in connection with the Capacity Study describes the situation with respect to fellowships in the TA component as follows:

"Practically all aspects of counterpart training and fellowships awarded, as well as subsequent follow-up either by the organization or by the governments concerned, have been left largely to chance . . . Technical units at headquarters, experts in the field and Resident Representatives focus their attention far more on project performance than on training objectives . . . Training had seldom been thoroughly planned and fellowships had been awarded more as a result of savings available . . . than as a result of a concerted effort by the (Agency) and recipient government in an action plan to train development manpower."

Graph 3.6, which shows the fluctuation of the fellowship component in TA, supports this latter point, showing that the number of fellowships has always risen sharply in the second year of each biennium, no doubt in order to utilize unused funds for expert services before they reverted.

88. In the SF component, the situation is more difficult to ascertain; on the one hand, as shown by Table 3.13, the proportion of funds devoted to fellowships was very modest (3 per cent for all Agencies over the whole period during which the SF has been in operation). On the other hand, training was assisted through the establishment of many institutes whose performance the Capacity Study obviously had neither time nor staff to investigate. Scattered information available seems to indicate that results have been uneven, with some outstanding successes (like the Ecuador Polytechnic and others) and some poor achievements. The general impression received is that training institutes are often planned in isolation without taking due account of the general economic situation and prospects of the country. Many instances were drawn to the attention of the Study where a training institute set up with Special Fund assistance had been successful in achieving the immediate objective of training the planned number of students up to the required level but had failed in the wider sense because a large number of these students had subsequently failed to find jobs in their field of training, because of lack of employment opportunities or of adequate government resources. Another frequent observation was that similar, and even identical, training facilities have often been set up in neighbouring countries, whereas the needs of all concerned could have been met more efficiently, ^{1/} and certainly more economically, by one regional or sub-regional institute serving a number of countries.

^{1/} It would, for example, be much easier to recruit a higher quality of staff for one institute than for several. Moreover, for the reasons given in the previous sentence, the capacity of many national training institutes is at present too large for the country concerned.

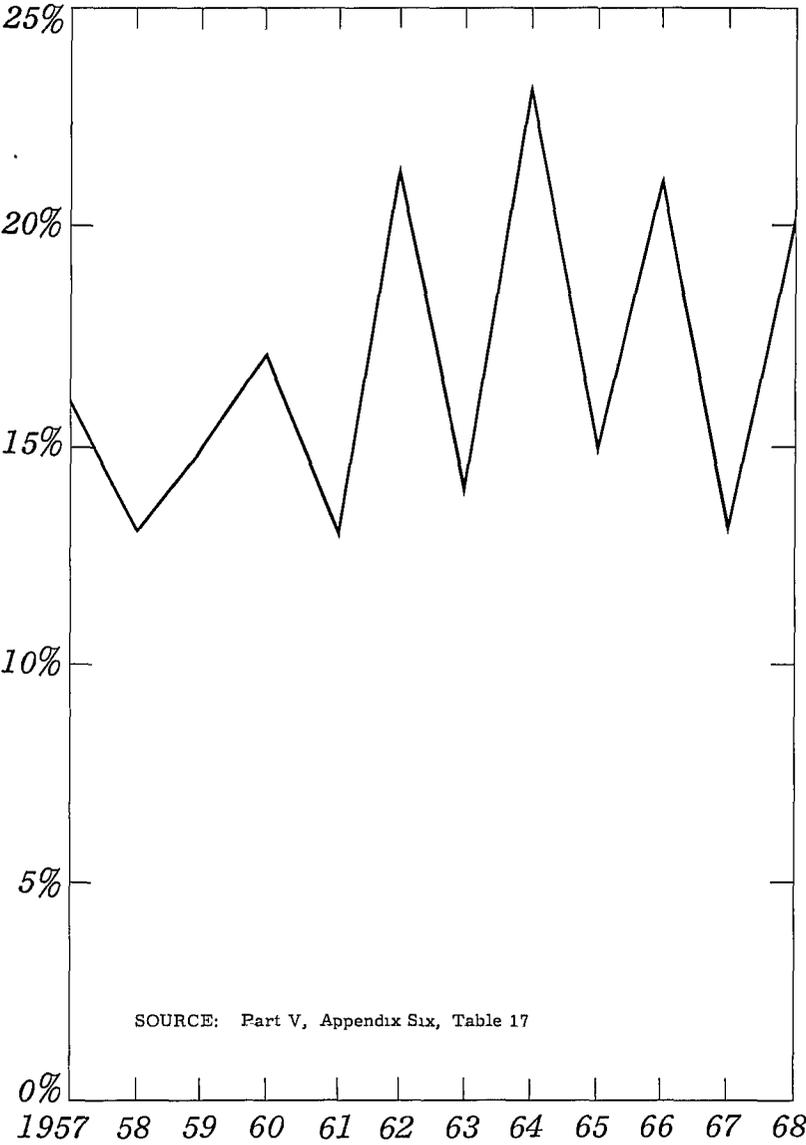
TABLE 3.13SF PROJECTS: RATIO OF FELLOWSHIP EXPENDITURE
AGAINST TOTAL EXPENDITURE
(Expressed in \$ million and percentage figures)

By Agency, cumulative from 1960 to 1968

Agencies	Fellowships	Total project expenditure	Ratio (percentages)
All Agencies	13.5	440.0	3
UN	2.5	90.0	3
UNIDO	0.2	5.9	3
FAO	4.4	155.0	3
UNESCO	3.6	77.0	5
WHO	0.4	7.6	5
ILO	1.1	47.0	2
IAEA	0.2	2.0	8
WMO	0.2	6.9	4
ITU	0.3	12.4	3
ICAO	0.2	9.8	2
IBRD	0.3	26.0	1

Graph 3.6

EPTA AND UNDP/TA PROJECTS: EXPENDITURES ON FELLOWSHIPS AS PERCENTAGE OF TOTAL EXPENDITURES FROM 1957 THROUGH 1968



89. The effectiveness of the third medium – the expert-counterpart relationship – has also given rise to concern. Mr. Macy, of the Joint Inspection Unit, commented thus in his report on Turkey: 1/

"It is recognized that perhaps the most important single objective of the United Nations technical assistance is to train local personnel so they can carry on after the experts leave, that is, it is the task of the expert to work himself out of a job. It was therefore surprising to find that in a large number of Special Fund project managers' reports no reference was found to the status of counterpart training for the project. It is thus clear that the headquarters of Specialized Agencies are not checking on the progress of the main job of most of their field personnel, and these personnel may not feel pressure to get on with this task and meet scheduled completion dates."

This aspect was also commented on by a number of correspondents to the Study. To quote only one of them:

"It is curious how this basic instrument of knowledge and experience transfer has been allowed to develop at random, the way that each expert and, on his side, each national counterpart, has seen fit. It is amazing that huge sums of money should have been spent over a period of 20 years, without anyone . . . having been charged with studying the efficacy of this instrument compared with other possibilities and the variations within the concept of the counterpartship. It appears . . . to be of the very highest priority to ask a competent research organ to conduct such a study, which may partly be a theoretical communications research study, partly a field exercise, interviewing samples of the tens of thousands of men and women who have been counterparts (international and national) over the past 20 years."

(iv) Institutes

90. UNDP, especially through its SF component, has assisted in the creation of many institutes, not only for training purposes (already discussed in paragraph 88 above) but also for research and experimental work. Clearly, such institutes can play a very vital role in speeding the course of development but if they become too numerous or expensive in relation to a country's resources then they can defeat their own object. Already, there are indications of excessive proliferation. This is aggravated by an understandable tendency to create new bodies instead of grafting new functions onto older institutions, e.g., in government departments or universities, where the latter have proved inefficient in practice. Often, it seems easier to create new structures rather than to improve old ones. The Chile evaluation team, for example, struck a warning note about this "tendency to create autonomous bodies (institutes and the like) [which] while they facilitate immediate action, may also complicate and aggravate administration problems". 2/ A correspondent to the Study also underlined the

1/ United Nations, Development and Co-ordination of the Activities of the United Nations Family, Reports of the Joint Inspection Unit (doc. E/4698 - E/AC.51/31, 10 June 1969).

2/ Report of the Chile Evaluation Team, op. cit. (p. 155).

very real danger that such institutes "too often lock up very scarce human resources in a long-term, slow-yielding process which may well be a headquarters' and not a country-determined priority".

(v) Surveys

91. A distinction needs to be made between surveys intended to establish the feasibility of early investment, on the one hand, and, on the other, those intended to provide a basis for long-term planning (e.g., river-basin studies, some national or regional power studies, the collection of hydrological data), or to lead to the setting up of permanent survey services. These latter types of survey can be said to be successful if they achieve their stated objectives, even if these do not lead to early investment.

92. At the same time, there is a real danger of resource surveys becoming too exhaustive and long-range. Many countries can be expected to develop only a small part of their natural resources in a given period. The scope of a resource survey should accordingly be based on the country's capacity to develop its resources and on a judgement as to where it should begin. The evidence available to the Capacity Study suggests that a good number of the surveys assisted by UNDP have been planned without taking these important factors sufficiently into consideration and that, consequently, their findings have either gone largely unutilized or are likely to be out of date by the time the country concerned is in a position to take advantage of them. Moreover, as mentioned in the previous section, many UNDP-assisted survey projects have tended to place too much emphasis on technical considerations at the expense of economic analysis. There is an understandable tendency on the part of experts to put forward a technically attractive project despite misgivings about its economic feasibility. One financing institution informed the Study that, when discussing forty-two on-going projects in the agricultural sector, it found that, of the thirty-four classified as pre-investment studies, eleven projects at the most had been really pre-investment-oriented at the outset. Most of the projects were likely to provide adequate technical and engineering data, but without modification they would lack the necessary financial and economic data, while institutional aspects were rarely covered.

(b) The Programme itself

(i) General

93. The Resident Representative is particularly well placed to judge the value of a programme in his country of assignment. He has the first-hand knowledge derived from being on the spot and is, so to speak, a half-way house between the government and the Executing Agency and thus is, or should be, able to size up the achievements and shortcomings of both sides. For this reason, the Capacity Study has attached importance to obtaining the views of

Resident Representatives, both on the programme as a whole and on the projects being undertaken in their country of duty.

94. The Resident Representatives' replies to a specific form requesting their appraisal of the expediency of projects both under the TA and SF components, and of the causes of any defects, present a more favourable view of the programme than that drawn from samples of their periodic quarterly reports summarized in paragraphs 40 to 45 above. In the case of the Special Fund component, Resident Representatives were asked to pass a general judgement as to whether the following categories of projects were worthwhile: completed and currently operational projects; projects approved, but not yet operational; and official and unofficial requests. The replies received indicated that the majority of such projects are considered to be worthwhile. For the TA component, the examination was limited to projects currently in operation. Here, again, the verdict was mostly favourable, though marginally less so than in the case of the SF component.

95. In the category of non-worthwhile projects, four main reasons were given as responsible, to an equal extent, for failure in both components:

- the government never really wanted the project;
- the project was basically unsound;
- the project was badly conceived;
- changed circumstances (e.g., political or technological).

75 per cent of the causes, therefore, lay in the origins of the project and should have been foreseeable at that time, thus underlining the importance of the programming and project formulation phases and their inseparable connection with execution.

96. Resident Representatives were also asked to indicate how many of the worthwhile projects were progressing satisfactorily and how many were experiencing difficulties. It appeared from their replies that about a third of SF projects and about a quarter of TA projects fell into the second category. This again shows a considerably marked variation on the 50 per cent of Special Fund projects in difficulties shown by the earlier analysis in paragraphs 40 to 45.

97. Finally, Resident Representatives were requested to categorize the projects showing unsatisfactory progress according to the predominant difficulty encountered. The results indicate that for the 194 worthwhile SF projects experiencing difficulties some 60 per cent were deemed to be hampered, in practically equal proportion, by inefficient management, by lack of counterpart personnel, or by poor formulation and appraisal. Management problems were more often mentioned for natural resources projects and pilot projects, counterpart difficulties in human resources projects, and deficiencies of formulation and appraisal in applied research projects. Late recruitment of experts was mentioned as a predominant difficulty in a significant proportion only with regard to pilot demonstration projects. Projects

in the field of human resources were reported to suffer most from lack of government support (other than personnel and budgetary support).

98. For the TA component, the picture differed somewhat. The predominant difficulty most often mentioned was the lack of counterpart personnel (this constituted the major problem for just over a third of the projects); the next two were formulation and appraisal (affecting one-sixth of the projects) and late recruitment of experts; and, if late recruitment is combined with low quality, the "expert" factor constituted the main difficulty of one-quarter of the projects.

99. Another difference between the two components is that responsibility for deficiencies in the TA component seemed to be more or less equally shared between the recipient governments and the UN Agencies, but in the SF component, factors for which UN Agencies usually have the major responsibility were hampering more projects (57 per cent) than factors for which governments are responsible.

(ii) Programming, project formulation and appraisal stage

100. So much for a general view of the programme as a whole, embracing both quantitative and qualitative aspects. While statistical variations with the analysis given in the previous section have been noted, there is considerable unanimity of view about certain qualitative matters. The most striking example is the general concern shown by international organizations, governments, Resident Representatives and private institutions and individuals about the deficiencies of the programming and project preparation phase. With the possible exception of experts (as regards both their quality and delays in their recruitment), no other problem has been more universally mentioned as a major impediment to the effective capacity of the UN system. The following list of those who have raised it speaks for itself:

- The five ECOSOC evaluation missions; 1/
- The Special Rapporteurs on technical co-operation activities in social development; 2/
- The Joint Inspection Unit; 3/

1/ Reports of the Thailand, Chile, Tunis, Ecuador and Iran Evaluation Teams, op. cit., (c.f. footnote 1/ to para. 79).

2/ Op. cit. (cf. footnote 2/ to para. 79).

3/ Report on United Nations Activities in Turkey, by Robert B. Macy, and Report on Co-ordination and Co-operation at the Country Level, by S. Ilic, R. S. Mani, and A. F. Šokirkin, in Development and Co-ordination of the Activities of the United Nations Family, Reports of the Joint Inspection Unit, op. cit.

- The Ad Hoc Committee of Experts to examine the finances of the United Nations and the Specialized Agencies; 1/
- UNITAR; 2/
- A special report prepared at the request of the Libyan Government; 3/
- A confidential evaluation undertaken by UNDP in an African country; 4/
- The Secretary-General of the United Nations; 5/
- Most governments, Resident Representatives and individuals consulted by the Capacity Study.

101. Certain major themes can be singled out in these criticisms:

- (a) Inadequate relation between projects and the priority needs of recipient governments. In a country where UNDP undertook an evaluation in depth of its programme, it was found that:

"... assistance has not always been directed to projects identified, during the evaluation exercise, as having been of high priority. In the case of 12 projects where technical assistance was not forthcoming, the activities involved were within the UNDP's competence. Moreover, five of these 12 projects were of high priority, whilst part of the UNDP's assistance was directed to 15 projects of lesser priority." 6/

- (b) Frequent donor bias in the granting of assistance. In the words of the UN Evaluation Mission sent to Iran:

"... sometimes the so-called needs of a country reflect no more than the supply position within the Agency concerned. In other words, if an Agency has a certain number of substantive departments anxious to become operational, it is likely that pressure will be increased for the needs of a country to be interpreted to meet the substantive department's own requirement of obtaining field representation... The general pattern of technical aid in Iran reflects a great deal of this. Whilst it is true that all applications have to be authorized by the Government and reflect the Government's own wishes, it is very difficult not to conclude that those formulations have been in accordance with the supply position in the particular Agency... A study of the situation in Iran makes evident that some of the Government requests have been inspired by Agency proposals so that it may well be that the needs being met are the needs of the supplying Agency as much as those of the Government." 7/

1/ United Nations, Second Report of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies (doc. A/6343, 19 July 1966).

2/ UNITAR, Criteria and Methods of Evaluation, op. cit.

3/ United Nations, Report on Evaluation of Technical Assistance in Libya, prepared for the Government of Libya by a United Nations Special Evaluation Mission (report No. TO/LIB/5/Rev. 1, restricted).

4/ Cf. The Activities of UNDP in 1968, op. cit.

5/ Technical Co-operation Activities in Social Development, op. cit.

6/ Evaluation summarized in The Activities of UNDP in 1968, op. cit.

7/ Report of the Iran Evaluation Mission, op. cit.

Taken to its extreme, this leads to intense inter-Agency rivalry; the frequency with which the expression "Agency salesmanship" has been used in correspondence to the Commissioner by governments and individuals alike is, in itself, an indication of the magnitude of the problem. The following extract from a report by the JIU is by no means an exceptional judgement:

"The Inspectors . . . were told that each United Nations body was 'pressurizing' its opposite technical ministry, which, in turn, was pressurizing the planning and development ministries. This caused difficulties and embarrassment to the planning ministries. There is a strong feeling that governments should draw up independently an overall development plan for the country and see where United Nations aid and assistance will fit in and can be utilized. Whereas, what in fact happens in some cases is that the plans have to be made to fit the separate offers from different United Nations sources." ^{1/}

It is hardly surprising to find that this was a constant theme in the comments received from Resident Representatives. Three typical quotations will suffice.

One Resident Representative wrote that:

"At present, the greatest difficulty lies in the fact that far too many project requests are drafted by Agency salesmen, usually from some specialized section and not even representing the development policy of the Agency as a whole."

Another expressed it thus:

"Some projects have been initiated through the visits of staff members from Specialized Agencies who were concerned only about their specific fields of competence without due regard to the general needs of the country and to the importance of establishing an order of priority to obtain the maximum benefit from the global allocation for the country."

The third one selected for quotation pointed out that:

"... the selection and allocation of projects, coupled with the fullest assessment of a given country's ability to absorb it, are the key issues to the whole question of development aid and must be resolved before we even think of carrying out a greatly expanded programme, but what exists today is 'inter-Agency rivalry for projects', each Agency insisting, almost as a matter of right, to get a slice of the country pie, regardless of the value and the propriety of the project from the country's point of view, at its particular stage of development."

The views of the Resident Representatives were eloquently summed up in the heartfelt cry of one of them: "Get the salesmen out of the system!"

- (c) The self-perpetuation of projects both in the TA and in the SF component. It has already been noted ^{2/} that one-third of completed SF projects lead to a Phase II project. In the TA component, according to a UNITAR study:

^{1/} Report on Co-ordination and Co-operation at the Country Level, op. cit.

^{2/} Cf. para. 27 and footnote.

"... a great many technical assistance projects tended to continue from one programming period to the next, perhaps without too much scrutiny as to their suitability in terms of the priority needs of developing countries or the appropriateness of the methods used for their implementation ... The stability of the programme in terms of content is confirmed by an analysis of a 15-country sample ... of the 367 sample projects programmed for the UNDP/TA component in the 1967-1968 biennium, with anticipated expenditures in 1967, 51 per cent represented new projects and accounted for 46 per cent of the value or projected expenditures of the programme in 1967. Projects started at least in 1965-66, and continuing, constitute 49 per cent in terms of number of projects and 54 per cent of 1967 value ... A further analysis carrying the sample projects back to 1956 from 1966 - an 11-year period - showed that 58 of the projects in the sample originated in 1956 and 1957 or earlier. In fact, 27 started in the period 1953-1955. In terms of value, 52 per cent of total expenditures for the entire period 1956 to 1966 represented the cost of projects originating in 1956 or 1957 or earlier." ^{1/}

Even allowing for the slowness of the technical assistance method, these results must give rise to concern.

- (d) "Scatterization", or the absence of linkage between projects. The problem has already been discussed in connection with the character and content of the programme but it is clearly related to the whole question of programming. As one correspondent to the Study put it:

"... the present picture is one of useful activity but too scattered and fragmented to demonstrate the necessary continued impact and clear follow-up in terms of accelerated development."

102. Taken together, these themes lead to one conclusion: the lack of an adequate UN programming mechanism at the country level. Many correspondents to the Study made explicit reference to this. It was perhaps expressed most clearly in the words of one government:

"... under the present system there is clearly no possibility of national priorities having the type of impact on international programmes that is envisaged in General Assembly resolution 2188(XXI). In general, there does not exist any machinery by which the priorities and overall needs of each country can be brought systematically to the attention of the various branches of the system responsible for formulating programmes and allocating resources."

103. Many correspondents to the Study also drew attention to the deficiencies of the present system of project formulation, pointing out that these were often at the root of subsequent difficulties encountered in execution. The points which most frequently recurred were:

- the objectives of the project are not always defined precisely enough;
- there is not always sufficient discussion and comparison of the alternative methods available for attaining the project's objectives;
- there is no precise network analysis showing who does what when;

^{1/} Criteria and Methods of Evaluation, op. cit.

- plans of operation in the SF component are often too rigid;
- on the other hand, projects in the TA component suffer because of the lack of any plan of operation, with some notable exceptions, such as WHO;
- job descriptions are frequently inadequate, being either too vague or over-ambitious;
- equipment specifications are also often inadequate.

104. A more general criticism was the failure to consider all the various inputs at the disposal of the UN system in a comprehensive manner when a project is formulated (e. g., a project may start as a WFP project only, and then two years later it is discovered that technical assistance was also needed to achieve the objectives). At the same time it was pointed out that rigid procedures on the part of the various providers of resources, i.e., UNDP, UNICEF and WFP, often make it difficult to work out a comprehensive project. An extension of this problem is the inadequate participation – or, more often, the total lack of participation – at this vital stage of all potential inputs within the system or outside it, including capital. It is therefore often difficult, for instance, for a financing institution to follow up the findings of the pre-investment stage. As one large non-UN provider of capital said to the Commissioner:

"We are ready to finance a larger number of UNDP pre-investment projects, but we hate to jump onto a running train; we could do much more if we were associated at the formulation stage and if our requirements could be taken into account."

105. The project appraisal process also attracted its share of criticism. The main emphasis was on two aspects: the so-called practice of "double-guessing" where technical appraisal is undertaken both by the Agency and by UNDP Headquarters; and the general absence of a proper socio-economic appraisal. In other words, many projects are over-appraised technically, while insufficient weight is given to economic, financial and other non-technical aspects. A typical example is a survey, cited in a report on the programme in an African country, where "the links between the discovery and exploitation of water resources and the development of the region have never been firmly established".

(iii) Implementation

106. There seems to be general agreement on the part of the system itself that the difficulties at this stage are relatively greater. Thus, the Director-General of FAO told ECOSOC in July 1969 that:

"FAO was aware that it was doing better in project identification and formulation than in project implementation." ^{1/}

^{1/} Provisional summary record of the 1605th meeting.

A similar opinion was expressed in more general terms by a senior official of UNDP when addressing the Governing Council in June 1969. He pointed out that the preparation and submission of requests was keeping pace with the availability of resources; "yet the ability of the system to implement projects and programmes at the same level is not so clear. Much more attention and energy must be devoted to proper execution of projects."

107. Quantifiable elements affecting the programming capacity for implementation (chiefly delays) have already been discussed in the preceding section. As far as the quality of the services being delivered by the UN system are concerned, the main criticism appears to bear on experts. This is not surprising since, in a sense, the "medium is the message" and the UN or Agency expert is, for the recipient country, the UN system itself. The large number of comments and suggestions received by the Study, however, clearly denotes increasing concern among governments, Resident Representatives and informed individuals over the declining quality of experts. About one-third of the recipient governments who replied stated spontaneously that the calibre of the experts provided was in general inadequate. There was agreement that the selection of experts left a good deal to be desired, both as regards their technical qualifications and their personal aptitude for a task that requires much more than technical expertise for its proper performance. Criticism of the quality of experts by developing countries is hardly surprising since - partly as a result of past technical assistance - they are now in a better position to judge experts and their requirements have risen.

108. The statement of the Tanzanian delegate at the Governing Council in June 1969 is significant in this respect:

"On the subject of experts (the delegate) said that of late the term had acquired an unfortunate connotation, seeming to imply 'an inflated individual holding essentially a white-collar prestige job, whose word or advice must be taken for gospel and who is never expected to see a village and the countryside where the bulk of our resources and potentialities are to be found.' Such experts could be of very limited usefulness to a developing country like Tanzania whose strategy of development was based in agriculture. He proposed that UNDP, jointly with recipient governments, should organize intensive reorientation briefings of experts prior to the beginning of their assignments." ^{1/}

109. Such strictures are not limited to governments. One official of the system, writing to the Commissioner as an individual, and on the basis of considerable field experience, said:

"I would venture the estimate that not more than half the experts we recruit have the personal qualifications for the task of international development. . . There are too few who believe in peace and justice and equality and in the idea that mankind has some responsibility to build a world based on brotherhood. . .

^{1/} UN Press Release DEV/40 of 23 June 1969.

"I am not suggesting that it is possible to get all of these high qualities in everyone we recruit. But I do maintain that they are important qualities and we should select for these as much as we do for the technical and professional qualifications. Let's build this into the system!"

"The second point on recruitment is the need for us to radically change our age levels. Some of the young people coming out of Universities these days have better motivation and dedication than we have had, probably since the thirties. Their lack of experience would be more than compensated for by the drive, energy and imagination they would bring to their task. There are many examples of associate experts who are better, both professionally and in their ability to relate to the country, than the experts they work under; I think this point is worth very careful consideration. It would certainly solve the supply problem. In addition, I am confident that a switch in the generations in our expert posts would improve the quality and effectiveness of our programme."

110. Perhaps the most serious point emerging from this picture is the inadequacy of the briefing, training and substantive backstopping of experts. One may well wonder what is the "added value" of co-operation provided by international organizations unless their accumulated knowledge and experience is transmitted to the developing countries through the medium of the expert.

"The technical backstopping to be provided to experts through their headquarters under present policy is practically non-existent and the expert, once he has arrived in the field is, for all practical purposes, left to his own devices, which far too often are not those most likely to succeed in his new environment."

writes one Resident Representative, and another one elaborates forcefully:

"The weakness of the UNDP system in mobilizing effective technical backstopping in support of field activities is already leading developing countries to look upon the United Nations Technical Assistance Programme as no more than a source of recruitment of experts at a cheap cost no better, in terms of qualitative planning and backstopping, than that of any other sources of recruitment including the direct hiring of experts by advertisement in world newspapers . . . The UN system cannot continue to justify the incurring of the present large amount of overhead costs when its role is not much better than that of bilateral programmes and of direct means of recruitment of experts, where no claim is made for professional and technical planning, backstopping and supervision of development activities. The greatest appeal of the United Nations Programme of Technical Assistance to the developing countries lies in high level professional planning and supervision."

111. A constant theme running through all these criticisms and discernible in each of the preceding quotations is that few experts, even among those well qualified in their own specialized field of activity, possess a proper understanding of what development is about; many of them, it is repeated, lack the necessary "training approach", have indifferent relations with nationals of the host country and are unable to adapt themselves to local conditions. A good deal of attention was devoted to this aspect by participants in the seminar arranged for the Study by the Overseas Development Institute in London, and is reflected in the following extract from the record:

"UN Resident Representatives would both co-ordinate development activities, and brief incoming experts. It was warmly felt that performance of the latter task, in particular, has in the past left much to be desired. Experts arrive from different countries, and with different cultural and educational backgrounds. It was suggested that, if the proper task of a capacity study is to look at the bottlenecks, inadequate or non-existent briefing of incoming technical experts constitutes possibly the major bottleneck; unless they are subjected to detailed briefing, tailor-made for the relevant assignment and the relevant area, their costly presence is wasted. Further, there was agreement that they must be the right experts, and stay for the right length of time; they must not leave too soon, nor, for that matter, stay too long. Effective communication is essential to the success of an expert mission, and this is a two-way process, requiring special qualities and a considerable degree of perception on the part of the expert."

Lord Balogh, referring specifically to the technical assistance provided through the UN system, has described the situation thus:^{1/}

"... more often than not experts are sent to countries they do not know. They have little or no idea of the social limitations or action possibilities, they have little or no idea of the inter-relation of their specific programmes with that of the Development Plan as a whole, if there is any development plan, or with development itself if there isn't. They therefore recommend what appears to them to be the best possible technical solution of the problem. This obviously is not necessarily (and more often than not) the best possible solution from an overall economic or social point of view. Therefore a number of expert reports which have been disregarded is increasing at an alarming rate, and despite the growing recognition of the shortcomings of experts' reports very little has been done to remedy this situation at its source, to wit, the training of experts themselves."

There is therefore a clear case for reviewing and improving the briefing and training given to experts prior to their assignment. This will be dealt with in Chapter Eight.^{2/}

112. The same dispersal of effort noted at the programming stage is repeated during execution. Only in a few exceptional cases do the experts in a country operate as an international team under the leadership of the Resident Representative. Many useful opportunities of interchange of ideas and experience are thereby lost and there is insufficient cross-utilization of experts. The latter process is especially difficult if it is desired to use an expert working on a project executed by one Agency part-time on a second project operated by another Agency since extensive correspondence is required between the various headquarters. It may not even occur when two related projects are undertaken by the same Agency, vide the ECOSOC evaluation report on Iran:^{3/}

"The Soil Institute does experiments with the cultivation of different crops, among them wheat, under different kinds of irrigation and of fertilizers. It would seem, therefore, to offer a good facility for co-operation with the Wheat and Barley Project and to afford a medium for the extension of the results of specialized research. It

^{1/} In a series of lectures delivered at New York University in March 1969.

^{2/} See paras. 68-74.

^{3/} Report of the Iran Evaluation Mission, op. cit.

seems also probable that the two groups of scientists – experts as well as counterparts – would benefit greatly from a closer association in their regular work . . . Not only do these research institutions have surprisingly little contact with each other, they also have no close links with the universities. For example, in the Karaj area we find Iran's most important agricultural university and several research institutes of note, some of them sponsored by the United Nations. One would expect to find the university professors as leaders of the research institutions, the research workers as teachers in the university and the more advanced students working at the research institutions. This is, however, not the case. It would be a great achievement if, through revision of existing projects and the establishment of new ones, much closer co-operation were assured between universities and research institutions . . . Lack of co-operation may have very serious delaying effects for the whole development of the country. If, as the team has gathered, agricultural students, the extension workers of the future, have no close contact with agricultural research, the situation is deplorable."

113. The other principal comments made with regard to the implementation stage can be summarized quite briefly. They centred mainly round the inadequate degree of decentralization of authority to project managers and experts in the execution of their responsibilities and particularly stressed that too little authority was accorded to the Resident Representative, who should have the overall responsibility for ensuring that the programme is working smoothly. It was argued that this, combined with unsatisfactory communications between the various headquarters and the field, led to inefficiency and longer delays than were necessary, particularly as regards the approval of necessary programme changes. Attention was also drawn to the lack of any automatic and precise system of data collection, which not only adversely affects operational control but also delays the presentation of reports and impedes evaluation. ^{1/} There was criticism, too, of the way in which fellowships are handled, many of them being awarded, it was said, without due regard to the candidates' suitability or to the timetable of the project with which they were associated.

(iv) Final report

114. The considerable delays in the presentation of final reports have been analysed in paragraphs 56-60 above. A number of equally serious criticisms have been expressed about the quality of the reports and this has indubitably affected their rate of delivery. From the information made available to the Study, it seems that part of the trouble stems from the failure of the reporting system – despite several extensive changes – to keep pace with the changing demands of a programme growing rapidly in size and complexity. Hence, many of the reports are little more than a compilation of progress reports submitted during the course of the project with little or no relevance to the broader economic and social conditions and policies of the country or even, sometimes, to the project's own original objectives. Because

^{1/} See Chapter Six for a conceptual design of an information system.

of the generally poor quality of the first drafts submitted, UNDP is becoming a bottleneck, increasing the delays in final submission, because it has to make extensive comments and suggestions and does not have sufficient qualified staff for this work. Other contributory factors singled out are:

- (a) confusion as to the end use of final reports;
- (b) the lack of clear-cut authority and responsibility;
- (c) the lack of an early and clear definition of types of information needed for final reports;
- (d) imprecise instructions to project managers to produce draft final reports of acceptable quality within a fixed time limit;
- (e) the lack of a clear definition of project objectives specifically linked to a country's socio-economic goals (some final reports raise more questions than they answer, e.g., what was the justification for the project in the first place?);
- (f) the low priority given to final reports at the policy-making level in Agency headquarters;
- (g) the volume of reports surpasses the administrative and organizational capacity of Agencies;
- (h) the language problem.

115. One major Agency wrote to the Study in the following terms:

"The problem of the present system is, first, its complexity in terms of the number of reports - particularly as regards final reports for Special Fund projects; and secondly, the quite serious difference of opinion which this Secretariat has experienced concerning the nature of the Special Fund final report.

"The excessive number of reports - the interim and statistical reports, plus a final Agency statement, a final report, an abstract of the final report, and a confidential report (letter) - raises a serious problem of workload which can and does limit the time project officers can devote to the equally important correspondence on implementation and the all too often non-existent research they might otherwise be free to do as intellectual backstopping for the field staff. This heavy workload factor is already apparent in the serious delays experienced in the production of final reports. However, the UNDP decision to create a second abridged final report has simply compounded rather than solved the problem. Here, in fact, is a clear case of over-extended capacity created wholly by the system itself. In addition, there is the tangential problem of the overall documentation strain apparent throughout the UN system which must be reviewed without delay."

The second difficulty raised by this Agency referred to the editing of reports by UNDP. In the view of the Agency, a report must primarily express its own technical judgement, an approach not always compatible with the criteria underlying UNDP editing which more often reflected considerations of presentation.

116. A Resident Representative described the problem thus:

"I am certain that report writers or editors with sufficient technical experience and background could assist in completing the project final report quickly. I have seen few Project Managers - or experts - who can write clearly, concisely and well. No wonder the final report comes as a sort of final torment for them . . . I find that final reports not previously checked with the government and prepared in splendid isolation become the subject of biting criticism and opposition later . . . which rules out possibilities of follow-up by the government. If our SF projects are really joint projects with the government, I do not see why final reports are prepared separately by the Agency. The government fully understands that the Agency and UNDP must present their own positions and recommendations on the project when it comes to an end but they will not accept what they consider inaccuracies, gross language, sloppy reporting or misrepresentations. This is why I think checking the final report with the government is important. It is at the end of a project where we need the government more than ever if we want the project to have permanent effects on development and if we really want follow-up or investment, or both."

117. It is clear from these representative samples that the procedure for preparing final reports has left a good deal to be desired and needs to be both simplified and speeded up. As noted elsewhere, the latest revision of the instructions issued this summer seems to offer promising prospects in this regard, but they have yet to prove themselves in practice.

(v) Evaluation

118. One of the questions in the questionnaire circulated at the beginning of the Study to UNDP and the Agencies and to the Resident Representatives enquired whether present evaluation procedures were well defined and satisfactory. The answer was an almost unanimous "No". One Agency, for example, referred to "the proliferating and somewhat confused programme of what the United Nations system calls evaluations, but which in fact refer to assessments". It recommended strongly that appraisal or assessment by any institution or Agency should be limited by the competence, purposes and power of that body. "We should not be in the business of appraisal for its own sake. We want 'feedback'; but no system wants more 'feedback' that what is essential for the important elements of its programming, operation and control." In the view of that Agency, therefore, UNDP should be extremely selective in the number and nature of assessments which it carries out for its own requirements, and the purpose of each assessment should be clearly set forth.

119. A sample list of the various governments, organizations and bodies engaged in various aspects of evaluation at the present time demonstrates the tremendous number and variety of different investigations which may be going on at any one time, and the lack of any orderly approach to the problem. ^{1/} Concern about the effectiveness of the programme seems to

^{1/} See list in Chapter Five, para. 145.

have led to a wave of such examinations. The danger is that these well-intentioned efforts may defeat their own purpose. There is much evidence already that they exert a heavy strain on senior officials of the programme who are besieged with requests for information. At least two Directors-General of important Agencies told the Commissioner that a considerable part of their personal time was taken up with dealing with this plethora of inquiries and in answering the questions – inevitably the same questions – of important visitors representing the various organizations concerned. There is therefore a real risk that preoccupation with the programme's performance may diminish its quality further by forcing its managers to spend more time on self-criticism and justification than on effective action and innovation.

120. Even within the system, there is a problem of overlap between the activities of the various bodies in expressing judgement on the work done. The statement made by one of the Joint Inspectors in May this year is illustrative in this connection:

"... although the terms of reference of the Unit clearly specified that there should be no overlapping with the work of the Panel of External Auditors and that the Inspectors' function was to assist in ensuring efficiency and economy in the use of available resources, it had been very difficult to ascertain the limits, if any, of their sphere of competence. It was his understanding that they had been left to use their own judgement regarding the areas to be considered, but they would certainly welcome an indication of any formal limitations that might have been imposed on their work."

121. Evaluation is indispensable as a guarantee of effective use of resources and of accountability for their use, but it is clear that the present unco-ordinated way in which it is carried out represents a serious drain on capacity. A more systematic approach must therefore be introduced as a matter of urgency.

(vi) Follow-up

122. General concern was expressed by all categories of correspondents to the Study over the inadequacy of follow-up. One in three of the recipient governments who expressed views to the Study cited this as a major impediment to the effectiveness of the programme. One principal Agency described it as "the weakest link in the system", while a Resident Representative used the term "a forgotten aspect of our programme". They confirmed an opinion expressed earlier by the evaluation mission to Chile which noted with concern: "... the apparent lack of interest on the part of the United Nations Agencies in ascertaining the results of technical assistance projects already terminated."^{1/} One Agency gave the following explanation:

"Follow-up of projects which have terminated has not yet been as systematic as is desirable, mainly for lack of financial resources, but also as a result of lack of formal provisions for follow-up in ... projects."

The financial aspect was echoed by another Agency:

^{1/} Report of the Chile Evaluation Team, op. cit., para. 160.

"One reason for this apparent lack of interest in follow-up may be financial. While there is a real incentive for Agencies to undertake new projects (financial and psychological), no such incentives exist to follow up completed projects."

123. Other reasons were also cited for this situation. A Regional Economic Commission mentioned three which go back to deficiencies at the programming and project formulation stage:

- "(i) The lack of clear understanding and commitment of a government at the period of the initiation of projects;
- (ii) Proposals which appear unrealistic in relation to the resources of the government concerned;
- (iii) The failure to assess at the initial stages local manpower requirements for implementation of any report."

124. While the responsibility and initiative for follow-up must obviously come from the government, it was generally recognized that its scope for action may be limited. One obvious reason is the delays in the presentation of final reports and their varying quality. Moreover, by the time the report is presented, the expert is no longer there to help implement it. One recipient government wrote:

"Often lack of funds and expertise make it impossible to implement the expert's recommendations. It would be useful if all experts were designated to work on the example of 'OPEX' or 'OPAS' basis, namely that in the course of their research and advisory duties they should assist in actual implementation. In most countries, recommendations of experts are shelved for a variety of reasons, including lack of funds and trained manpower."

Clearly, the Resident Representative's office has an important role to play here, but often it is handicapped by lack of staff and information. As one of them wrote:

"The UNDP field offices do not even have all the copies of TA field reports. We do not have a 'projects history' in the field. There being no memory, our programme has to depend on the field reports and the personal interest or recollection of the Resident Representative or a few experts who have served in the country for years."

125. As regards projects aiming to attract subsequent investment, the general consensus was that links with possible sources of capital were not created early enough, and that such projects were usually not sufficiently investment-oriented. A comment to that effect has already been quoted in paragraph 104 above.

126. If one accepts, as seems logical, that the final judgement on the capacity of the UN development system to deliver an effective programme lies in its end results, it is apparent that follow-up must also be identified as one of the major constraints limiting its expansion.

(vii) Organization and administration of the programme

127. Chapter Two outlined the ad hoc manner in which the UN machinery for development co-operation evolved, and illustrated the extraordinary exuberance with which it propagated bureaucratic offshoots at all levels: in inter-governmental organs; in headquarters secretariats; in regional offices; and in field arrangements at the country level.

128. Understandably, it is these latter which have most deeply engaged the attention of correspondents to the Study – especially the governments of developing countries and the Resident Representatives – since it is in the country itself that the programme's capacity for effective operations can best be judged. Despite the improvements introduced in recent years, the picture which emerges from their comments leaves much to be desired. No less than two out of three of the recipient governments who conveyed their views to the Study, commented adversely on some aspect or other of the field arrangements. Their chief bone of contention was the confusing patterns of Agency representation, often of a competitive character, with which they have to deal. For reasons of space, only three comments will be quoted here, but they are representative of many others. In the words of one government:

"The proliferation of representatives of individual Agencies at the country level is clearly both expensive and unnecessary. In formulating programmes of technical assistance, the government would by far prefer not to negotiate separately with representatives of individual international organizations, but to do so with a single local representative of all of them, to bring about the formulation of a co-ordinated programme integrated with the development priorities of the national plans. In general, the government believes that the substitution of country representatives of the Agencies by technical advisers to the Ministries concerned would serve the interests of development at the country level more positively and at the same time lead to considerable savings in the overhead costs of the programme. Experience has shown that country representatives either tend to deteriorate into a ceremonial presence or become involved in routine operational and administrative functions which should be performed through a central mechanism."

Another government said:

"At present, the various specialized agencies with representation in some developing Member countries are housed separately. They communicate separately not only within the UN system but also within the system of government in the country . . . without effective link with . . . the co-ordinating government agency . . . The end result is that the activities of UNESCO, WHO, ILO, etc., are not properly harmonised within the UN system on the one hand and on the other the government system. These series of parallel actions towards a single objective unnecessarily prolong the ultimate aim of reaching effective decision with the minimum of cost and inefficiency."

Yet another expressed the problem in even more forthright terms, referring to "the need for better co-ordinating among Specialized Agencies to avoid tribal fighting on matters of common interest."

129. Another major and related criticism is the continuous and unco-ordinated stream of official visitors from Agencies, the majority of whom (understandably) reflect the views of

only one sector, or indeed only part of that sector. Too often, these officials concentrate simply on the departmental minister or officials concerned, to the prejudice of the national development plan, i.e., the "project" as opposed to the "programme" approach, thus adding another cause of political irritation within the government. As one government wrote:

"Very short visits from UN personnel and from the Specialized Agencies to developing countries are sometimes unnecessary and wasteful and every effort should be made to avoid as far as possible such short visits of one or two days' duration."

This view was echoed by many Resident Representatives, one of whom writes:

"One has the impression that often Agency visitors feel that they must come as a matter of routine on regular visits rather than to direct themselves to particular problems or projects. Of the four endemic defects in visits, the most serious is a constant failure to set out which government office they hope to visit and what it is they hope to achieve. Secondly, there is very often an inadequacy of notice, and thirdly, the failure to follow up discoveries made or promises given. Lastly, there is the element of salesmanship, particularly at programming time, which local officials find confusing and Resident Representatives embarrassing."

130. The frequency of these criticisms led the Capacity Study to undertake a brief investigation into the number of visitors in several countries, in relation to the size of the programme for these countries. The disproportion between the two is large enough in the majority of cases to give cause for serious concern. In many cases, for instance, the number of official visitors within a three- or four-month period whom the Resident Representative was expected to assist, arranging programmes for them and generally being available for discussion, exceeded – sometimes by a considerable margin – the total number of UNDP experts already serving in the country. In absolute terms, the figures often signified two or three visitors per working day.

131. Further investigations indicated that, in many cases, no central control is exercised in some Agency headquarters over the number and timing of individual visitors, the decisions being taken principally by the individual departments concerned. As a result, little attempt is made to make use of the visit of an official for discussion of other aspects of his Agency's business, thus perhaps saving another visit by someone else and the discussion of even one sector of the programme is itself fragmented. To quote another Resident Representative:

"A Resident Representative spends a series of two or four year stints in given countries, receiving three to five visitors per day throughout the year from New York, Rome, Paris, Vienna or Geneva – each dealing individually with isolated and splintered items, but the responsible Resident Representative is never able to tell his story or trade ideas with a Specialized Agency as such on his country's problems relating to natural resources, or technical education, or development planning or whatever. Almost always he deals individually with a medium-level Headquarters expert on winter pasturage for imported brown Swiss cows in island 'X' or the protection of half-orphan male juvenile delinquents who dropped out of school after the third grade and migrated to the capital city before the age of fifteen. Few visitors are authorized or prepared to talk about even animal husbandry or social defense."

132. The demands of these unco-ordinated visitors on the time and patience of government officials and Resident Representatives constitute another important drain on capacity.

133. The main conclusion drawn from this confused situation of Agency representation and lobbying was that the Resident Representative is not invested with sufficient authority and that urgent steps should be taken to remedy this. This is a theme which has been repeated by many other sources apart from those directly consulted by the Study, e.g., most of the ECOSOC evaluation missions.^{1/} In connection with the Study, this view was expressed by about half of the recipient governments which responded and by almost all the major donor governments. The following is only a random sample of the unsolicited comments of several recipient governments:

Country A: "Progress in assigning the Resident Representative a role commensurate with the responsibilities which are expected to be placed on him is painfully slow."

Country B: "Increase the co-ordinating and other powers of the Resident Representative."

Country C: "The pattern of relationship between the Resident Representative's office and the country representative (of Agencies) is not clear . . . Some kind of authority and co-ordinative action should be exercised by the Resident Representative's office over country representatives. In most of the cases, governments would prefer to deal with one responsible body rather than several."

The Prime Minister of yet another developing country expressed himself in particularly unequivocal terms:

"This logically leads to a statement of what we consider the ideal relationship that we should like to see between the Resident Representative on the one hand and on the other the UN and its Specialized Agencies, in regard to the United Nations Development effort . . . These remarks are specifically meant to be understood in relation to the Specialized Agencies, and the position is briefly summarized as follows:

"Where, in consultation with the Resident Representative, the Ministry of Planning makes a decision in relation to any aspect of the development activities of a Specialized Agency and such a decision is ratified by the Prime Minister as Chairman of the Planning Commission and thereafter conveyed by the Resident Representative to the Specialized Agency concerned, that Agency should under no circumstances unilaterally reverse or question that decision. The views of these Specialized Agencies would, of course, be taken into consideration before a decision is made. The non-observance of this principle is tantamount to an imposition of the will of the Agency on a sovereign Government and could seriously damage the proper understanding that should exist between the host Government and the United Nations."

134. As could be expected, there was a fairly general consensus among Resident Representatives on this subject. One quotation is representative of the tone of the majority:

^{1/} For instance, Thailand, para. 127; Chile, para. 158; Tunisia, para. 146; Ecuador, para. 297; Iran, para. 71.

"The unfortunate institution of country representatives of Agencies has operated, and continues to operate, as a contradiction in terms – in spite of all of the efforts made to define the relationships in the field – between the role of the Resident Representative vis-à-vis the country representative of the Agencies. There exists an unavoidable inherent conflict between the two positions and our failure to find a solution to this problem has done incalculable harm to the ability of the UNDP system to play a more effective role in providing assistance to developing nations in dealing with their fundamental problems."

Yet it is interesting to note that this same Resident Representative, showing the frank self-criticism which has characterized many of the comments received by the Study and constituted one of the most promising aspects uncovered, recognizes that the situation is not exclusively the fault of the Agencies but also relates to the quality of Resident Representatives and the support they receive from UNDP, viz.

"Many Resident Representatives have lacked the broad knowledge and experience of economic development administration and the many qualities needed for conducting negotiations with governments in a skilful and diplomatic manner to obtain the best results from the small United Nations resources. Their training in the philosophy and purposes of United Nations technical assistance and in the structure and functions of the UNDP system has been far from adequate. They have suffered from lack of security of tenure and of firm support and substantive backstopping in their work from the parent Organization, as well as from the Participating Agencies in the UNDP system."

135. A question closely related to the authority of the Resident Representative is the insufficient decentralization and delegation of authority to the field. This was mentioned by one in five of the recipient governments who replied, principally as an example, and a cause, of the cumbersomeness and slowness of procedures, and also by many Resident Representatives. This, in turn, is exacerbated by the inadequacy of communications between UNDP Headquarters and the field which was singled out by a large number of Resident Representatives as a major and an increasing problem. To quote three examples, one Resident Representative referred to a "credibility gap" between headquarters and the field, adding that he had last received a visit from a UNDP Headquarters official in the Spring of 1965, i.e., three-and-a-half years earlier – thus demonstrating another side-effect of the lack of any rational planning of field visits. Another wrote:

"... often in the field, there is also a certain lack of support from UNDP Headquarters. Letters written to Headquarters are sometimes not answered or with great delay and one certainly does not have the feeling that someone is actively taking an interest in what goes on in a specific field post."

Yet another said:

"The increasing lack of communications between Headquarters and the some 90 field offices has become obvious. This is a very real problem which has to be faced by all growing organizations, be they diplomatic, industrial or commercial, and one which must be solved through a regional approach which retains control at Headquarters."

136. If one turns to the regional level at the present moment, however, the different patterns of organization confronting each developing country become even more confusing. One Agency, in its comments to the Study, described it as "a jungle" and the description is all too apt. Appendix Three, "Regional Structures of the UN Development System", included in Part V attempts to hew some kind of path through this jungle. The chart attached to it shows the regional and field establishments of the main components of the UN development system, divided into the four main areas of Africa, Latin America, Asia, Europe, and the Middle East. It indicates that some unfortunate governments, especially in Africa, where the pattern is more scattered, have to apply to as many as four or five different places if they wish to obtain simultaneous advice from the regional offices of different components of the system. Thus, Dahomey has to refer to Abidjan for UNICEF and UNESCO, to Niamey and Addis Ababa for the sub-regional office and headquarters of ECA respectively, to Dakar for UNIDO, to Lagos for ILO, and to Lomé for WHO. Moreover, the regions covered by each Agency are not coterminous. The text of the appendix shows that difficulties stem also from the widely differing functions and degrees of delegated authority of these offices and from differing constitutional arrangements. The same document also tries to analyse the effectiveness of the regional structures of the various UN organizations and comes to the conclusion that it has, on the whole, been indifferent, except in the case of WHO, owing to the lack of a coherent pattern, aggravated by the failure to develop any effective co-ordination between the various organizations. The reader who wishes to delve further into this question is referred to the document in Part V.

137. A number of governments, both of developed and developing countries, indicated in general terms that the organization and administration at the headquarters level must be faulty in some respects judging by the quality of the development co-operation offered, the persistence of delays, and the cost, which many deemed excessive. Presumably, this latter judgement reflects an impression that the demonstrated benefits of the programme are inadequate in relation to its overall cost. Many governments commented more specifically that the programme's overheads are excessive. The Capacity Study devoted a considerable amount of time to these financial aspects but was forced to the reluctant conclusion that, because of the manner in which UNDP funds are diffused throughout the various components of the UN development system, and mingled with the regular funds of the Agencies, it is impossible to make any accurate estimation as to whether the cost of the programme at the present time is reasonable or excessive. The term "overheads" is in itself misleading, since they are calculated on an arbitrary percentage basis, and cover a number of activities that provide direct and necessary programme support and can by no means be categorized as general administrative costs. So far as can be judged, expenditures for programme support and administrative costs (e.g., internal administration, inter-Agency co-ordination, etc.) together amount to about 20 per cent of the total, but the Capacity Study is in no position to challenge the validity of the expenditures for these purposes. In Chapter Nine, however, the

Study does make concrete proposals for a new finance and budgetary system which would make it possible in the future to identify the various categories of expenses more clearly, and thus to assess whether the programme is being run reasonably economically.

138. Few governments ventured any more specific comments on internal organization at the headquarters level, possibly owing to insufficient knowledge of the inner workings of the various components of the system. Again, material limitations prevented the Capacity Study from making a detailed investigation of nearly twenty organizations, while the answers received to the questionnaire sent out to all of them on organizational, administrative and financial matters were not always very revealing and sometimes contained inner inconsistencies which made the information impossible to use. In general terms, however, the deficiencies at the headquarters level are the obverse of those identified at the country level. Thus, the problem in UNDP Headquarters has been the lack, until recently, of a divisional structure by countries and regions which would allow an overall view of the total programme, TA and SF, for each country or area. In the past, then, the structure and approach of UNDP, with its emphasis on sectors rather than geographical areas, particularly as regards the SF component, has tended indirectly and inadvertently to perpetuate the sectoral interests and rivalries already endemic in the overall system. The recent establishment of regional and country desks represents a considerable advance but these new divisions are still numerically weak, and the staffing pattern is such that sectoral considerations still tend to predominate, encouraged also by the type of programming adopted. Within Agencies, on the other hand, the sectoral fragmentation is carried one stage further by conflicting interests and competition between individual technical divisions representing different specializations within each sector. Between Agencies, it is exacerbated by not infrequent jurisdictional difficulties and disagreements arising where frontiers of competence cannot be drawn with precision. ^{1/} All of these factors are drains on capacity because they deflect attention from what should be the main centre of gravity: the totality of the development problems of each individual country. In the case of the Agencies, also, a further structural problem derives from their dual functions, first, in their constitutional role and, second, as operational arms of UNDP. Every Agency has tried to reconcile these roles and render each more efficient through a series of reorganizations, but in some cases the two are still uneasy bedfellows. Thus, in some larger Agencies where a separate department or division has been set up to deal exclusively with development operations, the demarcation line with other departments dealing with more traditional functions has not always been clear-cut. Instances have been brought to the atten-

^{1/} The intricacies of drawing these frontiers is well illustrated by the recent 13-page agreement between FAO and UNIDO reproduced in the FAO Director-General's Bulletin, No. 69/32.

tion of the Capacity Study in which this has led to internal power conflicts inside individual Agencies and to the duplication of services. In other words, the dual functions of the Agencies, which should be a source of mutually complementary strength, at times find themselves at cross-purposes, thus distracting attention from the job of development co-operation, and impeding the evolution of an integrated approach, even within a single Agency.

139. In short, the complexity and fragmentation of the system which, in one sense, is a source of richness, in another is a major check to capacity. The end result is frustration on all sides and at all levels, as shown by the following illustrations, all drawn from the first-hand observations of the Capacity Study during the course of its inquiries.

140. The developing Member State, already wearied by the effort of trying to cope with a perplexing array of organizations and representatives, each with their own ideas of the kind of co-operation the country most needs, is further frustrated by the delays in producing concrete results, since project requests may be examined by several outside experts or missions before being finally approved, and execution is often behind schedule for the reasons examined earlier.

141. The more developed Member State, anxious to see its contributions effectively used, is baffled by the same complex assortment of organizational units and relationships. Moreover, it is often dissatisfied with the explanations of the proportion of its contributions used for what it considers unproductive overhead purposes. It is also irked by excessive concern with Agency autonomy and the over-complex and "hairsplitting" explanations involved in protecting an Agency position or sphere of functions.

142. The Director-General of a Specialized Agency is often irritated by what he considers unreasonable criticism from governments which hold him responsible for things over which he has no control. He is also deeply disturbed at the high proportion of his own and his staff's energies that must be devoted to co-ordination, and the resolution of what seem to him straightforward issues, because no effective mechanisms exist to resolve such issues without reference to himself and his fellow Directors-General.

143. Within UNDP, there is frustration over their inability to take effective corrective action when projects fall short of agreed objectives because Agencies have a virtual monopoly on project execution and are outside UNDP's authority to control. This lack of direct line authority down to operational activities at the country level is further aggravated by the distribution of operational responsibility within Agencies. The Director-General of an Agency can seldom devote sufficient personal time to operational matters due to the press of his constitutional and policy functions ^{1/}and, in most Agencies, there is no single official with authority

^{1/} Among other things, these involve a very great deal of travelling.

over all aspects of operational activities whom the Administrator can hold fully accountable. Responsibility and authority are thus widely dispersed and the decision-making process is consequently both slow and ineffectual in producing results.

144. The government representative on the myriad governing and policy-making bodies is likewise frustrated by his inability to obtain what he considers rational and complete answers to his questions on development from any single source. In short, he looks to executive heads for results but finds no one to hold accountable; rather, he finds numerous executives, who are each responsible for portions of the total job.

(3) Summary of the principal impediments affecting the capacity of the international system at the present time

145. The two preceding sections have attempted to make a comprehensive survey of the difficulties with which the UN development programme has to contend at the present time, firstly, from a quantitative point of view and, secondly, in terms of quality. The former analysis was based on the facts and figures made available to the Study by the system itself, while the latter drew almost exclusively on opinions which were expressed with sufficient frequency by the many different sources and viewpoints consulted by the Study as to constitute a widely-held opinion. It may be helpful to summarize here the conclusions reached by the Study on the basis of these analyses, as to the nature of the main impediments to capacity existing at present in the several components, and at the various levels of the system, especially since it is to the resolution of these that the Study must address itself in order to increase future capacity.

(a) At the headquarters level

146. The basic problem here is clearly an organizational one, aggravated by the rapid expansion of a programme whose structure has evolved almost by historical accident rather than through the application of logical management principles. Vigorous collective action might have overcome such difficulties but was understandably inhibited by the structure itself. As development-mindedness grew, it was expressed mainly through sectoral activities disregarding the policy emphasis in the main legislative organs of the UN on a planned and comprehensive approach to development. Thus, despite the delivery of a substantial volume of valuable assistance, the larger part has been conceived and organized as a sectoral response, strongly influenced from headquarters by procedures and policies that were insufficiently adapted to the needs of a UN development system. Effective management would require the centralization of decision-making on policy matters and of the overall control of the programme, combined with the maximum possible decentralization of the planning of country programmes and of the administration of field operations. This is virtually the reverse of the system's present method of operations. In practice, responsibility for taking decisions which should be made

at the centre is diffused between UNDP and the Specialized Agencies, thus leading to confusion between their respective functions. On the other hand, planning and administrative functions are not decentralized enough and insufficient authority is delegated to the country level, particularly to the Resident Representative, with a consequential delaying effect on operational activities.

147. The complexity of development problems would, in any case, require a high degree of managerial skill. This requirement becomes even greater as a result of the intricacy of the mechanism through which UN development co-operation has to operate. At a minimum, the streamlining and modernizing of procedures and managerial and administrative techniques are called for and these, in turn, require both forward-looking and dynamic management and an organization directly geared to development operations. These have been, in large measure, lacking: there have been strenuous efforts toward improvement but the pace has not been fast enough.

148. The necessary managerial control is made even more difficult by the lack of facts and figures both about what has been done in the past and on the progress of the current operation. The effect of this is exacerbated by the inadequate communication system existing between UNDP and the Agencies, on the one hand, and between the various headquarters and their field representation on the other. Finally, administration is slow and cumbersome in practice leading to the lengthy delays in project approval and execution already described.

149. The cumulative impact of this evidence, then, is to show that, although the UN development system is delivering a valuable service, it is doing so under a greater strain than is acceptable, that the out-turn is less than optimal, and that the quality and quantity of future performance must be threatened.

(b) At the regional level

150. Here, again, the organizational problem predominates and reaches an even higher degree of complexity through the existence of large numbers of distinct organizations and offices, located in different places, covering regions which are not coterminous, and exercising different functions and different degrees of authority. The position is still further confused because some of these bodies, notably the Regional Economic Commissions, are understandably looking for a role to play and may add to the danger of overlap as they inevitably cover sectors which impinge on the competence of most of the Specialized Agencies. The inadequacy of the co-ordination achieved varies greatly from case to case. An attempt to unravel this organizational tangle is made in Chapter Seven,^{1/} and the whole question is

^{1/} Paras. 112-119.

dealt with in much more detail in Appendix Three of Part V, "The Regional Structures of the UN Development System", already referred to. All of the evidence collected by the Study points to the need for the various UN regional organizations and offices to be fully integrated into the development co-operation process on a rational basis.^{1/} This can be achieved only gradually, however, but the situation cannot be left in its present state of confusion.

(c) At the country level

151. The pattern repeats itself in the developing countries with the emphasis on organizational deficiencies. Despite the efforts made over many years to achieve co-ordination, there is still no uniform approach by the various parts of the system to the problems of a single country. Separate Agency missions continue to proliferate, to the bewilderment of the government and to the detriment of the position of the Resident Representative, which, although strengthened, is still not one of sufficient authority. Here the quality of the Resident Representative is of crucial importance. Many of them are very good and contrive to overcome, in practice, most of the difficulties described, although at an inordinate expense of time and effort. It must also be recognized, however, that not all of them possess, to an adequate degree, the qualities which will be required in the future by their difficult and highly important responsibilities.

152. In short, the approach is unsystematic and varies from country to country according to the personal relations of the representatives of the various organizations and the attitude of the governments. The latter are becoming increasingly restive at this situation and one in three of those who replied drew attention to the problem.

153. The "country approach", which has figured so largely in legislation over the years, has been undermined as a consequence of this situation. The promotion of projects - whether by "salesmen", over-brief visiting expert missions, or as the result of policies originating in distant headquarters - usurps governments' choices in development planning and too often ignores the real needs of the country.

154. So far as Agency representatives are concerned, where their responsibilities do not include substantive and substantial Agency functions totally unrelated to UNDP-financed work, their presence tends to add further confusion. It is obvious that this must happen, since their position as the appointed representative of an Agency, rather than as a technical adviser in a particular economic or social sector, is evidence that they are there to promote the sectoral interests of that Agency, whether by increasing the number of projects it executes

^{1/} Suggestions to this effect are made in Chapter Seven and in Appendix Three in Part V on Regional Structures.

with UNDP money or otherwise, rather than to give technical advice within the overall development framework of the country. This disturbs the balance between the interests of the country in which they serve and those of the Agency for which they work and the former does not always receive priority.

B. The capacity of governments

(1) The capacity of developing countries to absorb assistance

155. The concept of counterpart has rightfully grown up as a main tenet of a programme whose ultimate aim is to help developing countries to help themselves. Many difficulties have been encountered, however, in practice and it is clear that new forms must be found for its application.

156. Here, also, there are both quantitative aspects, evidenced in the amount of local funds contributed, the number of local personnel appointed and the physical availability of buildings, equipment, and other facilities provided on the spot; and qualitative aspects, represented by the quality of the personnel supplied and the adequacy of the physical facilities.

157. The earlier analysis in paragraphs 40-45 and Table 3.6 have shown that the non-availability of counterpart personnel is the largest single problem affecting the progress of projects. In fifty of the sample of 126 projects behind schedule, the government was unable to provide counterpart personnel in adequate quantities. In seven countries in Africa and one in Asia, counterpart personnel, as stipulated in the plan of operation, were non-existent and unlikely to be available in the foreseeable future. In all other countries, basic manpower was available, but either inadequate funds existed to employ the personnel required or they were employed on a part-time basis only, or their qualifications were sub-standard. Similar experiences were encountered as regards the recruitment of local administrative and technical personnel.

158. The non-availability of adequate counterpart finance in land, buildings, equipment, and supplies was the second largest difficulty, affecting forty-one – or roughly one-third – of the 126 projects behind schedule. Six projects were unable to start operations as the governments could not meet their prior obligations, while in thirty-three cases activities had to be curtailed or suspended owing to delays in receipt of the government's contribution for current operating costs. The main causes for this were: shortage of finance; over-ambitious planning; and difficulties arising from the fact that the schedule of operations did not correspond to the fiscal year of the country concerned.

159. The proportions obtained in the second analysis carried out directly with Resident Representatives 1/ are slightly less, but equally indicate that the provision of counterpart presents one of the most serious problems. Thus, difficulties in the provision and qualifications of counterpart personnel were the predominant factor in 20 per cent of worthwhile SF projects where progress was unsatisfactory, and in 28 per cent of the TA projects in that category. Local budgetary difficulties predominated in 6 and 7 per cent of SF and TA projects respectively and other deficiencies in government support in 12 and 14 per cent respectively.

160. The quality of the counterpart personnel actually provided was also a cause of concern and was almost unanimously cited by the Agencies, as well as by a good number of Resident Representatives, as a major impediment to effective action. Several recipient governments themselves stated that they encountered considerable difficulties in finding sufficient national officials and technicians of adequate calibre for all the UNDP projects on hand. The reasons for this situation are varied and in some cases deep-rooted, stemming from the very state of under-development in which the country finds itself. This is the case, for example, when educational facilities are inadequate, both in number or quality, and thus unable to equip sufficient people with even a basic academic or technical foundation on which to build further. National salary levels and conditions of service are almost always inadequate, especially in government employment, and also reflect the inadequacy of financial and other resources. The problem has, therefore, many of the characteristics of a vicious circle and effective solutions are not easy to find.

161. The logical justification for counterpart requirements – apart from the evidence it gives of a genuine interest in a project's results – is that they should provide a guarantee against burdening a country with obligations which it is incapable of supporting. By the time UN technical co-operation has completed its task, the project should be self-sustaining within the framework of the government's machinery and resources: it will no longer be a "project" but an integral part of the country's services. Even so, it is obvious that ability to support projects varies from country to country. Moreover, the larger projects can involve heavy recurrent costs (e.g., for maintaining training institutions) or the servicing of capital loans for investment resulting from surveys or similar projects. As is generally recognized, the present strain on the budgets of most developing countries is already very great, and the cumulative burden of external debt is becoming crippling. 2/ In the case of countries at a

1/ See para. 94.

2/ The Commission on International Development describes what it terms "the explosive increase in public debt and debt service" and makes strong recommendations for debt relief, op. cit. pages 62-76 and 153-167.

very early stage of development, the situation is especially acute because, under present counterpart arrangements, they can only support a few projects and yet their needs are relatively far greater than those of countries farther advanced.

162. Another wider aspect of "absorptive" capacity, transcending the limiting requirements of individual projects, is the existence in the recipient country of conditions conducive to development, and of strong leadership inspired by a genuine will for development. Here, one is wholly in the field of intangibles, most of them outside the direct influence of the UN, and some of them not even open to action by the government concerned. They are, nonetheless, of tremendous relevance to the capacity of developing countries and their potential for making use of development co-operation. Experience has shown that, e. g., local customs and attitudes, traditions, social institutions, legislative and administrative conditions, systems of land tenure, are just as important determinants of development and all that this implies in the acceptance of the effort involved and of the far-reaching changes required.

163. The Capacity Study's investigations point strongly to the conclusion that too many projects are planned without due regard for the country's real capacity for providing support and assuming continuous responsibility. This is an off-shoot of the sectoral impulse to push particular kinds of projects instead of starting from the needs and potentialities of the country. It is also caused by the tendency to consider potential projects in isolation and not in terms of the overall picture presented by a country, both as regards its development objectives and priorities and its total obligations.

164. This does not mean that too much assistance is being offered and that it should be reduced. Nor does it signify that the counterpart philosophy is wrong. On the contrary, it should be maintained but interpreted in a more imaginative and flexible manner. It is significant to note here that one in five of the recipient governments which expressed views to the Study considered that the response to difficulties over the provision of counterparts is often excessively rigid. Clearly, projects should be planned more realistically, with counterpart contributions, especially those of a material nature, being graduated according to the economic and financial circumstances of the recipient country and on a sliding scale enabling the government to take over responsibility gradually.^{1/} The problem of counterpart personnel is more difficult. Its solution involves taking longer over preparing the ground for individual projects, where local personnel are likely to be scarce, e. g., by training them as preliminary phases of the main project. It also means setting up an infrastructure for development and, where this is

^{1/} See proposals in Chapter Nine, paras. 73-84.

necessary, concentrating, in agreement with the government, on the dissolution of fundamental constraints which affect a wide spectrum of development activities – e.g., public administration and education (especially technical and intermediate education).

165. Adequate understanding of general local conditions as they affect development is also indispensable. This does not merely involve a knowledge of the main technical and economic factors affecting a specific project. In practice, it means two important things: studying each country's development problems as an integral whole; and decentralizing effectively to the country level.

166. Finally, "absorptive" capacity must be regarded as a dynamic challenge rather than as a static constraint. In other words, where limitations exist, or seem imminent, the most important bottlenecks should be identified and positive steps should be taken to overcome them.

(2) The capacity of Member Governments generally to promote development through multilateral channels

167. Since the UN development system is an inter-governmental structure, its capacity to provide an effective service of development co-operation depends, in a very fundamental way, on the policies and support of all Member Governments and not only of those to whom co-operation is provided. Obviously, the programme could not work at all without money and it is of the highest relevance that many governments have stated to the Capacity Study that they would be ready to increase their financial contributions to development through the UN system if that system were to become effective.

168. However, all contributing governments have a responsibility, not only in monetary terms, but also in respect of the skills and know-how which they command. The UN development system must tap the resources and knowledge available in the world and harness them to the needs of the developing countries much more effectively than is done today. Many developed countries already give substantial help to this end, but still more is required. The same is true of developing countries although, in their position, great care is needed lest the best of local talent is lost to the "brain drain".

169. More largely, the capacity of governments – especially the economically more powerful – to promote development is inextricably linked to their international economic and social policies which directly affect the elbow-room of the developing countries for expansion. Trade policy is a manifestly significant example, since restrictive policies applied by governments, especially those more powerful economically, can offset their direct contribution to the development of the Third World. This subject lies outside the Capacity Study's field and will therefore not be pursued here, beyond the comment that a favourable policy toward development requires more than a pledge to the multilateral system.

170. But perhaps the most important consideration of all in this connection is that the UN development system cannot function properly unless it is provided with a coherent and consistent body of development policies to give its activities a uniform direction. Governments participating in the many organs involved in the debate on development have a responsibility to pursue a consistent policy at each of the levels and in each of the sectors. Unfortunately, this has by no means always happened in practice and the multiplicity of organs having a responsibility for different aspects of development, which was described in the previous chapter, 1/ all too often propose policies and establish objectives that are conflicting and thus cloud the development scene further instead of helping to find solutions. As a result, it is hard to discern the single overall policy which is so desperately needed. Clearly, urgent measures must be taken to remedy this. Without steadiness of purpose – even allowing for the evolution of policy – there can only be disorder in practice.

171. All governments, whether participating in the UN development system as developed or developing countries, share in these responsibilities toward the system, which determine, in large degree, the effectiveness with which it works today and could work tomorrow.

III. FUTURE CAPACITY

172. The capacity of the UN development system to sustain an effective programme is not a finite concept whose dimensions can be measured to a satisfactory number of decimal points. Nor is it static. It is an amalgam of statistically quantifiable activities and qualitative elements of policy and judgement, enterprise and organization blended into a complex series of inter-relationships between the system and its Member States. All of these factors are interdependent and all are indispensable. The problem of capacity is to command the right proportions of each in the whole.

173. It follows that it is impossible to state categorically that the present system will be able to operate effectively up to a level of resources of so many million or billion US dollars, and that, thereafter, it will no longer be capable of doing so. Any decline will be a gradual one and there is no sheer cliff-edge to be marked with warning signs as the absolute limit of capacity.

174. – What can be said with certitude is that the system is seriously overstrained at the present time and that, despite determined efforts from many quarters, there is no evidence that all the defects are being overcome. There is, in short, a decline, and its proportions

1/ See especially para. 43.

are becoming more serious. Major changes in organization and procedures are therefore imperative.

175. Should the resources of the system grow, and particularly if this expansion takes place over a short period, the strains on this overtaxed machinery will multiply, and the changes will become still more urgent. This should not be regarded as a counsel of despair but rather as an incitement to action. A great many important remedies can be introduced by concerted action on the part of governments and of the system itself. Development cannot be made simple but at least it is possible to go about it in a more workman-like fashion than at present, provided that the necessary resources of determination and courage are forthcoming.

176. The master plan for this new design could not base itself on a better blueprint than that provided in the terms of the admirable resolution 2188(XXI) of the General Assembly setting up the ECPC which has already been quoted in Chapter One. The measures required to expand and consolidate future capacity along these lines need only be outlined here, as the detail is provided in subsequent chapters. They presuppose a steady and, hopefully, a rapid increase in resources.

177. Against that background, it is clear that the first and foremost requirement is for governments to adopt consistent policies toward the various aspects of development co-operation offered through multilateral channels, a process that could be greatly assisted by the reduction and rationalization of the occasions and places in which policies for the numerous components of the UN development system are laid down. This would need to be accompanied by the simplification and concentration of the organizational structures and of the interrelationships of the various components of the UN system dealing with development at the headquarters, regional and country levels, so that all their activities and policies are properly co-ordinated.

178. Within this organizational framework, a true country approach should be developed. It should be based on deep and comprehensive understanding of each country's overall problems and on a long-term, integrated programme for the co-operation of the UN system in the solution of those problems, dovetailed into the national development plan and subscribed to by all concerned. This, in turn, would demand greater decentralization of actual operational activities, with proper authority centred on the government and, so far as the system is concerned, on the Resident Representative.

179. In other words, the essential need is to centralize the responsibility for policy-making and decentralize the responsibility for the operations intended to put those policies into effect. Unless this is done, the capacity of the system will inevitably remain limited.

180. The foregoing comments had a general application to the UN development system. The chapters that follow will make more specific recommendations for improvements that need to be introduced into the operation of UNDP in particular. They all, however, have one thing in common: capacity cannot be expanded in future without simultaneous action along all of these lines.

Chapter Four

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Chapter Four

THE NEXT TWENTY-FIVE YEARS

"It's a poor sort of memory that only works backwards", the Queen remarked.

- Lewis Carroll, Through the Looking-Glass

I. THE CONTINUING NEED FOR DEVELOPMENT CO-OPERATION
AND THE DD2 FRAMEWORK

1. Perhaps the chief moral to be derived from the experiences of the last twenty-five years is that development is essentially a long-term and exceedingly complex process in which outside assistance can be of help, but cannot of itself be decisive. This by no means signifies that no more external aid is required by the developing world; on the contrary, the widening gap between developed and developing nations makes it clearly incumbent on both sides to step up their current efforts as far as possible.
2. The most recent estimates, worked out in preparation for the Second Development Decade, suggest that:
 - (a) the deficit of domestic saving over investment in the developing countries ("the saving gap") would be, by 1980, between US\$17 and US\$34 billion;
 - (b) their foreign exchange gap would be between US\$27 and US\$32 billion;
 - (c) part of the latter gap might be bridged as a result of liberalization of trade and import substitution policies; the saving gap, on the other hand, should be met chiefly through foreign aid;
 - (d) the gross national product of industrial market economies may be expected to reach US\$2,100 billion by 1980; the fulfilment of the target of one per cent transfer of GNP-by 1980 would yield US\$21 billion; if industrial, centrally planned economies are included, "the total estimated development assistance in 1980 ... might be put at US\$26 billion". 1/
3. For their part, the Pearson Commission has recommended 2/ that donor countries should increase their resource transfers to a minimum of one per cent of GNP as rapidly as possible, and in no case later than 1975, and their net disbursements for official development assistance to 0.70 per cent of GNP by 1975, and in no case later than 1980. The Commission has further recommended that aid givers should increase grants and capital subscriptions for

1/ United Nations, Preparation of Guidelines and Proposals for the Second United Nations Development Decade (doc. E/AC.54/L.29/Rev.1).

2/ Partners in Development: Report of the Commission on International Development, October 1969, page 152.

multilateral development finance to a minimum of 20 per cent of the total flow of official development assistance by 1975. 1/

4. Projections such as these underline the need to scrutinize in depth all aid, from whatever source, in order to maximize its impact for the benefit of developing countries and to learn from past mistakes, and also to fit it into an overall framework of mutually agreed objectives. In view of the Pearson Commission's recommendations, the responsibilities of the international organizations in this respect will increase correspondingly.

5. At the end of the sixties, which have been called "a development decade without a development policy", 2/ and on the eve of a second development decade, the need for a purposeful "global design" has found increasingly vocal expression. During the seventies, it is hoped that this model will be supplied by the Second Development Decade, for which the strategy is now being worked out within the United Nations system and by representatives of most governments. Although still under discussion, 3/ the essence of the approach is already known, and may usefully be outlined here, as the framework into which United Nations technical co-operation must fit. It could also help to clarify the function of international organizations in the definition and implementation of the "global strategy".

6. While the "global strategy" for DD2 has to encompass both national development policies and international action, the main responsibility, as was expressly stated in the General Assembly and ECOSOC resolutions regarding preparations for the Decade, 4/ must inevitably devolve on individual countries. National development policies will not merely be incorporated in a comprehensive development plan but will have to include provision for its implementation and for the measures needed to overcome domestic obstacles to development.

7. International action will operate predominantly in the fields of trade, of financial transfers and of technical co-operation. This is not the place to discuss the organization of trade or the amount, terms and conditions of financial transfers; UNCTAD II, the UNCTAD Trade and Development Board, and the Pearson Commission have dealt with these subjects.

1/ Ibid, page 229.

2/ UNCTAD, Towards a Global Strategy of Development (doc. TD/3/Rev. 1).

3/ The Committee for Development Planning will meet again in January 1970; the Preparatory Committee set up by GA resolution 2411 (XXIII) will complete its work in May, thus enabling ECOSOC to discuss the strategy at its summer session and the General Assembly to launch the Second Development Decade in the fall of 1970.

4/ In particular, ECOSOC resolution 1356 (XLV) and GA resolution 2411 (XXIII).

8. This Study has a particular responsibility for technical co-operation. The relevant section of the "Preliminary Framework for an International Development Strategy" 1/ points out that the Development Decade offers an opportunity to evaluate the working of the complex machinery set up over the last twenty years to facilitate the transfer of skills, "to renovate or redesign it and, where indicated, to extend it into areas in which needs have not yet been met". 2/ While it makes no specific suggestions as to how the existing machinery for technical co-operation should be modified, it sets out the aim clearly: "The most efficient technical co-operation mechanism is that which succeeds most often in providing the developing countries with precisely those resources they need, at the proper time and at the least overall cost". 3/

9. The aim of the Capacity Study as a whole is to make concrete recommendations for the attainment of these desiderata, which it wholeheartedly endorses, within the UN system. As a general background for these, the present chapter attempts to define the relationship between UN technical co-operation and the framework of the Second Development Decade.

10. Clearly, in order to make an effective contribution, it would be imperative for aid from external sources; whether UN or bilateral, to be dovetailed into individual national development plans. 4/ The latter should, in turn, reflect the global policies, insofar as they were germane to the interests of individual countries and, in their totality, should add up to the worldwide effort required in order to achieve the stated purposes of the Decade.

11. An effort of this kind could not stop abruptly at the end of the seventies. All the evidence of the past ten years and earlier indicates that the "battle of the gap" is likely to go on for many decades more. In making any long-term projections involving substantial changes in procedures and systems for technical co-operation it is therefore essential to look farther ahead, and preferably to the end of the century. While this is necessarily a less precise exercise, the Capacity Study endeavours to maintain this longer perspective in view, both here and in the chapters that follow.

1/ Paper submitted by the Centre for Development Planning, Projections and Policies to the Preparatory Committee for the Second United Nations Development Decade and to the Committee for Development Planning (doc. E/AC.56/L.2 - E/AC.54/L.33 - paras. 205-218).

2/ Ibid. para. 205.

3/ Ibid. para. 210

4/ Ibid. para. 215: "If international technical co-operation were tied in more closely to the development plans and needs of individual countries, the latter might find it more advantageous than heretofore to organize themselves to achieve the most effective integration of the external resources so provided."

II. IMPLICATIONS FOR TECHNICAL CO-OPERATION PROVIDED BY THE UN SYSTEM

12. The first question to be asked is whether there is a role for UN development co-operation within this general framework. In the view of the Capacity Study the answer is a very definite affirmative, for the following reasons.

13. Firstly, the contribution of technical co-operation services made through the UN development system (i. e. excluding financial transfers), though very modest in relation to the total flow of external resources of which it comprises only 2.3 per cent, ^{1/} does constitute an additional input of considerable value which it would prove difficult to obtain from alternative sources were it suddenly discontinued. Last year the system as a whole spent more than US\$0.6 billion in economic and social activities, more than one-half of this at the country level. ^{2/} Moreover, as mentioned at the beginning of this chapter, the Pearson Commission has recommended that the flow through multilateral channels, including that for technical co-operation, should be increased.

14. Secondly, although the role of the UN system is modest, it is still important because it is different in nature and quality from the assistance offered through other channels, primarily because of its inherent characteristics. These, it is submitted, have not changed since the inception of the various programmes, despite their increase in size. Basically, the distinction between bilateral forms of co-operation and that provided through the UN is that the latter is a universal enterprise, in which all countries participate on equal terms, contributing what they can in terms of money, expertise, skills or training facilities, and receiving assistance according to their needs and financial possibilities. There is no distinction between donors and recipients; the majority of countries are both. This, in turn, implies several other important and distinctive characteristics. Thus, the co-operation offered through these channels cannot be donor-centred; it must accept the interests of the recipient as of prime importance. Here, perhaps, lies one of the major advantages of this form of aid, and one that should certainly be preserved and enlarged. Hand in hand with this goes the concept of political objectivity: countries should be able to participate in UN programmes of development co-operation in the sure knowledge that no strings are attached, nor any ulterior motives aspiring to the extension of

^{1/} In relation to the total technical assistance flow (i. e. excluding financial transfers) that channelled through the UN development system amounts to 16.5 per cent. Total multilateral flows (i. e. including financial transfers) amount to 13.7 per cent of the total flow of external resources. These proportions are based on 1967 figures according to DAC definitions (cf. OECD, Development Assistance, 1968 Review).

^{2/} UNDP: US\$180 million; WFP: US\$50 million; UNICEF: US\$46 million; technical assistance financed by regular budgets and by various trust funds: US\$60 million; for more details, see Tables 6, 11, 12 and 13 in Part V, Appendix Six.

political, economic, commercial or cultural influence. In short, the UN system should not simply constitute one more channel for giving aid, but universal and mutual co-operation in the true sense. It does not act as a sort of broker between donors and recipients, but is a tool belonging to all member countries for the organization of co-operation between countries on the basis of their equality. It is a partnership and not international charity. It is, therefore, ideally placed to pool the resources and the resourcefulness of many nations.

15. Within those overall characteristics, two distinct roles can be identified for the UN system. The first, which has existed since its inception, derives from its standard-setting activities, from the international economic, social and technical clearing-house functions and, more generally, from the key and irreplaceable role of the UN system in discussing, establishing and promoting international policies for development. The second, as Chapter Two has shown, was not originally foreseen but has grown up over the years into a new and important dimension, that of operational activities designed to reinforce the development efforts of governments. The former is fundamental to the operation of the UN system (though not limited to it) because it provides a guide for action, while the latter - the aspect with which this Study is directly concerned - may have a bearing on all elements of the strategy, whether national or international; it may contribute both to shape the strategy at the country level, and to implement it.

16. The contribution that these operational functions can make to the achievement of the targets established for DD2 is limited by three main factors: the small size of present resources in relation to the overall needs and to the inputs available from other, notably bilateral, sources; the fact that they are at present confined to the provision of technical co-operation and have no resources or competence to enter the important fields of financial transfers; and lastly, the limitations of the capacity of the UN system to carry out development co-operation activities effectively, which stem in part from the complications of working on a universal basis.

17. As regards the first of these, it has already been argued that, although the role of the UN system is necessarily marginal in a quantitative sense, it can also be decisive from a qualitative point of view because of its distinctive characteristics. By its very nature, it is better placed to give the kind of co-operation which other donors are unlikely to offer, for example in areas that are politically sensitive, or in undertaking new and risky initiatives or other assignments of a difficult nature. Thus it may sometimes be called on to play a useful role as the "lender of last resort". This does not mean that its role is in any way residual. On the contrary, in many places it may have a very central and creative function to perform, e. g. in assisting development planning and in building up the administrative machinery of the least developed countries, thus enabling them to seek additional aid to accelerate their progress. Conceptually, technical co-operation provided through the UN system, offers room for greater

flexibility than many other programmes; the fact that it has not always proved supple in practice merely points up the need to take fuller advantage of its possibilities. Substantively, it has, or ought to have, privileged access to a unique storehouse of universal knowledge through the system's sectoral arms.

18. As for the second factor, it must never be forgotten that technical co-operation, when effectively performed, has a built-in multiplier which repercussions on other important ingredients of development such as financial transfers and trade. It can certainly contribute to larger financial transfers insofar as it expands, or helps to create, the absorptive capacity for external financing. This property would be enhanced if it proved possible to adopt a system of reciprocal commitments, whereby the industrial countries would provide the external financial resources deemed necessary to co-operate with those developing countries which had prepared a valid plan, and had shown their readiness to take the necessary domestic measures, including the mobilization of the internal resources. Such an arrangement, which would include joint appraisal of the performance of these countries by donor and recipient countries, would have an important bearing on technical co-operation, since financial aid would then be channelled in support of those development plans which offered the best prospects for effective action. Similarly, technical co-operation can create the conditions for specific investment by carrying out the necessary preliminary investigations; this indeed was the basic philosophy behind the "pre-investment" concept which gave birth to the Special Fund.

19. Again, technical co-operation may sometimes contribute - though in a very ancillary manner - to the organization of trade by assisting in the preparation of the domestic measures necessary to take full advantage of international agreements.

20. Technical co-operation has, moreover, a longer-term raison d'être. Its essential purpose is not to do things for developing countries, but to help them to do them for themselves. It has thus a built-in device for self-liquidation, without which genuine development may never take place.

21. In the words of Mr. Philippe de Seynes, Under-Secretary-General for Economic and Social Affairs:

"In formulating a global strategy, we would be wrong not to give technical co-operation the prominent place which is its due. It is the essential tool which enables us to act in such areas as social policy, education, urbanization, employment and, in a more general way, the development of human resources. While the influence of these resources on growth rates may only be remote and not always easily discernible, they have a profound impact on development capacity. In a large number of countries, it is not so much growth rates as the strengthening of development capacity which should serve as our criterion when we judge their performance over part, at least, of the next Decade, and if we did not stress this factor we should be letting ourselves

in for some needless disappointments." ^{1/}

22. In short, technical co-operation is an essential element of the global strategy and, provided it is properly moulded by a mature UN development doctrine, based on practical experience, could constitute the chief arm of the UN system in its endeavour to translate that strategy into action.

23. This underscores the importance of breaking the bottlenecks limiting the operational effectiveness of the UN development system, which were analysed in the preceding chapter. Their constricting effect can only increase if operational activities are expanded in response to the challenges of DD2 and the recommendations of the Pearson Commission. Many of these problems stem from the built-in difficulties of administering a multipurpose universal operation, compounded, as the brief historical analysis in Chapter Two showed, by the ad hoc manner in which machinery never designed for that purpose has been forced to take on operational responsibilities.

24. The dilemma, then, is how to realize more fully the benefits of the unique contribution that a truly multilateral programme of co-operation can make, while yet ironing out the formidable practical difficulties of a universal approach. In order to resolve it, important procedural, administrative and organizational reforms will be necessary. The recommendations of the Study in these respects are outlined in Chapter One, and discussed in more detail in Parts III and IV. The present chapter attempts to define the basic principles which should provide the leitmotiv of the operation and find their reflection in the modifications proposed. It takes into account the conclusions which emerge from the foregoing analysis, viz:

- (a) the need to make the UN system operationally efficient while retaining those special characteristics which make its contribution unique;
- (b) that, in order to make full use of those special properties, the UN programme must be flexible and dynamic;
- (c) that, because it is quantitatively small, in relative and absolute terms, its contribution should be employed strategically within the framework of all available development inputs, whether these are to be provided from a country's internal resources or from outside assistance, including bilateral programmes;
- (d) similarly, because it represents only one of the elements needed to spur on the development process, close links must be forged with the organizations more directly concerned with the others, notably trade and financial transfers.

^{1/} Statement to the Economic Committee of the 23rd session of the General Assembly (doc. A/C.2/L.1002, page 12).

III. HOW CAN THE UN SYSTEM BEST MEET THE CHALLENGE OF DD2 AND OF THE NEXT TWENTY-FIVE YEARS?

25. The problem of increasing the capacity of the UN system to support the development of member countries is partly a quantitative one, requiring larger inflows of money. But this cannot be a total or a final answer firstly because, without further proof of the practical advantages of this channel, the major donors are unlikely now to direct a very substantially larger proportion of their funds to the UN programmes; secondly, unless there was a decision to increase both the total volume of aid and the share of the UN, any such switch would be at the cost of other forms of aid; and thirdly, money of itself will not expand effective capacity to its fullest extent unless new methods and procedures are introduced simultaneously which would make better use of resources. This would involve:

- (a) greater variety in the content of the programme;
- (b) closer relationship with the needs of individual countries;
- (c) closer relationship with other forms of external co-operation, both within and without the system;
- (d) any necessary administrative, managerial and organizational innovations needed to achieve those ends.

These four factors will be dealt with in turn.

A. Content of the Programme

(1) The inputs

26. Up to now the two components of UNDP have followed a fairly stereotyped pattern of experts, fellowships and equipment. It is true that the Special Fund changed the emphasis, but in practice, although the proportions of the ingredients had been changed, the basic recipe was still the same. Moreover, the underlying principle of both components was that the UN contribution should only cover costs that would normally have to be covered by foreign exchange; although in recent years this has no longer been so strictly applied, it remains the general rule.

27. Variants on this approach have tended to take the form of separate UN programmes, rather than being added to the same mix, although they are sometimes used in a complementary way. Thus, UNICEF does not provide experts but can cover what are normally considered "local costs" in the form of basic equipment, and the payment of stipends for local personnel or trainees. WFP, for its part, supplies food which may be used for relief in emergencies, or as capital inputs into economic and social development projects, including school feeding. More recently, the resolution setting up the Capital Development Fund ^{1/} adopted a parallel approach

^{1/} GA resolution 2186 (XXI), Art. IV(3).

by envisaging contributions being made, not only in the form of cash, but also in kind, although at the time of writing the contributions received have mainly come from the developing countries themselves.

28. The experience of the last twenty years or so has shown that development problems are so varied in their nature and degrees of complexity that they must be met by a similarly flexible and wide-ranging series of solutions. The neat, cut-and-dried formula of experts plus fellowships plus equipment cannot provide a universal answer. Many of the individuals and governments consulted during the Study have expressed strong reservations about "more of the same", urging the need for bold new dimensions. Unfortunately, the number of suggestions made to the Study about the form these new dimensions should take has been sparse. In part this is due to the crucial decisions not to adopt the SUNFED approach which closed what, in many ways, would have been the most logical area for expansion and innovation, providing direct access to capital investment on less onerous terms. In this way the co-operation offered to developing countries by the UN could have ranged over the whole gamut of tangible inputs, thus ensuring greater suppleness in their use and possible combinations. More importantly still it would have permitted continuity of purpose from the first inception of a project, perhaps with a preliminary study requiring the services of only one expert, through detailed pre-investment investigations, to its culmination in actual investment, if this was required and was eventually deemed justified.

29. The previous chapter has shown ^{1/} that in the case of "pre-investment" projects in the strictest sense of the term, the fact that UNDP co-operation stops short before the investment stage can be a definite brake on its effectiveness. Potential investors, whether public or private, are reluctant to accept the findings of other investigators, however reliable, without further studies and this often leads to unnecessary delays and expenditure. It is true that a considerable effort has been made to overcome this obstacle by forging close links with the IBRD and the IDA but the different characteristics of these organizations - notably weighted voting and limited membership - make it difficult to carry this process to what might be considered the most expedient way out of the dilemma, namely, to bring UNDP and the Bank even closer, so that they operate as truly complementary programmes, two halves of the same whole. In practice, the current building of new bilateral links between the Bank and individual Specialized Agencies, while doubtless producing positive results, is tending to create a new pre-investment/investment axis, operating separately from the main body of UNDP activity with the risk of duplication and of separate rather than joint action. ^{2/}

^{1/} Chapter Three, paras. 61-66.

^{2/} Chapter Two, para. 48.

30. This, in itself, cautions against any tendency to fall into the same error by proposing that UNDP should emulate IDA by entering into the capital loans field now, whatever one's judgement about the SUNFED decision of ten years ago. Yet, the dilemma remains, and is made more acute by the lack of any source of finance within the reach of the most needy of the developing countries who, caught in the vicious circle of under-development in its cruellest form, cannot break out because of the growing load of debt and their inability to meet the commitments on external obligations which are a pre-requisite even for IDA loans. If one accepts the role of the UN in the terms described in the previous section, then it is clear that it must assume special responsibility for countries who find themselves in this plight.

31. More will be said later about special measures that could be taken to help such countries within the traditional scope of UN co-operation, by wider interpretation of the regulations, but here, where the main concern is to find new horizons within which the programme might operate, there is surely a case to be made for UNDP to be given the faculty of making outright grants-in-aid for limited capital expenditure in support of projects or, in certain cases, for recurring costs. This could perhaps be a role for the Capital Development Fund, which rather tardily saw the light of day at a time when its inheritance had already been dispersed elsewhere. Clearly, it would have to be more generously endowed than is the case at present, but this would provide an opportunity for Member Governments of the UN, according to their means, to demonstrate the validity of their intentions to promote development in the most needy cases which are, at present, excluded from all but the most marginal benefits. Any funds made available for this purpose should be managed by UNDP in accordance with regulations designed to ensure that they are used for the benefit of countries who have negligible access to other sources of finance, and for projects which are integrated within the "country programme".^{1/} In such cases, the selection of projects would be even more crucial than usual and they would need to be rigorously scrutinized so that preferential treatment would only be given to key operations likely to contribute positively to the breaking of bottlenecks to development capacity. There would also need to be close consultation with IBRD and IDA, in order to dovetail the two operations and avoid overlap. Clearly, if a proposal along these lines found favour it would need more detailed examination before being finally approved.

(2) Kinds of co-operation

32. Five kinds of technical co-operation may be identified at the present time:

- technical advisory assistance, aimed at transferring a technical skill directly from person to person, whether in two stages or three (i. e. teacher-to-teacher-to-taught). Here, again, training, teaching, or demonstration in field or work-shop

or office is the important ingredient;

- operational assistance, where the operator holds a line position in the hierarchy of the government or other institution being assisted. Teaching or training may also be involved but the difference is that the immediate purpose is the performance of the function and only secondarily the training of a replacement.

Both of these may be reinforced by auxiliary/technical advisory operational assistance in the form of volunteers, associate experts and the like;

- executive assistance, a new term describing assistance given to do a specific job involving little or no significant element of high level professional training - e.g. a once-for-all survey of a very advanced technological nature, designed to lead to investment;
- training assistance, an amorphous group of activities which comprises seminars, study tours, training courses, work shops and working groups of experts, together with the very considerable range of fellowships;
- equipment assistance, a term used to describe the material inputs which fall short of actual financial assistance, but which may be used with any one of the other forms of co-operation listed above. This rules out transport systems, power complexes and the like, but does include transport for the job, drilling rigs for the geologists, work shop equipment for the demonstrator-engineer.

Beyond these categories of technical co-operation stretch the varieties of financial co-operation, from straight grants through various types of loans to export credits and contractor finance.

33. The first question is whether there is any segment of the developing countries' needs which this array does not meet. The answer seems to be that, while the assortment is satisfactorily comprehensive, a number of "grey areas" exist which do not fit tidily into any one of the categories listed and to which it might well be profitable to pay more attention.

34. There is, for example, one such grey area in which research, pilot projects, intermediate technology and the transfer of technological knowledge covered by patents and licences meet. It is doubtful whether the UN development system is attempting anything significant in this area; it is hardly sufficient to despatch assistance workers to developing countries and expect them to work out on their own the adaptations and projections of modern technology to local conditions. One useful innovation might be to select a range of problems and contract with research institutions (e.g. such as the International Rice Research Institute) for a pro-

gramme of investigations and of preparation and backstopping of field workers. 1/ Another might be for the UN system to operate a clearing-house to facilitate the transfer of privately-owned technologies, thus providing multilateral access for its Member States to the technology available in different parts of the world. This might be extended to the exchange of practical development experience through the UN system, e. g. information about experiments, methodologies, techniques and systems applied with success in developing countries (say, the method of photo-interpretation employed in Country "X" or the system of literacy or education carried out successfully in Country "Z"), could be placed at the disposal of UNDP or requested through the organization. Arrangements of this kind could be of immense practical value to the developing countries and could almost certainly be made with adequate mutual safeguards and confidence only through an international medium; they would necessarily be inter-disciplinary. In certain cases they could also lead to a closer link with private enterprise which could be of considerable value.

35. Another grey area lies somewhere between legal problems, especially those of an international character, political disputes and negotiations and major developmental undertakings. The UN system would surely perform an invaluable service for developing countries if it operated a high-level consultancy service designed to provide objective advice of a highly specialized technological or professional nature. 2/ (An obvious case is the field of petroleum where a government of a developing country has little choice but to resort to foreign firms whose advice is commercially oriented, but there are many others.) This would not necessarily mean the maintenance on a full-time basis of highly-paid consultants in all the specializations likely to be required. It is not impossible to envisage arrangements whereby governments, particularly those of the technologically more advanced countries, would provide UNDP with a panel of names of people available for short missions, with reasonable notice, and whose competence and integrity the government concerned would underwrite. Any such consultants would naturally be employed by UNDP as international officials.

36. A third grey area lies in the frontier lands of feasibility studies, between pre-investment and investment. It has become increasingly clear over the last few years that, while developing countries have been showered with studies and surveys of every kind, they still suffer from a dearth of projects elaborated to the point of providing all the technical, economic and

1/ A proposal much along these lines was made to the Governing Council by the Administrator in June 1969: cf. UNDP, Report of the Governing Council, Eighth Session (doc. E/4706, paras. 53, 94 and 191).

2/ In a few specific instances UNDP has provided services of this nature but the arrangements have been ad hoc and temporary. What is suggested here is a permanent consultancy service to which governments can apply for counsel.

financial data required for investment decisions. Here again, UNDP should try to bridge the gap. An ingenious suggestion for financing such feasibility studies by UNDP without imposing an undue burden on its resources was made to the Study by one correspondent, who proposed the establishment of a revolving fund; once the project had attracted capital investment, the cost of the feasibility work would be charged to the total value of the financed project and would be reimbursed after the work had been carried out. An arrangement of this kind would clearly need to be worked out carefully and in detail to avoid some of the more obvious practical difficulties and might be applicable only in certain selected cases. But it certainly merits further examination.

37. The only new form of assistance which has been suggested to the Study could be described as Service Assistance. This would entail responsibility for operating a necessary service, possibly new to the country, as a whole and for an adequate period of time. It would be a hybrid facility having operational responsibilities and an executive function, combined with as much training assistance as required. The difference would be that the service would not be within the government machine but would operate possibly as a parastatal body. Naturally, it would hire locally as widely as possible but would have some freedom from the controls and regulations, traditions and so forth which now so often frustrate efforts. The kinds of service which might be eligible could be industrial estates, export crop production, veterinary services (i. e. where the product could be expected to bear the cost), mineral and geological prospecting and some branches of technical or trade training. But it would be essential to avoid setting up parallel structures simply because an existing ministry or government service did not function properly for administrative, financial or other reasons.

38. Finally, a word might be said in favour of a more extended use of correspondence courses wherever this method can be applied. Its advantages for countries with very scarce resources are striking: minimal overheads, no boarding or travel costs, no discrimination on account of previous education, family or present position, and the student proceeds at his own pace, without needing access to libraries or other expensive educational facilities. A multitude of subjects can be handled in this way and a small staff of tutors can cope easily. Moreover this method overcomes a main handicap of technical co-operation - the limited impact of the operator. It goes without saying that radio and television can be used similarly, but these are expensive and less flexible instruments.

(3) The use of the tools of technical co-operation

39. The policies of the early years of UN technical co-operation decreed that execution should be the exclusive prerogative of the Specialized Agencies. There were good reasons why this should be done, especially when the programme was small, and their contribution in many cases has been considerable. Now, however, that the programme has grown proportionately

very much larger, and the ever-extending dimensions and complexities of development have been more fully revealed, the UN development system clearly cannot make an effective contribution unless it adopts a true universality mobilizing the best brains, knowledge and facilities, wherever these can be found, whether within or without the system or in the public or the private sector. This is the true meaning of the "international character" of the UN programmes. Unless the world-wide scourge of under-development is attacked on a world-wide front, the developing countries will once more wait in vain for those fresh horizons so often and so vainly promised in the past.

40. Many of the suggestions made in the previous section would, in fact, involve direct arrangements between UNDP and national organizations, institutions and/or governments. Similarly, the swelling volume of activities will demand much greater use of contracting outside the UN system than has been the case up to now. While much of this will continue to be done through the medium of the Agencies, a number of circumstances can be envisaged where a direct relationship between the financing agency and the actual operator will be speedier, more economic and more efficient, than the three-cornered method adopted now. In exploring these new methods, however, care would be needed to protect the valuable element in the back-stopping process, which, at its best, means that field workers can draw on the system's resources of world-wide experience and knowledge. 1/

41. There is another stage yet. Already, over the last twenty-five years, a number of developing countries have made considerable progress and their needs have become more sophisticated. They still need outside co-operation, but co-operation of a different kind, in which they themselves can participate more fully and at a higher degree of skills than was possible in the past. This means that the manner of technical assistance cannot be stereotyped but must be varied appropriately as the development process progresses. In the later stages - and certainly some countries have reached them already - national institutions or firms within the recipient country itself could be used as executing agents, under suitable technical and international supervision. This would provide the institutions and firms within the countries themselves with valuable experience in preparing pre-investment and feasibility studies, etc. which would better enable them to proceed alone subsequently.

42. Even without new dimensions the existing tools of technical assistance could be used more imaginatively. A large proportion of UNDP technical assistance funds 2/ are spent on experts who occupy a kind of sacrosanct position at the heart of the operation. Leaving aside the unfortunate choice and connotation of the word "expert", which is discussed elsewhere 3/

1/ These proposed new relations are more fully developed in Chapter Five.

2/ 64 per cent of total project costs. (See Part V, Appendix Six, Tables 16 and 17.)

3/ In Chapter Eight, para. 52.

there is room for doubt as to whether this concept should continue indefinitely. It is true that the "expert" can be a valuable multiplier, instilling new techniques into his immediate counterparts who, in turn, pass them on to others, and training other national personnel, but in all too many cases there is a tendency for the "expert" to assume, or be expected to assume, full responsibility for the immediate task in hand, with the result that he may well continue in the post long beyond the period originally anticipated and leave behind him a void nearly as large as before. Even when it is recognized, in so-called OPEX appointments, that the "expert" must take on direct executive functions for the time being, arrangements to understudy and eventually replace him are often inadequate. The use of "experts" for prolonged periods merely to stop up gaps in the national administration is a negation of the principle of technical co-operation and a waste of potential resources. Moreover, the relative need for expertise from outside varies greatly and may even be negligible in some of the more advanced developing countries which already have qualified cadres of national technical and professional personnel. As the development process gathers impetus in more and more countries, increasing amounts of other inputs are likely to be required - fellowships, equipment (not necessarily related in every case to the provision of expert personnel, provided that it responds to a genuine technical co-operation need), short periodic visits by consultants to assist in solving sophisticated technical problems or in the transfer of new technology, linking arrangements with sister enterprises in developed countries, etc.

43. At the same time, the functions of the expert should be defined less rigidly, with due regard to the requirements of the job. The somewhat arbitrary distinction between OPEX experts and those with purely advisory functions should be eliminated: it must be hard to find the truly successful advisory expert who has not, from time to time, had to step over the dividing line in order to ensure that his advice is properly applied.

44. The real "expert" is a scarce, and an expensive, commodity. Those rarae aves who really deserve the term should be used sparingly and well. There would, for example, seem to be much more scope for using larger numbers of associate and junior staff and for creating a mobile group of highly qualified and experienced professionals who would divide their attention between several projects and countries. Various recommendations of this kind will be made in Chapter Eight. For the moment it is sufficient to note the importance of adopting a flexible approach toward the function of the "expert".

45. Since, in the final analysis, it is human resources which determine the success or failure of development efforts, the training element is of supreme importance in any programme of technical co-operation particularly if, as suggested here, it is envisaged in the perspective of a whole generation or more. Very considerable scope exists for new and imaginative thinking about the adaptation of educational and training curricula and methods to local conditions and the introduction of modern techniques which would increase the multiplier effects. Similarly

a fresh approach is required to the subject of fellowships so that they become an integral and productive component of the programme rather than a somewhat marginal activity. Again, these matters will be elaborated in Chapter Eight.

46. The essence of the thinking behind these purely illustrative examples is that the UN system must co-operate fully in the development efforts of its Member States and must therefore be sensitive to the varying requirements of each one, responding to the continually shifting nuances of what is, by definition, an essentially fluid situation. It is not just a case, therefore, of introducing new dimensions, important as these might be, but of making imaginative and flexible use of the existing inputs, as well as of any new ones that may be added later. It means a true merger between the TA and SF components of UNDP, interweaving the two as local circumstances require, which in turn presupposes synchronized programming of the two at the country level. It also means much closer links, especially at the programming stage, between UNDP and other UN programmes (WFP, UNICEF, etc.) offering other types of assistance, a concept that will be elaborated further in the section entitled "The Country Programme" in Chapter Five. Finally, and most importantly, it means that there must be a unit within UNDP Headquarters whose principal functions are to keep abreast of all the latest innovations related to development; to assimilate all advances in development theory based on sound practical experience; and to exercise imagination in constantly seeking new forms and combinations of providing technical co-operation to suit individual needs. ^{1/}

47. It is only, therefore, the outer limits of the programme which should be defined in a general way, indicating that co-operation can be given only for purposes directly related to the economic and social development of the country concerned, and marking the frontiers with other types of co-operation, e. g. capital loans. Within that framework, the number of possible combinations should be infinite.

48. Twenty years on, we are still trying to bake the cake in basically the same way as we did in the 1940's. Not only is it time to seek new ingredients and a fresh recipe now, but we must continually try to improve the mixture in the future, progressively adapting it to evolving circumstances, so that, hopefully, by the end of the century, the concept of economic and social co-operation between nations may have taken on a completely different guise and be ready to enter a new phase.

(4) The comprehensive country programme concept

49. Within the overall picture, the question then arises as to how far the various inputs from the UN development system should add up to a clearly identifiable and comprehensive whole in

^{1/} This concept is spelt out in Chapter Seven, paras. 102-106.

each country, since this would meet, in considerable measure, the strictures on the present scatterization of projects and fragmentation of efforts - the "sprinkler" approach - which has already been described in Chapter Three. ^{1/}

50. The Capacity Study therefore posed the question whether it would be "possible and desirable to plan UNDP projects at the country level so that they are mutually complementary and in toto constitute a coherent country programme which is an identifiable element in the national development plan". The responses ranged from firm support of the idea to scepticism. As one Agency put it:

"The need to depart from the piecemeal approach which has prevailed so far is obvious. We must avoid the post facto exercise of putting together within the limits of existing resources a number of scattered and probably unrelated projects emanating from various promotional activities of eleven agencies, or perhaps more precisely their many sub-divisions, or resulting merely from past impetus. Programming is a positive, premeditated action to mould a package of projects which are geared to the priority needs of the country, which utilizes in a concerted manner the various inputs at the disposal of the UN system".

51. Other contributors raised serious objections to the suggestion. According to one school of thought, the attempt to provide for a more co-ordinated programme is not so much impossible as unnecessary:

"It is conceivable that an apparently fragmented series of UNDP activities which filled strategic gaps in a national development plan would serve a very useful purpose".

52. But whatever the point of view, there is unanimous agreement that the principal need is impact. It is essential that the "country programme" worked out by the government and the UN development system should make sense as a whole, either as a collection of parts, or as an integrated concentration on one or two areas of activity. To do this it must fulfil one basic criterion: that it represents the most effective programme of development co-operation which can be delivered by the UN development system at that time. Thus, in countries where there was no justification for assistance of a more integrated kind, the "plug-in" approach might be the most appropriate. At the opposite end of the scale, impact might best be achieved by concentrating the total contributions of the system on one or two large multidisciplinary projects. It would also be conceivable, for instance, in the case of a small and poorly-endowed country, to concentrate the bulk of the activities deliberately on one major undertaking designed to achieve a real break-through in a particular region or field. To assist in setting up an efficient public administration in such a country, for example, could be much more useful than doing a bit of health, a bit of education, and a bit of agriculture. Once again, the key is flexibility.

^{1/} Paras. 83-85 and para. 101(d).

53. That being said, it is clear that one of the constraints on effective action by the UN development system in the past has been the variety and complexity of the system itself, reflected in widely varying devices for transferring knowledge and resources. While this variety is in some respects an asset, denoting an almost limitless potential for flexibility, greater co-ordination and dovetailing between all these myriad approaches is essential. While it is impossible to lay down any hard-and-fast rules as to how this should be done, a few examples may serve to highlight the principles which should underlie each individual programming exercise, apart from the need to synchronize the programming of all the inputs available from the UN development system and integrate them within the framework of the national development plan.

54. The social dimension of development, for example, is generally treated separately from the technical or economic aspects, a dichotomy which results in rhetorical "social" projects with no bearing on realities, and in shortsighted technical projects with no grasp of the human factor. If, as may happen, the UN system is too often simply trying to transplant ideas from the developed world into societies that are intrinsically different, there is a clear-cut need for seeing projects in the round and ensuring that adequate measures are taken to explore, and take into account, the socio-cultural circumstances within which the transfer of technical know-how and skills has to take place. ^{1/}

55. A project should always be scrutinized in relation to other projects in the same country, or possibly sub-region, in order to verify whether cross-fertilization with their disciplines is necessary or possible. If it becomes accepted practice to consider every sectoral project in the more complex network of its relationship with other projects and other dimensions of development, the scope for deliberately undertaking joint efforts will expand to the point, in some cases, of concentrating the development activities of the UN system around a few "development foci"; obvious examples can be found in the field of regional development, but other activities are equally suitable.

56. It might also be possible to group all the experts serving in a country in a given field (e.g. training, industrialization), irrespective of the Agencies which provide them, under a team leader, or co-ordinator, assigned as an adviser to the central development authority. In short, to take fullest advantage of the wide range of experience and expertise available in the UN system, there should be an increasing number of multidisciplinary projects.

^{1/} It is interesting to note that similar conclusions were reached by the UN expert meeting on Social Policy and Social Planning held in Stockholm in September, 1969.

(5) Substantive areas of special significance

57. Within this more flexible framework, the UN development system could usefully concentrate on certain areas of activity, partly because of their crucial significance for development, and partly because the special characteristics of international technical co-operation make it peculiarly fitted for such types of work. Obviously, the emphasis on these sectors will vary from country to country according to the needs, and will depend on government decisions; however, governments of developing countries would be well-advised to give them careful consideration when drawing up their "country programmes".

58. One of the most striking conclusions revealed by a study of the last twenty-five years is that, although a substantial amount has been written on development theory, there are still many aspects which escape us, particularly those which are rooted in practical experience of development activities. There is, for example, a real need for a thorough examination of the methods of technical co-operation as a means of promoting development, which would define exactly what technical co-operation is and what it can be expected to achieve, and the circumstances in which it operates best. The UN would be ideally placed to sponsor such an enterprise. It could, in fact, be one of the functions of the special unit proposed in paragraph 46 which should be permanently engaged in ensuring a mutually satisfactory feedback between theory and operations, and vice versa.

59. It is essential also that some part of the system should be constantly thinking and consulting about obstacles to development. This work could be done, to a large extent, by the same special unit, but there is an important consideration which any headquarters must take into account: obstacles are very local. The best view of what is needed is more likely to come from experience gained at the ground level where development is being obstructed. Again, the link between operations and theory must be strengthened.

60. The political objectivity of the UN development system also makes it particularly suited for co-operation in the broad fields of development policy formulation and in the creation of those types of basic infrastructure where the human element is paramount and it is desirable to work out an indigenous solution, applying the best resources available to the local situation.

61. Development planning obviously falls into this category, its claims enhanced by the further link between individual country plans and the world development strategy for DD2. Given the general responsibility of the UN system for the latter, it is logical that, where requested to do so, it should assist governments in drawing up plans designed to attain the DD2 targets. In some parts of the world, the UN system has done a good deal to assist the preparation of better development plans, by contributing to the planning work as such, by assisting governments in building up planning mechanisms and by training national personnel in planning techniques. An evident need still exists however for more systematic efforts in this direction,

particularly among the countries which are still in the early stages of planning and this might well prove possible on a regional basis. 1/ Expansion of the excellent work already being done by the UN in statistics would also be of inestimable value here. Where governments so requested, the UN system might even assist them in the planning and co-ordination of all outside assistance, within the framework of the development plan.

62. In the case of public administration, the preponderance of the human element and the policy questions involved also point to the advantages of seeking help from the UN. Moreover, this service is often one of the most serious bottlenecks in developing countries. A number of people consulted by the Study have suggested that the UN development system might have special responsibility for building up the civil service and administrative structure of developing countries, where appropriate, through OPEX-type appointments, and through other means such as training, since such assistance might, if it were international in character, be more readily accepted by the government.

63. There should be much greater emphasis on the development of human resources, through education, training and the safeguarding of health. Care must be taken, however, to ensure that all such projects are fitted carefully into the overall development strategy and employment situation of the country so that the various activities interlock with and complement one another, and advances in one sector are not frustrated by a lack of response in another.

64. Again the world-wide plans now being prepared by many of the Agencies could provide specially appropriate areas for international technical co-operation, subject to the agreement of the countries concerned. Typical examples are the World Employment Programme for ILO; the Indicative World Plan of FAO, and the Director-General's five special areas demanding immediate action; 2/ the special campaigns in the fields of education and of health and sanitation initiated by UNESCO and WHO respectively; and the World Plan of Action for the Application of Science and Technology to Development. Operations such as the World Weather Watch should also continue to command effective support.

65. Another promising field in which the UN system should intensify its efforts is that of self-help, thrift and all forms of "do-it-yourself". The poor in all the countries now rich were very proficient in this and a wide array of institutions (friendly societies, building societies, co-operative and community enterprises of all kinds) testifies to their drive to ameliorate the disagreeable circumstances of their lives. There is a great need to encourage such an

1/ See proposals in Appendix Three in Part V, on "The Regional Structures of the UN Development System", paras. 33-37.

2/ High yielding varieties of basic food crops; filling the protein gap; war on waste; mobilization of human resources for rural development; earning and saving foreign exchange. See FAO, The Strategy for the Future Work of FAO, Note by the Director-General (doc. CL. 51/14).

attitude in the developing countries and there may well be the beginnings of such endeavours which deserve support, but are undervalued by some "experts" who insist on applying more sophisticated and often alien solutions.

66. The United Nations generally has accepted particular responsibilities for dealing with refugees, and UNDP has demonstrated its willingness to assist the UNHCR in this field. All those concerned with the preparation of programmes and projects should constantly keep in mind the plight of these unfortunate people and, in agreement with the UNHCR and the country or countries concerned, seek to offer new, imaginative and if necessary unorthodox methods of involving them in development projects and giving them new lives.

67. To end this sample list, the UN system might also be the best choice for assisting projects with considerable potential but which involve a greater degree of risk than most bilateral donors would be prepared to face, or for pilot schemes intended to apply new technologies on an experimental basis.

68. This is not to suggest the UN system would be merely a kind of residual rag-bag, asked to take on the projects that other donors did not want to touch, but rather that it would play a catalytic role helping governments to establish the basic structure and machinery for development at one end of the scale and, at the other, placing in their hands, in the form of resource surveys and other studies, an instrument which would enable them to obtain finance from other, better-endowed sources.

B. The Country Approach

(1) General

69. If the UN development system is to become more strongly "country-centred" in effect as well as intent, then it is essential to adopt an approach tailored to individual requirements. The retort may be made that this is by no means a new concept, for a "country programme" has been talked of since the French proposals for modifying EPTA procedures were presented in 1954 and approved by ECOSOC. ^{1/} The Capacity Study makes no claims for originality here, but merely attempts to set out principles and procedures (see especially the section on "Country Programme" in Chapter Five) which will enable that concept to become reality instead of - as has been the case to date - a slogan which has received only limited support. They will also reflect the philosophy enshrined in GA resolution 2188 (XXI).

70. The "country approach" is based on the premise that what eventually counts is action and that, in most cases, it is in the country itself that that action must take place. This is where the first and last battles must be fought. The point is so basic that it may very well go

^{1/} ECOSOC resolution 542 (XVIII).

without any further elaboration. What has to be developed is the country and its people. Growth may, under certain circumstances, be induced from outside: change has to come from within: development is home-made.

(2) The relationship between global strategy and the country approach

71. Here a potential dichotomy between the concept of a global strategy, as envisaged for DD2, and the concept of a country approach for UN co-operation with the development efforts of individual countries begins to emerge - the old dualism between the policy-making and standard-setting functions of the international organizations on the one hand, and their rapidly growing operational responsibilities on the other. In a sense, of course, the dichotomy is a false one because any global strategy, if it is to have any practical significance or application, must be made up of the sum of the national strategies, while the policies and standards established at the centre for each sector should be based on the sum of experience obtained by that particular organization in countries of widely differing characteristics all over the world. In other words, there is a constant and mutual interlocking of the two levels which, if properly manipulated, should result in a permanent and highly beneficial feedback between them.

72. This being said, a number of hazards will inevitably be encountered in practice in attempting to steer a safe course between the Charybdis of the global strategy and the Scylla of the national imperative. In the final analysis, it is the latter which must take pre-eminence. The basic premise of the country approach is that no two countries are alike and it is therefore impossible to impose from outside a tailor-made plan of action based on aggregates and purely global considerations. The development operations of the UN system at the country level become an instrument of the global strategy only to the extent to which governments use them as such. Governments must therefore be convinced by the realism and the necessity of international targets so that they become genuinely ready to commit national efforts in their pursuit as adapted to their own situation.

73. The importance of this cannot be exaggerated. Not only will DD2 accentuate disappointment if the global development strategy aimed at is not founded on corresponding exercises in coherence and purposefulness at the national level, but its success will be largely determined at the country level. There should, therefore, be a country strategy which is informed by the international development policies, as agreed by inter-governmental organizations and, above all, by the ECOSOC and the General Assembly, which have a responsibility for the formulation and co-ordination of overall development policies.

74. The United Nations system (seen here in its inter-governmental sense) is committed to development, and it can pursue this only through interlocking policies and actions starting with the promotion of the concept of a global strategy at the country level. Operations carried out through the UN system ought to conform, through the mediation of the country approach, to

the policies of the UN system, since a recipient of its services is also a full member of the organization. Each country therefore participates in the implementation of the policies, to the shaping of which it has already contributed as a member of UN deliberating and governing bodies.

75. If for instance, the development policies established by the General Assembly decree that "it is for developing countries to agree on measures of economic co-operation among themselves, ranging from simple arrangements for the promotion of trade to the gradual integration of their economy at the regional or sub-regional level", ^{1/} it would be foolish for the UN to assist in setting up rival industries in neighbouring countries if each will require a sub-regional market. More generally, putting the emphasis on country approach could involve a built-in risk of parochialism, even self-centredness, which is, in the long-term, inimical to development. One of the functions of the UN system is to look ahead, i. e. to promote a certain world order, and at the very least, it should refrain from promoting actions contrary to the final goal.

C. The Case for UNDP Financing "Non-Country" Actions

76. In discussing with the government the content of the programme in which the UN development system will co-operate with a given country, it is therefore incumbent on the representatives of the system to ensure that all such internationally-agreed policies are brought to the attention of that government. Since, however, the varied and pressing needs of governments of developing countries make it unlikely that the aggregate of their requests for co-operation from the UN system will equate exactly with the desiderata established at the global level, it can be argued that it would not be consistent with the requirements of long-term development objectives to concentrate all the resources of UNDP on country programmes. In certain fields the individual country is too narrow a ground for effective action, while some actions are more efficiently pursued at the world level.

77. Some obvious cases for multinational projects present themselves, especially in areas where countries are small. Such projects are, nevertheless, amenable to the country approach since joint undertakings with neighbouring countries, for technical or economic reasons, are certainly elements of the national development strategy. This does not mean, however, that all such projects have to be financed out of resources assigned to country objectives. The long-term importance of such multinational projects for development may justify the use of additional international resources.

^{1/} UNCTAD, The Role of UNCTAD in the Second Development Decade, Report by the Secretary-General of UNCTAD (doc. TD/B/186).

78. This may also apply to sub-regional undertakings such as arise among riparian or lacustrine countries or in projects which clearly serve an entire region. The latter category would include the Institutes for Development Planning set up in Santiago, Bangkok and Dakar which, properly managed and utilized, could make a key contribution to the development process in a field where the UN is peculiarly fitted to serve. If they came to fill this role, a strong case could be made for financing them almost entirely from UNDP funds rather than depending on the contributions of member countries; at least, the international monies devoted to them should be additional to funds for country programmes. This aspect is discussed in more detail elsewhere. 1/

79. A third case is that of certain world/sectoral actions which are, by nature, of a multinational or universal character. The basic idea is that any single country's share in certain world-wide sectoral actions should not be subject to the limit set for that country's programme. It may well be that, from the viewpoint of a particular country, the activity in question does not enjoy a sufficient degree of priority to warrant its inclusion in the programme; yet its absence may jeopardize the whole operation if it affects a vital link. (Obvious examples occur in the fields of meteorology, civil aviation and telecommunications.) To avoid such difficulties, it would be necessary to have, in addition to funds earmarked for country programmes, some non-allocated resources available for world-wide actions.

80. It may also be necessary to finance some comprehensive programmes covering large geographical areas such as: 2/

- (a) The application of science and technology to development. Research and development activities usually form part of the domestic effort in industrial countries, and do not take the problems of developing countries into account to any significant extent. (This was the theme of the UN Conference on the Application of Science and Technology for the Benefit of Less-Developed Areas held in Geneva in 1963.) Yet in planning development projects, the technological choices may be just as important as economic ones. Technological forecasting can therefore vitally influence economic planning and hence the technical co-operation to be undertaken in the future by the UN system. As one correspondent to the Study put it:

"Many scientific and technological developments which will materially alter the economic picture by the 'nineties, if not in the 'seventies, may be just around the corner. The economic and social institutions in the 'seventies should therefore be modified (or if being set up now they should be planned accordingly) to prepare and adjust to the eventual changes which

1/ See Appendix Three on "Regional Structures of the UN Development System" in Part V.

2/ The list is illustrative and not exhaustive.

can be predicted. In the 'seventies, the range of these possibilities should be assessed and measures taken to obtain national and institutional changes."

It is therefore essential that developing countries should have a minimum nucleus of scientific staff and institutions, and this could be achieved, in most cases, only at the sub-regional, regional or even world level. Indeed, adequate facilities for much of the work involved could only be provided in developed countries. Support of this type of activity by UNDP could supply an important missing link in the chain between ideas and production.

- (b) Proteins. The ACASTD, in its report on "International action to avert the impending protein crisis", endorsed by GA resolution 2319 (XXII), lays down a number of policy objectives and outlines fourteen proposals which would involve some US\$30 million in annual expenditures for "technical assistance and operating outlays" and some US\$60 million in long-term investment over a period of five to ten years. Most of this would be borne by governments themselves, provided that some international resources could be made available at certain vital stages. The same correspondent cited under (a) mentions specifically "research and development on the production of protein from unicellular organisms", as an example of a "form of pre-investment of direct importance to developing countries (which) can only be done effectively in the advanced countries".
- (c) Population. In recent years increasing attention has been given to rapid population growth as an important factor affecting development. The UN Fund for Population Activities was, in fact, set up in 1967 and earlier this year the Secretary-General announced that it was to be managed by the Administrator of UNDP and that full use would be made of the United Nations and of the Specialized Agencies concerned with population programmes. A senior official has since been appointed to the Administrator's staff with special responsibilities in this field. Here again it is to be hoped that there is some latitude for financing work that can only be done in developed countries although it is of direct interest to developing countries, such as biomedical research on population control.
- (d) Natural Resources. ECOSOC resolution 1218 (XLII) requested the Secretary-General to begin work on a survey programme for the development of natural resources; and "in consultation with the Administrator of UNDP, to examine the possibility of financing a part of the survey programme from UNDP resources". UNDP is required to finance a global project to analyse and evaluate, in terms of recent technology, all the surveys and investigations undertaken in the past to explore and exploit certain minerals, so far considered as not economically viable.

- (e) The UNESCO-sponsored International Institute for Educational Planning (IIEP). Since the Institute's activities have a direct bearing on the efficiency and effectiveness of UNDP's assistance programmes in the whole field of education and training, it could be argued that UNDP should provide resources to enable the Institute to train key educational planning personnel in developing countries and train international experts who would serve in these countries.
(Note that the latter task could be considered as consistent with ECOSOC resolution 222 (IX) according to which "adequate preparation of experts should be provided before assignments are undertaken").
- (f) Marine Science and Technology. This great field of activity will undoubtedly receive increasing attention in coming years. The Report of the Secretary-General 1/ to ECOSOC at its last session illustrates the magnitude of the problems, and the fascinating possibilities for imaginative solutions.
- (g) The problem of mastering the environment (unplanned urbanization, air and water pollution, etc.).

81. The question then arises whether activities such as those described here, which transcend the interests of individual countries, should be financed by UNDP, from regular budgets, or from special trust funds (such as that already existing for population). This opens up a number of vexed and difficult issues which belong more to the field of financial management and which are dealt with in Chapter Nine. 2/ For present purposes it is enough to say that, to the extent that development funds come to be channelled increasingly through one point, the more necessary it will be for the Governing Council to decide whether to allocate a certain proportion of the total resources to "non-country" actions. In the Capacity Study's view the need already exists since there are a number of important world and other actions for which trust funds have not yet been established and which cannot be adequately covered by regular budgets. The point is a controversial one but the Capacity Study believes that some such arrangement is necessary and desirable, provided that these "non-country" funds are administered centrally by the Administrator of UNDP, in conformity with priorities approved by the Governing Council, and not distributed on any arbitrary sectoral or regional basis. Moreover, it would help to check the uncontrolled proliferation of special funds and programmes in the future. Some precedent for the allocation of UNDP funds for non-country purposes already exists in the Governing Council's acceptance, at its eighth session, of the Administrator's proposal, mentioned earlier, that a small fraction of UNDP resources in 1970 should be devoted to world-wide and regional projects in basic agricultural research, without requiring

1/ Doc. E/4487 of 24 April 1969.

2/ Paras. 2-8.

the usual national counterpart contributions. Members of the Council considered that this opened up new possibilities and that it would be equally important for UNDP to support such programmes in any other field that the beneficiary countries might deem appropriate. 1/

D. The Case of the Less-Developed among Developing Countries

82. An important consequence of the country approach is the need to take full account of the widely differing natural resource endowments and the many other circumstances which affect a country's potential for development. This factor at present works in favour of the best endowed and the best equipped so far as claims for assistance are concerned. It is they who have the ability to meet counterpart requirements, present the most promising opportunities for action and, as a result, tend to receive the largest volume of support.

83. This need not necessarily be so. There is nothing in the United Nations legislation which requires support to be given either to the most promising and best endowed, or to the least developed and poorest. Assistance is neither a reward nor a charity. The sense of the legislation is that, within a framework of equitable distribution among regions and countries, and according to demand, assistance should be given where it will most help countries to help themselves. Thus, the potential for development, i. e. the natural and human resources, are only a partial determinant; there must also be the will to develop, which can be as manifest in a poor country as much as in a rich one.

84. What does this involve in practical terms if the poorer and least-developed are to receive consideration not biased by their lack of resources? Some might propose setting relatively larger "orders of magnitude" 2/ for the less endowed countries when preparing the "country programme". To a certain extent this would happen automatically, since one of the criteria used in establishing that particular level would be the level of GNP per capita, and of development generally. However, the answer is not as simple as that, firstly because it would not meet the performance requirements outlined in the previous paragraph; and, secondly, because any immediate and significant bias of this kind could well result in a sizeable proportion of UNDP funds stagnating indefinitely because of the severely limited absorptive capacity of the countries concerned, thus further impairing the efficiency and "capacity" of the UN system.

85. A sounder method would be to programme the technical assistance needs of the countries concerned in such a way that the resulting programmes and projects make an effective contribution to breaking the bottlenecks, and thus enlarge the country's capacity to absorb higher

1/ See UNDP, Report of the Governing Council, Eighth Session, op. cit.

2/ See para. 96 below and also paras. 50 and 61 of Chapter Five and paras. 13-23 of Chapter Nine for further discussion of this feature.

levels of development co-operation than in the past. This would mean an even more precise and far-seeing analysis of the main obstructions to development and of the action required to overcome them. The right selection of projects would be crucial in such cases. It also means that the genesis of a project would be rather longer than in normal circumstances, since a great deal more preliminary spadework would be required than in countries where a certain infrastructure already exists. But only in this way could disadvantaged countries be helped to surmount their disadvantages and given the opportunity to show that they have the will to help themselves.

86. The main problem relates to the provision of the counterpart contribution, in cash and personnel. The raison-d'être behind this requirement is self-evident and has already been touched on in the previous chapter. 1/ If, however, counterpart conditions are too onerous then they defeat their own laudable purpose and deny co-operation to those most in need. In these "difficult cases" much can be done to prepare counterpart personnel by arranging prior training courses and fellowships, at home or abroad, specifically designed to produce the national manpower required for a particular project. This is one of the elements which, as already indicated, would lead to a longer run-up to a project, and would therefore require a more lenient view of the length of time required for attaining agreed objectives. This, however, would be perfectly compatible with the longer-term and more comprehensive system of programming described in Chapter Five.

87. Some flexibility has already been introduced as regards financial counterpart; but there is still room for further quite substantial modifications. In the Capacity Study's view the guiding principle, which is developed in Chapter Nine, 2/ should be to plan each project as an integral whole within the framework of a country programme, arranging cost-sharing on a sliding scale, varying according to the resources of the country in question. At a time mutually agreed in advance, the government would take over the project completely. In countries with greater financial resources, the government contribution would be more substantial right from the start and, where circumstances permitted, might far exceed that of UNDP. The most important consideration would be to plan the project in such a way that by some point in the future, the government would have gathered together all the reins in its own hands, including full financial responsibility, and would be ready to drive off alone.

88. This long view of all the disparate elements making up a project, identifying the requirements in advance and preparing the ground beforehand as far as possible, might well be extended to the final phase of the capital inputs required. Here again, exceptions can be made in favour of the needier countries if UNDP were given the competence to make outright grants-in-aid in

1/ Paras. 155 and 161.

2/ Paras. 73-84.

carefully selected cases. The rationale for this has already been given earlier in this chapter, in the section on the content of the programme (see paragraphs 29-31) and, as suggested there, the Capital Development Fund, properly endowed, might provide a suitable channel under the general management of UNDP. One possible way of increasing resources for this purpose would be to provide co-operation to the more prosperous of the developing countries on a reimbursable basis and to channel the repayments to the needier countries through the grant system. Yet again, if the earlier suggestion of setting aside part of the resources as "risk" or "venture" money were adopted, this might be used in cases where circumstances would justify waiving the normal criteria.

89. These suggestions of ways and means of adapting the programme to meet the needs of the poorer among the developing countries are not intended to be exhaustive. Many other possibilities will crop up in the consideration of specific projects or in the course of time. What is important is that UNDP should be prepared to consider any reasonable suggestions of this nature if it is to engage in development operations in the places where they are most needed. Once more, the keynote is flexibility.

E. Towards a More Coherent and Comprehensive Approach

90. The application of a country-centred approach has important implications for the management of UNDP operations and would necessitate considerable modifications in present methods. For instance, if UNDP operations in a given country are to be geared to the national strategy expressed in the development plan, then they have to be part and parcel of this plan; as a corollary they should be programmed, at least on broad lines, and with sufficient leeway in the form of contingency resources, for the duration of the country plan. This would help to give more stability to the plan because the country could count on a certain contribution from the UN development system. Furthermore, it is hard to see how this system, which bases its development philosophy on plan formulation and implementation, can elaborate its own contribution outside the framework offered by the country plan. The practical consequences of integrating the UNDP contribution within the country plan are set out in Chapter Five which works out new programming procedures designed to reflect the basic principles just described. This is not the place, therefore, to discuss the implications in detail, but merely to state the underlying principles.

91. Acceptance of this approach would lead logically to the extension of these procedures to other components of the UN system which offer co-operation to member countries for purposes of development. In terms of actual inputs, this would involve mainly UNICEF, WFP and the development assistance operations of the Agencies financed either from their regular budgets or from other resources such as trust funds, and funds-in-trust. The World Bank Group, as the system's principal financing institution, should also be closely associated with the

programming process. As has emerged both in the historical analysis and earlier in this chapter, the tendency has been to launch a new organization whenever a new problem, or some possible new contribution to its solution, has come into the picture. All share the common goal of accelerating development but each one has adopted its own regulations, its own methods of programming and its own time schedule. The result cannot but confuse the government of a developing country lacking administrative and human resources. Moreover, despite efforts at co-ordination between the various programmes, the conception and formulation of projects at different times and in different ways is bound, in practice, to increase the dangers of scatterization and compartmentalization of activities.

92. There is, therefore, an imperative need for a more coherent approach to the problems of each country by the different components of the system, and this need is reinforced by the relatively small scale of the individual inputs involved. In order to maximise their impact it is essential for them to be used as a whole. The suggestion is not that all the programmes should be unified and their funds merged because this is politically impracticable - at least in the immediate future - and might well lead to a reduction of the total international funds available for development. It is, however, essential to find a way of tackling the problems of each country in all their dimensions and bringing to bear on them the whole kit of tools that the system possesses, in the degree that each is required.

93. The only solution seems therefore to lie in a new concept of joint programming, conceived in a dual sense, i. e. as an exercise in partnership between the national and the United Nations development authorities on the one hand, and within the UN development system on the other. It would differ from the exercise termed "joint programming" in the past in that it would take place at the country and not the headquarters level, and in that it would not be a bilateral operation between UNDP and one Specialized Agency but would work multilaterally and simultaneously between all concerned, in consultation with the government.

94. Bringing together the different development components of the UN in one place at one time would make it possible to consider - for a reasonable period ahead - the whole range of the country needs and priorities, in relation to the whole assortment of inputs which the UN system could provide.

95. In the framework of a notional order of magnitude, established for purposes of indicative planning over a given period 1/ - normally the duration of the country's own plan - it should be possible to determine a programme of co-operation designed to obtain the maximum impact possible. This would have the advantage of enabling all the partners, both national and international, to grasp more clearly the magnitude and the implications of their own role in the

1/ See paras. 50 and 61 of Chapter Five and paras. 13-23 of Chapter Nine for further discussion of this feature.

undertaking over a reasonably long interval of time and to take steps accordingly.

96. Since it is a basic tenet of international development policies that development must be planned, the comprehensive programme of UNDP operations in a country should be both part and parcel of the national development plan and an identifiable part of it; ^{1/} that is to say, the programme should constitute a series of mutually accepted obligations designed to achieve stated objectives. It would be appraised and approved at headquarters, and financial commitments would be made only on the basis of specific projects.

97. Where there is no plan, or the "plan" is no more than an adornment, the burden on UNDP - and on the UN development system generally - would be that much heavier, involving even more careful scrutiny of the country's problems and potential, and of the most suitable areas for co-operation, as well as a determined effort to improve the country's planning machinery in the long run, if the country concerned so requested.

98. As discussed earlier, the absorptive capacity of countries should not be considered as a static factor since the raison d'être of the development operations of the UN system is to increase development capacity so that the country may the sooner achieve self-sustained growth. Even where absorptive capacity is particularly low - the case of the less-developed among developing countries - the participation of financial institutions in joint programming would contribute in shaping projects with an eye on the eventual follow-up, a very necessary perspective, even if, in the first instance, it has to be viewed from a considerable distance of time.

99. Ideally, from the viewpoint of an individual country, and providing always that the government so desired, such a joint programming process should involve not only the various components of the UN system, but also all significant sources of bilateral or regionally based co-operation supplied from outside the system. In this way, the country concerned would have a clear idea of the total external contribution likely to be available for the attainment of the objectives set out in its national plan. There would also be advantages for the UN system, since its own role would be clearly defined in relation to all the other linking efforts, internal and external, and there would be no problem of overlapping. Co-ordination in other words, instead of taking place on an ad hoc and somewhat haphazard basis as at present, would also become a long-range operation and correspondingly more effective. The extent to which this final elaboration of the principle described here could be reached would vary very greatly from country to country, according to the degree of sophistication of the planning methods and

^{1/} It is significant to note here that the Report of the Commission on International Development emphasizes that technical assistance should be more closely integrated into the development process and recommends that donors extend budgetary commitments for technical assistance programmes to at least three years (op. cit. pages 180-181).

mechanisms. Practical difficulties would also arise in the case of bilateral donors who were unable to commit their contribution to the joint effort for as long a period ahead as that covered by the plan. Finally, it is self-evident that national sovereignty must be fully recognized and that the initiative for undertaking such a comprehensive approach towards the programming of all outside co-operation must therefore always originate with the government itself. Despite these reservations, it remains nonetheless true that the logical and ultimate goal should be to go as far as politically and practically possible towards pooling all outside resources, if external co-operation is to make its maximum contribution towards development.

F. Administrative, Managerial and Organizational Innovations

100. Acceptance of the principles outlined in this chapter carries with it important implications for the procedures, administration, management and organization of the UN development system. Since these are described in detail in later chapters, it is only necessary to emphasize here that they must be based on the precept that effective participation in the efforts of individual countries to accelerate their economic and social development is the primordial aim of the UN development system, to which all other considerations must be subordinated. The response must be at once flexible (in relation both to the varied needs of individual countries and the inevitably changing nature of those needs with the passage of the years), and consistent (as between the different components of the system). As the "Preliminary Framework for an International Development Strategy" states:

"The time has come . . . to turn the lessons of the past to good account . . . The existing machinery for technical co-operation will need to be modified . . .". 1/

101. At the same time, as this chapter has tried to show, it is necessary to look to the future and be prepared for the new challenges it will bring, even beyond those of the Second Development Decade. Since development is a continuing process there must be a strong element of continuity. Since in many ways it is also an unpredictable process, there must also be a sufficient degree of pliability in relation to varied and varying situations and a constant predisposition to new ideas and methods. In short, the UN development system should be dynamic.

102. A number of elements are involved here. Prompt and effective response to the needs of individual countries will require the introduction of appropriate procedures for planning, implementing and evaluating integrated country programmes 2/ and the strengthening of the present network of Resident Representatives and field offices through the creation of a first-class UN Development Service, on a career basis, 3/ and through the delegation of an

1/ The Second United Nations Development Decade, op. cit. (para. 208).

2/ Described in Chapter Five.

3/ Described in Chapter Eight.

appropriate degree of authority to the Resident Representative. 1/ To this end, also, all possible use must be made of modern managerial techniques and methods of communications, computers and other labour-saving devices wherever they may contribute to the more efficient functioning of the system. 2/ The system will also need to be fed with up-to-date information: hence the need for an effective system for the collection, storage and dissemination of information related to all forms of economic and social activity. 3/

103. But the overriding need is for rapid evolution towards an effective UN development organization geared exclusively to the operational requirements of that function, and based on a restructured UNDP. Obviously, not all the necessary changes could be undertaken at once - indeed, any attempt to do so might well reduce capacity to an extent that cannot be contemplated. They should be carefully planned in phases successively leading to the achievement of the objective, bearing in mind the need to avoid unnecessary rigidities which might later impede the evolution towards new functions as might be required by the changing situation of the developing countries, with its consequent effect on the nature of the operation. 4/ This (in turn) would require that the new organization should be served and informed by an "intelligence" which could scrutinize and employ valid new ideas and approaches, and initiate fresh lines of attack on old problems. 5/ Only in this way could the organization keep abreast of the changing circumstances of the developing world and constantly renew itself in the perspective of a quarter of a century.

104. The rejection of the many positive elements in the present system is not in question for, as will be seen in later chapters, it is from these that the new system will emerge. Rather, it is the enlargement of all that is positive, the reduction of the impediments which now frustrate or distort, and the introduction of new methods and concepts, to the end that a far more effective and dynamic instrument will be available to the United Nations to realize the purposes of the Charter - "to promote social progress and better standards of life in larger freedom". To achieve this, the experience of this generation must be garnered and the lessons learned from it applied for the benefit of the generations to come.

1/ See Chapter Five, and Chapter Seven for details.

2/ Described in Chapter Ten.

3/ A conceptual design of such a system is given in Chapter Six.

4/ Some suggestions to this effect are made in Chapter Seven.

5/ See para. 46 above and Chapter Seven.

SUMMARY OF PRINCIPAL RECOMMENDATIONS

1. The UN development system's contribution to the Second Development Decade should be strengthened by:
 - (a) making it operationally efficient while retaining its special attributes;
 - (b) making it more flexible and dynamic;
 - (c) utilizing its contribution strategically within the framework of all available development inputs, both internal and external;
 - (d) forging close links with organizations dealing with trade and financial transfers.

2. There should be greater variety in the content of the programme;
 - (a) consideration should be given to the possibility of authorizing a more generously endowed Capital Development Fund to make limited grants-in-aid, primarily to those countries which have negligible access to other sources of finance in support of capital and recurring costs incurred in connection with approved projects in the country programme;
 - (b) the kinds of co-operation offered through the UN development system should be expanded and new methods energetically pursued;
 - (c) the existing tools of technical co-operation should be used more flexibly;
 - (i) the best brains, knowledge and facilities must be mobilized wherever they can be found;
 - (ii) there should be much greater use of contracting outside the system;
 - (iii) the functions of experts should be defined less rigidly and their services used more imaginatively;
 - (iv) a fresh approach should be actively sought to the whole question of training, including fellowships;
 - (d) the programme of activities in each country should be planned more comprehensively so as to produce maximum impact, e. g.
 - (i) more attention should be paid to the social dimension of development;
 - (ii) projects should be more closely inter-related;
 - (e) the UN system could usefully concentrate on certain areas of activity in support of development for which it is particularly suited.

3. The programme should adopt a true country approach and become more strongly country-centred:
 - (a) a proper balance should be struck between the global strategy and the country approach;
 - (b) a certain proportion of total resources should be allocated to "non-country" actions such as multinational projects, regional or subregional undertakings, such as the Regional Planning Institutes and certain world sectoral actions;
 - (c) special measures should be taken to assist the less-developed among developing countries by programming technical assistance designed to break bottlenecks and increase absorptive capacity, and by more flexible treatment of counterpart contributions

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PART III

PROCEDURES FOR PLANNING AND OPERATING THE PROGRAMME

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Chapter Five

THE U.N. DEVELOPMENT CO-OPERATION CYCLE

"Let me have the best solution worked out. Don't argue the matter. The difficulties will argue for themselves."

- Sir Winston Churchill's Minute of 30 May 1942 ^{1/}

I. INTRODUCTION

A. The imperative need for a system

1. Part II analysed the evolution of the development activities of the United Nations system, noted its achievements and the efforts made to improve it, but was also compelled to register the constraints which seriously inhibit its full growth. Objectively regarded, the United Nations development "system" exists only in name.

2. An effective system must be introduced without delay if the various United Nations organizations in general, and UNDP in particular, are to expand their capacity to co-operate with developing countries and especially if they are to comply with the terms of GA resolution 2188(XXI) which, it was suggested in Chapter One, could provide a compass north. The introduction of a system in the true sense of the word embraces many different aspects, legislative, financial, administrative and organizational, which will be dealt with in later chapters, but it is evident that some of the most important concern the different phases of programming, implementing and evaluating development co-operation in a given country. This will be the subject of the present chapter. Here, three of the principles enunciated in GA resolution 2188(XXI) are of particular relevance, since they insist on the need to aim at:

"A flexible, prompt and effective response to the specific needs of individual countries and regions, as determined by them, within the limits of available resources;

The evolution of an integrated system of long-term planning on a programme basis;

The institution of systematic procedures for evaluating the effectiveness of operational and research activities."

3. The Capacity Study has not been alone in reaching the conclusion that a more systematic approach must be adopted and that the nub of the problem at the level of each individual country lies in programming, which holds the key to most of what follows in the implementation stage. The governments of many developing countries, especially those whose planning machinery is gradually getting stronger, have made it clear that the effective programming of

^{1/} On the preparation of harbours for the invasion of Europe.

external assistance, both multilateral and bilateral, is an essential element in their own work and that the present ad hoc methods of preparing operations financed by UNDP lead to scattered projects which do not permit the best use to be made of resources. As Chapter Four has shown, the concept of the dovetailing of international and national resources on a planned basis is central to the thinking of the Second Development Decade. Again, it has been a constant theme in the Enlarged Committee on Programming and Co-ordination, and many members have constantly emphasized the need for an effective system to programme the use of resources.

4. Nor has this line of thought been confined to governments. The President of the IBRD, for example, has emphasized that effective programming on the part of the various United Nations organizations undertaking development activities is essential to the effectiveness of the Bank's operations, 1/ while a considerable number of officials within the United Nations development system holding key positions - particularly those experienced in modern techniques of management - have echoed the need for rationalization.

B. Major issues of policy

5. Several major issues of policy are involved in the proposals made in this chapter and it would be as well to single them out at once.

First, if the Capacity Study's choice of GA resolution 2188 (XXI) as the best and most up-to-date policy guide available finds acceptance, the General Assembly might wish formally to recommend that its terms should be endorsed by the governing bodies of all components of the United Nations development system.

Second, all those concerned with development co-operation should acknowledge the basic principle that it centres on individual countries (and regions) and not on the sectoral interests represented by international organizations. International organizations should therefore strive to get more and more action taken at the country level under the sovereign authority of the government.

Third, any remaining distinctions between SF and TA funds, procedures and identities should be removed.

Fourth, the procedures and processes proposed in these sections could only be implemented if (among other things) the development activities of the various organizations of the United Nations system are co-ordinated to the maximum extent possible by a central body, through which the greatest amount possible of technical co-operation funds made available to the system should be channelled. 2/

1/ See footnote to para. 58.

2/ See Chapter Nine, paras. 2-8, for more details of how this might gradually be achieved.

Fifth, it should be accepted that UNDP provides the best foundation on which a co-ordinating organization could be based.

Sixth, the head of the central body should be held accountable for all funds and responsibilities entrusted to the organization and his relationship to the Specialized Agencies, and to any other executing agent, in matters concerning the implementation of the programme, should be that between a principal and his contractor.

Seventh, the maximum use of the Participating and Executing Agencies should be made in all phases of the United Nations Development Co-operation Cycle, provided that they can meet the criteria of GA resolution 2188(XXI).

Eighth, methods of implementation should be more flexible and, while maximum use should be made of the special properties possessed by the Specialized Agencies, the programme should avail itself, in agreement with governments, of all sources of knowledge or expertise that can provide an effective and speedy response to the requirements of developing countries, subject only to adequate safeguards to preserve the international character of the operation.

Ninth, evaluation should be restricted to the minimum essential to satisfy the requirements of Member States and the United Nations development system, and should only be performed by people with proven qualifications.

Tenth, the responsible governing body, whilst preserving effective policy control over programmes for individual countries, should delegate wide authority to the head of the central organization and he, in turn, should delegate the maximum possible authority to his Resident Representatives.

C. Specific reasons

6. The procedures and processes advocated in this chapter represent a relatively simple approach to continuous and integrated planning, programming, budgeting and utilization of available United Nations development resources. They are intended, collectively, to achieve a number of inter-related objectives, namely:

- (a) to obtain the best use of resources;
- (b) to ensure that the different needs of different countries are met to the maximum possible extent;
- (c) to ensure that countries and their development objectives, i. e. country strategies expressed in socio-economic terms, are the overriding consideration, thus avoiding the danger of "scattered" projects responding to the interests of individual ministries or international organizations;
- (d) to ensure that individual projects are thought through, with all their implications and obligations understood by all concerned from the time of their conception until they are completed, and have made their specific contribution to the country's development;

- (e) to analyse cost estimates, where feasible, in relation to prospective benefits prior to approving or disapproving projects;
- (f) to eliminate "second-guessing" by forcing all concerned to agree, as far as humanly possible, on technical matters at the country level, only a minimum of such problems arising at the level of headquarters;
- (g) to ensure the most effective and timely delivery of the approved programme both in quantitative and qualitative terms;
- (h) to ensure that individual projects are kept under constant review, thus permitting appropriate action to be taken if and when needed;
- (i) to enable the development of an effective information system without which (amongst other things) the UNDP operation cannot be managed effectively;
- (j) to enable the development of a realistic system of evaluation;
- (k) to permit the development, to the maximum extent possible, of a common budgetary practice;
- (l) to ensure that appropriate follow-up action is taken as and when appropriate;
- (m) to utilize computers, communications equipment, and other labour- and time-saving devices wherever they may contribute to more efficient functioning of the system; and beyond these
- (n) to achieve effective co-ordination with other international inputs; and
- (o) to facilitate co-ordination with bilateral and multi-national programmes of development co-operation.

7. These objectives illustrate once more the interdependence of many of the factors influencing development co-operation and provide further evidence that current attempts to solve individual problems in isolation have no chance of succeeding. Accordingly, the proposals that follow have been designed as a composite whole, of which each part interlocks with the others. Certain principal features are therefore essential to the articulation of the model and must be adopted simultaneously if it is to function properly. Other, less central, aspects have been worked out in some detail only to demonstrate that a system for the planned use of resources could be made to work, and to suggest ways in which this might be done. Naturally, many variations are possible and it is not feasible or desirable to cover every contingency likely to arise in practice.

II. GENERAL DESCRIPTION OF THE UN DEVELOPMENT CO-OPERATION CYCLE

8. In this Study, the chapter on "The First Twenty-Five Years" describes some of the inherited constraints on the present operation. That on "Capacity" has analysed the current impediments in terms of programming and project formulation, execution, follow-up, evaluation, administrative and financial procedures and organizational problems. Finally, the chapter on "The Next Twenty-Five Years" has broadly established a number of general principles which must be observed if the United Nations system is to respond adequately to the increased demands likely to be made of it in the future. Briefly, these comprise:

- (a) the adoption of an effective country approach;
- (b) greater flexibility in the content of the programme and in its operational, administrative and financial procedures;
- (c) progress towards more integrated treatment of the various inputs at the disposal of the UN development system, extending where possible to other external resources from outside the system.

9. The present chapter examines more closely how these principles could be applied to the process of programming United Nations development co-operation with developing countries, implementing that programme, and ensuring its eventual impact by adequate procedures for evaluation and follow-up. This sequence of activities has been denominated the United Nations Development Co-operation Cycle because they comprise the essence of the United Nations development function at the country level and because they should together constitute a continuous and dynamic process in which the separate components are interlocked and geared to support the development efforts of individual countries.

10. For clarity of presentation, the cycle has been divided into five phases, each of which is the subject of a separate section:

- I. Country Programme
- II. Project Formulation, Appraisal and Approval
- III. Implementation
- IV. Evaluation
- V. Follow-up

The cycle would also include an Annual Review.

11. This does not mean that the phases automatically follow on one another in a strictly consecutive fashion, or that they are distinct events in themselves. On the contrary, the cycle is seen as a continuing one in which all the individual phases are interdependent and constantly reticulated with one another. Thus, for example, project formulation overlaps both the previous phase of country programme and the succeeding one of implementation. Here, the first step would be to work out in a more precise form the projects identified in outline in

the country programme, and the second, once the executing agent had been selected, would be to prepare the final, detailed description of the project which would form the basis of the plan of operation and, in practice, the initial step in the implementation phase. Similarly, the Annual Review would not only finalize the programme for the coming year. It would also consider new projects designed to meet objectives agreed upon in the country programme (Phase II), evaluate the progress on projects already in execution (Phases III and IV) and take any necessary measures to improve the follow-up action on completed projects (Phase V).

12. An outline of how the cycle as a whole would operate may help in understanding the detailed exposition of each phase which follows in later sections.

A. Country Programme (Phase I)

13. In this phase, representatives of the United Nations development system able to offer individual inputs, i. e. UNDP (with assistance from Specialized Agencies as appropriate), UNICEF, WFP and Agencies with operational programmes financed from their regular budgets and/or other funds (insofar as these concern development), would meet with the government, under the leadership of the Resident Representative, and agree on a country programme. This would be based on a prior socio-economic study of the country, the country's own development plan (where this exists) and an identification, first, of the needs in terms of total external resources required and, second, of those which might be met by the United Nations development system, given the type and approximate magnitude of the financial resources likely to be available from the latter source. This country programme would be synchronized with the country's own plan cycle, and would, ideally, embrace the whole range of inputs from the UN development system. It would also be harmonized with potential capital inputs from the UN system's financing institutions (the World Bank Group) and consistent with international monetary and trade policies. In this phase, the IBRD should play an important role and effective co-operation should be maintained with the Bank in all countries where it is operating, as also with the IMF and UNCTAD, where appropriate.

14. The country programme would describe the economic and social objectives to which, by mutual agreement, co-operation from the United Nations development system was to be directed and state, in general terms, the inputs required to attain these objectives, including as far as possible an itemized list of projects, worked out in preliminary outline only but with approximate costings. After appraising the programme, the Administrator would present it to the Governing Council for approval of the UNDP components. Those United Nations sources able to provide other inputs would take the necessary action in accordance with their own policies and procedures.

B. Project Formulation, Appraisal and Approval (Phase II)

15. Once the Governing Council's approval had been given, the second phase of more detailed project formulation would begin. For small projects, this should be a simple and straightforward operation. For larger and more complicated projects, the process would probably fall into two parts. It would be necessary to explore the project in greater depth, particularly with regard to its technical aspects, its expected impact, and the relative merits of alternative methods of attacking the problem. This initial phase and any subsequent more detailed work needed should be carried out by the prospective executing agent (see below under "Implementation"). Where two phases were necessary, the initial one would be financed from a preparatory allocation charged against the final cost of the project. The findings would provide the base document for the appraisal and approval of the project, which would be the responsibility of either the Administrator or the Resident Representative according to its size.

16. When approval was given, funds would be allocated for the duration of the project and responsibility for execution assigned in consultation with the government. It would then be for the Executing Agency or agent to establish details of the project which, once agreed with the government and UNDP, would constitute the plan of operation. The body responsible for executing a project should also draw up the plan of work.

C. Implementation (Phase III)

17. The phase just described would, in effect, be the first step in actual implementation of the project, and would provide the yardstick against which its progress could subsequently be measured.

18. In this phase, there would be greater freedom than at present in selecting methods and agents for executing the projects, in order to ensure prompt and effective delivery of the programme and avoid overloading parts of the United Nations development system. Financial accountability and overall responsibility for the operations would be firmly centred on the Administrator, in contrast to the present somewhat blurred situation. The Administrator would delegate maximum responsibility to the Resident Representative. Effective arrangements for a regular flow of information to UNDP Headquarters from the executing agent and the Resident Representative would ensure adequate supervision of each project's progress and provide valuable material for evaluation and follow-up.

D. Evaluation (Phase IV)

19. Evaluation would be a constant thread running through all other phases. It would be inherent in the detailed formulation of projects (where the plan of operation should provide a built-in tool of evaluation), in the appraisal of programmes and projects, and vital to the proper surveillance of projects under execution, and to the assessment and follow-up of a project's results once it had been completed.

E. Follow-up (Phase V)

20. The continuation of support to a completed project, i. e. follow-up procedures, would be strengthened, particularly with a view to creating a closer link between pre-investment activities (in the strict sense of the term) and any eventual investment decision.

F. The Annual Review

21. The country programme would be a major periodic exercise within the cycle, coinciding with the preparation of the national development plan. In between, there would be an annual review of the country programme during which the government and the responsible components of the United Nations development system would together examine the progress of the programme as a whole and advance the firm programme one year further ahead within the framework of the country's current development plan, thus introducing the essential element of flexibility. The Review would also provide a progress report for the Administrator and the Governing Council.

G. The cycle as a whole

22. When, at the end of the agreed period, the wheel came full circle, there would be another full-scale country programme exercise. This would not, however, be an automatic cut-off period since many projects would overlap from one programme period into the next. It would provide an opportunity for a major reassessment of the country's economic and social situation and of the requirements for co-operation with the United Nations development system over the next years. In time, the whole cycle should become a continuous process, the programme being projected one year further ahead every year within the national planning cycle, and periodically subjected to a re-examination in depth synchronized with preparations for the next national plan.

23. Against this background, each of the five phases is described in detail in the succeeding sections of this chapter.

H. Implementation of the proposals

24. Most of the proposals contained in this chapter are covered by existing legislation and could be introduced by simple decision of the Administrator. (In fact, some of the proposals made here are already under discussion, in part because they have been raised in the course of the Capacity Study, and may therefore already be in operation by the time this report is published.) The only major exception relates to the proposals for the "country programme"; the relevant section therefore contains a special passage at the end suggesting how this could be organized smoothly.

25. The proposed procedures would represent a major change for the Governing Council only in the sense that programmes of United Nations development co-operation would be

submitted for the Council's approval, instead of individual projects as at present. The degree of financial authority delegated to the Administrator would not be substantially changed for he would report regularly to the Council on his actions in implementing the programmes and the Council could intervene if members were at any time dissatisfied. In practice, the authority of the Council would not only be maintained but actively strengthened, for the procedures proposed would give the Council better control of the programme as a whole and reinforce its constitutional policy-making functions.

III. THE PHASES OF THE UN DEVELOPMENT CO-OPERATION CYCLE

Phase I: The Country Programme

A. Introduction

26. With the increased understanding that development is a lengthy business and embodies many varied and interlocking economic and social factors, there has been a parallel realization that development policies must embrace the whole complex of problems, with due regard for the often very subtle linkages and interactions between them. Accordingly, they should be projected as far ahead as possible, while still preserving the flexibility demanded by a situation which is constantly changing. Developing countries have been constantly exhorted - and the United Nations system has been in the forefront and has contributed substantially to the techniques involved - to work out national plans of several years' duration and to set up central planning machinery to co-ordinate policies and actions in the various economic and social sectors. Most countries have already adopted this practice, at least to some degree.

27. It follows that an international programme of development assistance which recognizes no other interests than the promotion of economic and social progress in the recipient countries must also plan, in consultation with the governments concerned, the long-term and integrated use of the resources put at its disposal. This has not been the case in the past and, although progress has been registered towards a longer-term and more integrated approach, different programming cycles and methods are still in force for the various inputs offered to the developing countries by the United Nations system, and even within UNDP itself.

28. At the same time, there has been an increasing realization of the importance of effective programming, as for example in the Administrator's Report to the Governing Council in November 1967. ^{1/} Furthermore, GA resolution 2188(XXI) setting up ECPC emphasized,

^{1/} "The programme has come to the end, more or less, of a first phase based largely on satisfying individual requests for assistance as they came in; (there is a need for) a more rational and systematic approach to programming." Future Needs for Pre-Investment Activity in Relation to the Administrative Capacity of the United Nations System to Programme and Implement such Activities, Report by the Administrator (doc. DP/L. 57).

among the basic objectives, "the evolution of an integrated system of long-term planning on a programme basis".

29. The Capacity Study has reached the conclusion that the measures taken so far are not sufficient and that, in order to evolve an effective United Nations development system, both at its present level or at an appreciably higher level in a few years'time, it would be essential to "programme" the use of all United Nations development resources involved. This would require a series of carefully defined and interdependent procedures and processes based on the premise that programming is not a once-for-all activity for each project or programme, but a continuous process which constantly needs to be reviewed, revised and renewed if multilateral aid is to respond effectively and flexibly to the needs of individual countries.

30. The Study has accordingly prepared a conceptual design of a system of programming which would link up with the conceptual design of a system for the collection, retrieval and storage of information which is described in the next chapter. It is therefore conceived as an integral part of a general system. It has been discussed with the Advisory Group and the Panel of Consultants, and its practicability in the field has been checked with Resident Representatives working in countries of varying characteristics, most of whom have reacted favourably. Indeed, it is encouraging to note that a very similar experiment is to be carried out in Venezuela this year, in the form of an overall review of the programme with the participation of all concerned, both on the government and on the international side. At first sight, it might appear that the proposed procedures are too complicated ^{1/} and would be difficult to apply in practice. This is not so. While the design is not meant to be rigidly applied, it establishes the main principles which, it is fully recognized, must be adapted in each case to fit local circumstances. In fact, the proposals have been worked out in much greater detail than is shown here in order to verify their practicability and adaptability to varying circumstances. The Capacity Study is of the firm opinion that, if the principles are applied flexibly, the system is perfectly workable. More importantly, the introduction of such a programming system is an indispensable condition for any effective expansion of the current capacity of the United Nations system. The question, then, is not whether it will work, but how to make it work.

B. Present system of programming

31. Before describing the proposed new procedures and processes, a brief analysis of those at present in operation may be helpful in understanding the nature of the changes suggested.

^{1/} It may be noted that over 100 separate administrative steps have been identified in dealing with a typical Special Fund project in the present operation.

32. To avoid longueurs in the main text, details of the programming procedures currently employed for the TA and SF components of UNDP, for UNDP regional projects, for the regular programmes of the Specialized Agencies, and for other inputs, such as those for UNICEF, WFP, SIS, the Freedom from Hunger Campaign, etc. are given in Appendix Two of Part V.

33. That analysis demonstrates plainly the considerable variety of programming cycles and methods used for the various inputs offered to the developing countries by the United Nations development system. Even so, this does not take account of the IBRD, which falls into a category of its own, and which conducts substantial operations in many countries, largely independently of the activities sponsored by the various organizations listed above. Even within UNDP itself, the timing and methods vary between the two components. Specialized Agencies often promote projects in their own particular field of competence without due regard to overall priorities, and the co-ordinating link provided through the Resident Representative is not endowed with sufficient authority.

34. Briefly, under the latest procedures which came into force at the beginning of this year, the TA component is programmed on a continuous basis, as and when individual project needs occur, within an annual country target (projected provisionally for three years more). Full project financing is required, and projects are approved by the Administrator for their full duration, up to a maximum of four years. Any savings are available for re-programming and the unprogrammed target at the end of the year can be carried over to the next year, up to a maximum of 50 per cent of the original target.

35. The latest changes have brought the TA procedures nearer to those of the Special Fund component, whose main characteristics are project-by-project appraisal and approval, combined with continuous programming, project financing, and approval for the whole duration of the project. The main difference between the two, apart from the different scale and nature of the projects eligible in each case, lies in the absence of a "country target" for the Special Fund component and in the fact that the Governing Council approves the projects, on the basis of the recommendations of the Administrator after consulting the IACB.

36. While it is usual to speak of the UNDP "programme" in a particular country, the net effect of these procedures is to produce a series of projects, which may or may not be inter-related, but certainly cannot be termed a programme in the strict sense of the word. There is no point at which a "country programme" is planned as a whole with due regard to the optimum overall use of available resources, from whatever source. This is not to say that no high priority projects are selected. On the contrary, very many bring great benefits to the recipients. But as Chapter Three has shown, there are too many hastily prepared projects, some of marginal value, where the opportunity cost is far greater than it should have been. When such misallocations of resources occur in the choice of Special Fund, TA or regional projects, the result is not only a less than efficient use of UNDP funds, but, more

seriously, the misemployment of the scarce resources of the country concerned, since it is in every case required to make a counterpart contribution. With every increase in the size of the UNDP programme, the greater become the possible distortions.

37. This danger has been realized and the new programming procedures under the TA component have grown out of a recognition that the level at which the programme is now operating requires a new approach. The changes represent an undoubted advance but, judging by past experience, it seems unlikely that procedural improvements alone can eradicate all the problems, many of which are very deep-seated. It is essential also to change some of the basic concepts about the functions and purposes of programming and devise new ones applying to the whole programme. This is one of the reasons for advocating a full merger of the two components.

38. The common thread running through the successive programming procedures adopted for EPTA and then the TA component of UNDP is the gradual evolution towards a country-oriented approach. But although a great deal has been written and talked about the "country approach", for various reasons, some of them organizational rather than procedural, it has not been possible to prevent some arbitrary judgements about priorities.

39. This is even more true of the SF component. Whereas the intention was to safeguard the quality of projects and to strengthen the influence of the Administrator over the content of the programme, the SF component has come to be characterized by an ad hoc approach to programme formulation and project selection. This permits arbitrary judgements and curbs progress towards a sense of overall direction and perspective in any given country.

40. There has, in the past, been a tendency to encourage governments to submit an ever-growing number of requests for SF projects in order both to demonstrate the need for an increased resource flow from UNDP to developing countries and to allow the Administrator a wider choice of projects. This, in turn, has stimulated the Agencies in their search for more requests, particularly since all projects approved in their field of competence automatically fall to them for execution. As a result, a queue of unapproved project requests has formed - the so-called "pipeline". Since this phenomenon has been described in Chapter Three, ^{1/} little more need be said here, except to recall that the present estimated backlog in the system as a whole of some 1200 projects would take four years to clear, even with an appreciable increase in resources, and represents a formidable strain on capacity.

41. One of the problems of a project-by-project system is the difficulty of comparing non-comparable entities. For instance: is a well-founded and well-constructed fisheries project in country "A" to be given preference over an equally well-founded and well-constructed forestry project in country "B"? Inevitably, a pragmatic solution has been found by selecting

^{1/} Para. 28.

projects on as equitable a geographical basis as possible, although it must be recognized that the system has so far tended to work to the advantage of more efficiently organized and the better-off among the developing countries. This phenomenon derives in part from the criteria applied to the selection of projects and in part from the demands made on recipient countries for counterpart and cash contributions.

42. The project-by-project operation also encourages the project approach to development in preference to the programme approach, and tends to look upon projects as an end rather than as a means of development. Projects do not always grow organically out of the specific needs of an individual country but sometimes reflect world-wide sectoral policies of an international organization which are not applicable indiscriminately. They are accepted by countries partly because the very condition of under-development renders them vulnerable to such suggestions, partly because they desperately need external resources and fear that the funds offered cannot be obtained for any alternative use, and partly because the voices coming from the individual Agencies find a ready echo in the corresponding technical ministry of the country concerned.

43. To these considerations must be added the fact that other inputs - UNICEF, WFP, and the non-UNDP-financed programmes of the Specialized Agencies - are each different again as regards timing and procedures, and that the link between these programmes on the one hand, and with IBRD and other sources of capital on the other, is not always as close as could be desired. One can well understand the perplexity of any developing country striving to dovetail the co-operation available from international sources into the framework of its own development plan and of other external assistance available. While such a situation was not too important - and was to a certain extent understandable - in the early days, the increased size of United Nations resources available today for technical assistance purposes has created a totally new situation. An operation which inevitably had elements of improvisation in the earliest days of multilateral technical assistance now offers a real opportunity to build up programmes with a long-term development impact. More importantly, the need to strengthen basic programming concepts also derives from the progress of a number of developing countries towards greater development awareness and greater confidence in their own ability to embark on planned economic and social development.

C. Recommendations for future action

(1) What is required

44. The new procedures proposed by the Capacity Study are designed to meet three fundamental requirements:

- (a) the systematic use of all resources;
- (b) the adoption of the "country approach";
- (c) the co-ordinated use of inputs of international resources.

45. The case for the country approach and for synchronizing the programming of the inputs of the United Nations system and integrating them into the planning cycle of each developing country has already been made in the chapter on "The Next Twenty-Five Years". ^{1/} The arguments will not therefore be repeated here, but it may be helpful to summarize some of the subsidiary requirements which stem from them.

46. First, because all countries are different, the programming of external resource transfers must be a highly individualized process, easily adaptable to the particular situation in each country. Flexibility must be the keynote.

47. Second, a valid country approach means participation in the process of development planning in a country and a continuing involvement with its development objectives, recognizing no interests extraneous to that purpose. By becoming an integral part of a planned development process, multilateral assistance would achieve coherence, although it might very well still operate in widely divergent fields.

48. Third, if this total involvement is to be achieved, programming must take place in the field and spring from a constant awareness of the problems, needs and plans at that level.

49. Fourth, in order to integrate national planning and international inputs, the resources made available from the United Nations system should be projected on a fairly long-term perspective, averaging around four to five years, according to the planning cycle of the country. ^{2/}

50. Fifth, in order to do this effectively, and enable the country to take multilateral resources into account when planning its development, it would be essential to have some idea of the amount of those resources that are likely to be available over the plan period. It must be clearly understood, however, that this would not be a country target for UNDP in the sense in which this term has been used for EPTA and the TA component. It would not represent a firm commitment on the part of UNDP or the other components in the United Nations development system that the "order of magnitude" specified would automatically be spent in that particular country or bestow on that country any inalienable title to those funds as of right. Rather, it would be an indicative planning figure, determined by the Administrator, which could be in the form of a wedge, i. e. indicating the upper and lower limits of the probable level of funds available, and could take into account the estimated rate of growth of resources likely to be put at the disposal of UNDP. Ultimate expenditure would depend on a number of conditions, such as the overall availability of funds and the prior completion of certain steps and objectives in an agreed programme.

^{1/} Paras. 69-100.

^{2/} This approach is supported in the Report of the Commission on International Development (op. cit. pages 180-181).

51. Sixth, although certain dates and time-limits would have to be observed for administrative reasons, programming would need to be a continuous and dynamic process.

52. Seventh, in order to apply a rational programming system of this kind for UNDP, it would be essential to achieve a complete merger of the two components, both as regards procedures and finance.

53. Eighth, the programming process would consist essentially of the joint determination by the government and the United Nations development system of the objectives which their combined efforts were designed to achieve. Projects would be secondary to these objectives and agreement on which objectives ought to be achieved would determine the further participation of an organization in the programming process and in the country programme itself.

54. Ninth, once an objective had been agreed as a co-operative effort by the recipient government and the United Nations development system, ways and means would have to be found of achieving it. Obviously, the system must retain its right to decline to undertake projects that do not meet criteria established by its governing bodies, or that it considered could not be executed efficiently. But saying "no" to a project proposal would not mean that the objective had been discarded, but rather that it would have to be reached by another path.

55. The considerations set out above, applied exclusively to UNDP, would already produce a very marked improvement in the programming process. However, it is obvious that full rationalization of the programming of the non-credit inputs provided by the United Nations development system would not be possible unless the other United Nations organizations also participated in the country programme exercise, under the co-ordination of the Resident Representative, so that all the resources of the system could be taken into account simultaneously. This would also have the advantage of offering a wider range of assistance tools. It is to be hoped that the organizations concerned will give serious consideration to this proposal. Similarly, it is essential that the IBRD, as the main credit organization related to the system, should be intimately associated with the programming process. ^{1/} Within the framework of the government's policies, it would be desirable to ensure harmonization, as far as practicable, with the trade policies advocated by UNCTAD, the monetary policies of the IMF, and any other global or regional policies or objectives which have been officially endorsed by the United Nations development system. (The reconciliation of the global strategy with the country approach, and the setting aside of separate funds for world and regional actions, has already been suggested in Chapter Four.) ^{2/}

^{1/} See footnote to para. 58.

^{2/} Paras. 71-81.

56. As was also suggested in that chapter, ^{1/} the best arrangement of all, in many cases, might be for the government to extend the "country programme" operation to cover all anticipated external co-operation of any magnitude, thus obtaining a general idea of the total external contribution likely to be available for the execution of its national plan. But even where this was not feasible, or the government, for its own reasons, did not consider it advisable, the more limited approach outlined above, embracing only the United Nations development system, would facilitate the programming of co-operation from bilateral and other sources outside the system. Thus, the clear delineation of the expected contribution of the United Nations system for some time ahead would make systematic co-ordination with other programmes easier. Some of the conclusions emerging from the "country programme" operation might even exercise a more direct influence. Indeed, with increasing experience of the process, it could be expected that some of the project needs, identified as essential for the attainment of objectives but exceeding the resources of the United Nations system, might be formulated and implemented by bilateral programmes. If the government so wished, UNDP might even assist in mobilizing associated forms of aid of this kind.

57. Programming is conceived to be a continuous operation, although the procedures may be conveniently divided into two interlinked phases:

- (a) Country Programme
- (b) Annual Programme Review

58. Obviously, the role of the United Nations development system in assisting a government to meet its needs cannot be determined in isolation, but only in the context of the overall priority needs of the government in reaching its development objectives, and of the role of all external sources of aid, both multi- and bilateral. The first prerequisite is an assessment of the country's socio-economic position, its problems, resources, potentialities and its development plan, where this exists. In a number of cases, country studies of this kind are already

^{1/} Para. 99.

in existence, some through the IBRD, and others, of a somewhat different type, through the IMF. ^{1/} Where such studies are not available, the government should be encouraged to carry them out, with whatever external assistance may be necessary. In certain cases, a country study or inventory of conditions may well be made through UNDP field offices, using existing field staff. UNDP should therefore strengthen its capacity in this respect so that it may assist governments wherever appropriate.

59. Participation and involvement in the development efforts of the country by the United Nations development system signifies shared responsibility with the government for the outcome of these efforts. It is therefore essential that any advice given to a country by the system on the selection of objectives should reflect, so far as possible, the joint views of all United Nations bodies concerned, including those components of the system which are not

^{1/} Since this conceptual design was completed, the President of the IBRD officially informed the Commissioner that the Bank now intends to send regular economic review missions, at the same period each year, to about thirty of the larger developing countries and to mount comparable missions to the smaller developing countries in a regular two- or three-year cycle. The reports they produce are intended to provide the following:

- (a) An evaluation of the situation and prospects of the economy;
- (b) An analysis of the country's development objectives and of the major development obstacles and assets of the economy;
- (c) An informed judgement concerning the appropriate development strategy to be pursued by the government concerned and the likelihood that it will take the action required to carry out that strategy;
- (d) An assessment of domestic and external financing requirements and of the possibilities of meeting them;
- (e) An analysis of the principal pre-investment surveys and studies required to carry out the development programme and of the relative priorities of those requirements;
- (f) An appraisal of the available machinery for planning and for the formulation of economic and financial policy; and
- (g) An analysis of the problems of investment and resource mobilization and allocation within the economy and among sectors, of external debt prospects, of appropriate borrowing terms, and of credit-worthiness.

The Bank intends to seek the co-operation of several components of the United Nations development system, particularly the UNDP, with regard to the analysis of pre-investment requirements and priorities. These missions should clearly help to provide the basic country data referred to in the text.

directly involved with providing inputs, but have a general policy interest in the manner described in paragraph 55 above. This advice would need to be based on a realistic assessment of the potentialities of the country concerned, including the availability and distribution of financial resources, the amount of permissible deficit financing, the ability to repay loans and to assume the burden of recurrent expenditure, and the ultimate investment possibilities.

(a) Country Programme

60. The purpose of the country programme should be to establish, within a financial planning framework synchronized with the formulation of national development plans, those objectives outlined in the country's development plan which, by mutual agreement, the United Nations development system will help the government to achieve. It would then describe in general terms the type of inputs which might be required to meet those objectives over the period of the plan. Where countries did not possess a detailed development plan, the process would have to take place against the background of the government's known economic and social priorities. It would necessarily be a less precise exercise, but it should be possible to work out the activities on which the inputs from the United Nations system should be concentrated over the next few years in order to give effective support to the government's selected development objectives. In such cases, there should be a determined effort by UNDP to assist the government in improving its planning machinery and methods, as well as the calibre of its planning personnel, so that the country programme exercise improved from one period to the next.

61. Reference has already been made in paragraph 50 to the need to establish a notional order of magnitude, or financial planning framework, at least for the UNDP effort in each country during a given period, and, if possible, for that of other elements of the United Nations system. A system of country targets is already in operation for the TA component of UNDP, while a de facto one exists for the SF component. The new combined order of magnitude could initially be determined, under the guidance of the Governing Council, by the Administrator on the basis of present experience and practices, subsequently adjusted, taking into account such matters as validity of programmes, performance, availability of projects, and other criteria. The implications of such a system for the overall financial management of UNDP's resources are examined in Chapter Nine. It would clearly be helpful if other programmes, such as UNICEF, WFP, and the relevant Agency operational programmes not financed by UNDP, could also establish similar orders of magnitude by country, thus facilitating simultaneous and co-ordinated programming in the country itself of all non-credit inputs from the United Nations system. 1/

1/ The World Food Program might experience difficulties in such long-term programming because its resources may fluctuate from year to year, as does the capacity of countries to absorb WFP assistance. However, the programming of WFP assistance should, to the greatest extent feasible, interlock with that of UNDP technical co-operation.

62. The logical, integrated sequence for establishing a country programme is:
- (a) assessment of a country's socio-economic position;
 - (b) identification of overall country development objectives and the strategy for achieving them;
 - (c) identification of the role of external aid within that strategy;
 - (d) identification of the role of the United Nations system in assisting the government to reach the specified objectives in its development plan;
 - (e) an itemized United Nations country programme, synchronized with the period of the development plan, describing in general terms the inputs that may be required to meet the objectives in (d) above; this could either cover UNDP alone, or could include inputs from other components of the United Nations development system insofar as they were able to participate.

Those elements of the United Nations system that were involved in the exercise would automatically participate jointly with the government in (d) and (e), but they might also be involved in the earlier phases if the government so desired, and according to the circumstances of the case.

63. The UNDP inputs in the country programme could range from large-scale efforts (ex-SF type), to one short-term expert or fellowship (ex-TA type). In each case, the inputs likely to be required on the part of the government and from the UNDP for the whole period should be stated in general terms. The programme submitted would make provision each year for a reserve to be kept free and used as a cushion against any shortfall or increase in planned resources and to provide flexibility for short-term projects, modification of long-term projects, and contingencies. This reserve could be programmed during each following Annual Programme Review. Once the UNDP programme had been approved by the Governing Council, programme earmarkings would be made. Within these earmarkings, a project could be approved and a financial allocation made for its entire duration. ^{1/} Appropriate action to implement the agreed programme according to their procedures would also need to be taken by any other components of the United Nations development system involved.

(b) Annual Programme Review

64. Every year, within the period covered by the country programme, a review would be held jointly with the government in order to finalize the programme for the coming year. On the basis of project evaluations by the field staff (see Phase IV), the progress of on-going projects would be assessed to determine their continued validity and any necessary modifications in existing plans of operation. Proposals for new projects designed to meet objectives

^{1/} Further details of the financial arrangements for the cycle are given in Chapter Nine, paras. 13-41.

agreed upon in the country programme, and follow-up on completed projects, would also be considered. The findings of each review, insofar as they concerned UNDP, would be transmitted to the Administrator and presented to the Governing Council on an annual basis. Here again, any other parts of the United Nations development system providing inputs for the implementation of the country programme would automatically participate in the Annual Review, and would need to take appropriate action to carry out its findings and keep their own governing bodies informed.

(c) Division of responsibilities at the country level

65. All of the programming phases described in the previous sections must take place in the country concerned with the Resident Representative co-ordinating the negotiations with the government, supported where the need arises by a representative of UNDP Headquarters.

66. Country Programme. The Resident Representative would need appropriate support to co-ordinate the international participation in the country programme. He would have technical advisers on his staff already (see Chapter Seven) but, in many cases, he would need to supplement his team with other specialists. He would also have to co-ordinate the UNDP component with other aid inputs of the United Nations system, such as UNICEF and WFP, or the operational programmes of the Agencies not financed by UNDP. The government may wish to take advantage of the experience of the Specialized Agencies by seeking their advice on specific economic and social sectors, whether in connection with the assessment of the socio-economic situation (step (a) in paragraph 62 above) or in the identification of the country's development objectives (step (b)). Again, when the final stage of the country programme was being worked out, (step (e)), the Resident Representative would probably wish to consult with Specialized Agency staff in relation to specific aspects of the UNDP element, as well as with regard to any non-UNDP programmes involved. In all the cases mentioned, the Agency staff concerned might already be part of the Resident Representative's office, might be available in the region, or might be sent specially from the headquarters concerned, according to the importance of the programme. The final decision on the proposed UNDP programme submitted to UNDP Headquarters must, of course, rest squarely on the government co-ordinating authorities, assisted by the Resident Representative.

67. The fundamental consideration throughout is the need to draw upon all the resources of knowledge and experience in the UNDP and other components of the United Nations development system, as appropriate, and including those of all relevant policy-making bodies, as well as those actively contributing inputs in order to develop a consistent programme. There are various ways of doing this and the choice must depend on a number of factors, such as the size of the country, its level of development, the qualifications of international personnel available on the spot, and the degree of experience and skill in the country's own planning machinery.

68. Annual Programme Review. This Review would be co-ordinated with the government by the Resident Representative, or by a representative from UNDP Headquarters. Assistance would be forthcoming from the Resident Representative's technical advisers and, as appropriate to the needs of the country, from representatives of whatever organizations were concerned with the planning and implementation of the programme.

(2) The process of decision-taking

(a) At the inter-governmental level

69. So far as UNDP is concerned, the Governing Council would no longer approve batches of unrelated projects but instead would consider UNDP country programmes prepared on the lines described. Since these would be synchronized with national development plans and cover the whole period of those plans, the submissions would be staggered and the Council would consider different programmes at each session. The advantage would be that, instead of discussing individual projects in isolation, the Council could examine each proposed programme as a whole, and in depth, taking its decision against the overall economic and social background in each case. Once the Governing Council had set the seal of approval to the programme, this would apply to the whole period, say, five years, and the programme would not automatically come up to the Council until that time had elapsed. However, reports on every programme would be presented to the Council annually, based on the findings of the Annual Programme Review. If the Administrator wanted to alter the programme earmarkings by, say, more than 10 per cent either way, because a country programme was going better or worse than expected, he would need to refer this to the Council's decision. If there were a change in the level of total resources, the Administrator would be empowered to distribute this between individual country programmes, but referring every recommendation for exceptions to the Council. Similarly, if any Council member wished to raise a question arising out of the Annual Report, he could do so.

70. In this way, the Council would be better informed about the progress and impact of the programme as a whole and thus be in a better position to control and determine policy. ^{1/} Moreover, the programming system would permit a clearer view of the continuing needs of developing countries in the foreseeable future and thus give contributing countries an idea of the level of funds required to meet them.

^{1/} It might be worthwhile considering a change in the timing of the Council's twice-yearly sessions so that its deliberations could have the maximum impact on key points of the Development Co-operation Cycle. Thus, an autumn meeting, after the Pledging Conference (which might have to be a little earlier than at present) but sufficiently in advance of the year-end, would be well placed to approve indicative planning figures, and country programmes for the next calendar year; while another meeting in early Spring would allow time for annual reports on the preceding calendar year to be prepared for the Council's consideration at that session.

71. Sources of United Nations development assistance other than UNDP (notably UNICEF and WFP), operating under their own legislation and decision-making processes, would need to adjust these processes appropriately if they decided to participate in the country programme. To the extent that closer forms of co-ordination could be achieved between the Governing Council of UNDP and the governing bodies of the main alternative sources of non-credit inputs (notably UNICEF and WFP), the process of approval would naturally be facilitated.

(b) At the secretariat level

72. UNDP Headquarters would:

- determine the provisional "order of magnitude" of the country programme;
- determine the method to be used in formulating the country programme (for instance, the composition of the team, timing, etc.);
- appraise the country programme and submit it for approval to the Governing Council.

73. The purpose of the appraisal of a country programme by UNDP Headquarters would be to establish its potential impact, cohesion, and overall soundness. It should be an expeditious operation, based on consideration of all available information. The functions of the field (including the Resident Representative) at this stage would be to provide any additional information that may be needed.

74. The secretariats of other parts of the United Nations system which decided to take part in the country programme would need to take such decisions as are consonant with their own legislation and procedures.

(3) Implementation of recommendations

75. From an overall management point of view, it would probably be preferable to introduce the new system as a general policy as soon as possible. As a first step, it should be possible to organize an Annual Review in every country almost immediately, preferably timed to coincide with the national budgetary cycle. While it would be clearly administratively unmanageable to draw up a first country programme in every country simultaneously, the new procedure could be introduced as the national development plans of the recipient countries came up for revision. A common programming cycle might be proposed for sub-regional groupings of Member States having a degree of common economic planning. In the case of countries with no national plan, it would be necessary to agree on a time-table with the government concerned, in doing which the UNDP would have to bear in mind the need to achieve a feasible overall timetable, staggering the workload as evenly as possible over the period of time required to make the new system fully operational. There will thus inevitably be a transition period before all countries are involved in the new system and this should be used to introduce as many of the features of the new system as practicable.

76. The alternative would be to postpone a general policy decision until the system had been tried out on an experimental basis in a number of countries, preferably chosen because of their differing characteristics, level of development and sophistication of planning machinery. However, the Capacity Study does not favour this for a number of reasons. First, it is confident that, basically, the proposed system is sound and will work. Second, no "perfect" model can be devised which would be automatically applicable to every country; the system will have in any case to be adapted to individual circumstances and the design is flexible enough to permit this. Third, as stated at the outset, one of the most immediate and essential requirements of the United Nations development system is a more systematic approach to programming. Without this, both its current and its potential capacity will be necessarily limited. Finally, it will be observed that these procedures form an integral and vital part of the proposals put forward by this Study, all of which are intimately related to each other. Postponement of this stage will therefore make it very difficult to apply any of the other recommendations and will certainly reduce the efficacy of the measures advocated.

77. There remains the question of how this country programme process would link up with the new IBRD economic review missions described in the footnote to paragraph 58. As indicated there, official details were received too late to permit the Bank's plans to be analysed in depth in relation to the conceptual design for programming advanced by the Study. However, given that the objectives of both the Bank and of the present proposal are consonant with one another and should enable the two organizations to work closely together on the basis of an integrated country programme, covering both pre-investment and investment projects, no conflict of principle arises. No difference of interpretation of their respective and complementary roles should arise in practice, provided that the pre-eminent responsibility of UNDP for the pre-investment and technical co-operation activities which it finances, and the need for a concerted approach to those activities by the Specialized Agencies, are assured, since they together represent the nub of the Capacity Study's proposals. This would mean that, while representatives of the Specialized Agencies would naturally be full members of a Bank mission for the purpose of sectoral analyses, they would work under the leadership of the Resident Representative, or the Administrator's representative, in all matters concerning the programme financed, or proposed for financing, by UNDP. Similarly, the Bank's pre-eminent responsibility for investment activities would also be recognized. A point of timing arises since the Bank's missions will normally be more frequent than the country programme exercise, even in the smaller countries, and synchronization with the planning cycles of individual countries does not appear to be foreseen. Obviously, it would greatly assist the dovetailing of the two exercises if prior agreement could be reached in good time between the government, the Bank and UNDP (as well as any other major donor who might be involved, at the request of the government, as suggested in paragraph 56) as to the best time for the Bank's mission in relation to the country programme and the Annual Review.

Phase II: Project Formulation, Appraisal and Approval

A. Introduction

78. Project formulation is perhaps the most important phase of the whole cycle on which the success or failure of the co-operation offered by the United Nations system to the developing countries ultimately depends. Time and again, hasty or faulty project preparation has been identified as the main cause for both multilateral and bilateral projects to fall short of their objective.

B. Present procedures

79. The main feature of present "programming" (described in more detail in Appendix Two in Part V of the Report), both for the TA and SF components, consists mainly of preparing an aggregate of individual projects, rather than an integrated "programme" in the sense that that concept is used here. There are, however, certain aspects which need to be brought out in greater detail as background to the recommendations made later in this chapter.

(1) TA component

80. Possibly because the TA component, and EPTA before it, have tended to emphasize the provision of single experts required to act as general advisers in a particular field, rather than of teams of experts working together to achieve a specific objective, the TA biennial programme, which was in force until the recent introduction of "continuous programming", more often than not took the form of a list of experts with accompanying job descriptions, rather than of projects with well-defined goals and a time-scale for their achievement. There has been an undoubted improvement over the years with the introduction of "project programming", which encouraged governments to anticipate their needs for outside co-operation for the entire project, if necessary beyond the current biennium, and required that all requests should be supported by a detailed project data sheet, defining objectives, the exact nature and duration of the assistance needed from the United Nations development system, and the contribution in personnel, money and facilities to be provided by the government. ^{1/} In practice, however, "project programming" of the TA component tended to become a formality, and in many cases the government requests for the succeeding biennium bore little resemblance to the projections made two years earlier. The new procedure of "continuous programming" which became effective in 1969 ^{2/} was designed to correct these shortcomings but has not been in operation long enough to permit any judgement.

^{1/} These data are usually compiled on the spot by the government, with the help of the Resident Representative and/or of Specialized Agencies' representatives, to a greater or lesser degree.

^{2/} See Appendix Two in Part V.

(2) SF component

81. Since SF projects are usually larger and more costly, are directed to the achievement of some well-defined objective, such as carrying out a survey or setting up a training institution, and are funded for the whole of their expected duration, the practice has been to formulate them in considerably greater detail. Frequently, this has become a distinct phase in the preparation of the project.

82. Notwithstanding, the formulation of SF projects has often proved unsatisfactory in practice. The cause is probably to be found in the manner of the original selection of the project which, for the reasons given in the section on the country programme, does not enjoy full government support. In such cases, the project description and the eventual plan of operation may easily gloss over reality in some important respects, especially as regards the efficacy and availability of government counterpart support. Then again, the practice of "selling" projects, either based on models that have done well elsewhere, or which enshrine some world sectoral objective proclaimed as a general priority at a conference, leads to the development of a prototype project roughly adapted to local conditions by appropriate changes of place names, descriptions of government organizations, and such details, but not tailored to fit the real local idiosyncrasies and interests which can make or break a project. In other words, instead of measuring and cutting the cloth on the spot in accordance with individual circumstances and wants, a ready-made garment is produced and forced to fit afterwards.

83. A further grave weakness develops when UNDP consultants and Agency technical advisers work on the formulation of a project at different times; then differences of opinion are subsequently resolved only at the expense of time, money, and often of efficiency. But probably the greatest defect derives from the fact that the project and the plan of operation are not formulated by the person who will be responsible for its execution. Not infrequently, the person or persons who plan the project have no further connection with it and this initial work may even be carried out by a series of unrelated people. There is thus no continuity. Despite the welcome increase in the association of project managers with the preparation of the plan of operation, this state of affairs still often prevails.

C. Proposed new procedures

84. Within the framework of the country programme, the process of project formulation and approval of projects, once formulated, will be a continuous, on-going function, not subject to any arbitrary deadline. Projects will not be approved until the authorities responsible are satisfied that they are practical propositions likely to attain the objectives of the country programme; the process of formulation should be a rigorous test of the projects in the country programme, and any which failed the test would be rejected, alternative methods being sought to achieve those particular ends. Their preparation will be the responsibility of the Executing

Agency or agent, who should ensure that the project manager is associated with the detailed planning work from its inception in order to ensure continuity of responsibility and a realistic assessment of the circumstances in which the project is likely to operate.

85. This process will work in the following way. The overall country programme, planned for several years ahead, will define the development objectives agreed between the government and the United Nations development system, reflected in a list of outline projects designed to attain these objectives. The list will almost certainly not be complete, others being added to it during the course of the cycle. Moreover, some of the projects will be described in more detail than others, with approximate price-tags where possible, as guidance for the Administrator and the Governing Council (in the case of UNDP) for the distribution of resources between different objectives. It is unlikely, however, that any of the projects will have been formulated or costed in final form at this stage.

86. This work, then, is the next step after the preparation of the country programme, once the general area of activity has been mutually agreed between the country, on the one hand, and UNDP and other components of the United Nations development system on the other. Work on individual UNDP projects need not necessarily await the approval of the overall programme by the Governing Council since the Administrator would have, as now, the authority to provide preparatory assistance and undertake preliminary operations where necessary. At all events, this work should start promptly to meet the overall timetable forecast in the country programme.

87. As for the work itself, it is clear that different methods are needed for formulating multidisciplinary, long-term projects, as compared with a medium-term training programme or a one-man advisory mission. In the latter case, project formulation should normally be possible on the spot, with no outside assistance. As a rule, however, preparatory assistance would be necessary for the crucial phase of formulating larger projects in order to carry out preliminary investigation, surveys and research, and to check data and the availability of domestic resources. In the case of the most substantial undertakings, such as area development projects, a preparatory team of several specialists might be needed for two or three years and might, indeed, constitute a separate, preliminary project, on the results of which the decision to proceed with the major project would depend. In all cases, it would be essential for UNDP Headquarters to elaborate the criteria to be applied in appraising projects and to make these known to governments and its field staff.

88. The content and degree of complexity of a project description could vary widely. The same detail would obviously not be needed to describe a one-man expert mission for three months as would be required, for example, for a multipurpose river development project covering a wide variety of activities and a number of years. But, however brief, the information contained in the project description should always be sufficient to provide a yardstick for

adequate appraisal of the project and for evaluating its later performance at every stage of implementation, both during and after the period for which external project personnel will be made available. The main aspects needing to be covered are:

- the purpose and objectives of the project;
- its place in the development plan and its relationship to other preceding, on-going or planned activities in the same or neighbouring sectors;
- the relation to other external development assistance, both multilateral and bilateral;
- the institutional framework;
- the necessary inputs from donor and recipient, i. e. a full project budget;
- the methods of work and the tools to be applied to the problem;
- estimated costs and expected benefits;
- a network analysis, i. e. a schedule showing what is to be done at intervals throughout the project's life and who undertakes to do it;
- provision for built-in evaluation (managerial and substantive information);
- follow-up action and investment implications (including a description of the type of data which would be required by a potential investor, and which must therefore be provided in the final reports) and the steps that the country is expected to take after the project personnel leave.

89. The document to be prepared on the basis of the above project description would serve as a "plan of operation" which must be agreed between the government and UNDP and endorsed by the executing agent.

D. Who does what in project formulation

90. In the case of smaller projects, consisting of one- or two-man advisory missions, project formulation would be the joint responsibility of the government and the Resident Representative, with advice, as appropriate, from technical personnel on the Resident Representative's staff or from Specialized Agency advisers available in the country or the region.

91. For larger projects, involving large-scale inputs and/or a team of experts, detailed project formulation would be the joint responsibility of the government, the project manager and the Resident Representative. It is essential that the organization called upon to assume responsibility for the execution of the project should take part in the detailed planning of the work from the earliest possible moment. The role of the project manager is therefore crucial and he should be appointed immediately. He should be able to call on whatever assistance is needed in the form of additional experts, short-term consultants and, where appropriate, representatives of prospective investors. In the case of relatively smaller or short-term ventures, the assistance could be given by any qualified experts available on the spot or by special consultants. In all cases, the nationals responsible for the project should

participate as a matter of course. There may also be cases where a bilateral aid agency could be associated with the formulation of the project, for instance, where multi- and bi-lateral technical co-operation programmes join forces or are dealing with related problems. The Resident Representative also has an important general responsibility for this phase, to ensure that the project is consistent with the approved programme, to advise the Administrator as to the project's viability or, when authority has been delegated to him (see paragraph 95), to decide whether to approve it or not.

E. The process of appraisal and approval of projects

92. The purpose of the appraisal of the individual project request, after its formulation, would be to establish its validity, including cost-benefit ratio (where feasible), technical soundness, the ability of a country to absorb, support and continue the effort, and so forth. This would be done on the basis of a set of criteria: socio-economic, technical, managerial, organizational, commercial and financial. At this stage, it would also be important to ensure that the now fully formulated project conformed satisfactorily to the approved objectives and to the general plan of activities as approved by the Governing Council and that no major change of purpose had occurred.

93. Appraisal would take place at UNDP Headquarters 1/ in the case of projects of sufficient magnitude, and at the country level in the case of smaller projects. Specialized Agencies could perform technical appraisals when requested by UNDP Headquarters, or by the Resident Representative in the case of smaller projects.

94. Appraisal of projects should be scheduled so that preparatory assistance dovetails into project operations. Thus, operation would grow organically out of preparatory assistance through the medium of the plan of operation which should emerge from the project description.

95. Once all aspects of the project had been examined and the appraisal satisfactorily completed, the project would be deemed ready for execution and so approved. Within the framework of the objectives and general outline of activities approved as the "country programme" by the Governing Council, authority for the approval of all projects would be delegated to the Administrator of UNDP. He, in turn, would be empowered to delegate authority to the Resident Representative for the approval of projects, as appropriate in each case, but within an outside limit of a total cost of US\$100,000 2/ for the duration of each project for which authority is so delegated. Descriptions of such projects would be circulated to Governing Council Member Governments at the time of their approval, while the annual progress report

1/ In the Regional Bureaux described in Chapter Seven, paras. 91-92.

2/ This would be about the equivalent of one expert for four years.

presented to the Council would show the number, nature, size and cost of the projects approved by the Administrator during the previous twelve-month period and indicate their place in the overall country programme previously approved by the Governing Council.

96. In this way, the formulation, appraisal and approval of projects would go forward in a continuous, thorough and expeditious manner, ensuring at the same time continuity of responsibility and consistency of approach.

Phase III: Implementation

A. Introduction

97. Project implementation, as one of the phases of the "co-operation cycle", covers not only "execution" (in the present sense), but also certain phases of project formulation and follow-up. In other words, when the Administrator, having accepted responsibility for UNDP participation in a project, contracts with an Agency or agent, the contract will include:

- (a) elements of project formulation, essentially a work plan and network analysis, embodied in the plan of operation;
- (b) execution, or the undertaking of the tasks defined in the plan of operation; and
- (c) necessary follow-up action, which will have been provided for in the plan of operation.

98. This section therefore necessarily overlaps the previous one on "project formulation" and the later one on "follow-up". While it may seem arbitrary to have treated three interdependent subjects separately, it was deliberately decided to do so in the interests of more lucid exposition of a complex process. Moreover, as explained in the general description above of the "UN Development Co-operation Cycle", interlocking does not stop there since project formulation also has close links with the earliest stage of preparing a country programme.

99. Like all other phases of the UN Development Co-operation Cycle, implementation must be a joint and co-operative enterprise between the government and the relevant elements of the United Nations system. It should be noted, however, that this section deals only with the UNDP-financed programme and not with other components of the United Nations development system which might, eventually, participate in the "country programme" in accordance with the view advanced in that section; if that came about, special measures would need to be worked out to ensure similarly complementary and interlocking action at the implementation stage. The present section also restricts itself to the factors that lie principally within the control of UNDP and the Participating and Executing Agencies. The problems arising over government counterpart support have been analysed in Chapter Three, and some solutions have been proposed in this chapter by way of better programming and more realistic project

formulation, while Chapters Four and Nine propose more flexibility in establishing counterpart obligations according to the circumstances of individual countries. For present purposes, therefore, the role and contribution of the government will be taken as given.

B. Present procedures

(1) TA component

100. The Expanded Programme of Technical Assistance was originally envisaged as a supplementary source of finance for those activities of United Nations organizations which were directed toward the assistance of developing countries. ECOSOC resolution 222(IX) prescribes that the funds available to the programme through voluntary contributions by governments shall be distributed to the Specialized Agencies according to a system of percentages (so-called Agency shares). Accordingly, projects financed by EPTA were naturally assigned to the Agencies for execution. Later legislation introducing country programming (which entailed the elimination of Agency shares), consolidation with the Special Fund, or the latest programming procedures, have changed nothing in this respect. Once the Administrator has approved a project formulated by a government with the assistance, in most cases, of a Specialized Agency, he makes a financial allocation to the Agency, which undertakes responsibility for implementation. However, the Agency does not report to the Administrator on the progress of the project, except in terms of financial accountability. The Resident Representative, in a semi-annual report to the Administrator, comments on the progress of operational projects, describing major problems or shortcomings. Upon completion of a project, he also reports on achievements and subsequent follow-up activities.

101. Traditionally, all TA projects are executed directly by the Specialized Agency concerned, probably because of the EPTA practice and because, on the whole, the projects are rarely of a size to merit subcontracting. However, the Agency is not systematically held accountable for efficiency or for the fulfilment of the objectives of the project.

(2) SF component

102. GA resolution 1240(XIII), establishing the Special Fund, states that "the Managing Director shall have overall responsibility for the operation of the Fund" (paragraph 21) and shall "make appropriate arrangements to follow the execution of projects" (paragraph 42). The resolution further provides for the Administrator to "contract" the services of other agencies, private firms or individual experts, in case the services of the United Nations system members are "wholly or partially unavailable or inadequate". Except for two cases, the Administrator has, in practice, called upon the Participating Agencies exclusively and has given them full responsibility for implementation.

103. From the start of the Special Fund, administrative provision has been made for the subcontracting of all or part of these projects by the Executing Agency concerned, notably those of a particularly large size, or those involving especially complicated techniques (e.g. the aerial geophysical component of a minerals survey). Sometimes, the selection of this method has been specified in the plan of operation, but often the decision has been left to the Specialized Agencies responsible for the overall execution of the project. The extent to which Agencies have resorted to this device, which relieves them of much of the day-to-day burden of execution, recruitment, etc., but not of technical supervision, has varied considerably. 1/

104. The Administrator receives semi-annual reports from the Executing Agency and "monitoring" reports from the Resident Representative on the progress of projects. UNDP Headquarters also undertakes periodic reviews with individual Agencies of the projects assigned to them; these usually take place at the headquarters of the Agency concerned. When necessary, the Administrator does call shortcomings in project operations to the attention of the Agencies, either through correspondence or at the appropriate Agency Review meeting, but he has no control over the action taken subsequently. Should a project be delayed or badly executed, therefore, the Administrator has virtually no alternative but to accept the situation if the Agency is unable to effect a remedy.

C. Present performance of the Participating and Executing Agencies

105. It is unnecessary to comment at length on the strengths and weaknesses of the present performance of the Agencies involved in delivering the programme. That much valuable service has been given is undeniable, as also is the fact that there is great need for improvement, as has been shown in Chapter Three. Suffice it to say that some of the Agencies - notably the larger ones - have found it difficult to live up to the commitments which they undertook when accepting the responsibility for executing projects. This is due in part to their failure to assess accurately the capacity and ability of governments to fulfil the planned project requirements and, in part, to their inability to recruit competent personnel expeditiously and to provide adequate administrative and technical backstopping. The result has been delays in implementation, sometimes so lengthy as to be seriously prejudicial to the success of the individual project, and so prevalent as to affect a large proportion of the total programme. 2/ It has also led to an increase in costs and, more seriously still, to an excessive delay in the final reports on SF projects that are vital to follow-up action and any eventual investment. 3/ It is

1/ See Chapter Three, para. 53, and Graph 3.5.

2/ In March 1969, it was reported that over one-half of SF projects were running behind schedule.

3/ This statement reflects the situation at the time of writing the Capacity Study. It is hoped that it will be considerably improved by the new reporting procedures, introduced in the last half of 1969, which reduce the requirements for final reports, but it is still too soon to judge their practical effect.

possible, though this cannot be confirmed statistically for the whole programme, that delays in the delivery of the TA component have been less, but this may only be a reflection of the fact that once a TA post is filled it often continues for a long period even though there was serious delay at the outset. But even here, postponement of the recruitment of a key expert in an important sector can make the government's plans go sadly awry and cause dislocation out of all proportion to the cost of his services.

106. This situation has arisen partly because the Agencies, apart from WHO, were not designed, at their inception, to undertake operational responsibilities, ^{1/} and partly because of the very rapid growth of these responsibilities.

107. It is true, as has been discussed elsewhere, that the Agencies have striven to adapt themselves to their new and expanding operational role by internal reorganizations and, in some (though by no means all) cases, by greater use of subcontracting. In several of the Agencies, however, such measures have not proved adequate to offset the existing deficiencies even at the present level of resources. Any projection based on the assumption that development co-operation offered through multilateral channels must at once increase greatly in size and improve in efficacy thus leads to the conclusion that some Agencies cannot continue to carry this burden alone. Certainly they cannot do so without prejudice to their constitutional policy-making and standard-setting functions which remain their prime contribution toward the creation of a world order.

D. Proposed future policy for execution

108. It is imperative to find remedies for these increasingly serious bottlenecks in implementation. The need becomes even more pressing when considered against any perspective of increased responsibilities.

109. Obviously, there are many administrative and organizational changes which could greatly ameliorate the functioning of the present system, and these are dealt with elsewhere in the Report. Here, three measures which embody important concepts of principle which the Capacity Study considers are fundamental are advanced. They are:

- (a) clear pinpointing of overall responsibility for the implementation of the United Nations Development Programme (now diffused throughout the system) on the Administrator;
- (b) wider use of subcontracting, particularly by the larger Agencies and for larger projects;
- (c) abandonment of the hitherto exclusive and automatic use of the Specialized Agencies as executing agents.

^{1/} Cf. Chapter Two, para.10.

110. With a full merger of the two components of the present United Nations Development Programme, it is imperative that, if the Administrator is to provide a prompt and effective response to the specific needs of individual countries and be properly accountable to the Governing Council, he must be assigned full responsibility for the entire operation, including implementation of projects. He should exercise his authority in determining, in agreement with the government concerned, the means by which each project can best be implemented in an expeditious and efficient manner. He should also devise effective means of performance surveillance, i. e. the continuing oversight of all aspects of the Executing Agencies' or agents' performance in fulfilling the terms of the contract or agreement, so that he can call their attention, as necessary, to any features likely to affect its ultimate results and indicate the action he wishes to be taken. Ways and means of doing this will be discussed in the following paragraphs.

111. As has been shown, subcontracting has been sparingly used, except by IBRD, and, to a lesser extent, by WHO and UN, and the decision on this has generally been left to the Specialized Agencies. ^{1/} There should be much greater and more deliberate recourse to this device, including the subcontracting of whole projects, if more efficient use is to be made of resources, both at present levels and in the event of any increase. It is therefore proposed that the Administrator, in consultation with the government, should stipulate when the subcontracting method should be used.

112. The third point (made in paragraph 109 above) is really an extension of the second, but represents a more substantial departure from previous practice. In the past, as has been shown in the previous section, it has been taken for granted that, once a project was approved, its execution would be entrusted to the Specialized Agency responsible for that particular field of competence, despite the leeway allowed in the legislation for adopting alternative methods in certain circumstances. Discussion on this point has taken place only when an area of activity was claimed by two or more Agencies, or when the project was multidisciplinary and a decision was needed as to which Specialized Agency should take the lead. In other words, the Agencies have had a virtual monopoly of the execution of UNDP projects.

113. The process has not been accidental and its raison d'être is not hard to find. In the first place, there are within the United Nations development system natural intra-familial loyalties. Secondly, the Specialized Agencies in the system have accumulated world-wide knowledge and experience which could provide unique and essential backstopping for development operations; moreover, as Chapter Four has shown, there is an important two-way relationship between the standard-setting role and the operational functions of the Agencies

^{1/} Chapter Three, para. 53, and Graph 3.5.

which should result in a beneficial "feedback" for both activities of a scale and nature which could not otherwise be secured. Unfortunately, these expectations have not been wholly fulfilled in practice and it is the developing countries which have suffered because of the resulting decline in the efficacy of the co-operation programme.

114. In the view of the Capacity Study, it would be to the advantage, both of the Agencies and the developing countries and, indeed, of the United Nations system as a whole, if there were some departure from the custom of automatically assigning a project to the relevant Specialized Agency for execution. It would benefit the developing countries because execution would no longer be the prerogative of organizations already overburdened, while the introduction of an element of competition would introduce a vital incentive for them to improve their operational efficiency. For the Agencies concerned, there would be at least a slower rate of increase in the effort to expand their operations while their traditional and primary functions remain stationary.

115. The argument will be heard that the combined effect of these two measures - the greater use of subcontracting and the introduction of "competition" - will defeat their own purpose by destroying the "international character" of the co-operation programmes undertaken by the United Nations system. This is not so. The Agencies are the sole UN authorities in their specific areas of competence. Therefore, in the first place, the planning of each country programme and the determination of the objectives to be sought must be done by the government and UNDP in consultation, as appropriate, with the Agencies concerned. The outcome will, in this way, reflect international goals and policies as these are adopted by the particular country and compatible with its official policy, while the action programme that results would be within UNDP resources. Secondly, the work will, at all stages, be supervised by an international organization (either a Specialized Agency and UNDP, or UNDP alone), one of whose main tasks will be to ensure that it conforms to international standards and policies. Thirdly, the UNDP programme in any country will still be as "international" if (to take an extreme example) it is composed of many teams each representing one nationality as if each of those teams was multinational and made up, as at present, of individuals directly recruited by Agencies. Fourthly, any reduction of the operational burden on the Agencies should permit more attention to be given to their primary functions which would, in turn, enable them to make a more effective and international contribution in both planning and supervision.

116. The following paragraphs explore the several possibilities outlined in the previous section and make some suggestions as to how they could be put into effect. One can envisage several ways of organizing the implementation phase of a project under a system which allows for more contracting to agents outside the United Nations development system and ensures international supervision, as well as the Administrator's full responsibility for the execution

of the programme. Thus, the contracted Agency or agent would always be responsible to the Administrator for implementing the project in accordance with the contract he had undertaken, and the Administrator would be responsible to the Governing Council for administering the contract to ensure that the project was being carried out satisfactorily and that the terms of agreement with the government were being met.

117. Under these conditions, the options could be the following:

- (a) the Administrator contracts the relevant Specialized Agency or other member of the United Nations system to execute the project through direct recruitment;
- (b) the Administrator either requests a Specialized Agency to subcontract on his behalf or himself contracts an organization or firm outside the United Nations system;
- (c) the Administrator contracts the project to an institution or firm within the recipient country itself (the contract could be made either via the relevant Specialized Agency or directly by the Administrator);
- (d) UNDP executes the project itself.

The Administrator would consult with the recipient government before deciding which of the above alternatives was the most appropriate, taking into consideration the nature of the project and the capacity of the proposed agent to undertake execution.

118. Whichever of these methods was chosen, however, the Administrator would in all cases be responsible for administering the contract agreed upon. He would, among other things, have to ensure that (a) target dates were being met in accordance with the network analysis; (b) costs were as agreed; (c) personnel provided were effective and adaptable to local sensibilities; (d) technical specifications were being adhered to. The Resident Representative would be given authority by the Administrator to exercise, on his behalf, surveillance of performance and to administer contracts at the country level, assisted by appropriate staff.

119. In some cases, UNDP would need to have access to technical expertise in order to ensure proper supervision, whether at the headquarters or the country level. Here again, the Administrator would have several options:

- (a) direct hire of supervisory staff by UNDP, as necessary;
- (b) full- or part-time secondment of technical personnel to UNDP by Specialized Agencies or other components of the system, as appropriate;
- (c) technical services contracts with organizations outside the United Nations system;
- (d) temporary assignment of UNDP Headquarters staff to field missions.

(1) Execution by a Specialized Agency or other organization in the United Nations system, recruiting project personnel directly

120. It is reasonable to assume that an Agency will normally be asked to execute directly virtually all of the small projects (former TA type) and some of the larger and more complex (former SF type). In both cases, the Agency would provide both backstopping and technical supervision of projects, but the UNDP would maintain responsibility for administering the contract with the Agency. In other words, the Agency chosen as currently having proven capacity in that particular field of competence would have full responsibility for ensuring that all, including the technical, aspects of the project were properly carried out, while overall responsibility for the project would rest with the Administrator. This would mean that UNDP Headquarters would not use technical staff for "second-guessing" Specialized Agencies on projects contracted to them for direct execution, except only where the Administrator judged a need for technical review had arisen.

121. In order to exercise his overall responsibility, the Administrator would need to be kept informed of the progress of each project. There should therefore be a regular report from each Agency, supplemented by information and reports provided by the Resident Representative, for all projects entrusted to them, irrespective of size, and covering all aspects, technical, administrative and financial. In addition, annual reviews would be carried out as at present, with the significant difference that they would be undertaken at the country level, as described in Phase I, the "Country Programme", and would thus examine the progress of each project in more depth and proper perspective.

(2) Execution by an organization or firm outside the United Nations system

122. The Administrator may, in consultation with the government, decide that a project should be executed by an organization outside the United Nations system. He would do this mainly on the basis of two criteria. The first consideration is whether the nature of the project is such as to lend itself to the "outside" contracting approach. For instance, where a high-level team with a considerable variety of professional skills and experience - engineering, economic, sociological, financial - is required to undertake sectoral and feasibility studies, this kind of work is, in many cases, done better by a consulting firm or firms or by a specialized institution, than by a group of individual experts assembled on an ad hoc basis for that purpose. This method would also ease recruitment difficulties and tend to produce teams of higher calibre as it permits assignments to a short-term task without interruption of careers, focuses responsibility, facilitates the assembly of the team, and makes supervision and management easier. It has the further advantage of making it possible to obtain advice and assistance from those familiar with the project after it has been completed; this is not usually feasible when the initial work has been done by a group of individually-recruited experts which disbands when the work is finished. Conversely, of course, there are some projects which,

because of their politically sensitive nature, or because of a strong element of counterpart training, may not lend themselves to contracting outside the United Nations system.

123. Secondly, there is the degree of burden which the appropriate Specialized Agency is already supporting; if this is proving too great, there is an obvious case for having the project executed by a contractor outside the United Nations system, under international supervision.

124. Again, depending on the nature of the project, the Administrator would either request an Agency to subcontract on his behalf or would himself contract directly with an "outside" organization. In the former case, technical supervision would clearly be the responsibility of the Specialized Agency. The effective exercise of the Administrator's overall responsibility for administering the contract would, at the field level, be undertaken by the Resident Representative who would monitor performance and ensure that the project was being carried out in accordance with the provisions of the contract.

125. Direct contracting by the Administrator, for which he already has authority, would be restricted to specially chosen fields, principally where experience has shown that the capacity of the relevant Agencies for either direct execution or supervision of subcontracts is overstrained. This process could be facilitated if Member States supplied lists or panels of consultant firms, universities and other institutions qualified to undertake contract work for UNDP; inclusion in such lists or panels would carry with it the recommendation of the government concerned and its guarantee (or that of an appropriate professional institution) of the quality of performance. With time and experience, a direct relationship would be built up with such bodies on the basis of satisfactory work completed; they would therefore come to have special experience of UNDP requirements.

126. In these cases, the Administrator would have to ensure proper technical supervision and control as well as to administer the contract and assume overall responsibility for the work done. A certain amount of technical staff would sometimes be required. These, in fact, exist to a certain extent in the present UNDP organization, but under the proposed procedures their function would be different. It would not be to supervise the technical work of the Specialized Agencies (because, as explained above, the Agencies would be considered technically responsible for their work, while general operational control would be ensured by the arrangements described under section (1) above), but to supervise the contracts made directly by the Administrator with outside firms or institutions. Where suitably qualified personnel was not already available, the Administrator could resort to one of the options described in paragraph 119, including the possibility of asking a second institution, which should clearly be from another country, to provide him with technical services in his capacity as supervisor of the project. This would provide a measure of geographic balance in supervision and so lessen the need for supervisory personnel at UNDP Headquarters.

(3) Execution contracted by the Administrator to an institution or firm within the recipient country

127. Such cases would be uncommon at first but, as development advances, they could become more frequent as local contracting firms gain experience and skill and acquire the necessary resources. Normal tendering procedures of the system could not be changed, but this would not preclude local firms from applying to be considered as having the necessary qualifications for inclusion in the lists of contractors invited to tender. As in all the other alternatives for execution, the Administrator would be responsible for administering the agreement, calling on organizations inside or outside the United Nations system to provide technical supervision, e. g. Specialized Agencies, or an approved firm or institution possibly selected from the panels described in paragraph 125. Only in special and isolated cases should UNDP itself undertake direct technical supervision of arrangements of this kind.

(4) Direct execution by UNDP

128. This, again, would be an exceptional case. The most probable example is that of multi-disciplinary projects where delays now often occur when a conflict of jurisdiction arises over the major responsibility among the Specialized Agencies. In such cases, the Administrator would appoint a project manager to formulate and supervise the project, but he would keep the recruitment of other personnel to a minimum and contract different phases of execution to the Specialized Agencies or outside agents who would work under the leadership of the project manager. The line of authority would therefore be direct, through the Resident Representative.

E. The proposals in practice

129. It may well be asked how the proposals would work in practice. In the view of the Capacity Study, it would be reasonable to assume that the Agencies would continue to execute the majority of projects because of their experience and special qualifications. Yet, for the reasons already given, there must be a greater proportion of subcontracted projects as well as more scope for competition through direct contract by the Administrator. It seems, likewise, reasonable to assume that the government of the recipient country concerned, as a paying partner in the whole enterprise and the ultimate beneficiary, should have a say in the manner of execution for each project.

130. The Capacity Study suggests the following procedure:

- (a) Once an individual project description had been prepared, the government would be consulted as to the mode of execution, i. e. whether it should be contracted to a Specialized Agency for direct execution or whether some outside firm or organization should be contracted (either by the Agency or directly by the Administrator).

- (b) In the event that the Administrator and the government agreed to opt for direct execution by the relevant Specialized Agency, the Agency would be given a preparatory allocation, invited to appoint a project manager and to prepare a detailed project as a basis for the plan of operation. Once this was approved, funds for the whole duration of the project would be allocated. ^{1/}
- (c) In the event of the government and the Administrator agreeing to use an outside agent (whether this entailed the Administrator requesting the relevant Agency to subcontract or contracting directly himself), the Administrator would select the institution or firm to undertake the project. Thereafter, the process would be the same as in the case of a Specialized Agency (see (b) above). Where a Specialized Agency was designated executing agency, the Administrator's selection of the outside agent would be made on its advice.

131. As indicated elsewhere, particularly in Section II on "Project Formulation", the first step in execution is the detailed formulation of the project and the preparation of the work plan which forms the basis of the plan of operation; hence, it is essential that those who are responsible for the execution of the project (especially the project manager) should be associated with the whole process from the beginning. Under the proposed procedures, there would be three stages in the genesis of any project, namely:

- (a) outline of the project in the "country programme";
- (b) after approval of the country programme, a decision on the mode of execution and on the executing agent for the project, whereafter the project manager would be appointed and work would begin on detailed formulation and the work plan (preparatory allocation);
- (c) approval of the project, signature of the plan of operation, allocation of the funds for the duration of the project and start of operations.

F. Agreement or plan of operation

132. Once a project had been approved, the Administrator would enter into an agreement, or plan of operation, with the government for implementing the project in accordance with the defined objectives. This document, which would be based on the project description outlined in paragraph 88, would first define clearly both the general objectives of the project and the overall responsibilities assumed by the government and the Administrator of UNDP, respectively, for the attainment of those goals. The agreement would then specify in sufficient detail the actions to be performed by all concerned - notably the bodies designated to execute the project, both within the country and on the international side - to enable a network analysis

^{1/} See Chapter Nine, paras. 25-27 and 31-32.

to be prepared by which later performance could be measured against time and accomplishment targets. The joint responsibility of the parties would not end until appropriate follow-up action (e. g. investment, where relevant) had been achieved.

133. In cases where execution was assigned to a Specialized Agency, the Agency's contractual obligations to the Administrator would be specified. The Agency would also be a signatory to the agreement with the government. Where the Administrator had contracted the project to an agent outside the United Nations system, or was directly executing the project himself, he alone would sign the agreement with the government. In the former case, a separate contract would be signed between the Administrator and the executing agent. Likewise, when responsibility for execution was assigned within the United Nations system, with the proviso that all or part of the work should be subcontracted outside, the Specialized Agency would sign a similar contract with the subcontracted agent or agents. Provision for the expeditious amendment of these documents by agreement between the parties concerned would be essential since changing conditions may invalidate earlier assumptions.

134. In these documents, the responsibilities of each party would be defined as follows:

- The government would undertake to fulfil its obligations in accordance with the agreed plan of operation.
- The Administrator would be fully responsible for those actions which he had undertaken to perform under agreement with the government. If he had contracted with a Specialized Agency or agent to carry out some of these functions on his behalf, he would have to administer the contract to ensure that the functions were executed in accordance with the terms of the contract. He should delegate the authority for administering the contract in the field to the Resident Representative, assisted by appropriate staff.
- The Executing Agency or agent, in accordance with its contractual responsibilities to the Administrator, would implement those functions for which the Administrator had accepted responsibility toward the government and would report on the progress of implementation to whomever the Administrator had delegated authority to administer the contract. In most cases, the Resident Representative would have this responsibility and, accordingly, authority should be given to the project manager to report to the Resident Representative. The project manager would naturally maintain direct contact with his employer, Specialized Agency or otherwise.
- The Resident Representative would have to ensure that the project was being implemented in accordance with the plan of operation, including the network analysis.

135. The Information System (see Chapter Six) provides for operational control reporting which would permit the Administrator to be kept continuously informed of the status of implementation.

G. Other aspects of execution

136. This chapter has concentrated on the mode of executing projects and the need to introduce new formulae to improve efficiency. There are other facets of execution; these are not dealt with here but in other chapters. It is, however, necessary to list them if only in the interests of cross-reference.

(1) Contribution of the recipient country to the project

137. This would be spelt out in the plan of operation but the question arises as to the procedure to be adopted to release governments from unworkable provisions or from commitments to provide facilities or personnel at levels beyond the country's resources. The case has been made in Chapter Four for graduating these demands in accordance with each country's level of development. 1/ This matter is dealt with more fully in Chapter Nine. 2/

(2) Responsibility for execution at the field level

138. The delegation of authority to the Resident Representative for the overseeing of UNDP-financed projects raises important questions about his relationship with the existing country representatives of other components of the United Nations development system. These are dealt with in Chapter Seven. 3/

(3) Methods of execution

139. In line with the constant theme of flexibility, methods of execution must be chosen imaginatively according to the nature of the task, the level of development in the recipient country and the problems encountered. Moreover, since the latter are liable to change in character during lengthy projects, it must also be possible to change the methods of execution to meet the new situation without too many complications. The concept of an integrated country approach should be constantly kept in mind, at the execution as well as the programming phase. This means that the Resident Representative must ensure close co-ordination of the execution of UNDP-sponsored projects planned to be complementary to one another and generally encourage cross-fertilization of ideas and expertise between projects. The primary task of experts is to work on the projects to which they have been assigned, in accordance with their terms of reference, but if their particular specialization can help solve a particular problem arising in another UNDP-sponsored project, then it could be made available, subject always to the requirements of the main project.

1/ "The Case of the Less-Developed among Developing Countries", paras. 82-89.

2/ Paras. 73-82.

3/ Paras. 84-88.

(4) Tools of execution

140. The present tools of execution are: project personnel, equipment and fellowships, although, as recommended in Chapter Four, these should be modified in the future by the addition of other types of inputs and different mixes of existing inputs. ^{1/} Since, however, the three elements mentioned will constitute the backbone of the programme and have given rise to practical problems which urgently need solutions, they deserve special attention. The reader is therefore referred to Chapters Eight and Ten dealing with "Human Resources" and "Other Resources and Facilities".

Phase IV: Evaluation

Quot homines tot sententiae: suo quoque mos

A. Introduction

141. Evaluation has recently become much in vogue within the United Nations system. This section will not, however, deal with the subject in its widest sense, e. g. describing the different ways in which it is being tackled in the various elements of the United Nations system or entering into the now thorny question of methodology, for this is already being done by bodies such as the ACC Study Group on Evaluation ^{2/} and by UNITAR. ^{3/} Instead, the Study will concentrate on those aspects of evaluation which are peculiarly relevant to the UN Development Co-operation Cycle, and particularly the principles and procedures which should be applied by UNDP in order to make the evaluation process at once more effective and less cumbersome. However, as indicated later, the definitions adopted by ACC will be used here in the interests of consistency and comparability.

B. Summary of the present situation

142. The recent increase in governments' interest in evaluation has been primarily connected with the basic question as to whether the major contributors to the various voluntarily-financed development co-operation activities have obtained "value for their money". For their part, some developing countries also have asked for evaluations to be carried out, or have requested assistance in setting up efficient evaluation units staffed with qualified people. There has been a correlation between this increase in interest and the growth of the resources available to the United Nations development system.

^{1/} Various suggestions are made in paras. 26-48.

^{2/} Evaluation of Technical Co-operation Projects and Programmes, Annex IV of the Thirty-fifth report of ACC (doc. E/4668/Add. 1).

^{3/} Criteria and Methods of Evaluation, *op. cit.*

143. Present arrangements for evaluation in UNDP and in UNICEF and WFP are described in Appendix Two in Part V. It traces the almost 180-degree change in the attitude toward evaluation from scant interest in the early years of EPTA to, more recently, an intense pre-occupation springing in part from concern over the right use of funds and, in part, from the increasing difficulty of reviewing the multiplying activities of an organization which is becoming structurally more and more complex. But it is equally certain that evaluation will defeat its own purpose unless it is carried out in an orderly and co-ordinated fashion, with clearly-defined objectives and consistent procedures applied by competent evaluators.

144. The present situation shows, on inspection, that this is not the case at present. As is to be expected, UNDP has established its own Evaluation Division as part of the Bureau of External Relations, Evaluation and Reports. The procedures which it has developed include provision for a "mid-project review" and for an examination and evaluation of the results of projects approaching their completion date. When such cases arise, UNDP consults with the Executing Agency concerned and it is agreed which should undertake the work and how it should be done. Such reviews are often carried out jointly between the Executing Agency and UNDP and, from many points of view, this is the most useful procedure. In addition, individual Executing Agencies have evolved their own methods for evaluating various aspects of their own development co-operation activities. Many of these activities are supported by funds made available by UNDP, though the results of such reviews are not automatically passed on to UNDP.

145. UNDP projects are thus subject to evaluation by:

- (a) the government of the host country;
- (b) any donor government that is interested in the project;
- (c) governing bodies, such as ECOSOC and the Governing Council of UNDP;
- (d) UNDP individually or jointly with an Executing Agency;
- (e) an Executing Agency or Agencies;
- (f) the Joint Inspection Unit;
- (g) (in a few individual cases) the External Auditors;
- (h) indirectly, when a large donor government decides to make an evaluation of a particular United Nations organization.

146. Such evaluation is, however, sporadic and disjointed and does not conform to any generally accepted criteria as regards methods, concepts or even terminology. This lack of an orderly approach to the evaluation of United Nations development co-operation activities, which should provide a reasonably accurate measurement of the progress of projects and the results achieved, has led to a number of untoward consequences.

147. The most evident of these is the number and variety of value judgements made about multilateral development co-operation during recent years, some serious and responsible, others more casual and lacking the depth of knowledge required. Despite the frequency of these inquiries, however, it remains true that those now responsible for UNDP at all levels are not always accurately informed about essential elements in the present operation, e. g. its effectiveness, its major strengths and weaknesses and the real costs involved. It might have been expected that the volume of evaluation would have remedied this but, as the Capacity Study has discovered, too frequently the basic facts are unavailable.

148. There can be no question but that this volume of activity diminishes the capacity of the United Nations system to operate effectively. The time of UNDP Headquarters, the Agencies and field staff is lost by dealing with repetitive inquiries undertaken, in some cases, by persons not always well qualified for the purpose. The net result of all this is too often to waste money and time, disturb and confuse judgements, and so cause a weakening rather than a strengthening of the system.

149. The lack of co-ordination in attempting to evaluate, at different times, the various aspects of the United Nations Development Programme (and similar multilateral operations) makes it essential to introduce procedures focusing evaluation on the essentials which will provide effective operational control on the one hand and, on the other, effective analysis of experience and results. It is imperative to establish an organizational model which permits evaluation to be carried out only by experienced people qualified for this serious work. In the following section, an attempt will be made to suggest ways of establishing a uniform evaluation system applicable to the whole range of operational activities financed by UNDP.

C. Recommendations for future action

(1) General principles and definitions

150. The co-operation provided by the United Nations development system to a development project undertaken by a developing country gives the system a stake in its success or failure. Since the efforts of the recipient country are no less decisive for its eventual outcome, evaluation must be applied to the whole project or programme, and not only to the external assistance component. As a corollary of this, the recipient government is vitally affected by the evaluation process and must be closely associated with every stage. Indeed, recipient governments should be encouraged and assisted to set up their own evaluation units, or to improve the effectiveness of those already in operation.

151. A unified system of evaluation must conform to established principles, but should allow for the divergencies in techniques necessary for different types of projects. Whenever evaluation is carried out within the system, the same basic approach should apply as regards purpose, timing and organization. In the case of evaluation exercises which are not built into

the system as a regular feature (i. e. those which do not fall under the "operational control" (see paragraphs 155 to 161) normally carried out on the basis of the plan of operation and the network analysis prepared for each project) but which may arise as a result of specific decisions at unspecified times and draw on professional services outside the United Nations system, a set of recognized principles and criteria should once more be applied in order to permit a systematic approach. These requirements are important, not only because it is essential to provide Member Governments with up-to-date and objective accounts of how effectively their contributions have been used, but also because of the obvious political danger that proliferation of unco-ordinated evaluation will damage the "image" of the United Nations development operations by distorting the true picture.

152. Evaluation, as the term is employed by the ACC, ^{1/} is an umbrella word covering every stage of the development of a project or a programme as well as after its termination. The four principal phases of an assisted project in which distinct elements of evaluation are required have been defined as project preparation (identification of needs), appraisal of requests, operational control and assessment of results. While the importance of project preparation and of appraisal of project requests is fully recognized and, in fact, can hardly be exaggerated both for the final outcome and also as providing the foundation for the later measurement of work progress and results and establishing the necessary baseline data, this section is not concerned with those phases because they are dealt with above in the sections on the "Country Programme" and "Project Formulation". In this section, evaluation will be limited to the several activities which have to do with the measuring of progress and results in projects and programmes of technical co-operation, i. e. operational control and assessment of results, defined by ACC as follows:

"Operational control . . . includes the processes by which implementation of the project is monitored and reviewed in order to determine the extent to which it is fulfilling the stated targets and objectives and to introduce any necessary modifications at the right time."

"Assessment of results . . . includes the processes by which the whole life of the project is reviewed and the major direct and indirect results are systematically determined and critically examined, with respect both to the effectiveness of the project in attaining its objectives, within the context of the relevant economic and social objectives, and to the guidelines to be derived for the benefit of further activities."

153. Both of these types of evaluation relate to the attainment of certain targets. These objectives can usually be arranged in order, the ultimate one being of a very general character, such as a certain rate of economic growth or higher living standards for the population. Such very broad objectives would usually apply to a programme rather than to an individual project. The more immediate objective of an individual project might be, for example, the punctual

^{1/} Evaluation of Technical Co-operation Projects and Programmes, op. cit.

completion of a stream-flow survey forming a key step in a water resource development project. Less immediate, but nevertheless still measurable, would be the longer-term goal of that project to make those water resources available for irrigation. Whereas the assistance financed by the United Nations development system is a contribution towards the attainment of the objectives throughout their whole range, evaluation of those farthest removed from the project and its most immediate objectives is likely to be less precise and useful for practical purposes, particularly since long-range objectives of a general character will seldom be achieved as a result of UNDP-supported projects alone.

154. Again, both operational control and assessment of results, if well performed, should help to improve project preparation and the management of projects in the implementation phase. They should therefore be regarded as important programme and project management tools and as a means for systematically building up knowledge and experience to be used in programme planning. ^{1/} For clarity of presentation, the two types of evaluation are discussed separately in the following two sections, but they are manifestly complementary activities. Moreover, the underlying assumption is that evaluation must be a continuous and consistent process from the original identification of needs and appraisal of programmes and projects to the final assessment of their outcome. If the first stages have not been carried out efficiently, then the others will likewise fall short of their objectives.

(2) Operational control

155. Operational control is the activity or process by which proposed accomplishments, scheduled activities and budgeted expenses are reviewed to determine whether progress has been satisfactory. It is evident that such effective managerial control is impossible without realistic plans against which to measure progress. For this reason, the section on "Project Formulation" emphasizes the need for a well-formulated project expressed in a plan of operation (including a network analysis and project description and an annual project budget). These are the yardsticks for operational control.

156. Operational control can be carried out (1) through inspection or other direct contact; (2) through a system of reports; or (3) through a combination of both. However it is done, managerial attention will centre on those projects or programmes that are falling short of their objectives. This should lead to enquiries into the reasons for those shortcomings which, in turn, could provide the basis for periodic adjustment of the project in question, and

^{1/} See Question of Data Storage and Retrieval, Progress report by the Administrator (doc. DP/L. 99 of 9 January 1969) which identified three types of information required: (a) economic and social data at the country level; (b) technical and scientific information; (c) operating and administrative information. The first of the two types of evaluation spelled out above (operational control) would provide for much of the (c) type of information, while the second (assessment of results) would, in part, provide for the (b) type.

for the improvement of working methods. Since projects rather than programmes can provide the more immediate and more easily measured objectives, most operational control activities would be concerned with them. However, if they are systematically performed on groups of projects, for example, they may reveal patterns of experience that could be applied to improve the content of future programmes, modify policies, or change managerial and administrative approaches and practices.

157. This Report continually emphasizes the importance of the country orientation of programmes and of the responsibilities falling on the Resident Representative and his staff in connection with programming and implementation. 1/ It follows that the immediate responsibility for monitoring currently operational projects and programmes should also be given to the Resident Representative. 2/ It would initially be his task to determine, by observation and contact between his staff and the project staffs, the extent to which project targets were being met and the action required to remedy any shortfalls. In addition, through the management information system, UNDP Headquarters and the Executing Agencies would have access to an up-to-date picture of the total programme and its component parts on geographical, sectoral and sub-sectoral terms. In general, the most efficient arrangement would be for the officers immediately concerned at the field level with the various sectors (including officers on the Resident Representative's staff, project managers and experts, as appropriate) to assume primary responsibility for ensuring that the information required was promptly provided to the Resident Representative and checked against the project's objectives. Reporting to the Administrator and to the Regional Bureaux in headquarters should only be made by the Resident Representative.

158. A good deal of this built-in operational control type of evaluation would be done in statistical terms, i. e. actual versus scheduled delivery of experts, fellowships, equipment and government counterpart, but some would have to be in more descriptive and analytical terms, particularly that identifying reasons for achievements and shortcomings. Periodical statistical information would be so provided as to permit computerized treatment.

159. In addition, the project budget, and regular comparisons of actual expenditure against it, would provide an important tool for measuring progress in a project. The budgeting process in itself has a decisive role to play in mapping out the course of a project and in

1/ These responsibilities and others which will arise during the Development Co-operation Cycle will, in some cases, be new and involve different procedures from those now in force. In the event of these changes being adopted, there would accordingly be a strong case for organizing intensive instruction ("crash courses") for Resident Representatives and their senior colleagues to prepare them for their new duties.

2/ See Chapter Seven, paras. 76-78.

bringing about considered decisions and choices. More details of how this would work are given in Chapter Nine. ^{1/}

160. Because of the government's interest in, and fundamental responsibility for, the programme and projects, the information sent to UNDP Headquarters and Agencies should also be sent regularly to the planning ministry and the technical ministry concerned, so that they could also exercise their own operational control and be prepared to undertake any remedial action required.

161. Where there is a clear possibility for follow-on investment, potential sources of investment funds, e.g. the IBRD, a Regional Development Bank, local or overseas institutions, should be kept informed through selected progress reports, subject to the government's agreement (see the section on "Follow-up"). Appropriate information should also be sent to the Regional Economic Commission in the area.

(3) Assessment of results

162. Assessment of results aims primarily at end-of-project and longer-term programme objectives rather than improved management or immediate project objectives. Its principal purpose is to provide feedback that will help to improve the content of the country programme, sharpen project formulation, and lead to a more effective development approach. This type of evaluation should therefore endeavour to:

- (a) establish a balance-sheet for the individual project upon the termination of UNDP co-operation, registering its achievements and shortcomings in relation to targets and the continued validity of its objectives; in this way, it would form, inter alia, the basis for assessing the need for follow-up action in terms of further assistance;
- (b) provide additions to the corpus of world experience on successful and unsuccessful techniques which should, or should not, be applied in similar circumstances elsewhere; and
- (c) determine whether the expected or targeted relationship between costs and benefits was achieved (which emphasizes the need for cost-benefit study at the project planning stage).

The aggregate of the evaluations of completed projects (or those nearing completion) would provide one essential element in assessing the usefulness of the total activities of the United Nations development system in that country. Another element could be a judgement, in the light of experience, on the possible merits of an alternative deployment of resources. Such an analysis of experience gained would become a valuable asset in the planning of further programmes of development co-operation in the same country or in those with similar problems.

^{1/} Paras. 65-72.

While quantitative assessment would be important, there should be a stronger emphasis here on qualitative judgements than would be the case in day-to-day operational control.

163. The assessment of results of individual projects and of whole programmes would be the joint concern of UNDP, the Executing Agencies or agents concerned, and the field staff. However, assessments carried out within the framework of UNDP should be controlled primarily by or through the Administrator of UNDP in order to avoid the indiscriminate evaluations now being conducted which represent a drain on capacity and risk unfair damage to the programme's image. In this task, he would be aided by his inspection and evaluation staff which would schedule such evaluations, suggest qualified evaluators, and indicate possible coverage and depth. 1/ The interested Specialized Agency and the Resident Representative and his staff would also be expected to contribute to these evaluations. Drawing heavily on their operational control evaluations, they would contribute their knowledge of environmental circumstances affecting the project over its life span, as well as the manner in which problems were solved, the degree to which recommendations are being acted upon, and the probable needs for follow-up. They also would help the evaluators' work with appropriate government ministries, other experts and the personnel of the executing agent. Finally, they would be expected to assist in putting valid evaluation findings and recommendations to use in improving the content of the country programme and the quality of project formulation.

164. The Regional Bureaux in UNDP Headquarters should, as indicated in Chapter Seven, 2/ participate in the assessment of results as requested by the Administrator. More importantly, they should review the findings and, if applicable, direct and facilitate their application elsewhere in their regions and countries and ensure that other headquarters divisions were aware of any relevant to their fields of interest. They would, in other words, organize a most necessary "feedback" of the information derived from the assessment of results. Evaluation as an afterthought is largely of academic value, unless the experience and knowledge gained is brought to bear on day-to-day operations. To perform these functions, the regional bureaux might need ultimately to employ a senior evaluation officer to help train division personnel in evaluation methods, review findings, and encourage their utilization in those day-to-day operations. Such appointments should not, however, relieve other division personnel of their basic responsibility to apply results.

165. The role of the Specialized Agencies would also be to assist, upon the Administrator's request, in conducting end-result evaluations. In their respective sectors, they would be expected to assess the knowledge gained and disseminate it wherever its application could

1/ See Chapter Seven, para. 99, for details of this unit.

2/ Paras. 91-92.

improve methods and expedite development. Any such information concerning UNDP-financed projects should be automatically communicated to UNDP Headquarters which should also advise the Agencies on matters of interest to them.

166. This leaves open the question of what arrangements might be appropriate at the regional level. There have been suggestions that the Regional Economic Commissions and the regional bodies of Agencies might play an important role in evaluation. One immediate way in which this might be effected is through their participation in the annual programme reviews, whenever appropriate, although this would clearly vary in size and significance from country to country. A larger measure of participation could probably develop in the longer run. ^{1/}

167. None of the above proposals precludes the possibility that evaluation of the significance and effectiveness of projects and programmes might also, from time to time, be undertaken by a person or persons on special assignment for that purpose. The services of such individuals, who should be independent of the United Nations development system for their careers and incomes and who should demonstrably have the qualifications to deal effectively with evaluation problems and procedures, could be obtained at the initiative either of UNDP Headquarters, the Executing Agency, the regional level (if assigned evaluation responsibilities) or the Resident Representative himself. There could also be a need to evaluate, from time to time, certain types or fields of activities of the United Nations development system as a whole which cut across the frontiers of nations and the fields of activity of Specialized Agencies. However, all such specific evaluations, outside the regular procedures described above, should nonetheless fit into the general framework established for the evaluation of UNDP activities and conform to the same policies and criteria. In other words, there should be an end to ad hoc and unco-ordinated evaluations.

(4) Co-ordinating the two types of evaluation

168. Throughout, this Study has emphasized the country approach to programme development and implementation and the vital role of the Resident Representative and his staff. Nowhere is this responsibility more crucial than in helping to improve the application of knowledge and experience and to increase the efficient use of development resources. The key to this is provided by the two types of evaluation - operational control and assessment of results.

169. The UN Development Co-operation Cycle therefore provides for an annual country programme review (see section on the "Country Programme"). Once a year, the findings of both types of evaluation for currently operational and completed projects respectively would be subjected to quantitative and qualitative analysis. This function would be performed under

^{1/} See Chapter Seven, paras. 112-119, and Appendix Three in Part V, passim.

the leadership of the Resident Representative with the full participation of the country team and the government. The result of this analysis, together with the budget proposals by project managers and reports on current expenditures, would furnish the annual country programme review with valuable guidance in assessing progress and mapping out the future course of projects and programmes. Indeed, such an exercise should form an integral part of the Annual Review.

170. This vital review and analysis will, of course, be facilitated if a properly staffed Resident Representative's office is functioning effectively within the country. Throughout the year, the Resident Representative and his staff would be expected to work hand-in-hand with government ministries, project managers and experts and to have access to operational data relevant to this purpose. The Resident Representative would arrange for the calling-in of outside consultants when needed. He would draw on reports and experience in order to determine how to "get projects back on track" when necessary, as well as to assist programming planners and project formulators. He would also encourage greater objectivity in self-evaluation by the proper use of existing data, interviews, etc. In this way, he would help to establish the necessary link with a continuous process of planning implementation, evaluation and follow-up.

171. So far, the arrangements discussed have related solely to the organization of the two types of evaluation initiated within the United Nations system. It must, however, be recognized that ECOSOC and the Governing Council may also require independent evaluations to be conducted. Such independent evaluations, when considered essential, might be focused on three major purposes, namely, to establish:

- (a) if policies, rules and criteria laid down by either Council are being adhered to, and
- (b) if the substance of the programme reflects the development needs of the countries;
- (c) if the programme is managed efficiently.

172. Similarly, the right of contributing governments to carry out end-result evaluations must be recognized. However, in the interests of efficiency, it is hoped that they would only engage in these when some special reason existed for doing so, e. g. when their own programmes or projects in a particular country are being affected by an international programme or project receiving co-operation from UNDP. When a government considered an independent evaluation to be necessary, it would be helpful to all parties if the Governing Council and the Administrator could be officially informed of its nature and scope, so that co-ordination with similar activities initiated within the system could be arranged and duplicate investigations avoided. In any case, if the arrangements described in this chapter were applied effectively, governments should feel less need of obtaining additional information than at present.

173. Since the External Auditors and the Joint Inspection Unit both have responsibilities in these matters, the performance of such evaluation as they deem necessary requires consideration. For reasons touched on above, multiple evaluation is to be avoided wherever possible. The functions of the External Auditors extend far beyond evaluation and it can be assumed that they will continue to operate as in the past and only make evaluations of individual projects if they feel this to be essential. The role of the JIU is less precise and its functions would need to be co-ordinated with those of the inspection and evaluation unit of UNDP Headquarters. ^{1/}

D. Conclusions

174. The present situation in relation to evaluation is both an impediment to efficiency (and thus to capacity) and a hindrance to future United Nations development co-operation. It is vital that evaluation of the United Nations Development Programme (and preferably any that affects the rest of the United Nations development system) should only be conducted as part of a well-defined and realistic policy. This means that both programmes and projects should be subjected to evaluation only to the extent that is absolutely essential to ensure efficiency, and that the process of evaluation should be recognized for what it is, a delicate and complex action to be carried out only by qualified individuals.

175. It is clear that the first step is for UNDP to develop effective machinery for evaluation - both as regards operational control and assessment of results - as an integral part of its operational system. Ways and means of doing this have been described in some detail in sections (2) and (3) above and it will be noted that UNDP is to have its own inspection and evaluation unit reporting directly to the Administrator. Evaluations of UNDP-assisted activities carried out within the United Nations system should only be made with the agreement of the government concerned and the Administrator and within a framework of mutually-agreed criteria and techniques. The same system of evaluation should, so far as possible, also be applied to other parts of the United Nations development system.

Phase V: Follow-up

A. Introduction

176. "Follow-up" is the last of the five stages of the UN Development Co-operation Cycle. It is of decisive importance and provides the ultimate evidence of the programme's effectiveness.

177. The term "follow-up" is generally applied to the continuation of an external assistance action which, in itself, has been completed. In the UNDP Special Fund operation, follow-up has usually been directed to the investment phase following upon the completion, for example,

^{1/} See Chapter One, para. 105-108.

of a natural resources survey or, in the TA component, to the implementation of recommendations contained in the final report of an individual expert.

178. In this section, follow-up is given a wider connotation in the sense that action is not considered to have been completed until either the agreed objectives have been achieved or, by agreement, abandoned. Co-operation between the United Nations development system and each developing country in an effort to achieve a given objective must therefore often require action after the formal termination of a project. "Investment" during the follow-up phase should be conceived broadly and considered as an input of resources which may take several forms. Budgetary provision by a government to continue a training activity started with the help of external co-operation after that co-operation has ceased diverts current income to capital formation as much, for example, as other forms of investment.

179. Experience in the field of development, wherever gained, emphasizes that the real test of the efficacy of the planning and execution of a pre-investment undertaking is shown in the succeeding phase when, despite unforeseen contingencies, political, social or technical shifts, which are an inescapable part of the development process, patient pursuit of the original purpose can yield results. Great skill and judgement are required to decide when the conjuncture is completely unfavourable or when further patience will be rewarded by a reversal of such circumstances. A permanent system of review as well as considerable political acumen are demanded.

B. Present situation

(1) Procedures

180. It has been the practice to review and report on follow-up action with respect to projects in the TA component. The Resident Representative's office maintains records of all such projects and reports regularly to UNDP Headquarters on developments such as the implementation of experts' recommendations or the adoption of improved practices and techniques. Because many projects achieve their purposes during the experts' mission, and because the projects are small and numerous, there is generally rather less emphasis on follow-up in this area than in the SF component. Some strengthening of these procedures is essential in order to provide a clearer view of the actual results of the TA component.

181. In the case of the SF component, follow-up is much more readily ascertained because much of the programme is directed toward "pre-investment" in its narrower sense which posits that investment should follow once the project is completed, and toward the building of human and material infrastructure and the continuity and maintenance of the facilities set up with the help of the Special Fund after the latter has withdrawn. The Resident Representative is instructed to keep UNDP Headquarters informed, in a special section of his periodic report, about the character of follow-up action on completed projects. More importantly, most

projects which are expected ultimately to lead to investment provide for the appointment of a financial adviser at a stage of the project's development when enough economic and technical information has been gathered to advise the government about investment prospects and negotiations. Moreover, in June 1968, the Governing Council authorized the Administrator to establish, in close consultation with the World Bank and the three Regional Development Banks:

"... a small panel of senior financial advisers to participate in reviewing pre-investment projects, to help identify investment opportunities, to assist in preparing proposals for investment, to discuss these proposals with the government, Executing Agency and institutions concerned, to assist the Administrator in maintaining active and continuous liaison with international financial institutions, and to advise and assist governments at their request with respect to investment follow-up action on Special Fund projects." ^{1/}

At the time of writing, however, this panel has not yet been established.

(2) Effectiveness of present procedures

182. But although follow-up is very much in the mind of the UNDP administration, it is generally agreed that the effectiveness of the measures designed to achieve it must be improved. So far as the TA component is concerned, the calls on the Resident Representative are so numerous that it is often difficult for him to keep the records up-to-date, much less to prompt the government concerned into action. On the Agency side, their major preoccupations centre on current projects under execution, and on the preparation of new projects, rather than on consolidating what has been done in the past. Similar considerations apply to the SF component, although rather firmer conclusions can be drawn about specifically "pre-investment" projects by noting the investment flow stemming directly or indirectly from completed studies and surveys carried out with Special Fund co-operation. Since the latest figures available on this have been analysed in some detail in Chapter Three, ^{2/} it is only necessary to recall here that, while some projects have produced most encouraging results, there is clear room for improvement, although the many factors involved are by no means all within the control of UNDP.

183. In general terms (and the lack of more precise information rules out any other), the present situation on follow-up may be summarized as follows:

- (a) An analysis of the causes is out of place here, but plainly deficiencies of programming due to hasty project preparation and submission, inadequate appreciation of specific developmental problems, including those of absorptive capacity, and insufficient attention to the end uses of a project, all play a part.

^{1/} UNDP, Report of the Governing Council, Sixth Session (doc. E/4545).

^{2/} Paras. 61-66.

(b) This situation is aggravated by the lack of reliable facts and figures. Although some basic information of the kind already given is available, there is little to indicate why certain projects have failed to attract investment or to show where responsibility rests within the United Nations system for deciding what, if any, further action should be taken. This kind of inquiry is essential if the United Nations development system is to profit from experience and so improve its effectiveness.

(c) Responsibility for follow-up as between governments on the one hand and the United Nations development system on the other is reasonably well defined (see below). Responsibility as between UNDP and the Agencies, however, is not clearly established.

(3) Division of responsibility for follow-up

(a) Governments

184. Basic responsibility for follow-up rests with the recipient governments. They agree, in the words of ECOSOC resolution 222(IX) (establishing EPTA) to:

"... give full and prompt consideration to the technical advice they receive as a result of their co-operation with the participating organizations in response to the requests they have initiated".

They also agree to:

"... undertake the sustained efforts required for economic development, including continuing support and progressive assumption of financial responsibility for the administration of projects initiated at their request under international auspices".

GA resolution 1240(XIII) (establishing the Special Fund) is less explicit on this point, but stresses that the purpose of the Fund is, inter alia, to facilitate "new capital investments of all types". Even so, there can be no doubt that basic responsibility rests with the recipient government.

(b) The United Nations system

185. The importance attached by the Administrator of UNDP and others to follow-up is unquestioned and reflected in many reports and instructions. Responsibility for it, however, does not seem to be allocated in any clearly-defined way in the United Nations system but to be dispersed throughout its various components. It is perhaps not surprising, therefore, that follow-up tends to be handled on an ad hoc basis, with the result that individual governments, UNDP and the executing agent may all be involved in the process without being fully aware of what others are doing. As with so many other aspects of the operation, a clear responsibility devolves upon the country level, where the Resident Representative should once again act as a co-ordinating link between the government and the various components of the system, though he is not adequately equipped to do this at the present time. It also appears self-evident that the responsibilities of an executing agent should not end with the formal

closure of the external assistance portion of the project but should also extend to the attainment of the goals for which it was set up; this would seem essential when the project is executed by a Specialized Agency, but current and prospective projects pre-empt their attention. Like so many other present problems, this originates in the very rapid expansion of UNDP operations, which outstripped the supply of information about all aspects of the operation for the use of those responsible for effective administration.

(c) Other current methods of follow-up on UNDP-assisted projects

186. As so often when existing arrangements have been shown to be fallible, solutions have been sought through the opening-up of new channels of action, by-passing the machinery already established for that purpose. This tendency is encouraged by the relative scarcity of adequately prepared investment projects in relation to available financial resources - reflected in the increasing demand from all sources of finance (IBRD, Regional Development Banks, bilateral aid programmes, private banks, private industry, etc.) for projects prepared in sufficient detail and in suitable form for investment decisions.

187. This is the area which, essentially, the Special Fund, and later UNDP, was intended to occupy. Yet a great deal of the effective and systematic action for this purpose is taken outside the UNDP by specialized groups such as the FAO/IBRD Co-operative Programme, or in Latin America, by ADELA, which are financed by potential investors and oriented toward investment. The FAO/IBRD Co-operative Programme is of particular interest because it functions within the United Nations system and because it is becoming the pattern for other direct nexus between the Bank and individual Specialized Agencies (e.g. UNESCO). Under the arrangements agreed for this programme, which started in 1964, the Bank provides 75 per cent of the cost and FAO the rest. For 1968-1969, the total budget was US\$2.7 million and carries forty-two professional posts, but these will be increased to seventy over the biennium 1970-1971; the total will increase to US\$5 million. In five years of existence, the programme's activities have led to World Bank loans and IDA credits of US\$422 million. This evidently much more favourable ratio between the cost of studies and the eventual level of investment is in large part due to the fact that the programme draws heavily on information provided from projects receiving UNDP support; in fact, about one-half of the projects being processed this year for early financing by the Bank are related to UNDP projects, while of thirty-five recent reports twenty-six concerned UNDP projects. These results are achieved by organizing a "Project Identification Mission" to a UNDP project when some latent investment possibility has been revealed. Any additional pre-investment or feasibility work required for presenting the project in fully bankable form is then undertaken by a "Project Preparation Mission". The resulting reports are available in the first instance only to IBRD which may associate other sources of finance in the operation and, when a course of action has been settled, they may be released more widely.

188. Similar arrangements, on a smaller scale, are being negotiated between the FAO Investment Centre and the Regional Development Banks and co-operation may be extended to private commercial banks, also on a financial subvention basis. There is also the FAO/ Industry Co-operation Programme, consisting of over sixty multinational companies working in the agricultural field, which finance some activities of the Programme's secretariat.

189. Any measures to accelerate or facilitate the transition from pre-investment to the actual mobilization of funds are invaluable and meet an obvious and desperate need. Accordingly, it may sound ungenerous and carping to describe these arrangements as repeating tendencies visible elsewhere to duplicate existing patterns of organization, to encroach on functions already assigned and to set up rather exclusive sets of relationships having negative as well as positive aspects. Indeed, the Capacity Study acknowledges that these special arrangements would not have come into existence had there not been a clear need. This need - which still arises in other areas - is in part due to the fact that, in many cases, UNDP projects do not elaborate the information obtained in sufficient detail to enable potential investors to make decisions. In part, too, there is the reluctance of investors to rely on any information other than that which is tailor-made to their requirements and, if possible, obtained under their supervision, when not directly investigated by themselves. Even when the studies are carried out under impeccable auspices enjoying international repute, the prospects and terms of financing cannot fail to be affected - and may even be distorted - by factors such as the amount of soft loan money available at the time and the financing organizations' current policies and priorities. Developing countries are likely to benefit most under an arrangement which offers them a greater range of contacts and permits them to negotiate the mode of financing most appropriate to their situation. It would also best serve the purposes of developed countries to have wider opportunities of considering how to support UNDP-identified investment projects.

190. There is thus an important area in the final stages of specifically "pre-investment" projects assigned by UNDP in which it is not fulfilling its role. Clearly, UNDP should strive to make good this deficiency at once before alternative and less effective arrangements multiply and the situation becomes out of hand.

C. Recommendations for future action

(1) General

191. How could an improved United Nations development system ensure effective follow-up of projects? Part of the answer lies in better and more comprehensive planning and programming, because of the clear link between follow-up and the preparation of a country programme and the formulation of projects. In the first place, therefore, an effective system of planning the use of all available international resources, as suggested in the section on the

"Country Programme", should be introduced as soon as possible. Second, each project should, from the outset, be thought through carefully and the follow-up action, including any investment implications, should be defined clearly and responsibility allocated specifically. As indicated in the section on "Project Formulation", the proposed procedure emphasizes the great importance of including a network analysis in the project description (where appropriate) and the plan of operation so that progress in implementation can be kept under regular observation, assessment of results made when necessary, and follow-up pursued until either the desired objective has been achieved or, by agreement, abandoned.

192. One of the objects of more careful planning and formulation of projects is to assess all the implications of the proposed course of action for everyone concerned, and thus reduce any risks involved to a minimum or at least ensure that they are calculated risks. However, it is the very nature of the development process that the unexpected must be one of the elements; risk can be minimized in relative terms but cannot be eliminated absolutely. This means that the method of network analysis and the subsequent measurement of results serve three purposes: first, to guide the course of the project; second, to measure the project's progress against a time-table and its goals; and third - a function which stems from these - to warn of dangers as they appear and of the possible need to change objectives or methods, or both, in the light of experience or of changed circumstances.

193. These observations illustrate, in turn, the equally close bond between follow-up, evaluation, and the information system. The inter-relationship of effective evaluation and follow-up is a matter of essential importance at all stages in the life of a project. From the moment an individual project is contemplated, it should be assessed, if possible, in terms of the wider objectives, and its subsequent operational control and evaluation, as it progresses, should be considered continuously in relation to the action needed if successful follow-up is to be achieved. Again, any systematic procedure for measuring or modifying projects, with its evident implications for follow-up, must depend largely on the flow of accurate and timely information from each phase in programming and implementation. Both points illustrate once more the interdependence of every aspect of any efficient international development operation. Similarly, the need to accelerate the production of final reports, as noted above, is an important step in achieving follow-up. While measures have been introduced to achieve this purpose and to simplify the final report procedure, it is still too early to see whether they will be as effective as is clearly necessary.

(2) Allocation of responsibility for follow-up

194. For evident reasons, a developing country itself must be the prime mover in ensuring adequate follow-up of UNDP co-operation. Given the limitations imposed by the very fact of their developing status, however, these responsibilities are more clearly identifiable and, in relative terms, more easily fulfilled in some types of situation than in others: e. g. in

assuming full charge of a training institution set up with UNDP co-operation, as opposed to providing the large capital sums needed for exploiting new mineral deposits discovered by a survey supported by UNDP. In all cases, however, it is necessary to pinpoint the government's specific responsibility beforehand. Ways and means of doing this will be suggested in the next section.

195. Nevertheless, where UNDP has become a partner with the government in a project, it, too, has a responsibility to continue its assistance for an appropriate phase after its direct participation has ended. Within the United Nations development system, final responsibility for ensuring follow-up action for UNDP-assisted projects should therefore rest squarely with UNDP, as the financing organization acting in concert with the government concerned. This signifies that the responsibility should be decentralized to the Resident Representative at the country level or to the Executing Agency or agent - indeed, it is logical that much of the work should be done at these levels of the system and the necessary staff provided. It means, furthermore, that any initiatives of this kind undertaken in respect of a UNDP-assisted project by a body having a contractual relationship with UNDP for that project, or by the Resident Representative, should be made known to UNDP Headquarters which should be kept informed of developments and consulted about proposals for action as they emerge. Such arrangements, already necessary, would become essential under a system where projects might be executed by governmental, institutional or private organizations outside the United Nations system. In such cases, it would be incumbent on UNDP to ensure, as fully as possible, that any follow-up assistance, capital or otherwise, was provided on the best terms available and in accordance with international standards.

(3) Ways and means

196. Because the efficacy of follow-up action is the justification of the expenditure of UNDP resources, and because of the linkages with programming, project formulation, evaluation and the information system, it is evident that it must form an integral and continuous part of the UN Development Co-operation Cycle. This means not only that follow-up must be envisaged at the moment of originating a programme or project, but that the Annual Review held at the country level (see the section on the "Country Programme") should consider not merely projects currently under execution, or in course of preparation, but should systematically review all completed projects and recommend any additional or alternative measures required for effective follow-up. Because of the composition of the Annual Review teams, this would, in effect, be a dialogue between UNDP and the government, though in certain circumstances, and depending on the government's wishes, the discussion may be broadened to include other elements of the system, as well as representatives of bilateral programmes. In the periodic assessment of the country's economic and social situation, it would also be essential to review the status of projects completed with UNDP assistance during the previous period; the

analysis made of the reasons for any shortcomings must clearly have a bearing on the external co-operation required during the succeeding period. It would, of course, be of special significance if, wherever possible, the IBRD carried out this initial survey.

197. The first stage in follow-up support is the punctual presentation of a final report containing clear recommendations based on sound investigations. The second is the constant review of progress in carrying out these recommendations until the aims of the project have been achieved, or have, by agreement, been abandoned as no longer realistic. The task of observing and reporting on further developments about completed projects should be entrusted to the Resident Representative. This information should be included in annual reports for all projects completed less than three years earlier (or longer, when circumstances require it) but should be dealt with in a more thorough and systematic way than is now the case.

198. As follow-up procedures will vary according to the nature of the project, it seems easiest to divide these into three categories:

- (a) small projects involving one or two experts, whether in an advisory or operational role (ex-TA and OPEX type);
- (b) larger projects, involving an important, on-going commitment for the government, including considerable recurrent costs after the termination of UNDP support, but not capital investment of any considerable proportions, e.g. training institutions, research institutes, etc., (ex-SF "infrastructure" type);
- (c) larger projects requiring considerable capital investment after the termination of UNDP support (ex-SF "pre-investment" type in the strict sense of the word).

(a) Small projects

199. The Resident Representative and his staff should have the main responsibility of keeping the recommendations of final reports on these projects under constant review and to discuss with the government, as appropriate, the best way of putting them into effect. Through his semi-annual report, the Resident Representative should keep the Administrator informed about the results of these endeavours and, when warranted, should advise the Administrator of any supplementary action required from UNDP Headquarters or from the Specialized Agency concerned since, as indicated in the section on "Implementation", it is they who would normally continue to execute this type of project exclusively. Follow-up along these lines should continue for two years after completion of the project, or longer if necessary. This would permit not only a post facto assessment of the worthwhileness of previous efforts and identification of reasons for success and failure, but could also demonstrate where additional assistance might still further the achievement of the wider objectives of the project.

(b) Larger projects entailing substantial recurrent expenditures by the government but no further capital investment of any magnitude

200. In such cases, it would be particularly important to make certain from the outset that the long-term implications of the project for the government had been fully investigated and that a fair chance existed, other things being equal, of their being able to meet these obligations on a continuing and permanent basis. Recognition of these commitments could be achieved by including the project budget as part of the plan of operation as proposed in the section on "Project Formulation". The budget would show estimated government expenditure on the project for at least a few years after completion of international assistance. ^{1/} This expenditure (i. e. the investment), would become part of the signed agreement and give UNDP a direct interest in the outcome of the project after assistance has ceased. The preparation of such a budget would make the long-term financial implications of a project absolutely clear to the responsible government. This is a matter of vital importance, for projects of this type should not be undertaken unless the recipient government has fully accepted all the implications. As stated in Phase I, international organizations must, for their part, accept their share of the responsibility within a country programme that is in harmony with sound financial policies and budgetary practices.

201. In addition to the examination of each current project which would automatically take place during the Annual Programme Review, special attention would be given to projects for which UNDP assistance was scheduled to end within the succeeding twelve months. This would ensure that the arrangements made by the government to take responsibility for the project were satisfactory or, should unexpected difficulties arise, make it possible to agree on alternative arrangements with the government and the Executing Agencies or agent. The next Annual Review after the completion of a project would also provide an occasion to examine the effects of the agreed arrangements and to decide on any necessary remedial action.

202. Here again, the Resident Representative would have the same continuing responsibility to report on developments and to recommend any necessary further action as in the case of small projects.

(c) Larger projects requiring subsequent capital investment

203. This category of projects differs from the other two in that, except in the rare cases where capital can be provided by the government or from private sources of finance already operating in the country, considerable further assistance from other sources is still required for some time to come. Since, constitutionally, this co-operation cannot be given by UNDP, co-ordination with these other sources, particularly those of an official and public nature,

^{1/} Details of the project budget are elaborated in Chapter Nine, paras. 65-72.

takes on an even greater importance. Moreover, in concert with the recipient country, UNDP has an obligation to safeguard the country's interests by seeing that this additional assistance is provided as soon as possible and on the best terms available.

204. As the earlier analysis of the present situation showed, there is a very considerable gap remaining to be bridged between pre-investment activities and actual investment. This is caused less by the shortage of capital funds, though these are inevitably scarce, as by the scarcity of projects elaborated to a point where a potential investor has the elements required to decide whether to risk his money or not. Furthermore, on the limited figures available, there seems to be evidence that a considerable number of UNDP-assisted projects designed to secure eventual capital investment have not done so. An obvious lesson to be drawn from this is that "pre-investment" projects (using the term exactly) receiving UNDP assistance should be more deliberately directed toward attracting capital investment. This entails, in essence, much more attention to the preparation of investment-oriented feasibility studies as part of the "pre-investment" phase and, indeed, a useful advance in this direction was made in June 1969 with the Governing Council's decision ^{1/} to permit the Administrator to finance such studies costing less than US\$200,000 from the revolving fund.

205. The objective can be achieved in part by ensuring that the collection of necessary economic and technical data, and the recruitment of appropriately qualified personnel, is established in the original plan of operation of any project ultimately aimed at investment; in part by greater and more effective use of the existing provision for assigning financial advisers to such projects at the appropriate moment; and in part through the early appointment of the panel of senior financial advisers, and the direction of its immediate efforts to the supervision, and even the direct preparation, of final-stage feasibility studies and investment-oriented reports. This would place the United Nations development system's responsibility for identifying and seeking follow-up investment for UNDP-assisted projects squarely on UNDP and would provide instruments for supervising the activities of other components of the system during this phase that so far have either been entirely lacking or have been too weak. Clearly, this would also entail considerable strengthening of the follow-up unit in UNDP Headquarters which should support the activities of the panel of advisers and closely follow all investment-oriented projects. Action undertaken by UNDP in relation to follow-up at any time would obviously be subject to the approval of the government concerned.

206. There still remains the question of the relationship between UNDP and the potential sources of external finance - IBRD, IDA, the Regional Development Banks, governments and the private sector. Here a dilemma arises. On the one hand, it is important, for obvious practical reasons, that the potential investor should be associated with the project at as early

^{1/} Cf. UNDP, Report of the Governing Council, Eighth Session, op. cit., para. 245.

a stage as possible, so that the investigations are oriented toward providing data which the investor regards as indispensable for a decision. This conclusion is reinforced by the reluctance of investors to endorse findings that have not been undertaken, or at least checked, by themselves. On the other hand, it is in the interests of the developing country, which must be uppermost in UNDP's considerations, that the project should not be tied from the outset to one particular source of finance, with the possible bias this might entail.

207. It is unlikely that this dilemma can be resolved satisfactorily, but compromise could at least be sought. In the first place, it is clearly of the utmost importance that as many as possible of the potential official sources of investment finance should be associated with the preparation of the "country programme". Under the system described in the section on this subject, the IBRD would be closely associated with this process but it is also envisaged that, if the government requested, it could be expanded to embrace the whole range of external co-operation required for the country's development plan, whether of a capital or technical nature, and could therefore involve representatives of bilateral and other programmes operating outside the United Nations system. When this happened, the operation would be akin to the IBRD's consortia and consultative group arrangements which have already operated successfully in a number of countries. In considering the ultimate investment prospects of pre-investment projects proposed for UNDP co-operation, a preliminary decision might well be taken by the government, on the basis of available evidence and in agreement with UNDP and the financial agency concerned, as to which of the agencies involved in the exercise should follow the progress of the project with a view to providing capital ultimately for its further development, should the findings warrant this. This would provide valuable orientation for the kind of studies and reports to be made by the project.

208. Such an arrangement would obviously not be feasible for all projects and would certainly have to be restricted to official sources of finance. The harnessing of private capital for the follow-up of pre-investment surveys carried out by UNDP poses a particularly thorny problem and private enterprise is unlikely to show interest unless studies reveal convincing indications of promising results. It is inevitable, therefore, that some UNDP projects may be started with no assurance as to whence eventual finance would come. Whatever the situation, it is clearly essential that all UNDP "pre-investment" projects should be carefully reviewed when they reach the stage at which promising investment possibilities have been detected but not worked out in detail.

209. Circumstances will obviously vary greatly from case to case and only a simple sequence of events can be sketched here to illustrate the stages involved. When investment possibilities have been ascertained, even if only tentatively, it would be the responsibility of the Resident Representative and the project manager to inform the government, the Administrator of UNDP and the executing agent. Taking into account any wishes the government

might have, the Administrator would decide, on the advice of the panel of financial consultants, upon the next step to be proposed to the government. A variety of methods would be open to ensure that the essential data on the project's investment potential reaches would-be investors or official sources of finance, ranging from fairly wide distribution to a variety of sources through to very specific discussions with those most interested as to their precise data requirements. The panel's advice at this point would be of great importance, whether a preliminary choice of potential investor had been made or not. The Annual Programme Review might also provide a useful forum for discussion. If, as foreseen in paragraph 207, the dilemma between tying a project at an early date to a sure source of finance or keeping the options open to get the best bid can only be overcome by compromise, the course of action to be followed must be devised ad hoc. But whichever course is chosen, two basic principles apply: first, that in any project designed to terminate in investment, the ultimate aim must be constantly kept in sight by both the government and UNDP and all necessary steps taken at each stage to ensure that it is achieved; and second, that these measures should, so far as possible, be devised to obtain the most favourable terms for the country.

210. None of the proposals suggested above would run counter to the existing bi-organizational arrangements between certain Specialized Agencies, IBRD and other entities described earlier which are directed to stimulate investment of a sectoral kind. It would mean, however, that they would come under the general "multilateral umbrella" which UNDP could provide in order to seek the most favourable sources of capital finance for following up projects which it had itself assisted. In other words, these programmes would be free, as before, to work on the basis of data provided by UNDP projects to secure an IBRD loan or an IDA credit, but with two important differences: one is that, hopefully, data provided by UNDP-assisted projects would become much more sophisticated, and the second, that this information would not necessarily be restricted to one source of finance but could be made available to other possible investors if the government so wished. Any supplementary investigations directed at encouraging investment in UNDP-assisted projects would need the prior agreement both of the Administrator and the government, to whom their subsequent findings should be communicated periodically. ^{1/} The increased responsibility of UNDP in this regard is another reason why the appropriate unit at UNDP Headquarters should be progressively strengthened.

211. Because of the need to maintain contact with international financial circles and the specialized nature of the work involved, much of the responsibility for this third kind of follow-up would necessarily rest not only with UNDP Headquarters but, most importantly, with

^{1/} One Agency suggested to the Study that, in future, arrangements such as exist between IBRD and FAO and UNESCO should be extended to other Executing Agencies and that all of them should be made tripartite so as to include UNDP (e. g. UNESCO/IBRD/UNDP). This idea certainly seems worth pursuing.

the panel of senior financial advisers. In addition, the Resident Representative would also have an important responsibility in deciding when to inform the Administrator that the time had come to take positive steps toward investment, in negotiating various proposals between the government and the Administrator, and in keeping the latter informed of local developments. The executing agent would likewise have the responsibility of informing the Resident Representative (and through him the Administrator of UNDP) immediately of any development likely to affect investment prospects.

(4) Conclusions

212. The prime interest in, and responsibility for, follow-up action on projects receiving co-operation from UNDP lies with the government concerned, but there is no doubt that UNDP could do considerably more than at present to facilitate the process, in agreement with the government, and thus carry the co-operative enterprise that they have undertaken together one stage further, to the achievement of the ultimate goal.

213. This section has accordingly put forward a number of suggestions for intensified UNDP activity in this sphere, of which the principal aims are:

- (a) To focus both the planning and the action of the organizations comprising the United Nations development system on objectives, bearing in mind that projects are secondary to objectives.
- (b) To build into the system an automatic mechanism to ensure continued attention to the results of completed projects, and to give early consideration to whatever supplementary or additional support may be necessary in order to achieve the agreed objectives.
- (c) To centre the main responsibility for the follow-up of UNDP-assisted projects on the Administrator of UNDP assisted by the new provision, as appropriate, for decentralization to the Resident Representative and the Executing Agency. In this way, UNDP would fill the vacuum which exists at the final stage of the pre-investment process and would assume a function for which it has a clear mandate.
- (d) To ensure, as far as practicable, that follow-up of UNDP-assisted projects is organized in the best interests of the developing country concerned and to obtain the best terms available.

SUMMARY OF PRINCIPAL RECOMMENDATIONS

1. Joint programming at the country level should comprise two aspects:
 - (a) The Country Programme. This should
 - (i) be prepared in partnership by the national authorities, on the one hand and, on the other, by representatives of as many as possible of the components of the UN development system having individual inputs - i. e. UNDP, UNICEF, WFP, and Agencies with operational programmes financed from their regular budgets and/or other funds - under the leadership of the Resident Representative;
 - (ii) be based on a prior socio-economic study of the country and an identification of the needs in terms of total external resources and of those which might be met by the UN development system;
 - (iii) form an identifiable part of the country's own development plan and be synchronized with it;
 - (iv) conform to an indicative planning figure or "order of magnitude" communicated by the Administrator;
 - (v) define the development objectives agreed between the government and the UN development system, describing in general terms the inputs required to attain these objectives and including a preliminary list of outline projects;
 - (vi) be harmonized with the potential capital inputs from the UN system's financing institutions and consistent with international monetary and trade policies.
 - (b) The Annual Review at which the government and the responsible components of the UN development system would together examine progress and advance the firm programme one year further ahead.
2. The IBRD should participate in the country programming exercise, wherever feasible, and, conversely, UNDP should participate in any parallel programming of investment sponsored by IBRD, especially with regard to any pre-investment aspects. To the extent possible, these exercises should be dovetailed.
3. The Governing Council should approve country programmes instead of individual projects.
4. The new programming procedures should be introduced as new national development plans are elaborated. During any transition period, an annual review in every country should be organized.
5. Detailed formulation of
 - (a) small projects should be done jointly by the government and the Resident Representative with technical advice, as appropriate, and
 - (b) larger projects should be done by the prospective Executing Agency or agent, under the joint responsibility of the government, the project manager and the Resident Representative; the project manager's early appointment should be sought and whatever assistance is needed should be provided.
6. Within the objectives contained in the "country programme" approved by the Governing Council, authority to approve projects should be delegated to the Administrator who should in turn delegate authority to the Resident Representative for the approval of smaller projects.

7. In the implementation phase, three fundamental principles should be observed:
- (a) overall responsibility for the implementation of UNDP programmes and projects should be firmly centred on the Administrator;
 - (b) there should be wider use of subcontracting, particularly by larger Agencies and for larger projects;
 - (c) the hitherto exclusive and automatic use of the Specialized Agencies as executing agents should be discontinued.
8. Methods of implementation should be more flexible. Maximum use should be made of the Specialized Agencies, but there should also be much greater recourse to other sources of knowledge or expertise than hitherto. After consultation with the recipient government, the Administrator should choose between the following alternatives:
- (a) contracting a Specialized Agency or other UN body to execute a project directly;
 - (b) requesting a Specialized Agency to subcontract the project, or himself directly contracting it outside the UN system;
 - (c) contracting the project to an institution or firm within the recipient country directly or through the Specialized Agency; or
 - (d) executing the project himself.

The Administrator should administer all such contracts, delegating authority as necessary to the Resident Representative.

9. The plan of operation should be a contractual document specifying the responsibilities of the government, the Administrator, the Executing Agency or agent, and the Resident Representative.
10. Evaluation should comprise two principal aspects:
- (a) operational control which should be carried out mainly by the Resident Representative and his staff; and
 - (b) assessment of results which should be the joint concern of UNDP, the Executing Agencies or agents concerned and the field staff, supplemented by outside consultants as necessary. ECOSOC and the Governing Council may also require independent enquiries.

Both types of evaluation should be combined in the Annual Review.

11. Assessment of the results of UNDP-assisted projects
- (a) should be applied to the whole programme or project and not only to the external assistance component; the government should therefore be closely associated;
 - (b) should be restricted to the minimum essential for the requirements of Member States and the UN development system;
 - (c) should be performed only by qualified people;
 - (d) when carried out within the United Nations system, should be made only with the agreement of the government concerned and of the Administrator, and within a framework of mutually-agreed criteria and techniques;
 - (e) when carried out independently by contributing governments should, so far as possible, be co-ordinated with any similar activities within the system, through prior consultation with the Governing Council and the Administrator.

12. Follow-up should be made more systematic by:
 - (a) more effective programming and project formulation;
 - (b) assigning full responsibility for ensuring follow-up action for UNDP-assisted projects, within the UN development system, to UNDP, the basic responsibility resting always with the government;
 - (c) including consideration of completed projects, and those approaching completion, in the Annual Review;
 - (d) punctual presentation of final reports containing clear recommendations based on sound investigations;
 - (e) constant review of progress in carrying out recommendations mainly through the Resident Representative;
 - (f) including in the project budget incorporated in the plan of operation all substantial recurring expenditure falling on the government, projected for a few years beyond completion of UNDP assistance;
 - (g) ensuring early co-ordination with potential sources of finance for projects requiring subsequent capital investment.

Chapter Six

INFORMATION SYSTEMS CONCEPTContents

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Chapter Six

INFORMATION SYSTEMS CONCEPT

"There is no wealth equal to knowledge and no poverty equal to ignorance and no support equal to sound advice."

Said by the 4th Kalifa, Sayad Ali Ibn Abe Talab.

I. STUDY BACKGROUND AND INFORMATION POLICIES

A. Introduction

1. This chapter deals with the conceptual design of an information system to support the activities of the United Nations development system. The proposed design builds on the findings and recommendations of other aspects of the Capacity Study and, insofar as possible, links those recommendations with current or planned work on information systems development under way throughout the UN system.

2. In this chapter, Section I first outlines the background and approach of the study, discusses the present information situation within the UN system, and identifies existing problems. In Section II, information criteria are discussed and a synopsis of the recommended information system concept is provided. Separate sections then describe each major component of the overall system. Finally, guidelines for the implementation of the recommended concept are given.

B. Study background

3. The information systems sub-study of the Capacity Study is the result of a confluence of interests summarized as follows in the report of the Administrator of UNDP to the seventh session of the Governing Council:

"The study . . . should . . . produce a conceptual design of an information storage and retrieval system to which the United Nations organizations would find it possible to subscribe . . . In view of the close relationship that any information system should have to an overall system for development planning and management, this study would be carried out as an extension of the Capacity Study."

4. That report also noted related efforts within the UN system – particularly the work of the Computer Users Committee (CUC) of ACC, and of the consultations carried out on behalf of the Secretary-General at the request of the ECPC. These initiatives focused primarily on the problems and opportunities associated with the techniques of handling large volumes of data – and especially with computer applications. For example, the original terms of reference of the CUC were:

- "(a) To deal with questions concerning the use of computers in Geneva, and
- (b) To develop inter-organization co-ordination and co-operation in matters of general concern regarding computers."

These terms of reference were strengthened by ECOSOC resolution 1368(XLV) of 2 August 1968 in which the committee was requested to:

"... devote as much attention to questions concerning the use of computers throughout the United Nations system as to questions concerning the use of computers in Geneva."

At present, the CUC is examining the following information-related matters:

- Standardization. Adoption of standard classification schemes to distinguish between fields that are the substantive responsibility of various UN bodies and fields that are not the responsibility of a single inter-Agency body;
- Administrative classifications. Establishment of a uniform administrative classification with agreed-to basic definitions and terminology (e.g., financial items);
- Geographical coding. Establishment of a standard classification and coding scheme for countries and regions;
- Data banks. Examination of the extent to which UN system organizations could co-operate in establishing data banks of economic and social information, thus permitting common and more effective utilization of these data;
- Exchange of information. Promotion of constant exchange of information on computer hardware and software capabilities and future plans among UN system organizations.

5. A note by the Secretary-General prepared for the ECPC ^{1/} outlined terms of reference similar to those of the CUC, and stressed that the inquiry was:

"... of an interim character (that) will attempt to set down some important principles about computer applications for managerial purposes; and ... deal with two priority matters. One is the problem of classification of quantitative information. The other is the problem of techniques for storage and retrieval of information generally. The combined use of different types of information for the creation of data banks that can respond to questions and act as a general information system for a wide range of managerial purposes is also mentioned."

6. The CUC and ECPC have taken important steps toward coming to grips with several broad and crucial issues. Before those steps can be fully effective, however, there is a need for (a) a delineation of the management objectives, procedures, and organizational structure which information systems should, and must, be designed to serve, and (b) an overall information system design concept within which individual information efforts may proceed. The Capacity Study, therefore, adopted an approach designed to fill these needs.

C. Study approach

7. In developing a conceptual design of an information system to which all UN organizations could subscribe, efforts were concentrated on defining the information needs – fulfilled

^{1/} United Nations, Development of Modern Management Techniques and Use of Computers, Note by the Secretary-General (doc. E/AC.51/GR/19, of 5 March 1969).

and unfulfilled – of operational activities in development co-operation. To ensure that all information requirements were identified, the Capacity Study was augmented by staff members from UNDP, UN, ILO, WHO, FAO, and UNESCO. The assistance of the five Agencies was requested because they undertake the bulk of the operational activities financed through UNDP.

8. Under the study approach originally planned, each Agency was asked to assign one full-time analyst to the project, but, except in the case of UNDP, this could not be arranged. The approach was therefore modified; existing decision-making processes, information flows, and information requirements of development co-operation activities were investigated by one or more analysts from the Agencies surveyed, each of whom devoted part of his time to the task. The IBRD was also consulted so that a sizable portion of all types of UN development co-operation activities was represented in the study. Chart 6.1 summarizes schematically the approach used.

9. The staff members working in each of the representative Agencies gathered basic information about the Agencies' operations, i.e., what decisions are made in planning programmes and projects and in managing those projects after approval; where in the organization those decisions are made; what information is used in helping make them; and how that information is generated, processed, and presented. This fact-finding was concentrated primarily on the financial and non-financial information requirements relating to the formulation and execution of operational projects. However, attention was also given to the identification of information needed to manage administrative support activities, as well as to carry out longer-range, worldwide and sectoral planning and to accumulate and disseminate technical results.

10. Comparative analyses were then made to discover similarities and differences between these identifications of individual Agency requirements. These analyses, together with data from Agency responses to earlier Capacity Study questionnaires and interviews, were used to develop alternative concepts. The latter, in turn, provided the basis for further discussions designed to select the best and most practical approach for providing the information required to support the organization and processes prescribed elsewhere in this Report. Throughout, efforts had to be made to keep the study focused on operational activities. As shown in Chart 6.2, development co-operation activities are but one of the elements in economic and social development. The tendency was to go beyond the development co-operation activities and attempt to design a hypothetical system involving all economic and social activities. Also, because electronic computers and communications offer exciting opportunities, there was an inclination to think in terms of a fully automated and integrated system. However, both

because of its mandate and for other reasons which will be developed later in this chapter, the Capacity Study concentrated on the information needs of the development co-operation operational activities and on what appears practical over the near and mid term.

D. Present use of information and related problems

11. Analysis of the facts concerning Agency operations showed that some of the same patterns exist in the information field as are discussed in other chapters. In a broad sense, all Agencies of the UN system function in a similar fashion. That is, each has some means of planning and budgeting its programmes and of formulating individual projects within its programmes. To a greater or lesser degree, each Agency records some information about these programmes and projects as a base line against which it later reports and compares performance. Also, though to a lesser extent, and with varying degree of top-level managerial involvement, each Agency compares information of actual performance against plans, for purposes of self-evaluation and improvement of planning as well as for the correction of current operations. Similarly, in its own sector, each Agency attempts to stimulate member countries to improve the information they report on their economic and social affairs. Likewise, systems are being built to record, store and disseminate technical and scientific data reported from projects and other Agency activities. Thus, in these broad similarities among Agencies and in their extensive efforts to improve information, lies great hope for the eventual development of more compatible systems.

12. But, despite the broad similarities, numerous differences prevent UN bodies from having a unified information system. The problem starts, as noted previously, with the absence of a unified policy or systematic organizational and procedural approach to UN development co-operation. There does not yet exist a framework within which UN development co-operation decisions are made nor a system for managing development co-operation activities. Decisions affecting development co-operation resources and activities are made in numerous places without sufficient knowledge of or reference to one another.

13. As a result, most information systems or system design efforts to date have suffered from the same fragmentation which characterizes development co-operation activities more generally. This fragmented approach, in turn, leads each Agency to classify differently data relating to the same or similar objectives and to the same or similar types of activities. Moreover, some efforts concentrate on measuring programme inputs; others deal primarily with outputs. The result is that nowhere in the UN system is it possible to aggregate easily and consistently data about plans and programme inputs. It is not possible to assess accurately those inputs in terms of objectives or to assess periodically actual progress and results (i. e., output) within the same framework used for planning. As a result, governing bodies and senior officials throughout the UN system do not have the information required in order to

make rational system-wide policy and programme decisions. In short, there are now simply too many separate, inconsistent, incomplete information systems relating to some facet of development co-operation activities, and these systems are undirected or unco-ordinated by any central authority. Moreover, the trend toward further proliferation of decision-making bodies, each with authority to request and generate data outside an agreed system framework, is likely to further aggravate the situation. Elsewhere in the Capacity Study, efforts have been made to prescribe a unified policy for development co-operation combined with a systematic procedural and organizational approach. This chapter describes a concept for an information system which would support that approach. In so doing, it is believed that the information system proposed could be extended beyond the operational activities financed by UNDP and serve as the basis for better co-ordination of all UN development co-operation activity.

14. This is not to say that this chapter is the only effort in that direction. In paragraphs 4-6 above, other major efforts of a formal nature were mentioned. The Capacity Study has also noted numerous informal co-operative efforts among Agencies to co-ordinate with one another. By itself, though, each effort is like a single brick. The problem is now to select the right bricks in the right order and to provide the mortar that will bind them together into a well-designed, useful structure.

15. In the remainder of this chapter, therefore, an attempt is made to provide the concept which represents the mortar, as well as a broad plan for laying the bricks in such a way as to build a sound structure.

II. SYNOPSIS OF INFORMATION SYSTEM CONCEPT

A. Introduction

16. As indicated in the preceding section, an effective information system must support and mesh with the planning and control processes as well as with the organizational structure which an enterprise creates to carry out its mission. Development of such a supporting information system should proceed concurrently with development of management's planning and control processes and be modified promptly when those processes change. The information systems concept presented in this chapter has been established on these basic principles; in addition, the Capacity Study accepted five important criteria - namely, that the information system should:

- (a) incorporate existing sub-systems, when appropriate, into the overall system design and draw to the maximum possible extent on available staff and procedural resources;
- (b) provide for procedures and an organization to regulate and maintain the system and adapt it to the changing environment and needs;

- (c) facilitate planning and managerial control of both programme management and administrative support activities;
- (d) supply information matching identified needs at each organization level, with maximum economy;
- (e) provide a firm base for evolution toward a fully-integrated information system which will eventually serve all components of the UN development system.

Each of these principles and criteria is reflected in this section. Specifically, the following paragraphs will consider in sequence:

- the basis for information system concepts found in other Capacity Study findings and recommendations;
- the types of information required to support the UN development system;
- the concepts of information flow within the system;
- the components of an information system;
- the responsibilities for the provision of information required to support UN development co-operation;
- schemes for categorization or classification and formatting of information elements.

B. Foundation for the information system concept

17. Using the information requirements identified (see paragraphs 7 and 8) and projecting them for the organization and processes recommended in the Capacity Study, the broad criteria outlined above were used to develop the information concept. Fundamentally, the system concept is designed to provide information to help reach programme decisions, support the recommended planning and control processes, and help manage the existing and recommended organizational units. Accordingly, the principal Capacity Study findings and recommendations which were used as the foundation for the information system concept are those relating to:

- (a) the content of UN development co-operation;
- (b) the nature of the UN Development Co-operation Cycle (i. e. the management planning and control processes) recommended by the Capacity Study;
- (c) the existing organizational structure for UN development co-operation;
- (d) the organizational structure recommended by the Capacity Study.

(a) Content of UN development co-operation

18. For the purpose of building an information system, development co-operation may be viewed (see Chart 6.2) as one element in a wide spectrum of inter-connected factors affecting development (e. g. population, trade, monetary affairs, capital investment and credit).

Development co-operation is, in turn, carried out through three kinds of activities, not all of which are of equal magnitude: (a) operational activities financed either by UNDP or by other

sources; (b) regular activities of the Specialized Agencies (principally research and standard-setting activities); and (c) relief and rehabilitation efforts.

19. The Capacity Study emphasizes those aspects of UN development co-operation represented by operations financed by UNDP. Concepts of organization and procedure have been developed to provide a single channel for delivery of UNDP assistance to developing countries and, at the same time, to encourage maximum co-ordination of all UN development co-operation activities. The recommended process for this delivery, together with the concept underlying it, is described next.

(b) UNDCC

20. The Capacity Study recommends a new approach to planning and control of UNDP-financed operational activities in the UN Development Co-operation Cycle (UNDCC), described in Chapter Five. The steps in the various phases of this cycle are based on four key concepts:

- adopting a country programming approach;
- integrating responsibilities for operational activities of the UN development system;
- reducing the exclusive reliance on the Specialized Agencies for project implementation;
- conducting an annual review of all UN development co-operation activities in each country.

21. Information of various types is required to support each element of the recommended organizational structure as it conducts its development co-operation activities (see preceding paragraph) and carries out its role in the planning and control of operational activities (see also Chapter Five on the UNDCC). Since the focus of the Capacity Study has been on operational activities in development co-operation, the steps and phases of the UNDCC are used as the principal framework within which to discuss information requirements.

(c) Existing organizational structure

22. As Chart 7.1 of Chapter Seven shows, the present UN structure for development co-operation contains three levels of activity:

- (i) The governmental level, comprising the legislative and/or governing bodies of the Specialized Agencies (including the World Bank group and IMF) and IAEA, as well as UN bodies such as UNCTAD, UNIDO, UNDP, UNICEF, WFP and Regional Economic Commissions. All bodies are linked to the overall UN system through either ECOSOC or the General Assembly.
- (ii) The executive level, comprising the Secretary-General and the Executive Heads of the above-mentioned Agencies and programmes with their respective staffs.

- (iii) The field level, comprising UNDP Resident Representatives, Agency field establishments (e.g., regional offices, sub-regional offices, country representatives); individual experts and project managers, who carry out development projects at the country level.

23. At present, all three levels play significant roles in economic and social development. As noted previously, and as indicated on the chart, each substantive unit of the UN and some of the Specialized Agencies plans and conducts its own programmes without significant reference to the programmes of the others. The principal forces for integrating programmes are the UNDP, UNICEF, and WFP. Each of these programmes provides funds to support the bulk of the operational activities, but to date none has chosen to require uniform procedures, joint planning, regular reporting, or other means to arrive at an integrated UN approach. Other integrating forces are found in the consultative deliberations of the ACC, the budget reviews of ACABQ, and the co-ordinating efforts of various units of the UN Secretariat (e.g., the Office of the Controller, TARS) and such bodies as the ECPC. But, for the most part, none of these mechanisms has provided the direction and unity needed.

(d) Recommended organizational structure

24. To help remedy some of the present shortcomings, the Capacity Study recommends a new organizational structure. The concept underlying it and the structure itself are detailed in Chapter Seven. Although the recommended structure (see Chart 7.4 in Chapter Seven) retains the three current levels of activity, it has two especially important characteristics. First, it clearly distinguishes between UNDP as the management centre for planning and controlling operations on the one hand and the Agencies and/or contractors as the agents for implementing specific field projects on the other. Secondly, the recommended organization establishes a new set of responsibilities and roles to govern relationships between UNDP and other organizational elements involved in UN development co-operation activity. Charts 7.3 and 7.4 of Chapter Seven show respectively the recommended roles and relationships and the recommended structure.

C. Types of supporting information required

25. The Capacity Study divided the overall development co-operation information system into three major sub-systems for the convenience of discussion, but also because the information required breaks into three major types, each of which has different characteristics and lends itself to different treatment. These three types of information, which will be fully discussed later in Sections III, IV, and V are:

- Technical and Scientific Information (T&S);
- Economic and Social Information (E&S);
- Operational and Administrative Information (O&A).

26. The responsibilities of UNDP and the Agencies vary somewhat with respect to each type of information required. The supporting information requirements for each sub-system are summarized in Chart 6.3, which presents the sequence of major steps in each of the five major phases of the UNDCC. The same chart indicates the type of information required and produced at each step according to the sub-system's classification. As Chart 6.3 shows, the information system should help answer certain fundamental questions at each phase in the development co-operation cycle. For example, in the country programme phase, questions such as the following need to be answered:

- (a) What is the status of the country's economic and social development in relation to a base-line year and in relation to other nations of similar geographic, economic, and social characteristics?
- (b) What is the country's development strategy or plan?
- (c) In which sectors have external assistance activities (particularly programmes sponsored by the UN development system) been completed and in which sectors are external activities now under way?
- (d) What results have been obtained from past activities within and outside the country, and what results are expected from activities currently under way?
- (e) What is the situation in each major sector of the country's economy – within the country itself and within the region or worldwide – that may have an important bearing on the country's development?
- (f) What UN resources are likely to be available?

27. Answers to such questions must come from a variety of sources (e.g., Agencies, the government of the developing country, other country sources, UNDP) and they should include broad past and projected economic and social measurements, more specific technical data on results and expectations, and specific financial and non-financial data on UN development system operations and administration. The economic and social data will probably be most needed during this country programme phase. Regardless of how systematically or unsystematically they are assembled and provided, or how well founded or conjectural they may be, economic and social data are essential as a basis for programming. In other words, with or without a formal information system, the country team will have to do its best with whatever information can be obtained from any source. Of course, to the extent that information made available is accurate, timely and complete, and is provided systematically and efficiently, the quality of country programmes will improve.

28. Next, in the project formulation phase, answers must be sought to basic questions such as:

- (a) What are the specific objectives to be accomplished by the project?
- (b) What prior or current work in the country or outside it can be applied or adapted to the particular project?
- (c) How should the project be accomplished?
- (d) What are the likely costs and benefits of the project and of the approach being considered?
- (e) What past experience can be drawn upon to help determine what needs to be done, when, and by whom, to meet these particular objectives?
- (f) Who, or what organization, is most capable and best suited to perform the project?
- (g) When, and in what form, are results or output likely to be observable, and how can that output be measured?

29. The answers to such questions are likely to come primarily from reports of past technical and scientific undertakings within or outside the country and secondarily from financial and non-financial records of past or current operations and supporting administrative activity. The procedures outlined in Section III for the T&S concept are designed to provide the information for these questions.

30. In the project implementation stage, the basic questions will include:
- (a) Who has agreed to do what, when, and at what cost?
 - (b) Was it done on time, within the budget, according to plan, and is expected progress being attained?
 - (c) If not, why?
 - (d) What changes, if any, are needed in approach, plans, schedules, performance targets, budgets, or personnel?

Answers to these questions should come largely in the form of reports from personnel at the country level (i. e., the project team, the Resident Representative and his staff). Additional information should come from regional bureaux, Executing Agencies or agents, and the Administrator and his staff acting upon operational, technical, or administrative reports or upon inspection reports of country-level activities. These reports would be processed by the O&A information sub-system outlined conceptually in Section V of this chapter.

31. When results are being assessed, the questions to be answered will be similar to those in the project implementation phase. However, this phase will have the benefit of a longer time frame and of hindsight. Evaluations or assessment of results will probably be made in terms of technical and scientific information (e.g., were planned technical results actually achieved?), as well as operational and administrative information (e.g., were these results achieved within budgets and time schedules?).

32. From the standpoint of a supporting information system, the follow-up phase should also be viewed much as the project implementation phase. Who does what after the project

team departs should be spelled out during project formulation, if possible, or determined as the project team efforts are nearing completion. Operations reports of performance on follow-up actions assigned to the government, the UNDP, or others should be examined. Need for further action should be determined.

D. Concepts of information flow

33. Under ideal circumstances, the information needed to support the UNDCC should be met out of an organized continuum of information that flows freely and regularly from and between organizational units engaged in development co-operation activities. This broad flow concept is illustrated in Chart 6.4. It indicates that economic and social data, for example, are reported by economic sector through UN Agencies and used primarily in the country programming phase and, to a lesser degree, in the evaluation phase. Specific projects need, and generate, technical, scientific, operational, and administrative information, which is then used principally in project implementation. Conversely, all phases of the cycle generate one or more types of information used to improve performance continuously throughout the cycle. The chart also indicates that to facilitate the flow of information between countries and the aggregation and comparison of that information, the same sectoral process, and project identification schemes should apply.

34. Out of this information continuum, it should be possible to extract appropriate summary, sample, or detailed information on UN development co-operation activities showing the impact of UN system resources on a given developing member country, and on a particular economic or social sector or sub-sector. From this data reports could be constructed for all levels of the organization for UN development co-operation. The reports would show trends in that particular country's development, reflect progress against plan, identify where objectives are or are not being met, and indicate what additional efforts are needed. Similarly, the elements of the development co-operation organization should be able to draw on these information bases in articulating objectives, identifying needs, establishing and financing programmes to meet needs, and assessing performance and accomplishment.

35. At this point, a word of caution is in order. It should be understood that the purpose of an information system is to support and assist managers and their staffs in making decisions - not to substitute for them. No information system - no-matter-how-perfectly-it is designed and operated - can guarantee perfect decisions.

E. Components of information system

36. To ensure the appropriate information flows to the right places at the right times is no simple task. It requires a carefully-defined process which integrates means for generating or collecting, communicating, storing and processing, retrieving and reporting data. Such a

process can be carried out entirely by manual means, or, as is more likely today, by partly manual and partly mechanical or electronic means.

37. Electronic computers, modern communications, and other devices are now capable of, or offer future promise for, automatically handling large amounts of data at extremely high speeds. These features make possible, as never before, the full integration of the functions outlined in the preceding paragraph. That integration, in turn, makes possible the closer integration of activities of geographically separated organizations. But before such an integrated and highly automated system can be developed, it is necessary, first, to agree on what information is needed and by whom. Then, it is necessary to decide where it will be collected, stored, and processed. This, in turn, requires the data to be uniformly defined and classified if they are to be freely and expeditiously transferred among all the organizations of the UN development system. Indeed, the steps for system integration outlined above are a prerequisite for an effective and economic computer-based, automated system; and, in fact a relatively high degree of benefits can accrue from system integration without full automation and high-speed communications.

38. The first essential step toward information system integration is the provision of a central authority to guide the system design and to co-ordinate development efforts. At present, there is no single constitutional or executive authority over the numerous bodies involved in UN development co-operation; and the Capacity Study does not recommend any constitutional changes to provide for such an authority. However, the Study does recommend that the Administrator of UNDP, as the manager responsible for the effective functioning of the UNDCC, should take a leading role in developing the information system required to support the UNDCC. In this role, and given a staff to help him to discharge it, the Administrator should concentrate on the other essential steps noted in the preceding paragraph. The Capacity Study, while recognizing the validity of the long-term goal of a fully automated system, believes that focusing on those mid-term prerequisite steps is the only practical course. It feels confident that successful accomplishment of those steps will, in themselves, bring the greatest benefit to the UN development system and, at the same time, lay the necessary foundation for a long-term, fully automated system.

F. Responsibilities for information systems

39. Chapters Five and Seven on the UNDCC and on Organization recommend certain roles and relationships for UNDP and the Specialized Agencies in development co-operation. The patterns outlined in those chapters suggest the roles that each should play in the provision of information to support development co-operation.

40. The T&S sub-system is concerned primarily with technical and scientific knowledge required for development co-operation activities and, within that, principally with the results flowing from operational programmes and projects. T&S information is required in all five phases of the UNDC. Because the Administrator is charged with effective utilization and application of a major share of the operational resources of the UN development system, and since T&S information is not only one of the end products of the project s UNDP finances but also an important element in all the phases of the UNDC, the Administrator should assume a major responsibility for stimulating improvements in this area, and providing the framework within which the T&S information collected by Agencies as part of their constitutional responsibilities could be made accessible to all participants in the UN development system.

41. The E&S sub-system is concerned mainly with the statistical data generated and reported by governments. E&S information is needed in UNDC primarily in the country programme phase, and it is useful in the evaluation phase also. This type of information is already being collected and reported under the statistical authority of the UN and, in their - - respective sectors, under the constitutional authority of the Specialized Agencies. Since the Capacity Study has recommended more extensive planning and country programming with the participation of UN Agencies under the leadership of UNDP, it follows that the UNDP should become a much bigger "customer" for this type of information. As such, it should have a greater voice in prescribing requirements and be in a better position to suggest opportunities for improvements and better co-ordination of elements of the sub-system. But the UN and the Agencies would, of course, retain their basic responsibilities in this area.

42. The O&A sub-system contains both operational and administrative information. Operational information consists primarily of project plans and the information needed to manage the implementation of these plans. Administrative information deals with administrative support functions carried out by all Agencies (e.g., personnel, budget, equipment). Since the Capacity Study makes the Administrator of UNDP accountable for the effective discharge of the UNDC, it follows that he should have full responsibility for developing and maintaining the operational portion of the O&A sub-system. The Administrator, with the help of his staff, should have authority to prescribe the information that each participant in the cycle should provide, its frequency and timing, how it shall be stored and processed, and the reports which should be produced from it. However, since the Study does not recommend any change in the constitutional relationships between the UN and the Agencies, it follows that the UNDP would not have the same authority over administrative information. Each Agency should continue to have authority over its own administrative affairs, with the proviso that co-ordination continues to be effected through ACC under the agreements between the UN and those Agencies. However, this arrangement does not prevent UNDP from offering some leadership

in administrative information areas dealing primarily with the administration of Agency operational activities closely related to operational activities financed by UNDP.

43. The foregoing sub-systems have been designed to facilitate the improvement of the information system, not to provide detailed data classification schemes. In fact, in the ultimate design each data element representing a transaction or a planned or actual action will probably be classified in several ways (e.g., by country served, by organization, by type of activity or function performed, by sector affected) as pointed out in paragraph 45 below. Accordingly, some data information elements could logically fit into more than one of these three information sub-systems.

G. Categorization or classification of data

44. Fundamental to the development of any information system is effective categorization or classification of the data. This particular subject was effectively covered in Part III of the note by the Secretary-General to the ECPC. 1/

45. Here, it can be noted that the approach, policies, programmes, processes, reports, and organization for development co-operation envisaged by the Capacity Study will require data to be classified in different ways. To serve the variety of information needs of all the UN development co-operation Agencies, a given expenditure, for example, should be classified by categories such as:

- country or region benefiting;
- project, programme, or function (if programme support) affected;
- organization (Agency, department, branch, office, etc.) expending;
- purpose or object of expenditure;
- fund or source from which expenditure is being made.

Either through the project or programme identification as a secondary classification, or as additional categories in the primary classification, it would also be necessary to denote the type of project or programme and the sector, sub-sector, or field of activity for which the expenditure was made.

46. Ideally, these classifications should be uniformly defined and uniformly applied throughout the UN system to facilitate the myriad aggregations and comparisons that must be made. However, as pointed out in the document referred to above, it would not be imperative to have absolute uniformity below the country-sector and major-type activity, particularly if computers are available to translate from one classification scheme to another. Nevertheless, it will

1/ Development of Modern Management Techniques and Use of Computers, op. cit.

be absolutely essential, if different classification schemes continue to prevail, to make certain that they are compatible down to the level suggested and that translations of detailed data below that can readily be made. Further, it will be desirable to work toward consistent formatting of the uniformly classified data in order to provide a firm base for evolution toward a completely integrated, fully automated system to serve all components of the UN system.

47. In Sections V and VI, the classification requirement will be discussed further in terms of possible classification schemes and their importance to system implementation.

48. The foregoing discussion has provided a synopsis of the information system concept in terms of (a) the nature of the organization, the types of activities, and the processes that the information system should be designed to serve; (b) the types of information required; (c) the flow of information; (d) the major components of an information system; (e) the distribution of responsibilities for information development and operation; and (f) information classification. But improvement of the complex information systems required by the UN development system will require concerted effort and talents that are not now effectively mobilized. Heretofore, improvement efforts, as pointed out previously, have been launched at many points in the UN system and have involved much use of committees. While all these efforts have helped toward the solution of information problems or have given promise of so doing, they are not providing the concerted action needed. The Capacity Study therefore recommends in Chapter Seven that the Administrator be provided with a Management and Information Systems staff.^{1/} Such a staff is needed to help the Administrator to discharge his responsibilities for the systems design work and leadership outlined in paragraphs 36-38 above. This is perhaps the most important of all the recommendations made on the information systems concept. In subsequent sections of this chapter, each of the three information sub-systems enumerated is discussed in detail, together with recommendations for their implementation.

III. TECHNICAL AND SCIENTIFIC INFORMATION SUB-SYSTEM

A. Introduction

49. The development co-operation activities of the United Nations system require ready access to a large body of technical and scientific information in a variety of subject-matter fields. This information is generated through a broad range of activities, including:

- regular programmes of UN Specialized Agencies resulting in internally-produced documents (both published and unpublished);
- UNDP-financed development co-operation projects generating project progress and technical reports;

^{1/} See para. 97.

- work carried out in and by the developing countries creating published and unpublished material;
- development co-operation activities carried out by external inter-governmental, non-governmental, and bilateral organizations (encompassing research and other scholarly activities) generating scientific literature, including books and periodicals.

50. The information sub-system developed to provide access to technical and scientific information must meet two criteria. First, it must support the requirements of the UN structure and the policies and processes for UN development co-operation prescribed in the Capacity Study Report. Second, the system must build on and utilize fully the information system infrastructure now in place, or being developed, throughout the UN system, and in key external organizations (e.g., OECD, Deutsche Stiftung für Entwicklungsländer) to improve the dissemination of technical knowledge and experience relating to development co-operation activities. This section proposes a concept for a technical and scientific information sub-system designed to meet those criteria at reasonable cost. Specifically, it should:

- identify the technical and scientific information required to support all the development co-operation activities of the UN system (but principally the activities relating to the UNDC);
- describe problems in providing this information with existing information systems;
- propose an information systems concept which can satisfy the information requirements noted above and be extended to provide for more effective transfer of technical and scientific information to developing countries;
- outline procedures for operating the proposed system;
- present recommendations for implementing the concept.

B. Technical and scientific information requirements

51. Access to an extensive body of technical and scientific information is necessary throughout the development co-operation cycle, but is most essential in two phases - project formulation and project implementation.

52. In the project formulation phase, technical and scientific information is needed to: (a) determine whether the project is necessary; (b) support substantive and administrative planning; and (c) identify the current "state of the art". At the start of project formulation, project staff must determine whether the objectives of the proposed project have been met by earlier endeavours. For example, it may be concluded, after an examination of available information, that segments of a given proposed project have been carried out elsewhere and that the scope of the proposed project should therefore be changed.

53. Technical and scientific information is also used to support planning activities during project formulation. Previous projects similar in nature to the project under consideration provide useful planning guidelines on aspects such as the approaches followed, the time-table,

the resources used, and the problems encountered. In addition, during project formulation, the latest research relative to the proposed project must be reviewed in order to gain insight into the technical tools and problems involved.

54. During project implementation, technical and scientific information is required to help resolve on-the-spot operating problems. By consulting sources of relevant information, the project team may learn how particular problems were solved elsewhere, and thereby avoid duplicating effort.

55. In addition to providing direct support to project formulation and implementation activities, technical and scientific information is used in several other ways. Individuals or organizations in the developing country – governmental, educational or private – may draw on the technical and scientific information sub-system to support country development planning. Because these countries are likely to have less developed library and reference systems, they would make significant use of the UN system.

56. Specialized Agencies' staff would also use the technical and scientific system as a reference source for their own research and ongoing regular programme activities. Other organizations – bilateral and multinational assistance agencies – would use the system for similar purposes. Many other users – governments, individuals, educational institutions, students – would take advantage of the technical and scientific information maintained by the UN system.

57. While UNDP, in its capacity as manager of the UNDC, is a major consumer of T&S information, it is not the only one; it is a constitutional responsibility of the Specialized Agencies to provide information in their sectors for all users. To serve such a variety of activities and users, the T&S information sub-system must generate data at various levels of detail. The system must respond not only to general information or survey type questions but also to highly detailed technical questions.

C. Problems in existing T&S information systems

58. Many problems in supplying technical and scientific information are natural outgrowths of the system used to provide such information. Technical and scientific information systems generally have two objectives:

- (a) to identify the relevant sources or documents containing required information;
- (b) to retrieve, or make available, physical copies of the documents.

Thus, these information systems deal primarily with documents as a whole (e.g., reports, books) and not with specific extracts of the information in those documents. However, some new systems are attempting to store and retrieve particular information from within a document.

59. Five problems have developed with existing T&S information:

- (a) the lack of consistent structure to the information;
- (b) its large and growing volume;
- (c) the failure to publish significant portions of the information;
- (d) the wide geographic dispersion of the information;
- (e) the excessive reliance, in retrieval activities, on the knowledge of individual personnel.

The following paragraphs first discuss each of these problems and then describe current efforts to solve them.

(a) Lack of structure

60. The information which constitutes the technical and scientific base cannot, at present, be reduced to raw data forms within reasonable economic limits. It is generated by many individuals throughout the world, and is recorded primarily in documents containing tables, text, maps, drawings, and other forms. The documents have no consistent structure or format; some are voluminous and others are brief. As a result of this diversity, there is, at present, no economical way of sorting out individual information items; coding and storing important data and discarding the rest; or determining which information is to be analysed, indexed and made available to the users.

(b) Growing volume

61. The number of documents included in the UN technical and scientific information base is already large and is growing rapidly. It is estimated that by the end of 1970, about 100,000 document references will be stored in the FAO, ILO and UN documentation centres. ^{1/} After 1970, the volume in these libraries may grow by 15,000 to 20,000 documents each year, which will represent only that fraction of total available documents of particular interest to development co-operation. As UNDP's early growth is matched by an increase in completed technical reports, the flow of documents will probably expand even more rapidly. This highlights the need to build provisions into the T&S sub-system not only for careful indexing and consistent coding, but also for effective policing to ensure the exclusion of references of marginal value and the weeding out of those entered but not used.

(c) Failure to publish some information

62. Significant proportions of useful documents are not published, or are not available to a large range of potential users. Formal published reports are registered and stored in

^{1/} This number includes only documents that have been abstracted and stored in the computer systems.

documentation centres or libraries, but all relevant documents do not enter into these documentary service facilities. There are several reasons for this problem. First, many documents are informal working papers; in FAO, for example, it has been estimated that only 10 per cent of the relevant documents are published. Moreover, because of delays in project implementation and report preparation, project results are not immediately available. And many documents are restricted and thus not available for wide distribution and use.

63. Apart from documents generated by the UN and the Agencies, a considerable number of documents produced by governments, bilateral and other assistance groups, and other organizations are not published. Much of the information in those documents could be useful to the UN and to the other groups mentioned above.

(d) Wide geographical distribution

64. The Agencies need direct access to their own documents, but the wide geographical dispersion of the Agencies has led to wide physical dispersion of repositories for technical and scientific data. To add to the problem, the information facilities of development organizations outside the UN system are maintained in still other locations. Thus, the potential user first has difficulty in identifying all possible sources and then has trouble in obtaining access to such sources.

(e) Reliance on individual recall

65. The task of obtaining required information is growing even more complex because often individuals are the principal repository of information on sources and substantive data. When such individuals leave, knowledge that is crucial to the successful operation of the technical and scientific information system is lost to the organization and to the system.

(f) Current improvement efforts

66. As libraries and documentation centres throughout the world become more concerned at the difficulty of handling the growing volume of technical and scientific documents, they are increasingly challenging the past practices by turning to modern methods and systems. Within the UN system, two computer-assisted information systems (FAO's and ILO's) have already been implemented, while the Dag Hammarskjöld Library (DHL) is now testing and implementing a new storage and retrieval system. UNESCO and WHO are currently planning their own computer-assisted document and information systems.

67. Chart 6.5 summarizes these new systems, all of which have similar characteristics. Each system:

- (i) has an Agency/subject-matter orientation (i.e., stores information of major use to the Agency);

- (ii) involves abstracting documents and using key words to describe each document;
- (iii) uses, or plans to use, microfiches to store documents.

Although the systems are not identical, they could be made relatively compatible.

68. To co-ordinate the separate efforts of these Agencies and other international organizations, the Working Party on Indexing and Documentation was established. This group, which has met several times since February 1966, is primarily concerned with co-ordinating various information systems activities by:

- (i) interchanging indexes;
- (ii) exchanging information on computer systems and programmes;
- (iii) defining organizational requirements or procedural requirements (e.g., complete numbering of all documents);
- (iv) studying methods for moving toward systems compatibility;
- (v) providing author abstracts for all large documents;
- (vi) identifying areas for defining common terms;
- (vii) developing common standards (e.g., in the use of microfiches).

69. In addition, other arrangements for developing systems compatibility are under way (e.g., ILO, FAO, OECD, and the Deutsche Stiftung für Entwicklungsländer work on an "Aligned List of Descriptors").

70. Thus, the Agencies in the UN development system and others have begun to develop technical and scientific information systems and to co-ordinate those developments to ensure some compatibility. But only a few Agencies have made significant progress thus far in systems development. More rapid development of compatible modern documentation methods such as those being sought by the ILO, FAO and OECD is needed in all the Agencies, and the legislative and other means to foster such development should be encouraged.

D. Technical and scientific information sub-system concept

71. In defining a concept to provide for the collection, retrieval, and dissemination of technical and scientific information, two fundamental principles have been observed. First, the new sub-system concept should serve information requirements within the framework of the development co-operation cycle – hence, it should (a) be built as much as possible on work already accomplished or under way (b) be feasible in the near term and (c) be modest in cost. Second, the concept should provide the infrastructure for long-term development of a system of a kind which would, in time, respond to a variety of user demands – e.g., preparation of briefs for UN development co-operation and government policy planners, provision of specialized subject packages of microfiches and document abstracts for individual project managers and project technicians.

72. Detailed design and implementation of the new sub-system will be a difficult job. It will require leadership and technical expertise. Also, it will probably involve some modification of current institutional arrangements and the creation of new ones to develop the greater compatibility desired among these information activities. Building an adequate technical and scientific information sub-system will also require judicious use of financial resources to extend and, in some cases, develop the initial systems components. If an effective development information network is to be realized, the responsible authorities of Agencies engaged in UN development co-operation activities must be prepared to support these efforts with finance and patience. A system to support the highly complex UN development co-operation network cannot be created in a short time.

73. Having taken these principles and related considerations into account, the Capacity Study proposes a systems concept based on three design principles:

- (a) providing access to most technical and scientific information needed in the development co-operation cycle through the decentralized computer-assisted facilities of the Specialized Agencies;
- (b) arranging for the Dag Hammarskjöld Library (DHL) to serve also as the UNDP information facility and to offer some centralized services for the UN development system;
- (c) building a network of National Documentation Centres (NDC's) that would eventually feed technical and scientific information into the UN development system.

Each principle is described in more detail below.

(a) Providing access through Agency facilities

74. The Specialized Agencies would continue to develop their own documentation retrieval systems and would maintain independently-operated centres. However, they should continue to work toward system-wide compatibility and consistency so that information can be readily exchanged and economies effected. Each Agency would be responsible for maintaining all the documentation it produces and for obtaining requested information from other libraries in its subject-matter field. This decentralized approach offers several advantages. First, it permits selectivity of input and output; both activities require, in many cases, detailed technical knowledge available only in a particular Agency. Specifically:

- The potential volume of the documents, including external scientific and technical sources, is sufficiently great to demand careful selection of documents to be abstracted and stored;
- Abstracting technical documents requires experience with the subject-matter field;
- The phrasing of information requests may often vary from one technical and scientific discipline to another. Supplementary assistance from experienced technical personnel may therefore be required to provide a reasonable answer from docu-

mentation centres. Furthermore, separate Agency documentation and retrieval centres are reasonable because of the wide geographical dispersion of Agencies and the heavy use of the information by each Agency's own personnel.

75. Finally, this approach would allow the Agencies to proceed with current system design and development efforts, both intra- and inter-Agency. Such efforts (described in a preceding section) include the design and implementation of computer-assisted systems for, in most cases, format, volume, and retrieval problems make the use of a computer necessary.

(b) Designating a UNDP information facility

76. Under the proposed T&S sub-system concept, the Dag Hammarskjöld Library would serve UNDP's needs as a documentation and retrieval centre in addition, of course, to its own general functions. As such, it could also legitimately help to co-ordinate document indexing and identification throughout the UN development system. It could perform some centralized functions and refer information requests to the appropriate Specialized Agencies whenever necessary (a role to be discussed in more detail later).

(c) Building a network of National Documentation Centres

77. Developing countries produce a large amount of published and unpublished documentation of direct interest for development co-operation activities. Often, this material is dispersed, not easily accessible, and may, in time, disappear completely. Much of this documentation may not be directly relevant to UNDP financial operations. Nevertheless, a large portion of it may be of significant value to countries for their development activities. Compatible documentation and documentation techniques should therefore be an integral part of UN development co-operation operational activities and the building up of a complete network of National Documentation Centres is recommended. With appropriate local modifications, such centres should help developing countries to benefit from the advantages of modern documentation techniques and to retrieve country information that is currently unknown or unavailable.

78. Until the countries themselves are in a position to take on this function, the Resident Representative and his staff should perform it to the maximum extent possible. At a minimum this should involve at least assembling documents produced with the help of UN resources (and with that of other resources, if such documents are available) and forwarding them for cataloguing and analysis. It would also entail forwarding requests for T&S information requested by project personnel, country programming teams, and the host government.

79. The T&S information concept proposed allows the Specialized Agencies to retain a large degree of autonomy and local flexibility. At the same time, it establishes the basic infrastructure for longer-term evolution toward a system that binds the UN system closely with the developing countries and other external sources/users of technical and scientific information.

E. Procedures for operating the system

80. Chart 6.6 outlines the T&S system concept. The following paragraphs describe the institutional arrangements and sub-system procedures in five areas, the types of products and their flow within the T&S sub-system. These five areas are:

- Documentation co-ordinating centres;
- Specialized Agency activities;
- Dag Hammarskjöld Library activities;
- National Documentation Centre activities;
- Information request activities.

(1) Documentation co-ordinating centres

81. The focal point for the initial handling of technical and scientific information received from developing countries would be either of two co-ordinating centres. These centres, one in New York (perhaps in the Dag Hammarskjöld Library or as an appendage to it) and the other in Geneva, would receive and assign a catalogue number to the documents. It would then forward the document to the appropriate Agency or Agencies into whose sector the subject of the document falls for scanning, selection, and abstraction or rejection. (The Agency, of course, may choose not to enter the document into the retrieval system.) Central cataloguing should save money, since, in Geneva alone, it is estimated that some documents are now catalogued in as many as ten different offices. These operations of the centre should be done manually for the first several years, with distribution to the Agencies through the mail. By then, each centre might find its procedures sufficiently refined to justify procurement of a terminal which would link with a computer serving all Agencies in the area. With such an arrangement, the centre would catalogue the information in machine-readable form via the terminal, using the document's serial number or standard book number, author, title, publisher, and the like. Still later, if worldwide communications become economical and reliable enough, one co-ordinating centre might be sufficient.

82. Each co-ordinating centre might also be equipped with complete microfiche-processing laboratories and serve as a service bureau for Agencies in its area. Various Agencies are now beginning to move on a relatively small scale to set up their own microfiche facilities. It is likely that such operations will become unwanted burdens to the Agencies. A sophisticated and well-equipped central processing service provided by the centre could take these burdens off the Agencies and, at the same time, permit the purchase of better equipment and thereby allow for better quality service at a lower overall cost.

(2) Specialized Agency activities

83. Agency libraries or documentation centres would receive documents directly or from the co-ordinating centres.^{1/} Priority should be given to the analysis of internal documents and project reports. To ensure that information is up to date, project reports should be sent to Agency documentation units as they are completed; the plan of operation should clearly stipulate what interim technical reports will be provided, and when they should be prepared.

84. Agencies should subscribe to a uniform system of document identification and cataloguing. But each Agency must develop criteria for selecting the documents to be abstracted and microfiched in its own sector. This step is critical to the success of the system and should be performed by a unit with qualified personnel within the Agency. If proper selection methods are not applied, valuable documentation could be lost or excessive costs could be incurred, particularly in retaining and processing material of marginal value.

85. All information catalogued, indexed, and abstracted in the Agencies would be retained in the Agency's central store of machine-readable information if the Agency possesses a computer or has access to one. Whatever specialized information the Agencies needed to produce awareness abstracts, indexes, bibliographies and the like could be extracted from this store.

86. In addition, the Agencies should send initially to the DHL and later to the co-ordinating centre, abstracted documents (in machine-processable form, if systems are compatible) and microfiche copies, if they can be released. Only documents generated within Agencies should be forwarded; documents produced externally, but maintained in Agency centres, should not be forwarded.

(3) Dag Hamarskjöld Library activities

87. The DHL would have a similar set of procedures and methods for processing reports and documents, although its system and services might be more extensive than those of the Agencies. In serving UNDP, it would be responsible for handling economic evaluation reports,^{2/} abstracts received from Agencies, and UN development system documents from Agencies without automated systems. Abstracts received from Agencies with abstracting and automated retrieval systems would be treated as documents by DHL; but reports from Agencies without automated systems must be abstracted and filed for automated retrieval by DHL.

^{1/} Until co-ordinating centres are established, the Agencies would receive documents directly, but should attempt to co-ordinate with each other to reduce duplication in cataloguing and analysis.

^{2/} Largely interpretative reports and evaluations of country economies; they are discussed in more detail in Section IV of this chapter.

88. Thus, the DHL would build a centralized file of abstracts and key words on all documents relevant to UN development co-operation. Using these tools, it could perform search activities for internal or external requests even though it may not have hard copies of the documents. The centralized file should be created only after DHL's technical capabilities to handle requests have been sufficiently tested. Until then, DHL should not perform central searches except on UNDP documents.

89. In addition, DHL should eventually set up a small unit to serve as the New York Co-ordinating Centre to handle the future flow of technical and scientific documentation from those NDC's whose location would best be served by DHL.

(4) National Documentation Centre activities

90. The primary objective of helping developing countries to establish NDC's is to enable them to improve their planning and utilization of available T&S knowledge. This is a highly important objective, but not one which is absolutely essential to the functioning of the UNDC. Therefore, their establishment is not required immediately under the postulated T&S information system concept. In order to make UNDC function, the Resident Representative's office can do a similar job primarily on UNDC-related documents. However, it is necessary to sketch out how these NDC's would fit into the envisaged structure and procedures in order to describe the concept fully.

91. In brief, the long-term objective would be for these NDC's to collect, catalogue, and analyse material produced in their respective countries for their own use and exchange with other countries and international organizations. Pending full operation of such NDC's and the proper training of their personnel, material made available by governments or institutions could be collected by the centre or by the Resident Representative and transmitted to the documentation co-ordinating centre. To do this, the NDC or local UN staff would need to build up contacts with the various ministries, universities, research institutions, and organizations which produce development-related documents in their countries. The documentation co-ordinating centre would catalogue and arrange to analyse the documents. Corresponding abstracts or indexes could then be supplied in return to the NDC's. Thus, the NDC would not need immediately to catalogue and analyse documents locally, though this would be the long-term objective. In addition, the NDC's would receive microfiche copies or hard copies of Agency documents, together with proper indexes for use by national researchers and UN development co-operation country teams.

92. Initially, most NDC's could probably operate with a staff of one fully-qualified and experienced librarian/documentalist and one or two clerical assistants. As NDC's are created and built up over time, training courses for professional staff might be organized in either of the co-ordinating centres (New York or Geneva).

(5) Information request activities

93. In general, two major kinds of requests will be made of the T&S information sub-system by Agency personnel, project, or technical people in the field, Member Governments, other institutions and individuals and, ultimately, NDC's. These types of requests are (a) subject-matter and (b) activity requests. Each type will be handled differently.

94. Most requests for subject-matter information could readily be sent to the appropriate Specialized Agency – e.g., fishing to FAO, primary education to UNESCO, meteorology to WMO. Agencies would then answer requests, probably by preparing abstracts, performing searches, or duplicating microfiches that were not previously placed in the NDC through which the request was placed. To be most helpful, Agencies should develop liberal distribution policies and place restrictions on documents only where necessary to protect the confidentiality of the original document while governments should be encouraged to remove restrictions whenever possible. (FAO finds liberal distribution policies useful in gaining agreement and avoiding duplication of effort; almost no problems have arisen thus far.)

95. In other cases, matching a request with the appropriate Agency may not be so straightforward. Some requests – generally those concerning activities – may not be associated with a single Agency. For example, a project team charged with establishing a fishing co-operative in West Africa may want to review projects of the same kind; the search would be complicated, however, because projects dealing with such an activity could well be found in several Agencies.

96. When the Agency best suited to answer a request cannot be identified, the information requests should be forwarded to the DHL. Using its abstracts and indexes of all documents, the DHL could perform the initial computer search in one location. Then the individual making the request could examine the abstracts, determine useful documents, and formulate a request for microfiche copies to the subject-matter Agency (or to DHL, if the microfiche is stored there). Stringent rules governing the requests to be handled by the DHL should be drawn up; when the appropriateness of a request is in doubt, it should be forwarded to the Agencies immediately.

97. The procedures would thus allow appropriate levels of document decentralization, while providing for a centralized clearing-house for the initial processing of information search requests.

F. Recommendations for system implementation

98. Implementing the proposed concept for the T&S information sub-system, first to support the UNDCC, and then to build toward the longer-term goal of the full network of NDC's and fully computerized operations, involves four steps:

- (a) developing within each Agency a comprehensive list of technical reports covering completed projects financed by UNDP and Agency regular programmes on a country-by-country basis;
- (b) establishing documentation co-ordinating centres and starting operations described in paragraphs 77-82;
- (c) providing for the development of machine procedures in all Agencies;
- (d) strengthening the inter-Agency group to increase co-ordination and standardization;
- (e) assisting developing countries in the establishment of documentation centres.

99. The office of the Resident Representative should keep an up-to-date and comprehensive list of all development activities recently completed or being carried out in the country in order to help the UN development system country team to plan country programmes. He should utilize all possible sources (e.g., Agency reports on operations not financed by UNDP, bilateral programmes, other inter-governmental programmes, etc.) to help him to bring the list up to date at least once each year.

100. The documentation co-ordinating centres should be established so that the UN development system can begin to receive the benefits of more uniform cataloguing and of fewer cataloguing points. UNDP should partially or fully finance these centres and its Management and Information Systems staff (MISS) should collaborate closely with the Working Party on Indexing on the design of their procedures. If fully financed by UNDP, the centres should be assigned as units of the administrative staff or of the Management and Information Systems staff of UNDP. Alternatively, if only partially financed by UNDP, the centres might well report to the UN Secretariat.

101. To encourage Agencies without computer-assisted systems to develop compatible systems, UNDP might partially finance such efforts - e.g., for that portion which applied to reports from UNDP-financed projects. Provision should be made for Agencies without computers to use existing computer facilities (e.g., the DHL's facilities in New York, UNESCO's in Paris, ILO's or WHO's in Geneva, IAEA's in Vienna, FAO's in Rome). In the interim, UNDP should ensure that reports from those Agencies are abstracted and placed in the DHL system.

102. The Working Party on Documentation and Indexing, augmented by MISS systems analysts, should move swiftly toward strengthening co-ordination and co-operation among Agencies in the development of new systems. This group should concentrate on developing: (a) microfiche standards; (b) standard indexing terms and methods; (c) abstracting format standards; and (d) computer and programming standards.

103. As requested by developing Member States, UNDP should draw upon the experience of the UNESCO technical and scientific documentation centres in helping to establish NDC's. National libraries or some form of documentation centres exist in approximately half of the countries where UNDP offices are now located. Upon request, these existing facilities might be examined and, if consistent with the country's development plan and strategy, those that prove capable of making an important contribution might be reinforced with additional staff or facilities through a UNDP-assisted project. Where no such potential NDC exists, information should be furnished on NDC costs, benefits, and functions, if countries request such information. Then, as appropriate, projects for their establishment may be considered in the country programme, or possibly on a sub-regional or regional basis.

IV. ECONOMIC AND SOCIAL INFORMATION SUB-SYSTEM

A. Introduction

104. Section II of this chapter provided the broad outline of an information system concept to support the functioning of the UN development system and identified several broad types of information required for sound planning and efficient management throughout all phases of the UNDC (country programme, project formulation, implementation, evaluation, and follow-up). One of these was defined as Economic and Social (E&S) information. In this section, a concept is presented for building a sub-system to collect, process, and provide that economic and social information – primarily statistical collections, secondary status arrays, and interpretative analyses – as needed in developing country programmes and for sectoral world strategies.

105. Here, again, the Capacity Study was guided by the overall concepts enunciated in other chapters. The concept having greatest relevance for this sub-system is the country approach to programming. Successful conduct of the country approach requires up-to-date economic and social information, based on a country framework, and usable for other purposes by all the Agencies which make up the United Nations development system.

106. This section will:

- identify the requirements for economic and social information to support the activities of the UNDC;
- describe the problems encountered in meeting those requirements with existing information systems;

- propose an information system concept to satisfy E&S information needs;
- outline procedures for collecting, processing, and disseminating information under the proposed concept;
- present recommendations for implementing it.

B. Economic and social information requirements

107. Economic and social information is needed primarily in the country programme phase of the UNDCC (i. e., during the periodic development of the UNDP country programme and during the annual review of the country programme). ^{1/} It is to support these programming activities by UNDP that an improved E&S information sub-system is being developed. However, economic and social data will also be used for evaluating projects and programmes and for numerous activities carried out by: (1) the country's own planning experts in formulating the country's development plan; (2) United Nations Specialized Agencies and other bodies, such as UNCTAD, in developing indicative world strategies and in carrying out research and report work; and (3) other aid agencies such as the OECD Development Assistance Committee in their development activity analyses.

108. Requirements for economic and social information must be defined in three dimensions:

- (a) Organizational - who needs the information?
- (b) Time horizon - what time period is covered (i.e., past, present, or future)?
- (c) Information hardness - the extent to which estimates must be used to supplement or fill gaps in basic series.

In the sections that follow, information requirements are identified as needed by:

- (1) the UN development system country team;
- (2) UNDP Headquarters;
- (3) the Specialized Agencies and other users.

(1) Requirements of the country programming team

109. The Resident Representative and his staff work full-time in the country, while Specialized Agency personnel and other personnel of the UN system, such as officials of the Regional Economic Commissions, IBRD, and IMF may work there full- or part-time. When the country programme is being prepared or the annual review is held, such personnel and others would be called in to help and would form part of the country programming team.

These will all require up-to-date economic and social background data both for programming within the context of regional and worldwide trends and for the annual review of the country programme. Both the country and the team need the information to identify the country's

^{1/} When the country programme is described at a high level of abstraction, the first steps in formulating a project (i.e., identifying and describing a project) are considered part of the country programme phase of the UNDCC.

current economic position and prospects. Then, by assessing the gap between current status and the country's objectives, as well as determining available resources to close the gap, the government and the team can identify the critical leverage areas for the allocation of UN development system resources.

110. To carry out its assigned tasks, the country team needs up-to-date background information, including

- (a) Analyses of the country's economic and social condition – gross national product, population, prices, production, government financial condition, balance of payments, human and natural resources
- (b) Analyses of the country's development objectives and plans, the major obstacles, its principal assets, and its own strategy and aspirations regarding production, consumption, and investment.
- (c) A record of the country's past performance in carrying out its strategy and achieving previous objectives.
- (d) Projections, or forecasts, of some country sectoral development data over a reasonable planning horizon – normally five years – to cover the scope of the country's development plan. For some purposes, longer-term projections will be required to cover factors, sub-sectors, or sectors which require longer-term treatment – e.g., population or forestry.
- (e) Further detail or information on special country features – e.g., data on regions or sections which may have such distinctly different economic prospects or problems due to particular geographical or climatic conditions.
- (f) Lists of pre-investment activities and results – recent, actual, or expected;
- (g) An identification of trade and aid opportunities and their probable impact.
- (h) Information on the problems of mobilizing resources, external debt prospects, and the record of credit repayment.
- (i) Sectoral information – including country data in the broader context of the regional and world situations and prospects.

111. This information is largely analytical and interpretative and, as noted elsewhere, would need to be assembled from a wide variety of sources. These analyses should be developed within the context of the trends and projections for the region and the world. With such a background, the country team should be able to identify major conflicts between the country's aspirations as expressed in its national development plan and the future conditions postulated in the projections. Having identified the problems, the country team can advise the government how to plan the programme of co-operation to be requested from UNDP and possibly other components of the UN development system in such a way as to obtain the optimum contribution to the country's development. To bolster the effectiveness of the country pro-

gramme, and if requested by the government, the country team could also identify the level and type of other forms of assistance (e.g., bilateral). This would enable the country team and the government to design the UNDP-financed programme in the context of the probable effect of assistance from other sources upon the country and its development plan, as well as upon the UNDP programme itself.

112. Ideally, such analytical information should eventually flow regularly from the various elements of the UN structure for development co-operation. But, until the E&S sub-system is developed, it is quite likely that the assembly of such information would require preparatory assistance in the form of investigations, surveys, research, data checking, interpretations, and the like.

(2) Headquarters requirements

113. At UNDP Headquarters, the Administrator must provide funds to support UNDP programming activities in the developing countries within the constraints of overall financial resources. In support of the programming effort in the field, headquarters must perform the following tasks:

- (a) formulate policy guidelines for selecting the objectives to be supported and for selecting specific projects;
- (b) formulate indicative planning figures ("orders of magnitude") for each country in which UNDP operates;
- (c) identify regional or world projects which could serve many countries.

114. To accomplish his key function in this phase – developing an equitable distribution of funds – the Administrator must view the country in a global context. Thus, the Administrator requires aggregate information at a higher level, so that he may establish a country's position in the world. In deciding on the optimum distribution of resources, the Administrator should have as a background an assessment of the country's economic status and its ability to utilize assistance. As a consequence, he will need the following information:

- (a) worldwide statistical series of economic development indicators;
- (b) interpretations of worldwide projections and trends – sectoral and overall;
- (c) evaluations of country plans – particularly of internal and external resources available – in a worldwide context which will help to identify opportunities for potential co-operation or conflicts in overall development programmes.

115. To facilitate the discharge of these functions, the country data must be built up within a systematic frame of reference in order to permit integrations and comparisons in a regional and world context (see Chart 6.4 and paragraph 34).

(3) Requirements of Specialized Agencies and others

116. The information developed for the Administrator should be made available in appropriate form to the country's own planning ministry, to the country programming team and to the Specialized Agencies. In this way, those organizations can operate within the same frame of reference as the Administrator. Information developed by, or for, the country team should also be made available to the Specialized Agencies and to other UN bodies involved in country programmes. Such information should assist the Agencies in their internal planning activities - including developing indicative world strategies and making initial estimates of requirements for carrying out their regular programmes as well as UNDP projects.

C. Problems in existing information systems

117. Although much information on economic and social factors is now being generated, not all identified needs are yet being met. In large part, problems arise because existing data collection systems are managed by numerous Agencies, each with its own interests and needs. Thus:

- data are difficult to classify or to compare;
- information is often out of date;
- gaps in information coverage exist;
- data dissemination methods are inadequate;
- insufficient interpretative information is supplied.

In the sections to follow, these problems are discussed in greater detail and some recent attempts to solve them are described.

(1) Illustrative problems

118. Sectoral data collected by Specialized Agencies are sometimes inconsistent, and therefore are not easily analysed. In some cases, they even conflict. For example, the balance of production and trade may conflict with consumption. While data classifications within subject fields have done much to ensure consistency among country statistics, classifications are not always comparable from one subject-matter field to another. Thus, it may be possible to compare the trade of different countries but not to relate trade and production within a country, and because data are gathered by Agencies within their fields of interest, individual sources often disagree even when overlaps exist. Different Agencies sometimes use different estimates of population and national accounting aggregates and, as a result, future projections are not always comparable. Much work needs to be done in the careful assessment and interpretation of data before the results of the laborious collection and compilation can be put to use and interpreted at the country level.

119. Two aspects of the timing of data collection present difficulties in using the data. First, overall information cycles - from collection in the country to review and processing in the Agencies and thence to circulation or publication - often involve two- to three-year delays. In some cases, the cycle is even longer. Thus, data are often out of date by the time they reach the users. ^{1/} Second, data gathered by different Agencies are collected for different time periods and published with varying frequency - further complicating the task of comparing information.

120. Specialized Agencies collect information relating to their subject-matter fields. Because not all subjects are covered by the combined data collection activities of the Agencies, and for other reasons, important data gaps exist that are difficult to fill at central points of data assembly. For example, there are sometimes significant amounts of unrecorded trade transactions, and there are large gaps in producer, input, wholesale, and retail prices.

121. Inadequate dissemination of information has resulted in insufficient awareness of the information available, and existing systems do not facilitate retrieving data by country - a prime need under the programming procedure recommended by the Capacity Study. Because most secondary arrays are organized by topic or subject, assembling all relevant data for a specific country is a time-consuming and difficult job.

122. Finally, current systems of collection, processing and dissemination are primarily oriented to quantitative statistical data, not to evaluations or analyses. Moreover, the interpretations and analyses deal mainly with past trends, and insufficient attention has been given to developing present-situation and forward-planning data. Thus, existing systems cannot provide adequately for the extensive interpretative data and relevant forecasts called for by the Capacity Study recommendations.

123. There are many other specific data gaps and problems, but the five just described represent the most pressing. Thus, the proposed system for economic and social data must overcome them. Some attempts at improvement have been made, however, and they are discussed in the following paragraphs.

(2) Current improvement efforts

124. The UN system, as a whole, has recognized some of the problems involved in providing economic and social data. At this time, activities performed in three organizational units are helping to alleviate some of those problems. Because these activities bear directly on

^{1/} For factors rarely affected by major annual fluctuations - such as population or education statistics - the timing problem is not serious.

the system concept proposed, the roles of the units concerned are described in some detail here. They are:

- (a) the role of the various organizational units in the Department of Economic and Social Affairs (ESA);
- (b) the role of the UN Statistical Office (ESA);
- (c) the role of Agency statistical offices.

125. Various organizational components within ESA are responsible for pulling together economic analyses which UNDP can use in development planning. For example, the Centre for Development Planning, Projections and Policies (CDPPP) is constructing world economic growth models and preparing the World Economic Survey, which analyses the world economic situation. (Although these models may be of use at the headquarters level, they would probably have relatively little value at the country level.) The secretariats of the Regional Economic Commissions carry out studies and analyses within their geographic sphere. These groups, plus other economic groups within ESA, provide some basis for establishing economic analyses and projection functions at the headquarters level.

126. The UN Statistical Office is primarily responsible for co-ordinating statistical activities in the United Nations system. Specifically, the UN Statistical Office is responsible for "... publication of statistics ... maintenance of close contact and co-ordination with national governments on ... submission of statistical data, analysis and publication ..." ^{1/}

127. The UN Statistical Office has undertaken many activities designed to improve the co-ordination of statistical activities in the UN and to serve development needs more effectively. It has taken the lead in the computerization of many key series, such as trade statistics. It has stimulated the improvement of statistics in the developing countries (in co-operation with Specialized Agencies) and made recommendations on the outline statistical series to be used by developing countries in their economic and social planning.

128. Agency statistical offices have constitutional responsibility for primary statistical collections in their subject-matter fields. In addition, Agencies are taking steps to assemble "country profiles" - i. e., standard groupings of data about each country to aid in country programming. The country profiles can be made available to other users. Beyond this, by developing indicative world strategies, Specialized Agencies have developed forecasts of sectoral world conditions which also provide a basis for country programming.

^{1/} United Nations, Statistical Research and Publications, Annex VI to the thirty-fourth report of the ACC (doc. E/4486/Add. 2 of 2 July 1968, para. 2).

129. Thus, potentially, the UN development system has the mechanisms and the institutional framework for gathering, collecting, processing, and publishing primary and secondary economic and social data, and expertise also exists within the UN system for preparing appropriate analyses, interpretations and forecasts. The problem has simply been the lack of concerted effort to bring that potential together in order to utilize and improve the available E&S data for more effective overall operational policy, planning, and performance.

D. Economic and social information sub-system concept

130. The concept for the collection, analysis, and dissemination of economic and social data must satisfy two key criteria. First, the system must primarily serve the country programming team in the process of developing and implementing UNDP country programmes. Thus, first and foremost, the system must have a country orientation. Within this framework, consistency of disparate subject-matter areas, such as trade and production, would result from the use of a country framework.

131. Second, the information system must view the UN development system as an integrated organization and thus must build on existing strengths and expertise. Accordingly, the information system concept must not involve the duplication of the present UN capabilities in the economic and technical fields.

132. Although these two guidelines are crucial to the development of an effective system, other considerations shape the proposed system. The system must support users other than the country team even though that team may be the primary user. The country itself, UNDP Headquarters, the Specialized Agencies and other UN bodies – as well as other bilateral and multilateral aid organizations – would be sources and users of the information. Although the United Nations system in this context is to be seen as a single information system, it may be necessary, in order to obtain the needed country information, to draw on other bodies which are active in the field of international statistics. In some cases, it may be necessary for UNDP to stimulate, or take the lead in initiating, work to build up information on neglected areas in which UNDP has an unfulfilled requirement.

133. In the light of these guidelines and considerations, the system concept must establish an organizational focus; be capable of offering reasonable incentives; pull current improvement efforts together; eliminate gaps and inconsistencies; and make some organizational changes to bring the economic and social information effectively to bear on the UNDC. The proposed sub-system concept rests on three design principles:

- (1) reliance on historic statistical series for a country framework and for a more general information framework, both maintained by subject-matter Agencies (including the United Nations and its related bodies);

- (2) provision for a country framework established and updated at the country level;
- (3) utilization of a central analysis and interpretation capability.

Each design principle is discussed in turn.

(1) Reliance on historical statistical series

134. The historic statistical series maintained by the Specialized Agencies would provide the basis for a general analytic framework. The series would be used for basic research into long-term changes and would provide a foundation for current analyses and long-term projections in an appropriate planning horizon. Current organizational arrangements for collecting and publishing these data should continue. However, to support the proposed systems concept, the Agencies should build, or make available, additional services for:

- (a) performing analyses on, and providing interpretations of, the data;
- (b) formulating subject-matter policy;
- (c) developing longer-term projections to support programming and planning.

(2) Provision of country framework

135. To be fully useful at the country level, economic and social data must be selectively updated and interpreted at that level. Many governments are doing this now for their own purposes, but nowhere is there brought together a body of data for the developing countries, revised, processed, matched to regional and global data, and presented in the forms needed by the UN development system. It is proposed that this task be accomplished through co-operative working relationships led by the Resident Representative and supported by field or regional personnel of the Specialized Agencies and the UN and its related bodies.

136. Each year, unless it has been done adequately by the country itself, the country team should bring key statistical data up to date, make short-term projections and develop estimates at the level of detail required. Methods for obtaining data may vary; ad hoc approaches may be all that is possible in some cases; considerable advance surveys, analyses, and research may prove worthwhile in others. The latest annual information should be used until the corresponding primary statistical series are revised later in the UNDC. While current staffs may be able to accomplish the required revisions, additional personnel may be needed.

(3) Central analysis and interpretation capability

137. The country team utilizing and updating information at the country level must be supported by a headquarters analysis and interpretation staff. This staff would receive the information collected by the country programming team, including sectoral information furnished by Specialized Agencies, and would:

- (a) analyse and evaluate the information received;
- (b) prepare, or arrange for the preparation of, consistent regional and worldwide forecasts and assessments;

- (c) maintain the historical country framework from primary statistical series collected by the Specialized Agencies for use by the country team and the UN Agencies in programming;
- (d) provide analyses and interpretations for the Administrator to use in reaching a reasonable distribution of funds;
- (e) provide guidance to the country team for updating the country framework at the country level.

138. The information systems concept proposed here implies a sharp turn away from current methods and approaches. For example, the long-term goal would be to have data revised annually at the country level; projections would be made to support programming; and a more consistent level of analysis and interpretation would be built into the system. However, the systems concept allows present organizational units to perform the required tasks although some changes – such as provision for the experts of the Regional Economic Commissions to contribute – would be necessary. More importantly, the proposed systems concept would provide data at the country level in a form which, both in itself and within the context of international data and projections, would aid countries in their development planning.

E. Procedures for operating the proposed system

139. The overall systems concept and information flow are illustrated in Chart 6.7. This shows the country as the starting point, the focus, and the end point of all activities. It is in the country that primary subject-matter collections of statistical data would be generated, and it is in the country that the data would be finally used.

140. Data generated in countries should flow to the appropriate Specialized Agencies. Where data received from countries are incomplete, it would be the responsibility of the Agencies to work with the Resident Representative and select unofficial sources or to arrange for the preparation of estimates, perhaps through their field staff. The definitions, standards and methods for collecting statistics would still be determined by Agency statistical offices and divisions and by the UN Statistical Office. By using data compiled for their own areas of responsibility and data from the UN Statistical Office on general questions (population, national accounts), the Specialized Agencies should develop Agency sectoral policy, world strategies and longer-term projections. These data, presented on a standardized basis, should flow to UNDP Headquarters staff for further analysis and compilation.

141. At UNDP Headquarters, the staff should use the data to construct the historic country framework and trends, develop overall policy guidance, and assess the regional and world implications of trends and projections. These elements should also be used by the country, the Specialized Agencies, the country team, and other aid agencies. To make these analyses complete, headquarters should arrange for the orderly flow of worldwide statistics from

relevant sources outside the UN system. Because many of these analyses will involve manipulating and processing quantitative data, UNDP Headquarters should transmit its processing requirements to the International Computing Centre and use the Centre's services to perform the actual processing.

142. The major system steps cursorily described above involve primarily the flow of statistical data and the construction of historical statistical series by means of well-structured procedures. However, data flows for interpretative information are based on ad hoc procedures. Interpretative data may originate in the country, in the preparation of the country development plan, and in annual reviews of the country programme. Each year, the Resident Representative and his staff – aided as necessary by Specialized Agency staff at the country level – should revise relevant portions of primary statistical series in selected subject-matter areas, which may be at levels below the primary statistical series. Some series may not be considered (e.g., when annual changes are not useful or necessary). Documents containing historic E&S data and published or unpublishable interpretations should be catalogued, analysed, abstracted, indexed, stored, and disseminated in the same manner as T&S information (Chart 6.6 and paragraphs 80 to 97 in Section III above).

143. The updating of interpretative data would be based on personal knowledge of the country gained from contacts with ministry officials in the countries, from technical experts, from technical and scientific reports, and from observation of the country programme operations. Headquarters staff must provide guidance for this work in the country to ensure consistent frameworks.

144. These statistical revisions form one part of the annual country review. Country development plans, UNDP programmes, Agency programme, not financed by UNDP, other aid agency plans, and on-the-spot interpretations of the economic situation form another part. Together, these generate the total flow of information to the headquarters staff of UNDP and the Specialized Agencies for interpretation and review. From information transmitted, headquarters staff should prepare a current country framework and reassess the regional and world implications of country plans. These elements, plus earlier headquarters staff analyses of regional and world projections and other information, form a significant portion of the information framework of the annual country review at the country level.

145. The procedures just outlined describe only the major flows of information; they do not provide for the flows needed for detailed operation of the system. Moreover, the flows are described only in terms of the four major information users: the country; the country programming team; UNDP Headquarters; and the Specialized Agencies. Details and flows for other users should be worked out subsequently within the concept prescribed. Because so

much of the E&S information required would be based on interpretations, projections, etc., it is not likely that the flow can be fully regularized. Therefore, it would be essential for UN system personnel involved in these activities to become thoroughly versed in what is, and can be, made available and to use ingenuity and imagination in utilizing it.

F. Recommendations for system implementation

146. In order to implement the systems concept and related procedures described in preceding sections, the following steps are required:

- (1) providing an organizational focus for developing and maintaining the E&S information system;
- (2) providing UNDP Headquarters with a Programme Policy staff 1/ for, inter alia, economic analysis, interpretation, and projection;
- (3) modifying Agency systems to provide consistent projection and analysis information;
- (4) building up capability at the country level to revise and use the country framework;
- (5) providing financial support, if necessary, for Specialized Agencies.

Each step is described in more detail in the following sections.

(1) Providing an organizational framework

147. As recommended in Chapter Seven, 1/ a top-level Programme Policy staff is required to formulate overall operational policy for UNDP. This group, with help from the UNDP Regional Bureaux, 2/ should be able to guide country teams on the annual revision of the country framework. The information systems design and maintenance capability should be located separately in the Management and Information Systems staff responsible for information needs in UNDP: This staff group should work with the Programme Policy staff in developing specifications of requirements for information processing and documentation. They should arrange with the International Computing Centre and with the Specialized Agencies to satisfy the processing requirements, as indicated in paragraph 141 above, and with the Dag Hammarskjöld Library and Agencies for the documentation as indicated in paragraph 142.

1/ See Chapter Seven, paras. 103-106, for a description of this unit.

2/ See Chapter Seven, parà. 91, for a description of these Bureaux.

(2) Providing analysis and interpretation capability

148. A UNDP Headquarters evaluation and analysis capability is required to integrate and interpret Agency and country data. This could be provided in part by CDPPP, by other units of ESA, and by the Regional Economic Commissions. But overall responsibility for performing this function on behalf of the Administrator should devolve on the Programme Policy staff. It should offer the leadership necessary to ensure that UNDP's requirements are met and thus provide the Administrator with a single unit to which he may look for effective discharge of the responsibility.

(3) Modifying Agency systems

149. The Agencies must take steps to provide projections, interpretations, and analyses on a subject-matter basis in support of the proposed sub-system concept. This requirement may involve reallocating staff, and, in some cases, acquiring additional staff. Moreover, Agencies may be required to accept responsibility for gathering, at the country level, provisional information of common interest to country team members. This function, when assigned, should be subject to the overall co-ordination of the Resident Representative.

(4) Building an updating capability in the country

150. Resident Representatives in the field should strengthen the necessary working relationships with Agency and country personnel in order to gather and use country data. This step can begin immediately, and the information can be used during the country programme phase of the UNDC. In the long term, technical ministries in the country should be encouraged to revise those aspects of the country framework which can be filled in from material collected by their departments.

(5) Developing arrangements for financing E&S requirements

151. Carrying out the procedures for data collection, processing, and dissemination called for by the proposed sub-system concept would require a significant effort on the part of the UN Statistical Office, the International Computing Centre, and the Specialized Agencies. It is the Capacity Study's interpretation that these units are charged with this responsibility now. It follows that if UNDP makes its requirements known, these offices and Agencies should meet them out of their regular budget resources.

Assuming that operational activities are granted the high priority the Capacity Study ascribes to them, those offices and Agencies might have to adjust their present work priorities to meet the E&S needs of UNDP, although it should be recognized that all would benefit from the proposed concept and procedures. Despite this, it is recognized that some augmentation of Agency budgets may have to be arranged.

V. OPERATIONAL AND ADMINISTRATIVE INFORMATION SUB-SYSTEM

A. Introduction

152. In the two preceding sections, concepts for two components of an information system designed to support UN development co-operation activities were presented:

- (1) the economic and social (E&S) information sub-system, and
- (2) the technical and scientific (T&S) information sub-system.

Both sub-system concepts were designed primarily to provide information to satisfy requirements to support the procedures and organization of the UN Development Co-operation Cycle. However, the proposed sub-systems would also meet needs extending far beyond the cycle; they should also help to satisfy the information requirements of governments, of Specialized Agencies with regard to regular programme activities, and of user organizations and individuals outside the UN system.

153. A different approach was followed in designing a concept for operational and administrative (O&A) information. For this component, efforts were limited to formulation of a sub-system to support the UNDCC because the cycle itself is the prime responsibility of the Administrator, and through their participation in it, other organizations are responsible to him. The Capacity Study is convinced that, with the co-operation of all organizations in the UN system, the recommended O&A sub-system could be extended with little difficulty to cover all other operational activities of the UN development system, and eventually, all non-operational development co-operation activities as well. (See Chart 6.2.)

154. In this section, it is proposed to:

- identify O&A information requirements;
- discuss problems in existing O&A information and outline current efforts to resolve them;
- propose a concept and procedures to provide O&A information;
- present recommendations for implementing the concept.

B. Operational and administrative information requirements

155. The effective functioning of the five UNDCS phases (see Chart 6.3) requires the efficient management (1) of programme and project operations, and (2) of the administrative activities which support programme and project operations. The characteristics of these activities determine the operational and administrative information needs of the UN development system. Each activity is considered in turn.

(1) Programme and project operations

156. To manage programme and project operations efficiently requires the effective planning and control of a variety of activities which, in turn, establish two broad types of information requirements. Chart 6.8 shows how planning and control are related to each phase of the cycle.

157. Operational planning begins with development of the country programme, the first phase of the cycle, and extends through project formulation and slightly into project implementation. Feedback information is received from all phases of the cycle to correct and adjust operational planning; replanning goes on continually.

158. The key information requirements of operational planning activity, as shown in Chart 6.3, include outputs from the country programme and project formulation phases of the UNDCS, e.g., resources (financial and human) available for programme development; statements of basic and interpretative economic and social data to assist in programme planning; country programme statements outlining the resources committed by the UN development system, country by country, over a given period; preliminary and detailed descriptions of individual development projects. These exhibits also indicate the major information requirements for operations planning emanating from the implementation phase of the cycle, such as key feedback reports indicating the progress of previously planned and ongoing programmes and projects (including evaluation and follow-up reports). With such information, and especially the items generated during the project formulation and implementation phases, planning activities would result in termination of who intends to do what, when for individual projects

and country programmes. These plans would lay the base for later determining (a) whether what was intended has been (or is being) done and (b) if not, what were the causes of poor performance.

159. Operational control activity begins during the overlap between project formulation and project implementation and continues through assessment of results and follow-up. The purpose of operational control is, above all, to measure the progress of programmes and projects against established time, cost, and technical milestones and to feed information back into this process. Operational control thus provides the base for subsequent assessment of results and planning. The key information requirements of control in the implementation phase of the cycle include:

- (a) project review or status reports measuring progress against the targets set in project descriptions;
- (b) project technical reports transmitting substantive findings and results;
- (c) Resident Representatives' reports enabling headquarters to undertake continuous assessment of the country's situation affecting the project and to monitor project follow-up.

(2) Programme or administrative support

160. In addition to managing programmes and projects, UNDP and other organizations involved in development co-operation conduct a variety of administrative activities which provide general support for programme and project operations. These support activities must also be managed, i.e., planned and controlled. Their relationships to the UNDC are shown on Chart 6.8. Among these administrative activities are: (a) personnel activities; (b) equipment purchase and supply; and (c) finance and accounting.

C. Problems in existing O&A systems

161. The Capacity Study surveyed UNDP, UN Headquarters, and selected Agency decision processes and information flows to measure their comparability and compatibility. A reasonably comprehensive picture was obtained of system-wide operational and administrative processes and their information requirements. In analysing survey returns, the procedures recommended for the UNDC were compared with the corresponding procedures existing at present. The comparisons showed that information similar to that required to support the proposed cycle now exists, but it was also concluded that current problems in available information would prevent its immediate adoption as a full-scale O&A sub-system for the UN development system. The following paragraphs describe these problems and some improvements currently under way.

(1) Current O&A information problems

162. Evidence gathered from UNDP, UN, and the selected Specialized Agencies revealed that existing O&A information systems were not functioning adequately, primarily because they did not focus uniformly on the basic objectives of UN development co-operation as recommended in GA resolution 2188(XXI). This lack of focus has led to a proliferation of information systems. The findings of the survey clearly demonstrate how this problem weakens the management of operational and administrative activities.

163. First, information prepared for the sectoral needs of the Specialized Agencies cannot fully support operational planning for UNDP-financed activities, especially under the new procedures and processes recommended by the Capacity Study. For example:

- (a) One Agency combines, in a single report, information related to
 - (i) assessment of a country's economic and social position;
 - (ii) the current status of development co-operation activities within that country; and
 - (iii) the roles of the components of the UN development system and the relationships between them.

The entire report is geared to serve the special planning needs of that Agency – not the broader needs of the UN development system.

- (b) Another Agency examines its country programmes at the regional level by using its own country reports and programme directives. Thus, no independent measure is provided for choosing among alternative projects.
- (c) A third Agency assesses overall country needs and resources on the basis of reports from its regional offices and headquarters technical units. It then relates this assessment to its capacity and capability to develop and execute projects solely for its own sector.

Certainly, Agencies have special information needs, but the system-wide impact of these varying and unrelated operational planning efforts is all too often a wasteful duplication of information collection and analysis.

164. In another area – controlling operations – inconsistency in generating and processing project control information among the Agencies is a major problem. In addition, project control information is not channelled to a central point of management responsibility. For example:

- (a) One Agency conducts missions to inspect all the country activities it performs and to provide help for programming the TA component of UNDP. But the full results of those missions, as well as the considerable amount of pre-mission briefing documentation, are not transmitted to UNDP Headquarters.

- (b) A second Agency duplicates project control reporting because project managers prepare one set of progress reports for Agency headquarters while headquarters prepares a second set for UNDP.
- (c) In a third Agency, substantive units edit project reports from the field. But there was no indication that the procedure contributes to continuous, effective project control; nor did the Agency indicate how UNDP was regularly informed of changes or delays in projects.

There is additional evidence that operations control information flows in diffuse patterns. No regular procedure exists to ensure that actual project results are compared with objectives and that any necessary corrective action is initiated.

165. Inadequate information also hinders administrative support processes. But in large measure, problems occur because these support systems operate autonomously, without effective cohesion. For instance, each Specialized Agency, as well as the Technical Assistance Recruitment Service (TARS) of the UN, maintains its own set of rosters and personnel files. Furthermore, there is no uniform classification scheme to bind them into a common system to support all UN development co-operation activities. The lack of uniform classification also affects the budgetary and financial processes of the UN development system.

166. Many of the problems of administrative support information are also caused by insufficient and diffuse planning of operations. To illustrate:

- (a) For equipment purchase and supply, major problems identified include:
 - (i) delays in procurement and distribution caused by ill-defined project specifications, and
 - (ii) lack of effective procedures and information systems for controlling the total stock of equipment in the field.
- (b) For recruitment activities, the Capacity Study noted frequent complaints of inadequate precision in job descriptions for project managers and technical project personnel. It also noted that the system did not provide any means of discovering whether counterpart personnel granted fellowships returned to their assignment after completion of their studies.

Many O&A information sub-system problems have been recognized, however, and several improvement efforts are under way.

(2) Current improvement efforts

167. In Section I, it was noted that several efforts are under way at various levels within the UN development system to strengthen information systems. Some of these efforts aim either to implement methods and procedures of document retrieval or to streamline top-level policy and programme formulation. But others have as a goal the improvement of the pro-

cesses of operations planning and control for UNDP-financed activities. To illustrate the latter kind:

- (a) UNDP and the Specialized Agencies are currently developing new procedures for the preparation and distribution of the final reports on Special Fund projects executed by the Agencies;
- (b) One of UNDP's and UNESCO's chief efforts is to strengthen the formulation of project descriptions through the use of network analysis techniques, and other Agencies are engaged in similar actions.

168. In addition, the work previously noted of the ACABQ and the UN Statistical Office (see Section II) is contributing to the design and implementation of a uniform classification scheme which could provide the basis for a UN development system programme budget. Efforts such as these provide a broad base of experience which should be helpful in installing an information system to give direct support to the UNDC.

D. Operational and administrative sub-system concept

169. In designing an O&A sub-system concept that would overcome the problems just noted, the Capacity Study was principally guided by two inter-related criteria. First, an effective information system for operations management and administrative support must mesh with the procedures and organizational structure recommended for UN development co-operation activities; and second, it must build as much as possible on existing information resources within the UN development system. These criteria were dealt with in Section II. From that earlier discussion, two important principles emerged affecting the nature of the O&A information sub-system:

- (a) In the Capacity Study's proposals, the Administrator of UNDP has final responsibility for managing operational activities which, in turn, are directed toward the fulfilment of the mission and objectives of the UN development system which are manifest in the UNDC. Thus, the Executive Heads and senior officials of the Specialized Agencies and of UN operational units would be responsible for providing support to the Administrator, when acting as Executing Agencies (or secondarily, when providing technical support) for UNDP-financed operations.
- (b) Operational and administrative information is generated principally from plans and activities carried out at the country level. Operational information is derived from, and used primarily to plan and control, projects. Administrative information stems from functions performed in the office of the Resident Representative (though each organizational unit throughout the UN development system may, at times, be asked to contribute administrative information).

Although administrative information is needed for effective management at nearly every step of the UNDCC, it is most critical to project control during the implementation phase.

In the remainder of this section, a concept and procedures founded on these two principles and applied to the three major O&A management processes are proposed (i.e., operations control, administrative support, operations planning).

(1) Concept and procedures for operational activity control

170. Efforts to develop sound procedures to secure control information for operational activity should receive priority attention from systems designers. Fortunately, much progress has already been made by UNDP, the Specialized Agencies, and the UN in the matter of project control reporting, and this work is continuing. By basing efforts toward systems development on the newly-introduced Special Fund Reporting System, the Administrator could strengthen his system for operations control with little difficulty, e. g., by extending the coverage of the report file to country programme statements and, later, to evaluations and follow-up reports. In addition, analysis of Agency reports has convinced the Capacity Study that such reports should serve the operational control needs of the Executing Agencies, as well as the requirements of UNDP.

171. These reports must be adapted to the needs of management, however. Thus, three components must be specified: (a) the information requirements for each major level of management within the UN development system; (b) information flows throughout the system (i.e., who generates and who receives); and (c) the ways in which the reports will be processed (i.e., by whom and how). Each component is considered below.

172. Information requirements for the management of the UNDCC have been presented in Chart 6.3 and discussed briefly in Section II. These exhibits show that O&A information would be produced or received at nearly every step in the cycle, but that it is of prime importance during the implementation phase (e.g., project budgets, project status reports, inspection reports, Resident Representative's ad hoc reports). These reports would be used at each major organizational level within the UN development system in varying degrees of detail. Resident Representatives would need to receive quarterly and annual project progress reports in order to monitor project activities and to take any necessary corrective actions.

173. The reports should measure progress against plans and highlight deviations so that management can focus on the necessary corrective action. A sample of such a report is presented in Chart 6.9.

174. Regional Bureaux will require the same status reports, plus project inspection (see Chart 6.10) and ad hoc reports prepared by the Resident Representative to control projects and country programmes within their geographic sphere of responsibility. To help control

operational activity, headquarters staff units must also have access to files on personnel (e.g., indicating current and projected staffing levels, impending key vacancies in headquarters and field) and finance (e.g., indicating country programme expenditures). The content of reports from such administrative files is illustrated in Charts 6.11 and 6.12. At present, UNDP is working with FAO and with UN Headquarters on the computerization of project expenditure and commitment data. Considerable manual handling is still required because of differences in report formats used by each Agency; however, efforts are being made to agree on uniform formats. If that can be accomplished, it should be possible to transfer data from the Agencies to UNDP and vice versa in computer-processable form and without manual intervention. This sort of effort should be encouraged, expedited, and extended to all Agencies as soon as possible. In fact, financial reporting is probably the most promising area for obtaining early agreement among all Agencies on uniform categorization and classification of data and uniform report formats – all in the interest of expediting system integration.

175. Although these sample formats (i.e., Charts 6.9 through 6.12) refer only to the activities and expenditures for which the Administrator is responsible, there is no reason why they could not be adopted for use by all organizations in the UN development system. Development by the ACC of uniform terminology and classification schemes for all UN system activities would facilitate greater use of such standard reports and file formats. In addition, should UNDP significantly increase its level of effort in the next decade and beyond, a forward projection of available financial resources and planned contributions will be necessary.

176. The flow of O&A control information within the system would essentially be upward from the levels of the project and of the Resident Representative's office to higher levels in the organization. For example, during implementation, project inspection reports would be prepared by the Resident Representative and sent to the government, the Regional Bureaux, and the Management and Information Systems staff (MISS), which would, in turn, consolidate the reports in a manner suitable for presentation to the Administrator and the Programme Policy staff. Copies would also be sent for reference to the Inspection and Evaluation staff. Similarly, the project manager would prepare quarterly and annual status reports. These reports would go to the Resident Representative, to the Regional Bureau concerned, and to the Executing Agency or agent. Summaries of these status reports (see Chart 6.13) made by the MISS at headquarters, would be available to the Administrator and key staff units.

177. The processing of information on the control of operational activity, as indicated earlier in this section, would be carried out by MISS on behalf of the Administrator. As items of O&A control information were produced or received by substantive or administrative units of the Specialized Agencies or UN, MISS would work with the Technical Advisory Panel 1/

1/ See Chapter Seven, para. 102, for a description of this panel.

to design and implement the requisite procedures. Initially, as operations control reporting was built up from the base of the Special Fund Reporting System, most reports could be processed manually. But as the report file expanded and the formats were refined, processing by computer could be introduced to produce timely and accurate summaries for management and governing bodies.

(2) Concept for administrative support processes

178. The system concept proposed for administrative support information is based on the premise that (a) the Administrator of UNDP will plan, budget, and control the elements of his own organization concerned with programme and supporting activities and (b) the Administrator will contract with the Specialized Agencies to help in various phases of the UNDC (or, in the case of outside organizations, in the phase of implementation). He will be expected to continue to ensure that each unit in his own organization plans and budgets its activities and that reports of these are aggregated for periodic presentation to the Governing Council; similarly, he will want reports of expenditures and activities of UNDP units as a means of checking on their efficiency and effectiveness (see the illustrative forms in Charts 6.14 and 6.15). As autonomous agents, each Specialized Agency or independent contractor engaged to help in one or another phase of the UNDC would be expected to perform the administrative functions needed to support programme and project operations they agreed to undertake (e.g., recruitment of project managers and technical personnel, equipment supply). Thus the Administrator would not and should not be concerned with these administrative functions ^{1/} except as they affect: (a) the Agency's or agent's capacity to perform; (b) the cost of the project; or (c) effective project performance. Hence, though the Administrator would not dictate internal Agency administrative procedures, he may properly call upon all prospective agents to present in standard format evidence of their capacity to execute the project under consideration. He will also request, as part of the project budgets included in the plans of operation, the presentation (in standard format) of support costs and arrangements. (A sample format is illustrated in Chart 6.16.) Finally, the Administrator may request an explanation of these activities or costs if his control reports (see Charts 6.13 and 6.17) show that project implementation is impeded by inadequate performance.

179. It would then be desirable for the UN and all Specialized Agencies engaged in development co-operation to develop greater standardization of administrative functions and of the information and reports pertaining to them. The Capacity Study has concluded that responsibility for co-ordinating those functions and for suggesting greater uniformity or centralization

^{1/} Except where he contracted directly in the circumstances described in Chapter Five, para. 125.

belongs to the ACC. Because UNDP, as a principal user of such support services, has a vital and continuing interest in their efficient performance, the Administrator should make UNDP's requirements clearly known. It might also be in the interests of the total programme if UNDP actually performed certain co-ordinating or central service functions, or at least loaned some members of MISS to help devise uniform classification schemes and procedures that would be the core of information systems development.

(3) Concept for operational activity planning

180. Information for operational activity planning will be largely project-oriented and will be required predominantly during the latter steps of the country programme phase (e.g., identification of the role of the UN development system, preparation and appraisal of country programme) and early in the project formulation phase (e.g., preparation of project description, selection of executing agent). This information would be reflected in project budgets and plans of operation whose preparation would be aided by project status reports and the like. Thus, past experience with similar projects under the same or similar conditions will be helpful in planning new projects.

181. In terms of concept design and procedures, the information requirements for operational activity planning will vary only slightly from those of operational activity control. That is, the specific reports and analyses would contain the same types of information as the control reports noted earlier. The salient difference is that planning information would generally utilize historical experience supplied from files maintained by key UNDP staff units, as well as by organizational components of the Specialized Agencies; it would be concerned with expressing expected future action. Control information, on the other hand, is concerned with actions recently completed; it would be utilized to compare actual with planned performance and to build up the historical files for use in future planning.

182. While the UNDCS would be introduced simultaneously into developing Member States, the operational activity planning information would need to be perfected over an extended period. Initially, plans would be prepared with the use of whatever information was available. As experience was gained and O&A files built up, the information from them could be used to improve planning. Also, operational planning may be expected to improve as information from other sub-systems is perfected (e.g., country surveys, interpretative E&S data).

E. Recommendations for sub-system implementation

183. Five tasks must be undertaken to translate the proposed O&A sub-system from concept design to full implementation. They comprise:

- (1) establishing the MISS at UNDP Headquarters to take the lead in O&A information systems development;

- (2) developing project and programme classification schemes;
- (3) building the information system for operational activity control on the base of currently-used reporting procedures;
- (4) strengthening operational activity planning information by training in network analysis techniques;
- (5) improving administrative support information.

Each of these tasks is discussed in the following sections.

(1) Establishing MISS at UNDP Headquarters

184. In accordance with the organizational recommendations of Chapter Seven, the establishment and staffing of MISS should be an immediate objective of UNDP. It should be headed by a senior officer and should include personnel experienced in systems design and analysis and knowledgeable in computer applications. UNDP's Bureau of External Relations, Evaluation and Reports may provide some personnel for this new staff.

185. Ideally, staffing of MISS should be reasonably complete before it takes the lead in specific implementation tasks. But because of the information systems development work now being done in the UNDP and the Specialized Agencies, the UN development system could benefit by proceeding with implementation even before the organizational arrangements recommended by the Capacity Study are completed.

(2) Developing project classification codes

186. A prerequisite to effective control of UNDP-financed development projects is the development of classification codes. On behalf of the Administrator, MISS should move first to devise a scheme to meet the needs of UNDP Headquarters though the broader aim should be to mesh system-wide efforts (e.g., CUC, ACABQ) into a common, uniform scheme.

187. The following project characteristics should be considered in coding: (a) country/region; (b) economic sector or sector affected; (c) project type; (d) source of financing. Chart 6.18 shows the possible relationships between these factors by using the illustrative breakdown of sectors and sub-sectors contained in the ACABQ report.

188. Such a classification scheme could then be used to collect:

- (a) financial data (e.g., planned versus actual expenditures, coded by project and country programme);
- (b) non-financial data (e.g., actual completion date of project event versus completion date stipulated in work plan, coded by individual project and country programme; technical results attained versus those planned);
- (c) combinations of financial and non-financial data (e.g., unit costs of benefits attained versus planned).

The information thus compiled could be easily aggregated in various ways – by region, sector, sub-sector, stage of project completion, and the like. Once aggregated and stored on a computer file, the information could be retrieved by the Administrator and key staff members for programme analysis and for preparing reports to the Governing Council and other governmental bodies.

189. As the classification code was developed, MISS should work with the Agencies to establish requirements for the classification of programmes, type of study, and the like. When these needs were tentatively established, MISS should make UNDP's requirements known so that they can be meshed with the other classification schemes being developed within the UN system.

(3) Building a system for operational activity control

190. As soon as the core of the MISS was in place, the recently introduced UNDP reporting system should be examined and further refined in the light of key Capacity Study concepts. Taking the lead in this task for the Administrator, MISS should work closely with UNDP's other staff units, concentrating first on formats and procedures for project progress reports. However, design and implementation of suitable project description, evaluation, and follow-up reports should also go forward promptly.

(4) Strengthening operational activity planning information

191. Although the programme to strengthen information for operational activity planning depends on the speed with which files of operations control reports are built up, and the elements of the E&S sub-system are established, some steps may be taken immediately. For example:

- (a) Lists of projects could be prepared by type of project to show expenditures or commitments and to summarize status or progress; similar statements of non-operational activities should be assembled because both types of lists would be helpful in country programming. MISS should assemble such lists.
- (b) Reports on the operational status and capacity of Agencies, as well as recent project control reports, could be provided by the administrative units of the Specialized Agencies in support of the project formulation phase of the UNDC.
- (c) Efforts should be broadened to improve the design of project descriptions through training in network analysis techniques (such as those currently planned at UNESCO and other Agencies). UNDP should take the lead here.

(5) Improve administrative support information

192. As the organizational changes recommended in Chapter Seven and the changes in financial management discussed in Chapter Nine were introduced, MISS should examine methods for planning, budgeting and controlling UNDP's support activities. Further modifications and improvements will undoubtedly be in order, and information requirements would change accordingly. The changes thus introduced should be in line with the overall procedures and classification schemes of the UN system now in process of development.

VI. PRINCIPLES AND GUIDELINES FOR SYSTEM IMPLEMENTATION

A. Introduction

193. Thus far, this chapter has described the Capacity Study's conceptual design for an overall information system to which all members of the UN system might subscribe. The proposed design is based on: (a) the nature of the UN development system; (b) the information requirements and flows needed to support the basic objective of the UN development system as manifested in the UNDC; (c) the procedures and organizational responsibilities needed for processing information in the system; and (d) the steps recommended in the case of each component information sub-system in order to proceed from conceptual design to operation. In this final section, it is proposed to:

- set forth principles to guide implementation;
- spell out the nature of the management responsibilities and organizational arrangements needed in order to ensure sound systems development;
- indicate the directions which the UN development system might take in utilizing electronic data-processing equipment to support the recommended concept design.

B. Principles for systems implementation

194. Translating the proposed concepts into ongoing systems will require substantial efforts by all members of the UN system over an extended period of time. In the past, efforts dealing with information systems or related matters have generally resulted in the establishment of a co-ordinating committee (or similar body) to study the situation, propose improvements, and exhort the various executive and governing bodies to adopt the study's findings. But results under this method have been slow to materialize for a variety of reasons (e.g., limited study scope, unwillingness to change or to surrender any autonomy). Such limited progress has no doubt accounted for the great frustration expressed by governments toward the UN system -- frustration leading, in turn, to a further proliferation of study groups, consultations, and co-ordinating committees.

195. The Capacity Study recommends a different approach to implementation of the proposed information system. The recommended approach rests on two fundamental principles: (1) the assignment of management responsibility for system implementation and (2) the installation of controls for systems design and implementation activities.

(1) Assigning management responsibility

196. The Capacity Study recommends that the Administrator of UNDP be given responsibility for ensuring the achievement of the basic objectives set forth in GA resolution 2188(XXI) insofar as UNDP operations are concerned. If he is to be responsible for achieving these objectives and accountable for activities undertaken to attain them, it follows that he must have sound information to plan and control those activities as well as the authority and means for obtaining such information. Currently, much of the information is present in the UN system, but not made available in the form or manner in which it can be used effectively. To obtain the information in the form and manner needed to discharge his responsibilities, the Administrator should use all sources, making known his requirements and obtaining it from other organizations, if possible. But if it is not made available to him after he has clearly presented his requirements, he should develop the necessary information systems himself, or take the lead in working jointly with others who also need it. For this latter function, he would, of course, need a qualified staff and he must receive full and active support and assistance from the Executive Heads (and their respective staffs) of other Agencies engaged in the programme.

(2) Installing controls for implementation

197. In the past, the proliferation of autonomous and uncontrolled efforts to solve information problems within the UN development system has led, at best, to marginal system-wide gains and, at worst, to mere duplication and considerable frustration. To prevent similar difficulties from hampering implementation of the proposed systems concept, two controls are needed.

198. First, priorities should be set for all required tasks. Such priorities will facilitate overall direction and control of systems design and implementation while helping to ensure that efforts focus on building systems which truly support the development co-operation activities of the UN system.

199. Second, the introduction of proposals, resolutions, and initiatives to improve information systems should be limited and considered in the light of the above priorities. No doubt proposals for new efforts will be made, and many will have value. But before any are approved, their benefits should be carefully weighed against their possible interference with

ongoing efforts. Responsibility should be assigned for: (a) examining each proposal submitted; (b) reaching a decision as to its utility; and (c) calling for implementation if it is useful.

200. Neither control presently exists, though numerous efforts have been made to establish them.^{1/} Despite these efforts, the will of members of the UN system to act in concert (one of the quintessential elements of a system) has apparently not been sufficiently strong. One way to promote concerted action is to delineate clearly the management responsibilities established in Chapters Five and Seven and applied here to information systems.

C. Management responsibilities

201. This chapter defines concepts and procedures for information sub-systems designed to provide three broad categories of information (i.e., T&S, E&S, and O&A). But the focus and extent of management responsibility varies with each type of information. As noted previously, the Administrator should, with his own staff, develop the required sub-systems. Where he is not the exclusive user of the particular type of information, he and his staff should make their requirements known to others responsible and, if necessary, take the lead in the systems design effort to ensure that UNDP requirements are met. System development effort started with this Study and other recent corollary efforts referred to in Section I should be actively continued. They should proceed simultaneously on all three types of information described; but because the Administrator is exclusively responsible for the management of the UNDP elements within the UNDC and, therefore, for operational activity control and planning information, it is logical for him to give priority to that type of information.

(1) Operational information

202. With regard to operational information, the principal task of the UNDP Administrator would be to (a) establish the detailed requirements for information and (b) design in detail the procedures to supply information necessary for the operation of the cycle. The data will be generated primarily by units of his own organization or by agents he engages to implement parts of the UNDP programme. The flow of their data will be within that structure. Thus, although co-ordination with others would be essential, the system for providing this type of information would be almost entirely within his control. Day-to-day management of systems implementation for operational information should be under the direction of the chief of MISS, which would spearhead the implementation steps recommended in Section V for O&A information.

^{1/} ECOSOC resolution 1455(XLVII).

(2) E&S and T&S information

203. The Administrator would be a major user of the information processed and provided by the E&S and T&S sub-systems, and his key staff unit in this regard would be the Programme Policy staff (PPS). As set out in Chapter Seven, the PPS would analyse development assistance requirements, flows, trends, and issues. It would also function as a "brains trust" in developing country "orders of magnitude", in objectively scrutinizing country programmes, and in offering leadership on new approaches to development.

204. In line with these important functions, PPS must play a key role in determining the substantive content of the Administrator's requirements of E&S and T&S information. MISS should work closely with PPS and provide the system design skills required. The entire UNDP staff should maintain constant linkage with the other organizations of the UN development system.

205. Satisfaction of the Administrator's requirements for this information would result in greatly improved overall management of the UNDC. Improvements in the quality, timeliness, and flow of information among other component organizations of the UN development system would also be produced.

(3) Administrative information

206. The Administrator's span of control over administrative information would extend only to his own staff units and to the contractors he engages to implement UNDP-financed development projects insofar as their administration may impinge on the effectiveness of the field operations for which he is responsible. Thus, the Administrator cannot be expected to assume responsibility for uniform administrative information for the entire UN system. However, since his activities are concerned with a large part of the system activities, his requirements may be expected to exert a major influence.

207. At this time, there is no uniform classification scheme which will foster preparation of meaningful and consistent aggregations, comparisons, and analyses of administrative information throughout the UN system. Although the Administrator could rightfully move toward the designing of a classification scheme primarily to serve his own needs as chief executive of UNDP (see Chart 6.19 for illustration), the broader implications of the classification question for the UN system preclude taking such an approach.

208. The ACABQ has already proposed uniform budgetary classification schemes for the entire range of UN activities (e.g., maintenance of peace and security, human rights, economic and social development). Further, at the behest of the CUC, the UN Statistical Office has prepared a country coding scheme. Proposed classification of UNDP-financed projects and activities should mesh with these efforts.

209. Section V presented an illustrative set of classification factors utilizing the budget scheme proposed by the ACABQ (see Chart 6.18); an illustrative coding scheme according to the needs of UNDP was shown in Chart 6.19. The point at issue now is not the precise content of the scheme, but rather recognition of the fact that the Administrator does not have authority to prescribe a uniform classification code covering the full range of UN activities, but that he does urgently need a uniform classification of the activities for which he is responsible and that these, in turn, represent a large portion of all UN activities. Therefore, whatever UNDP does in the way of classification should be compatible with the ongoing work of the ACC and ACABQ and vice versa.

D. Mechanisms for systems implementation

210. In recommending a conceptual design of an information storage and retrieval system to support UN development co-operation activities, it is assumed that much of the information would shortly, or eventually, be processed by computers. Therefore, many of the procedures and illustrations have been designed with that in mind, although this does not necessarily mean that much of the information cannot continue to be processed manually. No attempt is made in this Study to prepare a detailed computer feasibility study. A recent survey of computers in the UN indicated that, in total, the system now has in place or on order more than enough excess capacity to service all its anticipated requirements, although some locations may, from time to time, be overloaded. Moreover, since computers simply provide a service for management, no more and no less, the imperative need for the UN system is to agree on the objectives and tasks which management should perform – rather than concentrate at this time on the physical tools to be used in carrying out those tasks.

211. However, since the UN system already has more than enough computer capacity – for the near term, at least – and since these facilities represent a sizeable and growing cost, they have been of legitimate concern to the administrators of the UN system. As stated above, it is believed that the proposed information system would eventually utilize computers to a greater extent, and thereby absorb some of the present excess computer capacity. Three possible courses will illustrate the range of action the proposed system might follow for provision of computer assistance in information collection, processing, storage, retrieval and dissemination.

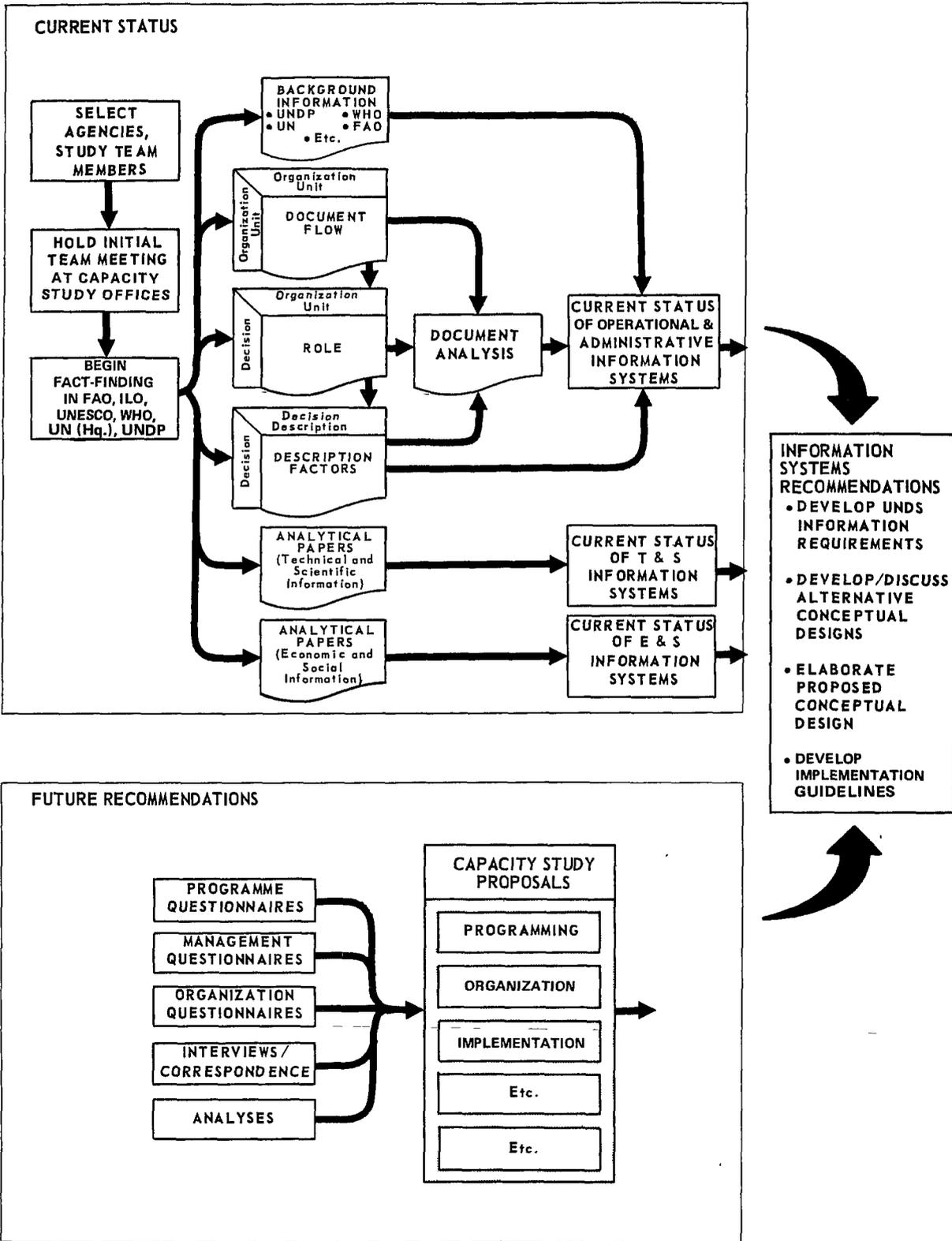
- (a) Continue the historical pattern of diffuse and disjointed acquisition and application of electronic data-processing equipment. This experience has proved to be unsatisfactory and costly and has been recognized as such both within and without the UN development system. This approach should not continue.

- (b) Instal, in Geneva, another large computer facility similar to the International Computing Centre (ICC). Given the needs of the Administrator for programme planning and control, this proposition would be attractive only if UNDP Headquarters were also shifted to Geneva. If UNDP Headquarters remains where it is, there is enough capacity in existing configurations in Europe (e.g., WHO, ILO, IAEA) to support the needs of present organizations of the UN development system based there. In this case, additional computer capacity in Geneva would not help UNDP unless intercontinental electronic data communications become more reliable and economical and UNDP could be adequately served by a terminal linked to the computer in Geneva.
- (c) Use existing computer capability within the UN development system but build into ICC a more extensive central processing capacity. This approach, which is favoured by the Capacity Study, would cause least disruption of present facilities, but would provide the enlarged capacity for collection, processing, storage, retrieval, and dissemination of management information needed by the Administrator and his staff. UNDP would link up with the ICC via a terminal.

212. Regardless of where the computer facilities may be located, the important initial need is to decide on the information needed in support of UN development co-operation activities, where it shall be obtained, and to whom it shall be provided. This will require concerted effort by the Executive Heads of the UN system, aided by capable system design staffs (such as the MISS recommended for UNDP). The location of the computer hardware and its degree of centralization or decentralization then becomes almost incidental. The first steps to successful system implementation are, therefore, (a) a resolve by the top management to proceed and (b) the engagement of capable systems design staff.

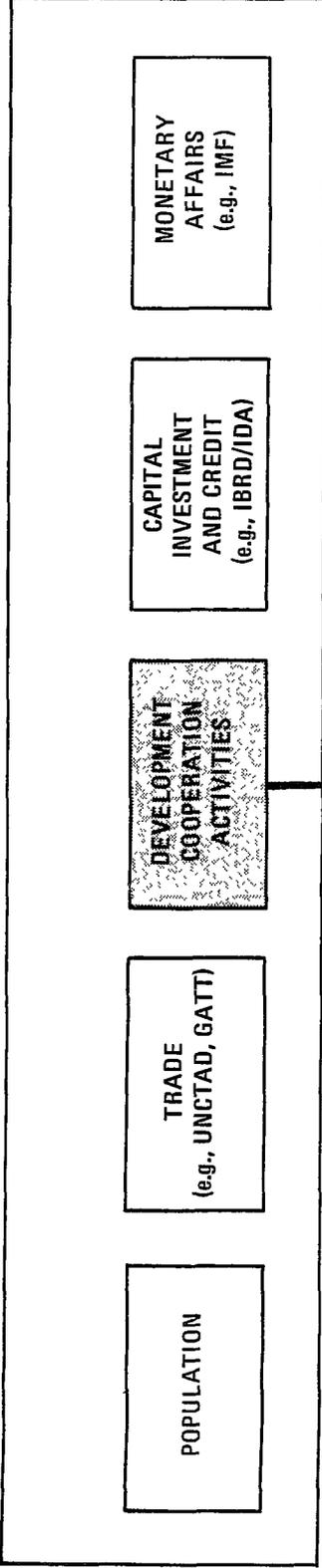
213. Throughout this chapter, great emphasis has been placed on inter-Agency co-ordination and, more specifically, on extensive and detailed planning and on the necessity to achieve maximum categorization, classification, formatting and maintenance of the data involved in the information process. Such effort is required not only to provide a solution to immediate information needs, but also to lay the foundation for a highly integrated information system which is bound to be developed throughout the UN system as a logical long-range solution to its information problem. At some future point, when communications between large computers and remote terminals have become more economical and entirely reliable, the time will have come to consider a large central UN computer. But the use of such highly sophisticated equipment will be feasible only if adequate preparation has been made. Even then, it should be recognized that human beings will still be the most vital part of the system. The system cannot be entirely mechanized, nor should it be. It is designed to serve human beings and to help them to be more innovative and creative. It cannot function without their full co-operation or without their will to make it work.

INFORMATION STUDY APPROACH

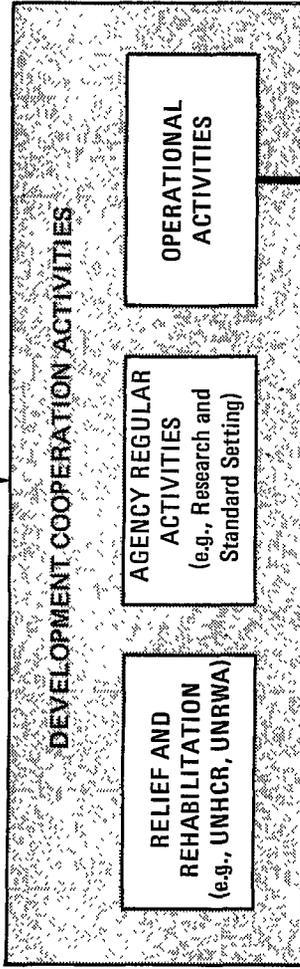


FACTORS IN ECONOMIC AND SOCIAL DEVELOPMENT

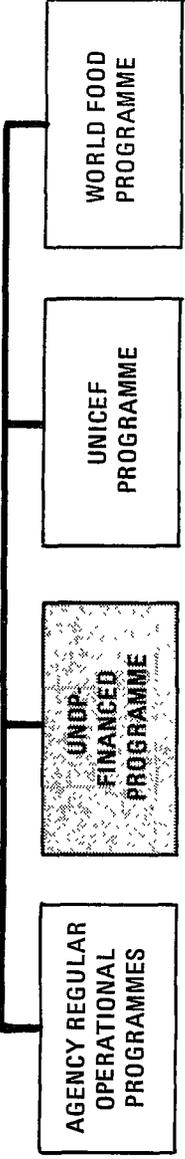
UN Development Cooperation One Element Among Many Development Factors



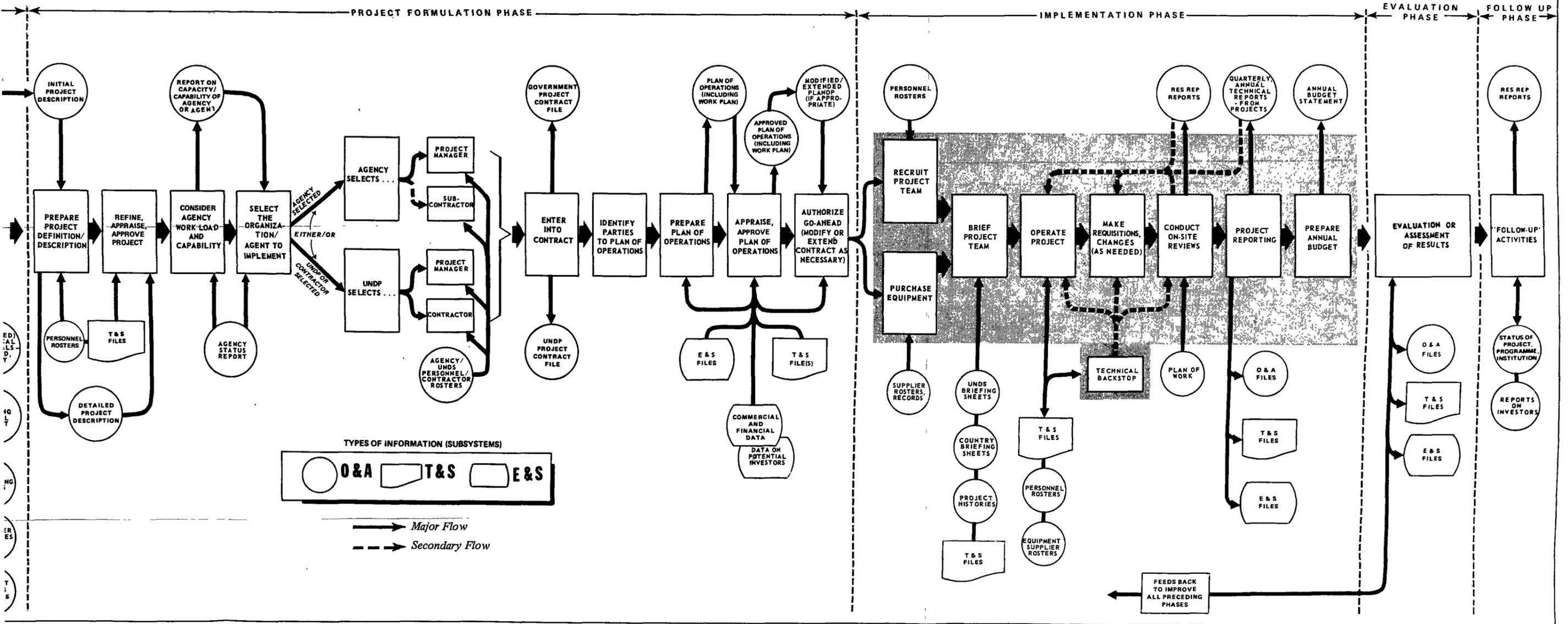
UN Development Cooperation Activities as Triad of Efforts



UNDP-Financed Programme Core of Operational Activities



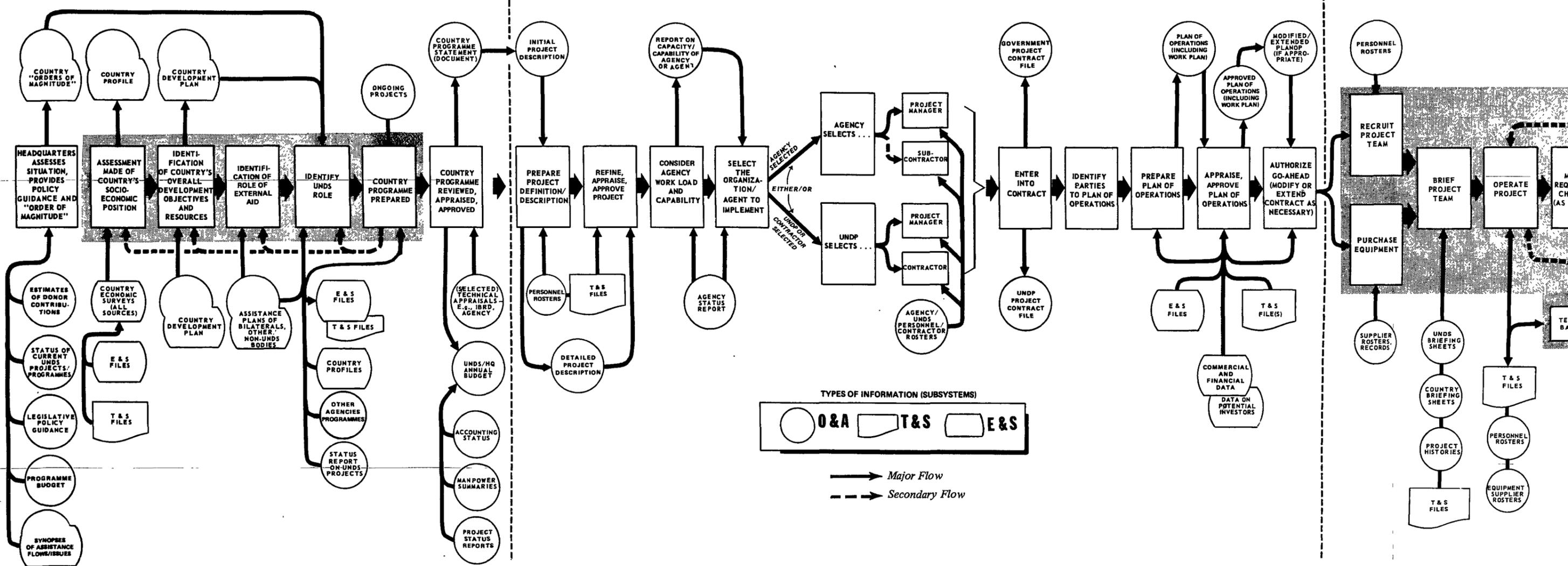
UNITED NATIONS DEVELOPMENT COOPERATION CYCLE



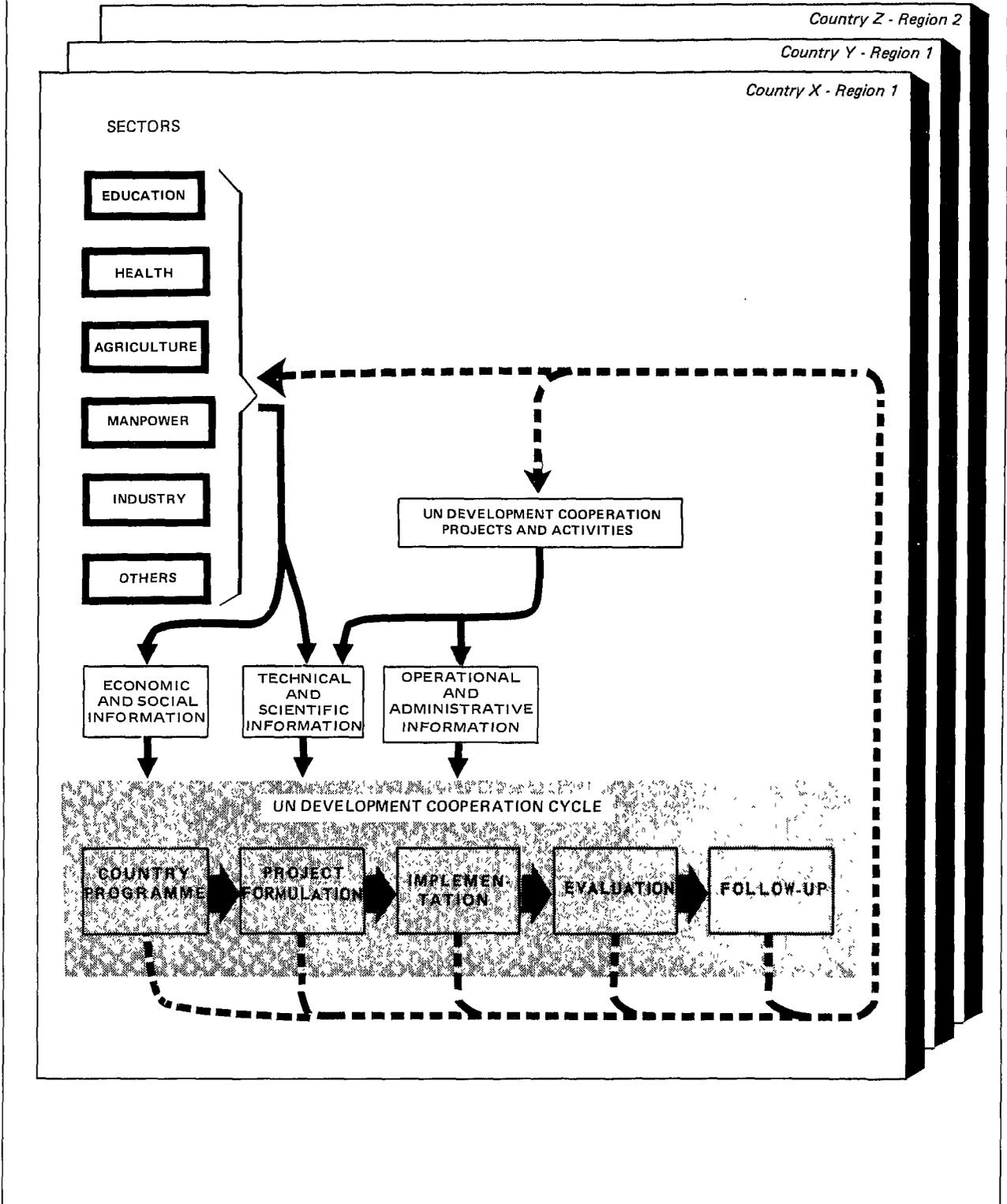
COUNTRY PROGRAMME PHASE

PROJECT FORMULATION PHASE

IMPLEMENTATION PHASE



RELATION OF INFORMATION SUBSYSTEMS TO PHASES OF UN DEVELOPMENT COOPERATION CYCLE



COMPARATIVE ANALYSIS OF DOCUMENT RETRIEVAL SYSTEMS

ANALYSIS FACTOR	UN	FAO	ILO	PROPOSED SYSTEM FOR UNESCO
Access rules	<p>Retrieval now done mostly through indexes. Machine-based retrieval requires developing capability to search files.</p>	<p>Retrieval now done manually from printed indexes. Machine retrieval being programmed.</p>	<p>Requestor states Boolean combination of descriptors with language restrictions, date restrictions, and other relationships (e.g., proximity of descriptors and group names).</p>	<p>Same as ILO.</p>
Approach	<p>Document profiles contain information on documents (e.g., contents specifications of extracts). Document profiles entered in one language (usually English). Information in document profiles creates:</p> <ul style="list-style-type: none"> - Lists of documents - Country indexes - Subject indexes - Citation indexes - Indexes to resolutions - Indexes to reports - Indexes to proceedings of organizations - Compendia of texts of resolutions and decisions - Lists of extracts of relevant parts of texts - Statistical searches - World searches. <p>Term profiles contain terms used in system in four languages. Information in term profiles allows:</p> <ul style="list-style-type: none"> - Construction of structured lists of terms - Production of indexes and lists. 	<p>Each "documentary unit" (document or part of document) has bibliographical information and "Indexing Synopsis" containing series of sentences using descriptors (basic indexing terms), keywords (newly created terms), and free linking words. Basic record is used to create (a) printed indexes composed of bibliography, author index, subject and country index of KWIC type and (b) basic cardfile. Indexing vocabulary now contains 3,000 descriptors and 5,500 key words. Thesaurus under elaboration. Schematic displays ("lexicograms") showing related terms in main subject matter fields have been elaborated.</p>	<p>Bibliographical information on document is provided. Special abstract using descriptors drawn from a fixed thesaurus gives information on the documents contents. Library cards and weekly current awareness bulletins are by-products of the input process. Thesaurus now contains some 1300 descriptors, none of which need occur in the document's text.</p>	<p>Needs and techniques similar to those of ILO.</p>

COMPARATIVE ANALYSIS OF DOCUMENT RETRIEVAL SYSTEMS

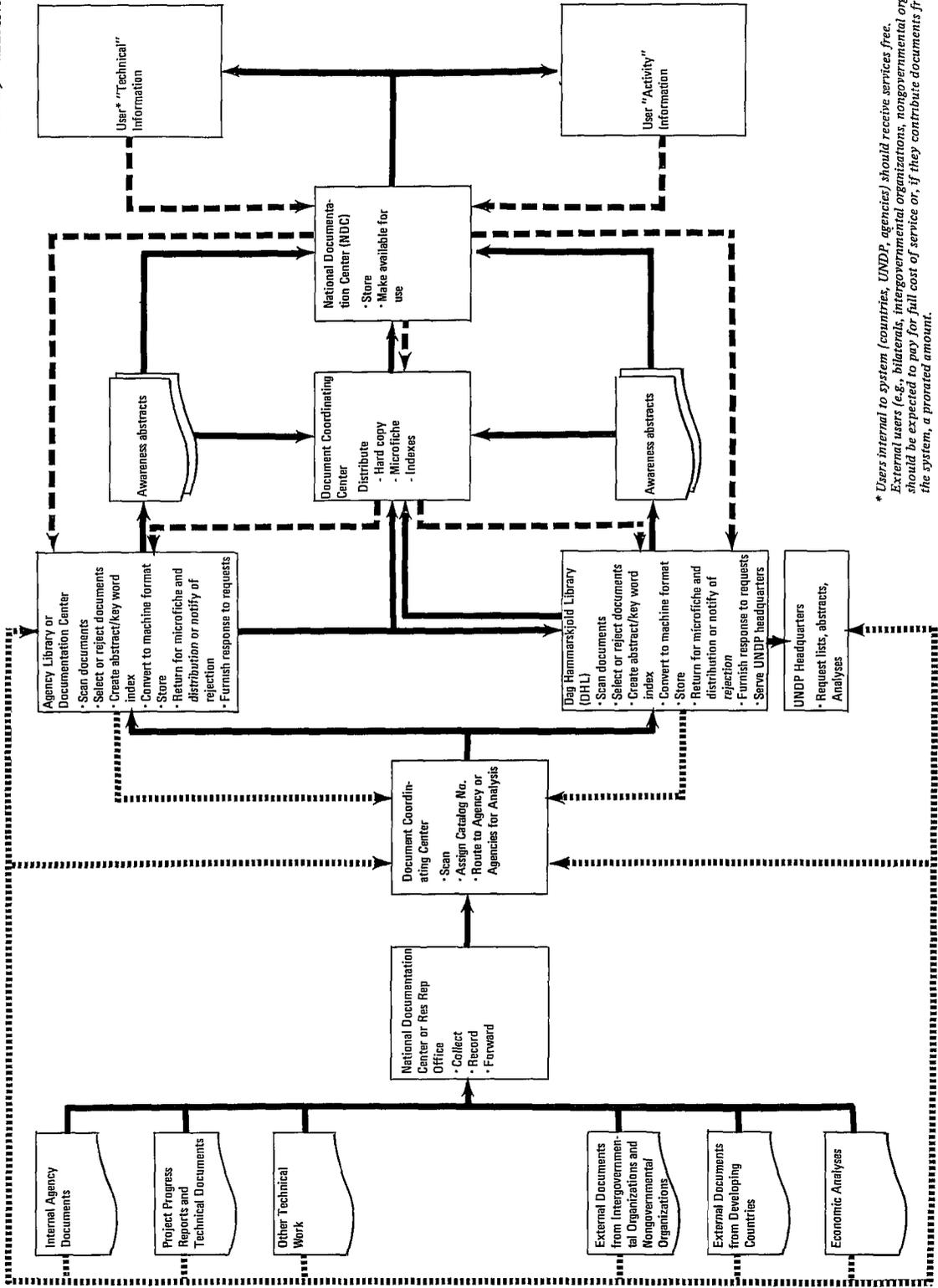
ANALYSIS FACTOR	UN	FAO	ILO	PROPOSED SYSTEM FOR UNESCO
When implemented	Feasibility study - 1966. Pilot project - 1967. Further expansion 1968 and 1969	Methodology elaborated - 1966. In production since January 1967 for (a) Current Index (b) Retrospective Indexes (1945 - 1966). Completed in March 1969.	Operational on punched cards - January 1965. Computer-based - April 1969.	Development planned to begin in 1969, extending into 1970. Operations to begin 1 January, 1971.
Scope (documents included)	Any relevant document issued under UN authority. Material from non-UN sources on issues before the Organization.	Published and unpublished technical documents produced by FAO. Technical documents and reports of FAO/UNDP (SF) projects. Agriculture research projects in developing countries. Technical (mostly unpublished) documents in FAO fields produced in and on developing countries (through SF projects for Country Documentation Centres).	Selected documentation related to Organization major programmes - from internal and external sources.	All UNESCO documents and publications including nonpublished documents of other than ephemeral interest. By 1973, documents of other organizations and Member States relating to specific UNESCO activities.
Services	Produce various indexes (in four languages) specific enough to permit search without computers. Microfiche storage and dissemination of full texts of significant documents.	Provide awareness services through "Current Indexes" (22 monthly and 4 Bi-Annual Cumulatives so far) and Retrospective "Special Indexes" (13 so far). Provide on request special bibliographies on specific topics, through manual retrieval from Indexes and photocopy of relevant cards extracted from basic cardfile. Reproduce relevant documents from microfiche file (9,000 so far) - enlargements or microfiche duplicates.	Provide weekly awareness bulletins (reproduced in 1100 copies). Provide search capability for retrieval of document references. Provide computer-produced indexes to facilitate manual searches. Microfiche storage and documentation of data on ILO-supported research projects.	Same as ILO.
Storage media	Data cells. Disk.	Magnetic tapes for basic record (bibliographical data and indexing synopsis). Disks to be used shortly. Microfiches for indexed documents.	Formerly on punched cards. Now on magnetic tape and disk.	Magnetic tape and disc.
Computer used	IBM 360/30 with 2321 data cell drives and 2311 disk drives (1967). IBM 360/65 with possibility of replacing 2321 with 2314 modules (1969).	Formerly IBM 360/20 and 360/40. Now FAO's Honeywell 1250 (128 K, 5 Tape drives, 5 disk drives).	IBM 360/30. On-line terminal installed July 1968 and 2314 disk drives to be installed April 1970.	1902-A ICL to be installed.

COMPARATIVE ANALYSIS OF DOCUMENT RETRIEVAL SYSTEMS

ANALYSIS FACTOR	UN	FAO	ILO	PROPOSED SYSTEM FOR UNESCO
Total size (current)	1200 documents (30,000 pages) issued in connection with 22nd General Assembly. No current plans to store documents prior to 1969.	23,000 documentary units indexed by 236,000 authors and subject references as of May 1969. 9,000 microfiches.	29,000 documents on file, as of 16 April 1969.	Retrospective 40,000 documents.
Growth rate	1969 - 5000 documents plus.	Expected size at end of 1969 - 30,000. Annual growth rate (FAO and FAO/UNDP/SF documents) - between 5,000 and 10,000.	Approximately 10,000 per year by 1970.	Expected rate: 10,000 per year.
Investment cost	Developed in conjunction with New York University with lump sum for reimbursement (no figures given).	Development financed jointly by UNDP (SF) and FAO. Systems development and programming took about 3 man-years.	Systems study, design, and programming took 9 man-years. Outside computer time for testing cost \$25,000.	\$ 114,000 (1970 Budget) Systems design Programming Testing Indexing Equipment
Operating costs	1969 budget calls for: \$20,000 for computer services (including programming); increase in posts necessitated by system - five professional, four clerical; \$20,000 to create indexes; \$25,000 to produce 10,000 microfiches (representing 500,000 pages).	Cost per documentary unit estimated at \$10 to \$12. Cost includes: bibliography; analysis and indexing; input recording (punched cards) and control; computer processing; production of about 3,000 printed copies of each index; microfiche preparation. It excludes servicing costs (special bibliographies and reproduction services) and systems development and maintenance.	Preparation for automated system is 25 percent greater than traditional library cataloging and classification.	Estimated at \$500,000 for 2 years (1971-1972), (not yet approved,) of which approximately 1/2 from existing resources (contributing archivists, librarians, etc.), approximately 1/2 from new funds.

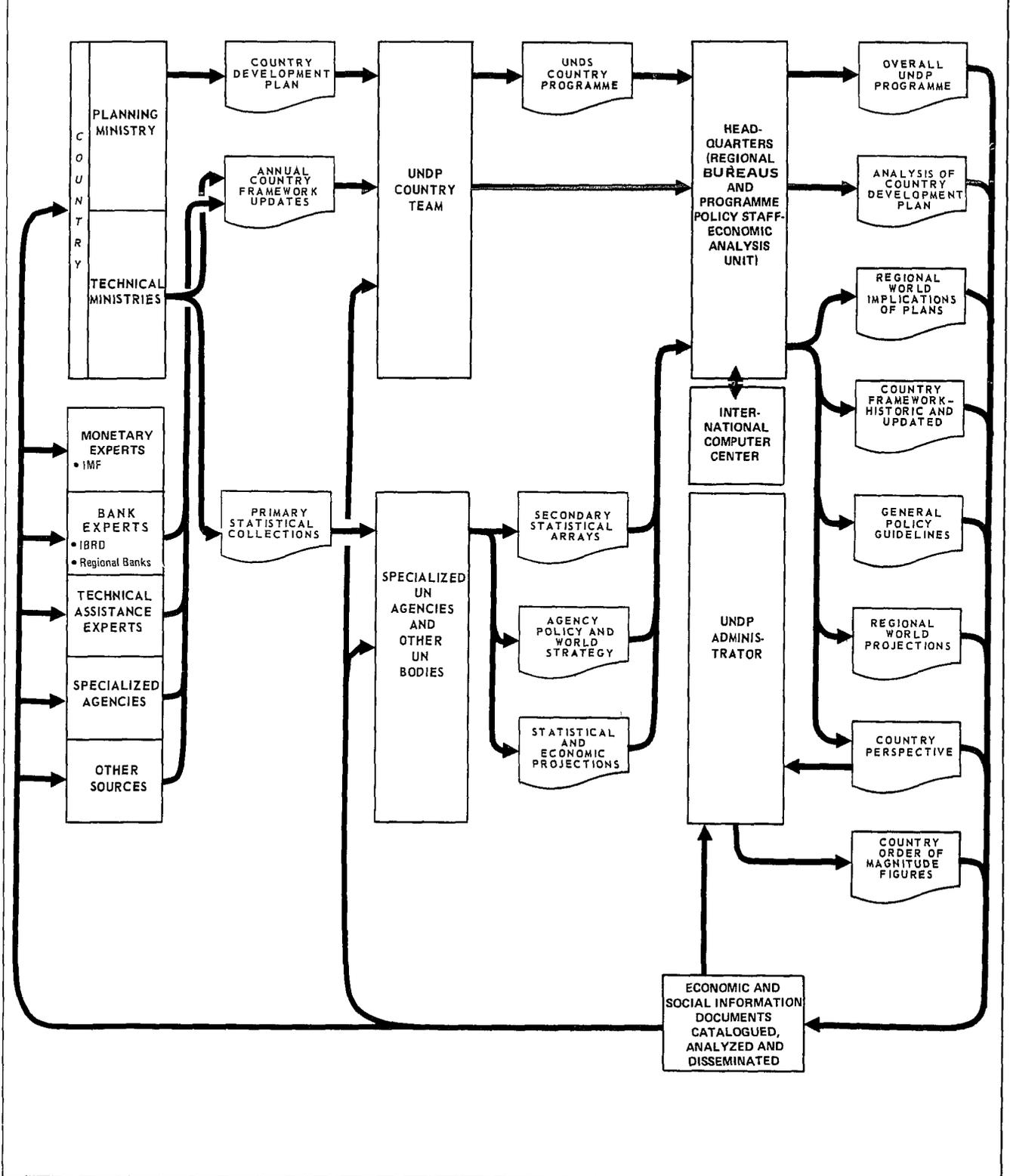
TECHNICAL AND SCIENTIFIC (T & S) INFORMATION SUBSYSTEM CONCEPT

INFORMATION FLOWS
 ALTERNATE FLOWS
 REQUESTS

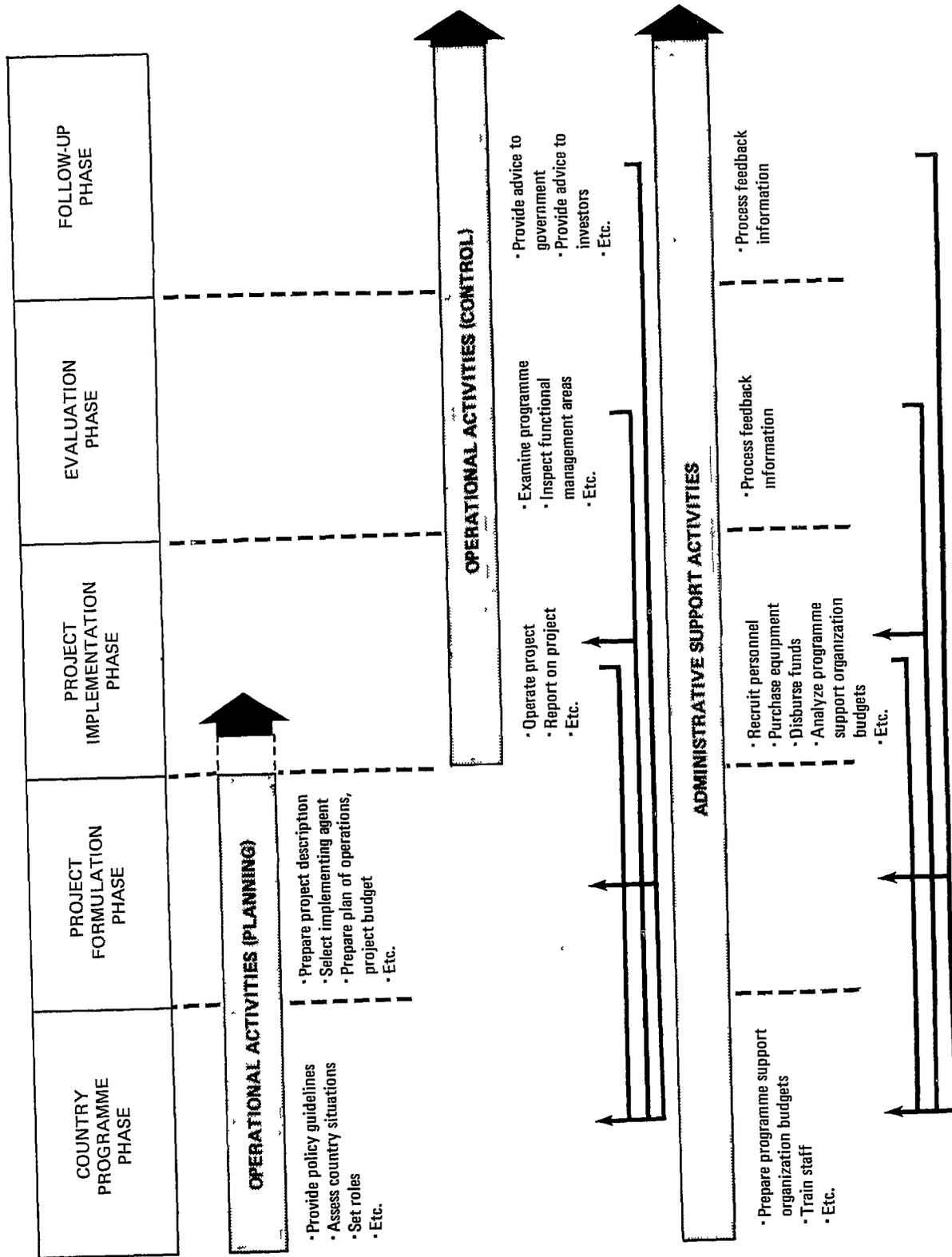


* Users internal to system (countries, UNDP, agencies) should receive services free. External users (e.g., bilateral, intergovernmental organizations, nongovernmental organizations) should be expected to pay for full cost of service or, if they contribute documents freely to the system, a prorated amount.

ECONOMIC AND SOCIAL INFORMATION SUBSYSTEM CONCEPT



UNITED NATIONS
DEVELOPMENT COOPERATION CYCLE
AND MAJOR MANAGEMENT PROCESSES



UNDP
PROJECT INSPECTION REPORT

Prepared By: _____

Date: _____

I. PROJECT CLASSIFICATION DATA:

Project Number _____ Region _____ Country _____ Sector _____ Subsector _____ Type Project _____
 Executing Agent _____ Project Manager _____ Date of Inspection _____ Counterpart Agency (If Any) _____

II. OVERALL STATUS OF PROJECT VERSUS PLANNED OBJECTIVES:

On Schedule Ahead of Schedule Behind Schedule, Objectives Will be Met Behind Schedule, Objectives Will Not be Met

III. STATUS OF SPECIFIC PROJECT OBJECTIVES/MILESTONES:

TOTAL PROJECT COSTS	<input type="checkbox"/> AS BUDGETED	<input type="checkbox"/> VARIANCE FROM BUDGET	AMOUNT OF VARIANCE AND EXPLANATION
COSTS BY COMPONENTS:			TOTAL: _____
a. Project Team	_____	_____	_____
b. Counterparts	_____	_____	_____
c. Fellows	_____	_____	_____
d. Equipment/Supplies	_____	_____	_____
e. Miscellaneous	_____	_____	_____
COMPLETION DATE			
TECHNICAL (ACCOMPLISHMENT) MILESTONES	PLANNED	ACTUAL	EXPLANATION OF DEVIATION FROM PLAN
a. _____	_____	_____	_____
b. _____	_____	_____	_____
c. _____	_____	_____	_____
Etc. _____	_____	_____	_____

IV. PROJECT REQUIREMENTS:

PROJECT MANAGER RECOMMENDATIONS	RESPONSIBILITY	ACTION TAKEN TO DATE	UNDP ACTION NECESSARY
a. _____	_____	_____	_____
b. _____	_____	_____	_____
c. _____	_____	_____	_____
Etc. _____	_____	_____	_____

NOTE: This form is for ILLUSTRATION only. It is not drawn to scale or intended as a final report format.

Date: _____

UNDP
QUARTERLY HQ PERSONNEL STATUS REPORT

STAFF UNIT	PROFESSIONAL LEVEL				GENERAL SERVICES LEVEL				TOTAL			
	Authorized	Filled	Vacant	Commitments	Authorized	Filled	Vacant	Commitments	Authorized	Filled	Vacant	Commitments
PPS - Branch A Branch B												
MISS - Branch A Branch B												
F & A - Branch A Branch B												
P & T - Etc.												
Etc.												
Etc.												

NOTE: These forms are for ILLUSTRATION only. They are not drawn to scale or intended as final report formats

Date: _____

UNDP
QUARTERLY FIELD PERSONNEL STATUS REPORT

COUNTRY CODE	PROFESSIONAL LEVEL				GENERAL SERVICES LEVEL				TOTAL			
	Authorized	Filled	Vacant	Commitments	Authorized	Filled	Vacant	Commitments	Authorized	Filled	Vacant	Commitments
COUNTRY "A"												
COUNTRY "B"												
ETC.												

Date: _____

UNDP
QUARTERLY KEY POSITION VACANCY REPORT

ORGANIZATION UNIT	GRADE	POSITION TITLE	FUNCTION	RECRUITING ACTIVITY
P & T (HQ) Branch A Branch B				
MISS (HQ) Branch A Branch B				
F & A (HQ) Etc.				
COUNTRY "X" Etc.				

Date: _____

UNDP
SUMMARY OF COUNTRY PROGRAMMES - BY PROJECT

COUNTRY CODE	ECONOMIC SECTOR	TYPE OF PROJECT REQUESTED	OBJECTIVES	TIMING		BUDGET ESTIMATE (000)			EXPERTS		EXECUTING AGENT	REMARKS
				Planned Start	Planned Completion	Total	UNDP	External	Number	Man Years		

NOTE: These forms are for ILLUSTRATION only. They are not drawn to scale or intended as final report formats

Date: _____

UNDP
SUMMARY PROJECT STATUS REPORTS

COUNTRY CODE/PROJECT NUMBER	EXECUTING AGENT	PROJECT STATUS vs. OBJECTIVES	UNDP ACTION REQUIREMENTS	UNDP ACTION TAKEN

UNDP
MONTHLY HQ STATUS REPORT - SUPPORT FUNDS

Date: _____

UNDP COMPONENT UNIT	ANNUAL BUDGET	YEAR TO DATE		EXPLANATION OF DIFFERENCE (Budget vs. Expenditures)	ACTION RECOMMENDED/ RESPONSIBILITY	ACTION TAKEN
		Budgeted	Expenditures			
<div style="border: 2px solid black; padding: 5px; display: inline-block;"> NOTE: This form is for ILLUSTRATION only. It is not drawn to scale or intended as a final report format. </div>						

UNDP SEMIANNUAL PERSONNEL STATUS REPORT												
												Date: _____
UNDP COMPONENT	PROFESSIONAL LEVEL				GENERAL SERVICES LEVEL				TOTAL			
	Authorized	Filled	Vacant	Commitments	Authorized	Filled	Vacant	Commitments	Authorized	Filled	Vacant	Commitments
TOTAL HEADQUARTERS												
TOTAL REGIONAL BUREAUS												
TOTAL RES REP OFFICES												
PPS STAFF (HQ)												
MISS STAFF (HQ)												
ETC.												
COUNTRY "A"												
COUNTRY "B"												

NOTE: These forms are for ILLUSTRATION only. They are not drawn to scale or intended as final report formats

UNDP SEMIANNUAL POSITION VACANCY EXCEPTION REPORT							
							Date: _____
UNDP COMPONENT	NUMBER OF POSITIONS VACANT				COMMITMENTS	RECRUITMENT PROSPECTS	IMPACT OF VACANCIES ON PROGRAMME
	Professional Level	Percent Of Authorized	General Services	Percent Of Authorized			
TOTAL HEADQUARTERS							
TOTAL REGIONAL BUREAUS							
TOTAL RES REP OFFICES							
PPS STAFF (HQ)							
MISS STAFF (HQ)							
ETC.							
COUNTRY "A"							
COUNTRY "B"							

**UNDP
COST ESTIMATE**

NAME AND ADDRESS OF OFFERER:	TITLE OF PROJECT:	COUNTRY CODE:
------------------------------	-------------------	---------------

DETAILED DESCRIPTION	MAN MONTHS	RATE/MONTH	TOTAL ESTIMATED COST (\$000)
1. DIRECT PERSONNEL COST (Specify Job Categories and Skills)			

NOTE: This form is for ILLUSTRATION only. It is not drawn to scale or intended as a final report format.

TOTAL DIRECT PER. COST			
2. EQUIPMENT (Specify Items and Use)	ESTIMATED MONTHS	RATE/MONTH	
TOTAL DIRECT EQUIPMENT			

3. DIRECT MATERIALS AND SUPPLIES			
TOTAL DIRECT MATERIALS AND SUPPLIES			

4. TRAVEL (If Direct Charge)			
a. TRANSPORTATION			
b. PER DIEM OR SUBSTANCE			
TOTAL TRAVEL			

5. SUBCONTRACTS (Refer to Line 11)			
6. TOTAL DIRECT COSTS			
7. GENERAL AND ADMINISTRATIVE EXPENSE			
8. TOTAL ESTIMATED COSTS			
9. FIXED FEE OR PROFIT (For Private Contractors Only)			
10. TOTAL ESTIMATED COSTS (And Fixed Fee or Profit)			

11. SUBCONTRACT INFORMATION (If More Space Needed, Attach Sheets)		
NAME AND ADDRESS OF SUBCONTRACTOR	SUBCONTRACTOR WORK	AMOUNT OF COST

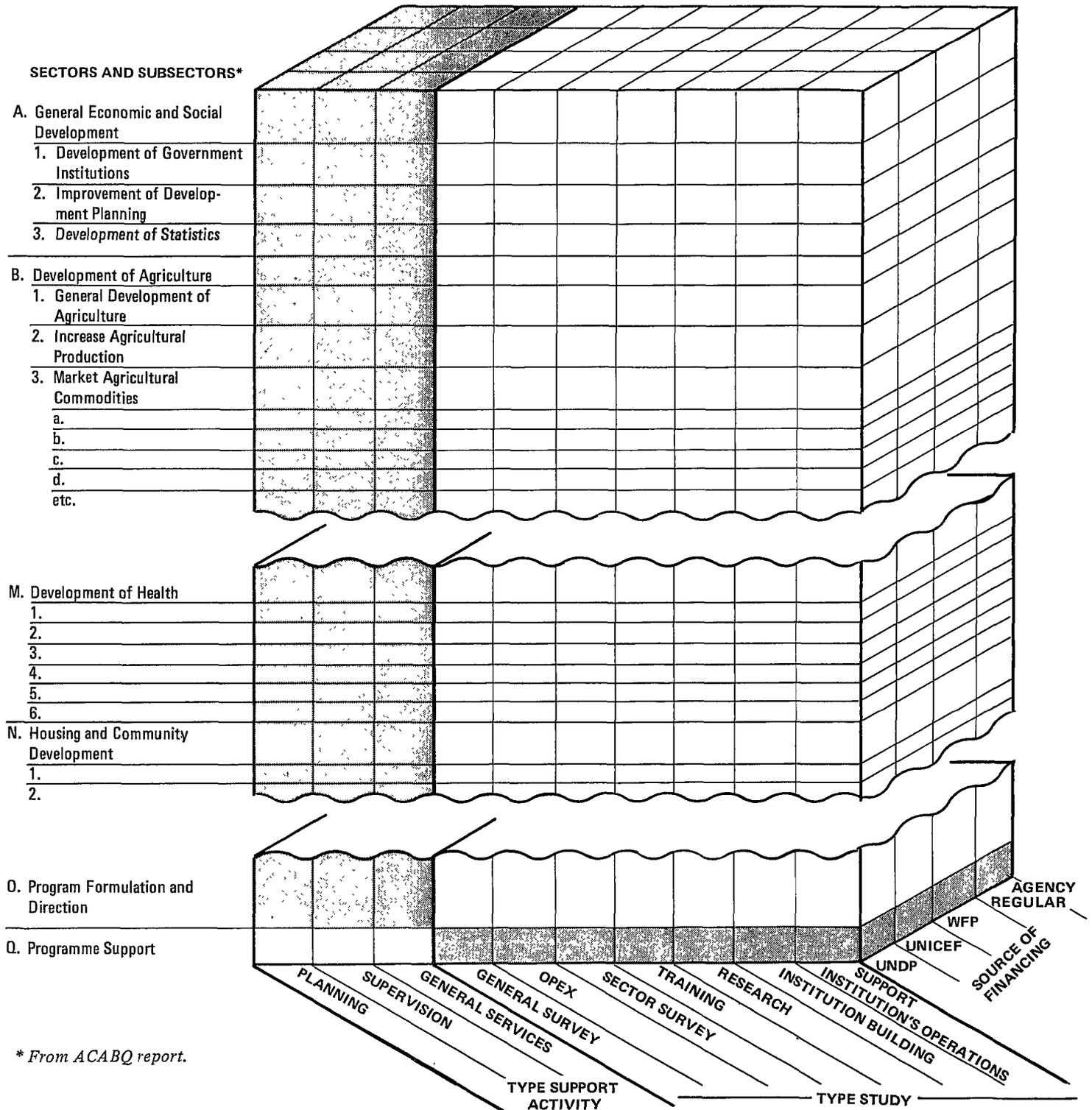
12. SIGNATURE OF AUTHORIZED REPRESENTATIVE	
DATE:	

Date: _____

UNDP
QUARTERLY FIELD STATUS REPORT - PROGRAMME FUNDS

COUNTRY/CODE	ANNUAL BUDGET	YEAR TO DATE		EXPLANATION OF DIFFERENCE (Budget vs. Expenditures)	ACTION RECOMMENDED/ RESPONSIBILITY	ACTION TAKEN
		Budgeted	Expenditures			
<div style="border: 2px solid black; padding: 10px; display: inline-block;"> <p>NOTE: This form is for ILLUSTRATION only. It is not drawn to scale or intended as a final report format.</p> </div>						

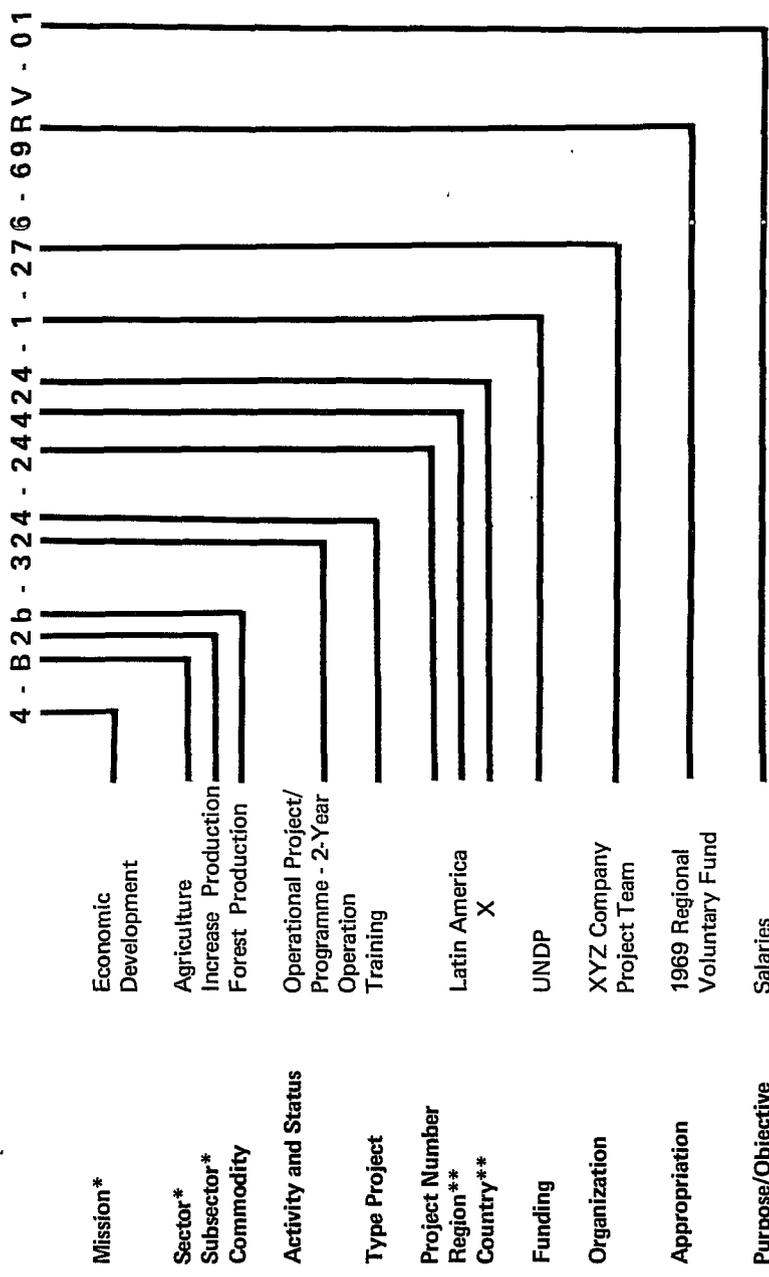
ILLUSTRATION OF RELATIONSHIPS OF KEY FACTORS IN CLASSIFYING PROJECTS AND SUPPORT ACTIVITIES



* From ACABQ report.

ILLUSTRATION OF PROJECT AND OTHER CLASSIFICATION SCHEMES

HYPOTHETICAL CODING



* Available from ACABQ report.
 ** Being worked on by CUC.

PART IV

ORGANIZATION, ADMINISTRATION AND FINANCE

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Chapter Seven

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Chapter Seven

ORGANIZATION

"При умелой, правильной постановке вопросов одна уже постановка вопросов ... дает возможность исправления".^{1/}

- В.И. Ленин, "Сочинения", издание 4-е, Москва 1950, том 33, стр.21.

I. INTRODUCTION

1. The streamlining and rationalization of current procedures along the lines proposed in previous chapters could contribute significantly toward making the United Nations development system more effective. Yet, as has been shown in Chapters Two and Three, many of the more serious difficulties with which the system has to contend derive from fundamental organizational defects, especially so far as operational activities are concerned. It is imperative to transform this complex and cumbersome organizational structure into a more orderly framework. ^{2/}

2. Here, the Capacity Study faced a dilemma. On the one hand, it is not too difficult to devise, with the benefit of hindsight, the kind of multilateral organization best suited to carrying out efficiently an operational programme of development co-operation truly reflecting the priority needs of individual countries. On the other, it cannot be forgotten that a programme is already in operation and that an organizational structure already exists, both of them with considerable achievements to their credit, whatever their inherent drawbacks. It would certainly mean sacrificing the real to the ideal if the proposed changes were so drastic as to involve sweeping away all that exists already, however imperfect some of its parts may seem. The Capacity Study has therefore adopted a pragmatic approach, seeking to build on the positive elements that are already in being, while at the same time keeping in its sights the ultimate objective to which the various modifications ought to aspire cumulatively over the longer perspective posited in Chapter Four. In colloquial language, the Study has observed the common-sense dictum of not throwing out the baby with the bathwater.

^{1/} "If the questions are posed skilfully and in the right way, this posing of questions by itself ... will enable improvements to be made." V.I. Lenin, "Works", 4th edition, Moscow, 1950, Vol. 33, p. 21.

^{2/} Cf. Report of the Commission on International Development, op. cit. page 208: "Making aid effective is not simply a question of procedures and techniques. Even more important is over-all organization and purpose. As the aid system has grown, its channels have multiplied and tangled. Unless this machinery acquires greater coherence, aid cannot be used to best advantage."

3. These words should not be construed as a comforting invitation to complacency. The modifications to the present structure will still have to be far-reaching. Governments are, in fact, faced with the basic policy decision of either accepting the limitations of the present system, with all that this implies in the way of reduced benefits for developing Member States and diminished return on the contributions invested in the programme, or of introducing the major changes necessary to overcome the present difficulties and provide for rapid expansion. The political difficulties involved are recognized and for this reason the Study has opted for pragmatism. But it must be stressed that the aim is simply to smooth the path to the desired goal, and not to shirk the fundamental issue. In the Study's considered view there is no way of escaping the present dilemma, which is a legacy of history, without failing the challenge of the future.

4. Against this background, this chapter examines, first, the nature and shortcomings of the present organization; second, the various alternative structures which might be adopted; and third, the recommended model, which is described in more detail, together with the steps necessary for its implementation. Finally, an attempt is made to focus these proposals in the longer-term perspective.

II. PRESENT ORGANIZATIONAL ARRANGEMENTS

A. General

5. Today, as a result of the dramatic growth in its economic and social activities, the United Nations system spends about five times as much on development co-operation as on political and peace-keeping functions. A Member Government can obtain advice and help on almost any facet of its country's development from one or more components of the system. The main areas of activity in which the system can provide services of one kind or another are:

- credit and investment;
- trade;
- development co-operation, covering a whole range of specialized fields, among which population must be singled out as being of special importance.

6. Advice and assistance on monetary matters and on external investment and credit are offered through the IMF, IBRD and its related bodies - IFC and IDA. Another potential, though at present minimal, source of capital assistance exists in the UN Capital Development Fund, which is administered by UNDP. Although not formally a part of the UN family, the Regional Development Banks - the Inter-American Development Bank, the African Development Bank, and the Asian Development Bank - also provide similar assistance on a multi-lateral basis.

7. Advice and assistance on trade matters are offered through UNCTAD and GATT.
8. On matters relating to development assistance for identifying and utilizing natural resources, stimulating sectoral growth, and increasing the capacity of institutions and infrastructure to help support growth, co-operation is offered through a variety of Agencies. These include: the UN development programme, financed by UNDP and at present normally executed by the various components of the UN development system; ESA and its component centres and divisions through the UN regular programme; the Regional Economic Commission staffs; the Specialized Agencies and IAEA through their own programmes of technical assistance, if any, financed by their regular budgets or other non-UNDP sources; subsidiary organs of the UN such as UNIDO and UNCTAD; IBRD and its affiliates, mainly in the capital investment field; WFP for assistance in the form of food; and UNICEF as a supply organization supporting programmes benefiting mothers and children.
9. On population matters, the UN system offers co-operation primarily through UNDP, ESA, WHO, UNICEF, and, more recently, IBRD.
10. In addition, assistance in the form of relief is offered under certain conditions through UNHCR, UNRWA, and, to some degree, through WFP. Still another important form of assistance may be found through participation in the regular conference, research, and standard-setting programmes of the Specialized Agencies.
11. These various components of the United Nations system offering development co-operation are outlined in Chart 7.1. This chart shows only the major Agency blocks and the principal types of units in the field.

B. The Governing Bodies

12. To govern this structure, Member Governments have established the General Assembly and ECOSOC. They have also established separate conferences, assemblies, congresses, governing councils, committees and boards for the following bodies: each of the eleven Specialized Agencies, including IBRD and IMF; IAEA; the three operational programmes (UNDP, UNICEF, WFP); organs of the General Assembly such as UNCTAD and UNIDO, and for the two relief programmes (UNHCR and UNRWA). At the regional level, inter-governmental Regional Economic Commissions have been established for Africa, Asia and Latin America, and a number of inter-governmental bodies of various kinds have been set up for some of the Specialized Agencies (e. g. WHO, FAO).
13. The Specialized Agencies, including IMF and IBRD, are linked to the UN by agreements under which they accept co-ordination of their activities through ECOSOC. The governing bodies of UNDP, WFP, UNICEF, UNHCR, and the Regional Economic Commissions are subordinate bodies of ECOSOC, but those of UNIDO, UNCTAD, UNRWA, as well as ECOSOC

itself, are subordinate to the General Assembly.

14. Permanent bodies have also been established to formulate and enunciate policy on other substantive facets of development problems. Some five of these bodies ^{1/} are directly subsidiary to the General Assembly, and another eight ^{2/} to ECOSOC. These bodies provide guidance to all the components of the UN development system in formulating and executing their programmes. They may also offer guidance to developing Member States seeking development co-operation. Still further development co-operation guidance to Agencies and to countries may emanate from sessional committees - three of the General Assembly (the Second, Third and Fifth) and three of ECOSOC (Economic, Social and Co-ordinating). A further network of subsidiary committees and other bodies extends through the Specialized Agencies covering various technical or other specific aspects of their sectoral responsibilities.

C. Administration of the Structure

15. Each principal UN body has an Executive Head and a professional staff which ranges in size from nearly 500 in UNDP to between 200 and 300 each for UNCTAD, UNIDO and UNICEF, and under 200 for WFP, UNHCR, UNRWA, and the Regional Economic Commissions. The professional staffs of the Specialized Agencies and IAEA number some 6,500. ^{3/}

16. On behalf of the General Assembly and ECOSOC the Secretary-General exercises varying degrees of policy and administrative control and direction over the bodies that are directly dependent on the UN, with the help of the UN secretariat. His principal instrument for policy direction is the Department of Economic and Social Affairs. This unit of over 500 professional staff, headed by an Under-Secretary-General, also provides secretariat support for ECOSOC, the General Assembly and various of their subordinate bodies. In addition, ESA executes a substantial operational programme in various sectors, financed by both the regular UN-assessed budget, voluntary funds from UNDP and trust funds. ^{4/} The various administrative functions (e.g. budget, personnel, etc.) are in the hands of other Under-Secretaries-General and Assistant Secretaries-General. Administrative control is effected directly through various budgetary and other regulatory means of differing intensity, and indirectly through the Secretary-General's authority to appoint or to nominate the heads of certain UN bodies.

^{1/} UNCITRAL, CDF Executive Board (not yet set up), Committee on Peaceful Uses of Outer Space, UN Scientific Advisory Committee, Committee to Study Peaceful Uses of the Sea Bed.

^{2/} Statistical Commission, Commission for Social Development, Population Commission, Advisory Committee on the Application of Science and Technology to Development (ACASTD), Committee for Development Planning, Committee on Housing, Building and Planning, Commission on Human Rights, Commission on the Status of Women.

^{3/} See Part V, Appendix Six, Table 18 for details.

^{4/} See Tables 11, 12 and 13 in Appendix Six, Part V, for details of the amounts involved.

17. In the case of the Specialized Agencies, the Secretary-General merely co-ordinates under the authority of the joint agreements. His control is strongest over the activities of the UN bodies funded by the UN-assessed budget, moderate over the voluntary-funded activities of the UN Agencies, and mildest over the Specialized Agencies tied to the UN only through joint agreement. The staffs which help to administer this structure serve as secretariats to their respective governing bodies and to the various subordinate committees. Hence, they also formulate, or at least influence, policy in the sectors for which they are responsible. They carry out the regular programmes of conferences, research, and standards development; administer the Agencies' affairs; and help formulate co-operative projects for developing countries and provide technical and administrative backstopping for most of the 8,000 project personnel carrying out these projects, 80 per cent of which are financed by UNDP. ^{1/}

18. The Capacity Study examined the internal Agency organization structures for this latter function in some depth, but detailed description would lengthen the Report unnecessarily. It is sufficient to note that the organization of the operational function within the Agencies is not uniform. Three different patterns seem to be followed. The first favours a separate department for planning and controlling the execution of all technical assistance and pre-investment projects undertaken by the Agency. The second goes to the other end of the spectrum and merges such projects completely into the regular functional and programme departments of the Agency; control is exercised over the programming and project execution processes largely through internal financial measures and reports, sometimes monitored internally by a small staff unit established for that purpose. The third pattern falls in between; under this system, a separate department exercises direct control over a portion of the overall process, either the project formulation or the execution.

D. Co-ordination of the Structure

19. A number of bodies have been set up both at the inter-governmental and secretariat levels in an attempt to co-ordinate the activities of these diverse UN structures. At the ECOSOC and General Assembly levels, some five major co-ordinating bodies have been established: the Committee for Programme Co-ordination (CPC); the Expanded Committee on Programme Co-ordination (ECPC); the Advisory Committee on Administrative and Budgetary Questions (ACABQ); the Board of Auditors; and the Joint Inspection Unit under the General Assembly. The Secretary-General chairs the Administrative Committee on Co-ordination (ACC), which includes the Executive Heads of the Specialized Agencies and, by invitation, the heads of other UN bodies. The ACC is served by an Assistant Secretary-General for Inter-Agency Affairs and his staff, as well as by certain units of ESA. It has more than twenty

^{1/} See Part V, Appendix Six, Table 18.

standing committees, sub-committees, inter-agency bodies and working groups. In the case of UNDP, an Inter-Agency Consultative Board (IACB) has been set up, consisting of the Heads of the Participating and Executing Agencies and chaired by the Administrator of UNDP.

E. Representation in the Field

20. At the field level, development co-operation affairs are administered in a variety of ways. UNDP employs some ninety Resident Representatives, each of whom has a staff varying in number according to the size of the programme in the country concerned. Several organizations (e.g. UN itself, UNCTAD, UNIDO, WFP, etc.) and some of the Specialized Agencies also accredit the Resident Representative as their representative. However, the larger Agencies (FAO, ILO, UNESCO, WHO and UNICEF) all have field establishments of their own: regional offices, sub-regional offices, country representatives, regional representatives, or combinations thereof. The UN also has its network of Regional Economic Commissions. ^{1/}

21. From time to time, the Agencies, including UNDP, send out special missions for programming, project formulation, or evaluation purposes. Finally, each Agency appoints individual experts and project managers who, with their team members (the 8,000 project personnel referred to earlier), actually deliver the development co-operation services at the ground level.

22. Thus, in summary, the present structure for UN development co-operation includes some twenty major Agencies and other bodies. They, in turn, are governed, given policy direction and co-ordinated by about thirty bodies of government representatives "above the line", between the executive and government levels. ^{2/} At the field level there are at least six different types of representation structures, as shown by Chart 7.1.

F. Shortcomings in Present Structure

23. The mere description of the present structure for development co-operation identifies its major shortcomings: it is far too fragmented, and has large areas of overlap which create major problems of co-ordination and an unnecessary degree of bureaucratic complexity. Some may quarrel with the foregoing method of classifying the categories and functions of the various UN bodies. Others will argue that any international undertaking - particularly that of development co-operation - is of necessity complex. Yet the picture painted here may

^{1/} Cf. Appendix Three in Part V for a more detailed exposition of the tangle of organizations at the regional level.

^{2/} This is a conservative estimate of the principal inter-governmental bodies. They, in turn, are buttressed by countless committees, sub-committees and specialist groups.

even be conservative; a deeper search would probably bring additional bodies to light. And, although each Agency is primarily responsible to only one governing body, the continued existence of so many other bodies with the right, and, indeed, the obligation, to express themselves on policy cannot help but be a drain on the capacity of the UN development system.

24. The defects of the present organizational structure and the limitations that they impose on capacity have been described in Chapter Three. ^{1/} It is only necessary to recall that they lead to frustration on the part of all those participating in the programme - the developing Member States, the developed Member States, the Specialized Agencies and UNDP - and to complaints that the structure is expensive to operate, particularly as accountability for the use of funds is not clearly defined. Most seriously of all, the structure is hampering accomplishment of the programme's objective of providing effective development co-operation.

25. Notwithstanding extensive efforts to spell out precisely the functions and responsibilities of the various representatives, Agencies, and policy-making and co-ordinating bodies, considerable duplication remains at every level in the structure that is supposed to serve the development function - a function which is inherently integrated and which, therefore, should be carried out in an integrated fashion. Thus, without some central authority to determine jurisdictions and processes (i. e. to manage the operation), the present highly fragmented structure will probably continue to frustrate, to be less than fully effective, and thereby to remain a drain on UN capacity to accomplish its job as defined in the preceding chapters.

III. BASIC OBJECTIVES

26. If the overriding objective is to devise an organizational structure which will enable the UN development system to fulfil the requirements so admirably set out in GA resolution 2188 (XXI) ^{2/} then governments must accept the clear limitations of the present "non-system" and recognize that the only way of achieving the objective is to adopt a much more systematic and integrated approach, both to development policies and to the use of resources. It becomes imperative to create an organization, operating in conformity with clearly-defined policies established by its Member Governments, which would:

- be directly accountable to them;
- effectively manage the operational activities of the UN system in support of the economic and social development of Member States;

^{1/} Paras. 127-144.

^{2/} See quoted text in Chapter One, para. 8.

- be centred unequivocally on the needs of individual countries, without neglecting the requirements of approved regional and world policies likely to accelerate the development process.

27. This would carry with it a number of other implications. It would mean drawing a clear structural distinction between the operational activities of the system and those of a non-operational character, in order to ensure that the programme was action-oriented, and efficiently managed to achieve precisely defined objectives within a given timetable. This, in turn, would require the shortest and cleanest line of authority to be drawn from the governing and executive organs at the top to the country level where action has to take place. This should not be construed as presupposing a complete divorce from the non-operational, constitutional functions of international organizations. On the contrary, the two types of activities are complementary, although, as shown in earlier chapters, the dramatic expansion of operational activities and the ad hoc measures taken over the years to accommodate them within the existing structure have destroyed the balance between them. New ways should therefore be found of restoring an equilibrium which will permit a mutually advantageous interchange of ideas and experience between the two, without impeding the efficiency of their normal activities. Indeed, the desired organizational structure ought to fill a vital need by pulling together all the divers threads related to development which are now scattered among very many different UN bodies. It ought to provide a focal point for the discussions on many inter-related problems now dispersed among the UN and its Specialized Agencies, thus saving both time and money. Moreover, in order to justify its multilateral character, the organization must be able to harness effectively all resources available to it for promoting development, whether these be inside or outside the system, or in developed or developing countries.

28. In keeping with the more integrated approach propounded here, the organization should be so structured as to be able to plan, introduce and carry out effectively the inter-related series of activities which the Study has termed the UN Development Co-operation Cycle. Thus, it should be equipped to play its proper part in the various phases of country programme, project formulation, implementation, evaluation and follow-up, as described in Chapter Five.

29. This, at a minimum, is demanded by the present situation. But, bearing in mind the request to the Study to consider the implications of a doubling of resources within five years, it is necessary to look further ahead. Moreover, in the longer perspective of the next generation or so advocated in Chapter Four, the only certainty is that the remaining years of the century will bring major change. One cannot predict what this will involve for the UN development system: it may require more intensive action in development co-operation, or it may signify a major shift in emphasis towards population or trade matters. Whatever challenges emerge, the organization must be ready to meet them. It must therefore be open to new ideas, and, indeed, active in seeking new approaches to the development problem, as well as

sufficiently flexible in form to permit prompt adaptation to new requirements.

30. In short, the watchwords must be: consistent policy directives; efficient development operations directly responsive to country needs and based on integrated management and use of resources; clear accountability; and a readiness for innovation.

IV. ALTERNATIVE METHODS OF ACHIEVING THESE OBJECTIVES

A. The Ideal Operational Model

31. If one were starting from scratch, and at the same time able to build on the experience of multilateral development operations as they have evolved over the last twenty years, it is fairly easy to envisage the type of organization that would need to be set up, even though great care and foresight would obviously be required in working out the details of a structure entirely devoted to a task - development co-operation - which in itself is manifestly complex. One single organization should be established, and endowed with sufficient resources and authority to launch an integrated attack on the problem of development conceived as a whole - the International Development Authority of the United Nations, if you will. A possible interpretation of such a model is given in Chart 7.2. The Authority would respond to a single inter-governmental policy-making body which, in its turn, would be entirely committed to development in its widest sense. The secretariat would be structured in a way conducive to effective operational activities in developing countries. It would require a strong field network, with an adequate degree of delegated authority, backed up by a headquarters which would comprise sectoral arms, covering the main ingredients of development such as agriculture, industry, natural resources, education, health, employment and the development of human resources generally; non-sectoral arms, dealing with such matters as trade, population, credit, development planning, statistics and public administration; and regional departments, comprising country desks, where the programmes of co-operation for individual countries would be dealt with in an integrated manner. In the interests of maximum decentralization to the levels where action takes place, these regional departments might well be located in the geographical regions themselves. At all events, it would be clearly understood that the centre of gravity would focus on the needs of individual countries. The sectoral arms would perform a purely technical function in advising the regional divisions on specialized aspects within the overall mosaic of a development programme, at all stages of the operation, and would supervise, from a technical point of view, any operations falling within their respective specialized fields. In other words, the sectoral interests would be clearly subordinated to the concept of the integrated country strategy. Operations would be carried out by a mixture of direct recruitment for individual experts in small projects, and of contracting for all larger projects; in either case, the Authority would be directly accountable to its governing body for the use of

the resources placed at its disposal. Indeed, the line of authority would be absolutely clear-cut from governing body to the Authority and so down to its regional offices (if any) and country teams, while that of responsibility could be traced back through the same levels with equal clarity.

32. This does not mean that there would be no need of Specialized Agencies as they exist today, but that their function would be very different. They would in effect be research and standard-setting institutions in their respective spheres of interest, each sifting the world-wide knowledge and experience which they have acquired from member countries in their respective sectors, and making recommendations for its utilization in more realistic international and national policies and in more effective operational programmes. Their role, in short, would be mainly in the field of research and would be advisory in character. Their governing bodies should be made up of government representatives, but ideally of people with the appropriate technical background appointed by governments, and their deliberations should be restricted to technical matters. The sectoral arms of the International Development Authority, on the other hand, would be exclusively geared to operational matters in their fields of competence. Even though the specialized institutions might well be autonomous organizations, in order to preserve the independence of their scientific and technical recommendations, it would be necessary to forge close mutual links between them and the Authority so that there could be a constant interchange of ideas and experience and of theory and practice.

33. Unfortunately, we do not live in an ideal world and we are not operating in a vacuum. Any attempt to introduce an ideal model along the lines just described would inevitably entail a complete upheaval and the amendment of the UN Charter and of Agency constitutions. Accordingly, a balance must be struck between the best possible kind of organization that could be devised, and what is practicable in present circumstances. It is therefore necessary to examine other possibilities with more immediate prospect of implementation. At this point, some may argue that there is, therefore, no point in considering any ideal solution, even in theory, since it is patently unattainable. The Capacity Study would not agree but sustains that it is essential to work out the basic requisites of the ideal in order to have a model on which to base a more practicable proposal. In other words, acceptance of a realistic approach should not denote complete surrender to the status quo, but rather a series of selective improvements, all carefully aimed at coming as near as possible to the ideal, particularly in the medium to long term. It is only in this way that the international system will escape from the incessant improvisation of ad hoc solutions that has so bedevilled it in the past. With a prospect of twenty-five years or more of activity ahead, it is imperative to have a pole star toward which to travel.

B. Other Alternatives Considered

34. The Study considered a number of other alternatives, which, despite some variants within each one, fall mainly into four categories: 1/

- (1) reducing operational activities and eliminating, or severely limiting, the functions of UNDP;
- (2) maintaining pre-investment activities but merging them with the investment activities of the IBRD;
- (3) retaining the present organizational structure with minor modifications;
- (4) devising an organization of a more collective character in which all the main components of the system would participate more fully at all levels.

(1) Reducing operations and eliminating, or severely limiting, the functions of UNDP

35. This alternative represents the opposite extreme from the ideal model. It is, in a sense, the most logical response to the more radical exponents of the view - expressed on a number of occasions to the Capacity Study - that the impact of technical assistance provided through the UN and its Specialized Agencies on the economic and social progress of developing countries has not been in any way proportionate to its cost. The majority of these most severe critics are also deeply sceptical about the suitability of the multilateral approach for operational activities requiring quick decisions and effective action, and cite the performance of the various UN programmes over the last couple of decades as illustrative of this basic incapacity. If one accepts this view, one is therefore forced to the conclusion that the UN system made a fatal mistake by taking upon itself an operational role for which it was not cut out and at which it was doomed to fail.

36. Pursuit of this school of thought to its logical conclusion would limit the function of the UN development system largely to collection of information; to research on and study of issues; and to the enunciation of policies, goals, standards, and broad objectives. Any necessary operational activities would revert to the regular programmes and budgets of the UN and the Specialized Agencies and would be relatively limited in character. 2/ The main

1/ This survey is not intended to be comprehensive. A number of other alternatives could be worked out, but the Study has concentrated on what it considered to be the main choices.

2/ Another possibility - though one that would not be advocated by the critics referred to in para. 35 who believe that neither the UN nor its Agencies should have become involved in operations - is that the regular programmes of the Agencies would become proportionately bigger, the funds formerly channelled through UNDP being divided between them (though not necessarily at the same levels) through their regular assessed budgets or trust funds. The Capacity Study considers that the objections to such an arrangement are conclusive - it would perpetuate the sectoral fragmentation of activities at the country level and exacerbate the inter-Agency rivalries that so many measures taken over the last few years have been designed to attenuate.

emphasis would be on those purposes for which the various components of the UN system were originally established - namely, through study and discussion, to reach common agreements to which all Member States may subscribe and thereby stimulate international co-operation.

37. Under this alternative, the organizational structure of the UN development system would consist essentially of:

- (a) ECOSOC to enunciate policy;
- (b) ESA to make studies and suggest policies that should be adopted; and
- (c) the Specialized Agencies to collect information, conduct research, develop standards in their respective sectors, and conduct conferences exhorting Member States to adopt their agreed policies and those of ECOSOC.

The elimination of operational activities of any significant magnitude would, in turn, eliminate the need for UNDP.

38. A less extreme variant of this approach would not eliminate the operational activities of the UN development system altogether. Rather, it would circumscribe them to assisting governments in national development planning and in strengthening their administrative structures through OPEX appointments. In this model there could be a place for a much reduced UNDP to undertake the main responsibility for supervising this work and for co-ordinating the efforts of the individual sectors. However, this could almost certainly be done equally well by ESA, if not better, given its long experience in development planning, public administration and the provision of OPEX services.

39. This alternative provides a temptingly simple answer to many complex and irksome managerial problems. However, the Capacity Study could not accept it as a viable answer since it believes that the UN system provides the only international machinery capable of supplying a full range of development assistance services and that UNDP occupies a unique position within that system. The two in combination are potentially capable of making a major contribution to the solution of development problems. This view is certainly shared by the vast majority of the developing countries whose governments communicated with the Study: while expressing their concern on specific, and often important, aspects of the programme which needed to be made more effective, most of them emphasized their belief in the validity of the approach, and their continuing and growing need for multilateral co-operation. Moreover, in the Study's view, the model described here would inevitably result in a renewed dispersal of sectoral activities, both for research and for such operational programmes as might still continue. This would undoubtedly be a retrograde step, particularly in the light of the halting but nonetheless significant progress which has been achieved in this respect over the years and of the growing conviction of the integral nature of development problems.

40. For all of these reasons, therefore, the Capacity Study rejected this alternative out of hand.

(2) Maintaining pre-investment activities but merging them with the investment activities of the IBRD/IDA

41. This variant, in a sense, is an extension of the previous one but it is sufficiently different to warrant separate treatment. It also stems from the premise that the UN development system, as at present organized, is not suited to the direct provision of multilateral assistance on a large scale. However, it recognizes that there is a continuing and, indeed, an increasing, need for co-operation in pre-investment activities and that the international channel possesses considerable intrinsic advantages over other means of providing this service. According to this school of thought, the main difficulty - apart from the cumbersome structures and procedures - has been the lack of a sufficiently close link between pre-investment work and the main sources of investment proper, which has meant that much of this work has fallen short of its objective or, indeed, has not been sufficiently oriented towards it. This argument could lead to the suggestion - which, again, has been made on a number of occasions to the Capacity Study - that UNDP's functions in the pre-investment field should be taken over by IBRD, or, more specifically, by IDA.

42. Such an arrangement, while necessarily presupposing the demise of UNDP, as in the previous instance, would not preclude continued operational activities on a considerable scale by other components of the United Nations system, notably the Specialized Agencies. These might continue to act for the Bank in their respective spheres through an expanded version of the arrangement which already exists with FAO and UNESCO. ^{1/} It is probable, however, that this would result in a certain reduction of the scale of their operational activities - at least in the immediate future and assuming the continuance of a similar amount of total funds for pre-investment at around present levels - since the IBRD would no doubt still pursue its policy of contracting the major part of its work outside the system (although, under this model, it might be foreseen that the Agencies might undertake the supervision of contracts on behalf of the Bank).

43. A system of this kind presents considerable advantages. In the first place, as said earlier, pre-investment work carried out by the UN system would be far more closely geared, in every way, to a major source of investment and probably, through it, to the regional banks and bilateral sources of credit. Secondly, the Bank has shown itself to be an efficient organization, totally oriented towards operations and the attainment of tangible results at reasonable

^{1/} See Chapter Nine, para. 59 for a description of this arrangement.

cost. Its current arrangements with FAO and UNESCO are an admirable example of the businesslike approach, being of a strictly contractual nature and affording the financing agency - in this case the Bank - far more control over the funds it provides than is provided by the more tenuous arrangements existing with UNDP. Thirdly, the Bank is already working in the pre-investment field, through its arrangements with the Specialized Agencies 1/ and in other ways; it has therefore acquired experience in this field. Finally, and more importantly, if IBRD took over full responsibility for multilateral pre-investment activities, this would solve the incipient problem of duplication of functions with UNDP and settle once and for all the location of the dividing line between them. 2/

44. Notwithstanding these cogent arguments, the Study has opted against this solution. The Bank suffers from drawbacks of a political nature, which makes it less suitable as a vehicle for multilateral co-operation than UNDP. Its membership is not universal, and the Eastern European countries are not included. Secondly, its voting is weighted; it has, therefore, a more conspicuous "donor-bias" than UNDP. Thirdly, the term pre-investment is misleading. Not all of the technical co-operation required by the developing countries is of the kind likely to lead directly or indirectly to an investment need, although much of it contributes to the making of the broad infrastructure without which no single item of capital investment is likely to be successful. Much of this work, indispensable as it is, cannot by its nature be revenue-producing or lead to an early increase in GNP. It is therefore unlikely to receive attention from any banking institution, however liberal its policies, 3/ and little from bilateral sources of technical co-operation. If the United Nations development system ceased to work in this field, therefore, it would leave a very big gap with little prospects of its being filled from elsewhere.

45. For all of these reasons, therefore, the Capacity Study decided against this second alternative also, at any rate at the present time. The main consideration here is the extent to which UNDP can be equipped and restructured so as to perform its undoubtedly unique role

1/ See Chapter Two, para. 48, Chapter Four, para. 29, and Chapter Nine, para. 59.

2/ An equally valid alternative would be to merge the Bank's affiliate IDA into UNDP. In some ways this would be more logical since IDA, with its emphasis on development loans at low interest rates, is nearer in conception to UNDP than to the Bank which has perforce to be guided by commercial banking rates since it has to raise its money on the world markets. However, the Capacity Study does not think it timely to pursue this idea unless the capacity of UNDP is strengthened.

3/ This, incidentally, is one (though by no means the only) reason why the work of the Bank achieves much more significant results: it concentrates - and rightly - on projects where benefits in relation to cost are fairly clear from the outset, whereas a programme totally devoted to technical co-operation, such as UNDP, cannot by its nature operate from a similar basis of reasonably sure (or even reasonable) returns.

in an effective manner. It might therefore be advisable to keep this model in abeyance until progress in this respect can be ascertained. Something more will be said on this in the last section of this chapter, which deals with future projections.

(3) Minor modifications to the existing structure

46. The Study also considered how far capacity could be expanded without major organizational changes. In practice, this would mean relying entirely on the procedural improvements outlined in Chapters Five, Six, Eight, Nine and Ten. There is no doubt that they would do much if applied conscientiously. The Study came to the conclusion, however, that restricting innovation to the purely procedural aspects would signify, in effect, accepting a limitation of capacity at a level not appreciably greater than that existing at the present time and the disheartening acknowledgement that the UN development system must always work well below its potential. On the one hand, procedural improvements in themselves are limited in their effects; secondly, some of the procedural changes themselves would be difficult to realize, at least to their full extent, unless accompanied by some structural change at key points; 1/ and thirdly, and most convincingly, this is exactly the kind of make-and-mend operation which has been used repeatedly in the past to so little effect.

47. For all of these reasons the Capacity Study also dismissed this alternative - the "tinkering" approach.

(4) Modifying the structure in order to promote a more collective approach at all levels

48. Working from the thesis of extracting all possible benefit from the existing structure, the Capacity Study also examined the possibility of converting the central organization for development operations (i. e. UNDP) into a consortium, freely constituted by the United Nations itself and all the other components of the system which now participate in operational economic and social development activities. The statute of the consortium could be a contract legally binding all the organizations adhering to it. Alternatively, formal agreements might be negotiated between the new organization and each of the Agencies defining functions and responsibilities in such a way as to make possible a far greater degree of collective action. Such an approach offers very considerable attractions: it would build upon existing structures;

1/ For instance, it would be difficult to establish a UN Development Service on a career basis, as described in Chapter Eight, under the present system. Likewise, the "country team" approach to the programming and execution of UNDP activities will not function properly without changes in the system of field organization and the recognition of the full authority of the Resident Representative.

it would project still further, but in a more effective way, the collective philosophy which has mainly informed the evolution of the UN complex of organizations up to the present, despite periodic controversies between "centralists" and "decentralists"; and it would reflect the many-sided and interlocking facets of the development process.

49. The Capacity Study therefore devoted careful thought to the collective concept and worked out a possible model in some detail. It seemed logical that this unified organization should be headed by a Board composed of the Executive Heads of these organizations, each of which would delegate to the central organization part of the authority it now independently exercises and would, in return, have a stake in the common enterprise. Here the first snag arose as a consequence of the very number of these organizations. It is obvious that no body around twenty Agency Heads, no matter how distinguished and capable, is likely to be able to provide decisive leadership and effective management, especially since each would continue to carry the heavy responsibility of his own organization. This shortcoming might be partially remedied by the appointment of a General Manager, but his role might well come to overshadow an unwieldy and slow-moving directorate, in which event the case for a collective Board would itself be called into question. Again, the use of understudies would undermine the Board's prestige and authority. Another solution would be to create a smaller board of seven or eight people, comprising the Administrator of UNDP and the Executive Heads of only the major Participating and Executing Agencies. When the Commissioner launched this idea in a series of informal discussions with Heads of Agencies, however, it became apparent that it was not acceptable to some of the Heads of those organizations unlikely to be represented in such a group. A formula whereby they would be represented by one or two rotating members did not find favour either.

50. On further examination, the Study encountered further serious obstacles to the practical application of this proposal. It is, for example, legitimately open to doubt whether a Board composed of representatives of sectoral fields and interests would be able to devise and follow independent and overall policies having the interests of integrated development as its aim. A glance back at history confirms that this inherent difficulty is compounded in the case of the Specialized Agencies by a number of factors: their autonomy, and the fact that their independent leanings are heightened by overlapping functions, a critical and sensitive point, which makes agreement even more difficult; their strong, direct links with sectoral ministries in the developing countries, which, however desirable and inevitable in their own particular field, inhibit orderly and integrated programming at the country level; the lack of any constitutional means of enforcing collective action or the subordination of sectoral interests to those of the system as a whole; the constant and intractable difficulties

encountered in achieving unified representation in the field. ^{1/} The general disillusion and frustration over the record of the ACC, expressed to the Study by several of its members, also tellingly illustrates the limitations of collective action in practice. Against this background, it may well be questioned whether the Agencies would be sufficiently induced by their prospective stake in the common enterprise to surrender to the central organization the powers necessary to ensure a really integrated and efficient operation.

51. After very careful examination of the pros and cons, the Capacity Study reluctantly came to the conclusion that a more collective structure would not be practicable in present circumstances and would not contribute to the expansion of capacity.

V. THE RECOMMENDED MODEL

52. Through this process of elimination, the Capacity Study came to develop the model which, in its opinion, is best suited to achieve the greatest possible improvement in capacity on the basis of what exists at the present time, with the minimum amount of upheaval. At the same time, it still adheres as closely as possible to the basic objectives already outlined in paragraphs 26-30 above. First, some explanation is needed of the roles and inter-relationships envisaged between the various components of the existing UN development system in this new layout.

A. Roles of the Principal Executive Components of the UN Development System

53. Since this Study was undertaken at the direction of the IACB and the Governing Council of UNDP, its primary focus has been on activities financed through UNDP sources. These activities primarily involve programming for TA and SF projects and their formulation, execution, and evaluation and follow-up.

54. As pointed out earlier, however, development co-operation also involves other activities of the UN. In one dimension, these comprise: the operational programmes of WFP and UNICEF; the operational programmes financed from the regular budgets of the UN and the Specialized Agencies and other non-UNDP funds; the conference, research, information and standard-setting programmes of the Specialized Agencies; any activities carried on under the umbrella of the Regional Economic Commissions, or the regional offices of the Agencies; and, in some cases, the relief programmes of UNHCR and UNRWA. In a broader sense, they also cover trade, population, and monetary affairs, including investment and credit, and thus

^{1/} See Chapter Two, passim, for a more detailed description of the evolution of the Agency structure, and Chapter Three, paras. 127-144, for a fuller analysis of the deficiencies of the present arrangements.

extend to the activities of organizations such as UNCTAD, the IBRD and its affiliated bodies, and the IMF. Consequently, while this discussion focuses on the roles of UN organizational entities as related to the operational aid programmes of UNDP, it may also touch on the wider roles of these organizations, as necessary, in order to see the total effort of the UN system in perspective.

(1) The role of UNDP

55. In various places the Study has underlined the necessity for assigning to one accountable executive the responsibility for applying UNDP resources most effectively and efficiently. Given this fundamental responsibility and the concerted approach to country programming and project formulation, execution, and evaluation prescribed in Chapter Five, the logical role for UNDP is one of strong leadership at all levels for operational programmes carried out by the UN development system in the fields of pre-investment and technical co-operation generally. The Resident Representative of UNDP should therefore play an equivalent key role at the country level. He should take the lead, in close consultation and agreement with the government, in bringing international expertise to bear on the country's critical problems as defined in its development plans and accorded priority in its official policies. Logically, he should be the sole spokesman for those aspects of the activities of all components of the UN system that are financed, or proposed for financing, by UNDP. It is he who should be charged with informing the government what resources and co-operation it may receive from UNDP (and, so far as possible, from other elements of the UN development system) and with helping it to work out a "country programme" which will utilize them to optimum effect. Finally, he should ensure that UNDP resources actually made available are used well.

56. It follows from this that the whole UNDP organization above the country level should be designed to facilitate the fundamental, on-the-ground operation. Obviously, if there is to be one Administrator accountable for these basic operations throughout the world he must have the necessary staff to:

- (a) help establish and enunciate the policies and procedures under which the operation will be carried out;
- (b) make the decisions necessary to allocate resources wisely;
- (c) exercise managerial control over the operations;
- (d) facilitate the assembly of resources and talents needed;
- (e) report on achievements in relation to objectives.

(2) The role of UN/ESA

57. The UN is at present a Participating and Executing Agency for UNDP in a number of important fields. In the model proposed by the Capacity Study, however, this role will be gradually modified. It is suggested later in this chapter 1/ that ESA should gradually divest itself of its operational responsibilities in such fields as natural resources, transport and housing, which could be distributed among other components of the system, but should retain those responsibilities (e. g. economic and social planning, public administration and statistics) which have a general, non-sectoral bearing on development and are of vital importance in creating the necessary infrastructure. ESA would become an increasingly vital partner to UNDP (in addition, naturally, to its own activities in promotion of international economic and social co-operation generally) particularly in preparing the groundwork for the country programmes and for future development co-operation policies. The two organizations would therefore work even more closely together than hitherto and, looking forward to the distant future, might eventually merge. 2/

(3) The role of the Specialized Agencies

58. The Specialized Agencies have played a key role in the UN development system and clearly have a crucial bearing on its capacity. They possess a large pool of technical expertise and their work may be expected to acquire increasing value as spectacular advances in science and technology force nations to work more closely together. Indeed, it is to be hoped that each of the Agencies will evolve into world centres of knowledge for the disciplines they represent, since they would thus fulfil the high objectives proclaimed by their constitutions. Their intellectual and technical resources must therefore be used to the full in any future organization.

59. At the same time, it must not be forgotten that the Agencies also have great responsibilities to all Member States, both developed and developing. As has been indicated earlier, the sudden explosion of operational activities has inevitably affected these broader functions of international co-operation, while the various organizational and administrative arrangements devised between UNDP and the Agencies have not proved conducive to effective and expeditious management of an operational programme. The aim therefore must be to make the best use of the invaluable contribution they have to offer without detriment to their wider, non-operational responsibilities or to the managerial demands of an action programme.

1/ Para. 133.

2/ Para. 151.

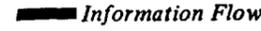
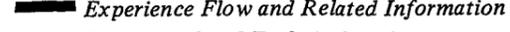
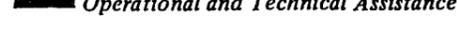
60. This is one of the main purposes of the recommended organizational model. The projected role and relationship of the Agencies to UNDP in this model are illustrated in Chart 7.3. The basic difference in this relationship as compared with the present is that UNDP would assume full responsibility for all development activities carried out under its aegis, and with its funds, irrespective of which Agency or other institution executed a particular programme or project on its behalf. The chart therefore shows UNDP as the organizer and manager of this whole complex of activities, with principal responsibility for making the Development Co-operation Cycle, described in Chapter Five, function effectively and efficiently. The Administrator of UNDP would thus be accountable to individual governments for operations which UNDP undertook to conduct in agreement with them and to the Governing Council for the entire programme and its implementation. This would have implications for the relationship between UNDP and each Agency. The latter would be accountable to the Administrator of UNDP for any project operations that it undertook to execute on behalf of UNDP. It would thus act as an agent of UNDP at the request of the Administrator, under the terms of an agreement which might be called a contract. The agreements would stipulate the right of UNDP to exercise surveillance over the project or, in other words, to administer the contract. The Agency would report to the Administrator in accordance with the terms of the agreement and he would report in turn to the Governing Council.

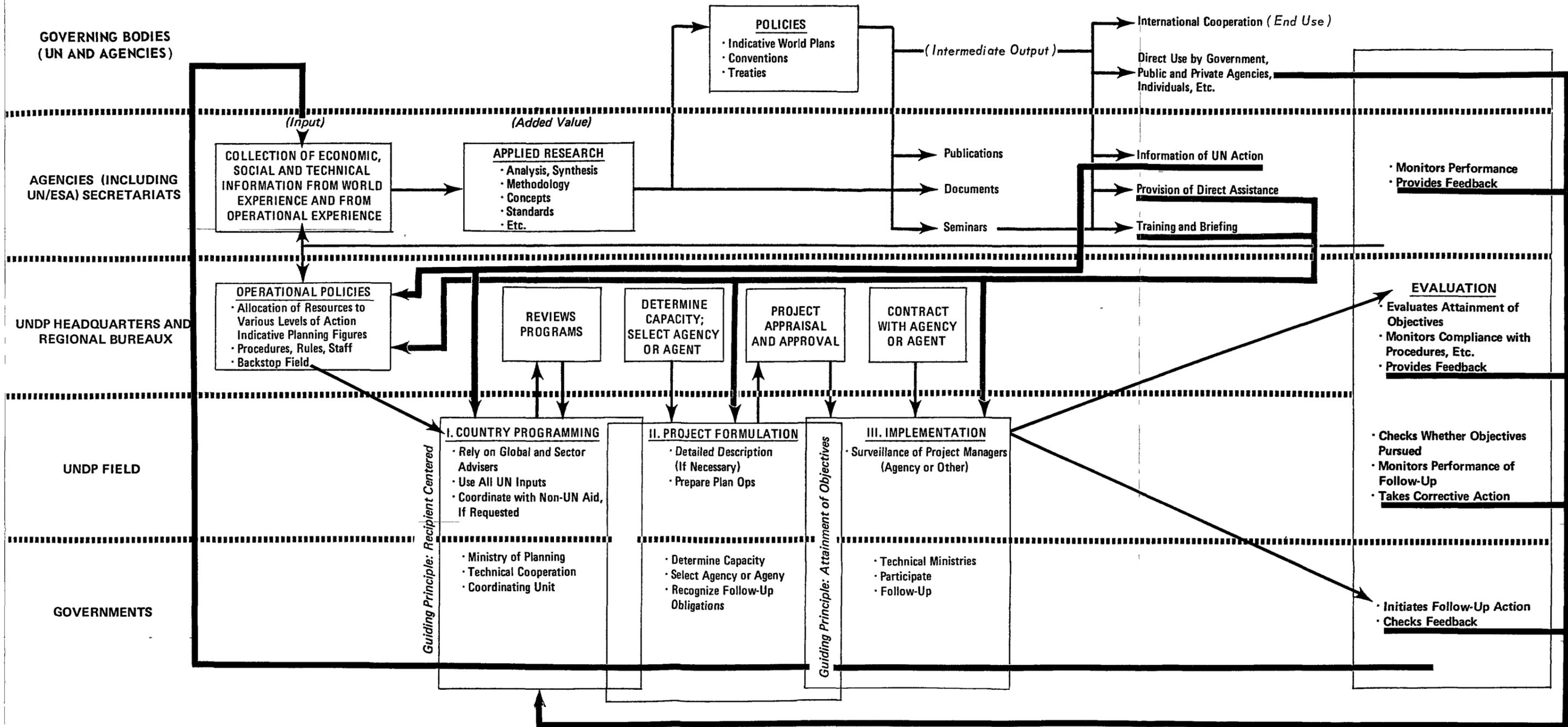
61. In this particular sense, the role of the Agencies would be similar to that of any other executing agent, including those which UNDP might decide should be contracted, directly or indirectly, outside the system, except that the form of agreement with UNDP would be slightly different. ^{1/} But in the wider sense of the totality of the activities to be carried out in the Development Co-operation Cycle, the role of the Agencies would be very different, because it would not be limited to execution only. Obviously, the Administrator should avail himself of the technical advice of the appropriate Agency at all phases of the cycle. To cite the most important aspect, the Agencies should be the UNDP's main source of technical and sectoral advice in the country programme phase and also in the subsequent one of selecting and formulating projects. This advisory function of international Agencies would resemble that of a consulting firm and should also be based on a contractual agreement.

62. The Specialized Agencies would perform yet another service for the restructured UNDP. They would provide advice collectively on general matters within their respective sectoral spheres and on the technical assessment of country and other programmes. This function would be performed through the Technical Advisory Panel, described in paragraph 102 below. As explained there, this Panel would also work closely with the proposed Programme Policy staff (see paragraph 103) which would have the wider function of investigating

^{1/} See Chapter Five, paras. 132-133 for a fuller explanation of this.

ROLES AND RELATIONSHIPS OF AGENCIES TO UNDP AND GOVERNMENTS IN UN DEVELOPMENT COOPERATION CYCLE

-  General Flow of Action
-  Information Flow
-  Experience Flow and Related Information
-  Operational and Technical Assistance



and trying out new approaches to development co-operation. Thus, it should come to constitute a major channel for applying the results of the sectoral research and substantive knowledge of the Agencies for the benefit of operational programmes as a whole. This immensely important and creative contribution would be reinforced by the periodic consultative meetings with the Agencies which would be arranged by the Programme Policy staff.

63. The functions of the Specialized Agencies can therefore be divided into three broad categories: constitutional; contractual, where the Agency is called on to execute a project for UNDP; and consultative, where the Agency's advice is needed on particular phases of the UNDP programme. Financial arrangements for these last two functions on behalf of UNDP, which are both contractual in nature, are proposed in Chapter Nine. 1/

(4) The role of the components of the UN system which provide other resources for operational development activities

64. These resources fall into two categories: those used for work of a pre-investment nature, as in the case of the regular programmes of the UN and the Agencies, WFP and UNICEF; and those directed to investment proper, as in the case of IBRD, IDA and IFC and, potentially, of the Capital Development Fund. While some of these Agencies also operate as Participating and Executing Agencies for UNDP, their role as considered here is a distinct one, in that it relates only to their functions as providers of resources for development co-operation, which are additional to those of UNDP and should ideally be complementary to them.

(a) Pre-investment

(i) Technical Assistance programmes of the UN and the Agencies not financed by UNDP

65. These programmes are largely a result of the ad hoc and tentative manner in which the UN system first embarked on development operations. It is doubtful whether they would have been created at all had a central fund for this type of activity existed from the outset, and they are another example of the proliferation of UN initiatives in this sphere. However, for the policy reasons given in Chapter Nine, 2/ the Capacity Study restricts itself to recommending, from the immediate organizational point of view, that the programming of the use of these funds at the country level should be conducted jointly with UNDP and the government in a single exercise. The implications for organization at the country level will be dealt with in paragraphs 84-88 below.

1/ Paras. 56-60.

2/ Paras. 2-8.

(ii) WFP

66. The field network of WFP is already closely integrated with that of UNDP, since it uses the Resident Representative as its field representative and its project officers form part of the Resident Representative's staff. This process should be carried still further by the synchronization of the programming process with that of UNDP as suggested in Chapter Five^{1/} and by the development of closer relationships between the headquarters of the two organizations through WFP's participation in the Development Resources Panel, as suggested in paragraph 107 below and, at the inter-governmental level, as outlined in paragraph 135.

(iii) UNICEF

67. Similar considerations apply to UNICEF, but here the present field relationship is not so close. It is therefore recommended that UNICEF should consider gradually integrating its field establishment with that of UNDP. Again, recommendations will be made later for closer integration at Headquarters, both through membership of the Development Resources Panel, and at inter-governmental levels (paragraphs 107 and 135 respectively).

(b) Investment(i) IBRD and its affiliates

68. Since governments' decision has decreed that multilateral activities in the investment field should be handled by separate organizations rather than - as might also have been a logical approach - as a continuous and interlocking process integrated under a single institution, it is of the utmost importance, first, that the respective roles of UNDP and the IBRD should be as clearly demarcated as possible in order to prevent duplication and, secondly, that the two organizations should collaborate very closely in order to ensure that their activities so far as possible complement one another and forge the necessary links between pre-investment and investment.

69. The first presupposes that, just as IBRD is recognized as the pre-eminent multilateral organization in the investment field, so UNDP will be granted similar acceptance as the leading multilateral organization in pre-investment and technical co-operation. In the event of IBRD setting up a wide network of field offices, a careful delineation of functions would be necessary in relation to the Resident Representative and the UNDP field office, but since this has not occurred so far, the Study does not make any precise recommendations to this effect. ^{2/} As for the second consideration, it is self-evident that the IBRD should be closely

^{1/} Paras. 8, 14, and 61.

^{2/} If such a wide network were set up in the future, consideration might be given to joint representation, to begin with on an ad hoc and strictly personal basis, where agreement could be reached to select a Resident Representative who could, at the same time, represent the Bank.

associated with the country programme exercise, as described in Chapter Five, 1/ both because of the relevance of their own periodic economic surveys of many countries and because of any subsequent implications for capital investment. Also, in the interests of consistent policies and complementary action between the two organizations, it is essential that a still closer relationship should exist at the headquarters' level than is the case at present. For this reason, it is proposed that IBRD should be a member of both the Technical Assistance Panel and of the Development Resources Panel.

(ii) The Capital Development Fund

70. The latter-day creation of this Fund and the entrusting of its administration to UNDP run counter to the earlier policy of governments to keep pre-investment and investment apart. This, combined with the exiguous funds so far pledged for it, make it difficult to prescribe a role for it at the present time that could be effective and yet not duplicate the functions of existing institutions. As a possible solution, the Capacity Study has already suggested in Chapter Four 2/ that the Fund should be better endowed and used to make grants-in-aid for purposes of capital development or, in certain cases, for recurring costs. It should certainly continue to be administered by UNDP as an integral part of the resources available for the country programme.

B. The Role of Governments

71. Since UNDP represents a multilateral effort to assist the developing countries, all Member Governments carry a responsibility toward it. As has been said before, this entails not only financial contributions but also a commitment to marshal other resources needed for this purpose. Through their representation in the General Assembly, ECOSOC, and, more specifically, the Governing Council of UNDP, their role is to enunciate policies and objectives, approve the apportionment and use of resources, and oversee the effectiveness of their application. Naturally, the system is likely to function more efficiently and expeditiously to the extent that governments can ensure that the policies and objectives are stated precisely and are consistent with policies proclaimed in the other governing bodies of the UN system which make pronouncements on development matters. 3/

72. Developing Member States obviously have a crucial role to play since they are active - and, indeed, senior - partners in the whole enterprise at the country level, in which their resources are usually engaged in higher proportions than those of UNDP. To a very large

1/ Paras. 14, 55 and 58.

2/ Para. 31.

3/ Cf. Chapter Three, para. 170.

extent the success of the Development Co-operation Cycle and of the functioning of the field organization of UNDP is directly dependent on their policies, attitudes and performance. More will be said on what this entails in section C.(1) below. In the longer term, moreover, it is to be hoped that these countries will be able to play an increasing role in contributing to world knowledge and to the development of other countries less fortunate than themselves.

C. The Recommended Structure

73. The new organizational structure recommended for UNDP by the Study is shown graphically in Chart 7.4. It draws on the best available in the present system, overcomes or minimizes present shortcomings, and provides a framework for adapting to possible future demands on the programme. The line structure, running directly from headquarters to the country level, is designed to ensure the proper and expeditious functioning of the Development Co-operation Cycle, while the staff units provide support for those operations. The Administrator is the key to the whole structure.

74. In the sections that follow, the features of the new structure and its relationships with other components of the UN development structure are presented at four levels:

- (1) Country
- (2) Headquarters (Executive)
- (3) Regional
- (4) Governmental

It might appear more logical to proceed in graduated stages from the country to the headquarters level, (or vice versa) and thus deal with the regional level between the two. After careful consideration, however, the Study thought it best to deal with them in the order shown because the immense complexity of the existing regional structures makes it difficult to demonstrate how the new UNDP structure would fit in there without first describing arrangements at the headquarters and country levels.

(1) Organization at the country level

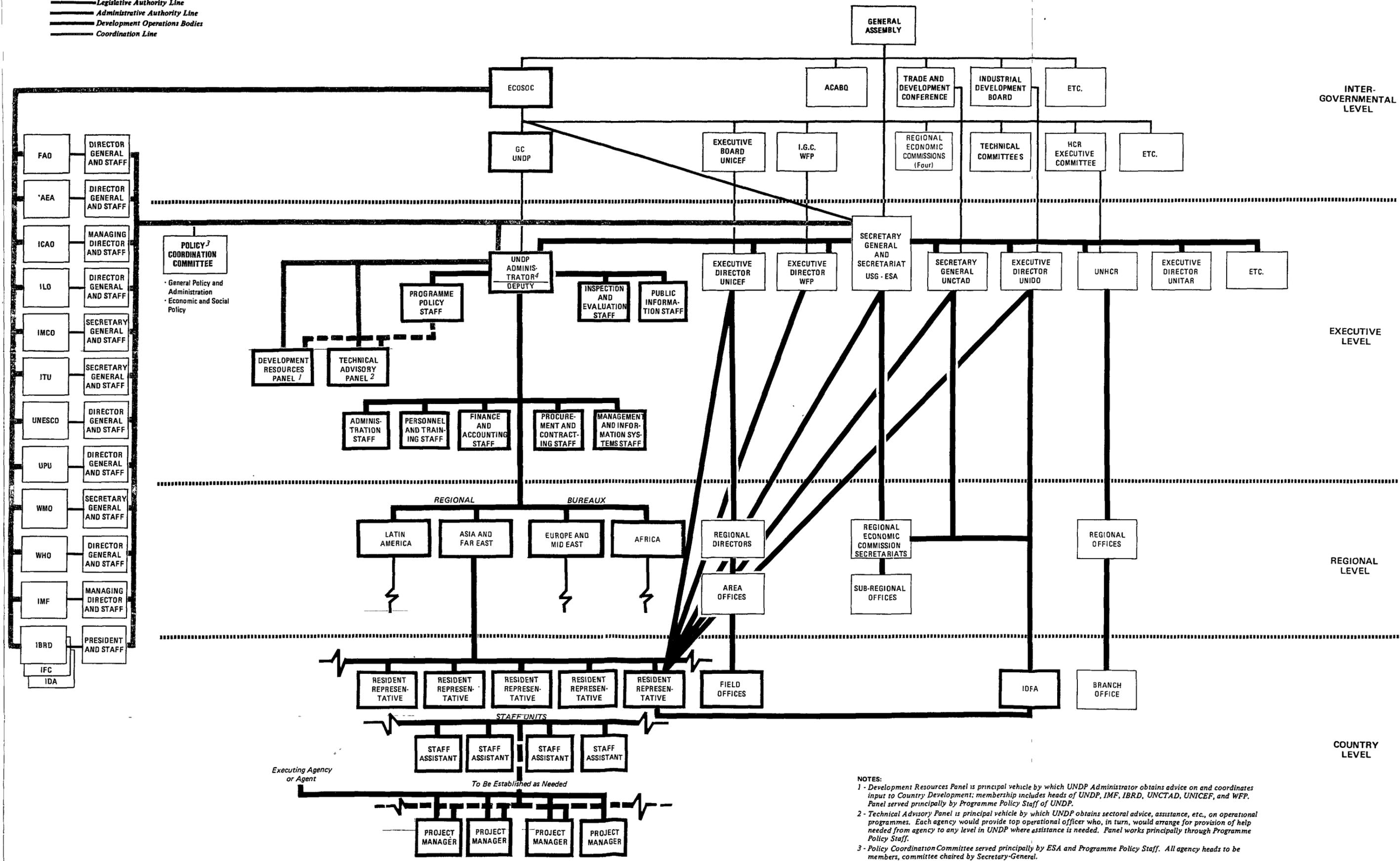
(a) General features

75. The recommended structure would have the following principal features at the country level:

- (i) It would clearly establish the central position of the Resident Representative as the main instrument of co-operation of the UN development system with the country in its development efforts, while at the same time underscoring the country's responsibility for making its own decisions with regard to its own development plans. The Resident Representative would also help the

RECOMMENDED STRUCTURE FOR UN DEVELOPMENT COOPERATION

——— Legislative Authority Line
 ——— Administrative Authority Line
 ——— Development Operations Bodies
 ——— Coordination Line



NOTES:

- 1 - Development Resources Panel is principal vehicle by which UNDP Administrator obtains advice on and coordinates input to Country Development; membership includes heads of UNDP, IMF, IBRD, UNCTAD, UNICEF, and WFP. Panel served principally by Programme Policy Staff of UNDP.
- 2 - Technical Advisory Panel is principal vehicle by which UNDP obtains sectoral advice, assistance, etc., on operational programmes. Each agency would provide top operational officer who, in turn, would arrange for provision of help needed from agency to any level in UNDP where assistance is needed. Panel works principally through Programme Policy Staff.
- 3 - Policy Coordination Committee served principally by ESA and Programme Policy Staff. All agency heads to be members, committee chaired by Secretary-General.
- 4 - Administrator also responsible for administering Capital Development Fund.

country to understand better the contribution that the system can make to those plans and its own obligations with respect to successful execution and follow-up of projects;

- (ii) It would make it possible, at such time as was agreed between the various organizations concerned, for the Resident Representative to become responsible for the programming and delivery of all resources approved for that country by the UN development system, (i. e. mainly UNDP, WFP, UNICEF and the non-UNDP resources of Specialized Agencies available for technical assistance) so that they formed a cohesive programme.
 - (iii) The structure would encourage flexible staff arrangements so as to provide to the Resident Representative staff support as required by the programme needs in the country, including any necessary technical expertise to prepare programmes and oversee performance. Details of how this would work are given in paragraphs 80-85 below;
 - (iv) It would provide a single channel of decision for the Resident Representative and would permit the maximum delegation of authority to him to expedite decisions;
 - (v) It would place responsibility squarely on the Resident Representative for exercising control over all activities financed by UNDP throughout all phases of the Development Co-operation Cycle.
- (b) The functions of the Resident Representative and the organization of his office

(i) Functions

76. The Resident Representative will be the direct line representative of the Administrator of UNDP, with full overall responsibility for the UNDP country programme, and possibly other UN field programmes of pre-investment and technical co-operation. However, the scope and nature of his functions will vary very considerably from one country to another, according to the needs, the stage of development reached, the efficiency of the national administration, and the size of the programmes for which he is made responsible.

77. It is thus impossible - and unnecessary here - to spell out these functions in detail. A brief list will suffice to show in outline their general nature, viz:

- maintaining a close and effective relationship with the host government;
- preparation of the country programme in co-operation with the government and its submission to UNDP Headquarters for approval;
- approving projects within the limits of the authority delegated to him;
- overseeing the efficient and timely operation of the agreed country programme at all subsequent stages - project formulation, implementation, evaluation and

follow-up - including the administration of contractual agreements with the Executing Agencies, or agents;

- providing necessary administrative and logistical support;
- assuming responsibility for the security of all UN and Agency officials in the country, as and when appropriate;
- performing other services for the UN system - e. g. public information - when requested to do so, provided these do not adversely affect performance of the main development task.

78. Leaving aside the special professional and personal qualifications required of the Resident Representative, which are dealt with in Chapter Eight ^{1/} three principal requisites are needed for the proper fulfilment of these functions in ascending order of importance:

- maximum centralization of administrative support functions in the Resident Representative's office;
- the provision of adequate professional, technical and other necessary field staff;
- and the acknowledgement by the government, UNDP, and all other components of the UN development system that the Resident Representative is the recognized spokesman and leader of UNDP at the country level, and the only official channel of communication between the government and the system on all problems concerning programmes and projects financed by UNDP, or under consideration for such financing.

(ii) The centralization of administrative support functions

79. The point is self-evident and needs no further elaboration, except to say that it must be accompanied by a proper degree of delegated authority by UNDP and the Agencies, possibly established in the latter case by separate agreements with the Agencies.

(iii) Staffing and organization of the Resident Representative's office

80. Normally, the Resident Representative should be assisted by a Deputy Resident Representative, who would act as his chief of staff, a sufficient number of Assistant Resident Representatives and programme officers (international or local), according to the size of the programme and the actual workload, and an officer, international or local, responsible for all administrative matters and supported by an adequate number of local staff. In large

^{1/} Paras. 33-37.

countries, administrative, logistical and other support needed for the implementation of the programmes may require the creation of UNDP sub-offices (such as already exist in Nigeria, Pakistan and Congo (Kinshasa)).

81. Given the importance of the programming functions as envisaged in the Development Co-operation Cycle, and the emphasis on the proper collocation of the country programme within the country's own development strategy, it is essential that each Resident Representative should have easy access to development economists or planners, unless he or his programme staff are qualified in this field. ^{1/} This could be arranged in a number of ways, according to the degree of need. Such advisers might either be assigned full-time to the field office, attached to the planning ministry of the government if the latter so requested, or provided on an ad hoc basis from the regional or sub-regional offices of the Regional Economic Commissions and from the Regional Planning Institutes, especially during the preparation of a country programme or on the occasion of an annual review.

82. In addition, UNDP should take appropriate steps to provide each Resident Representative with technical advisers, directly responsible to him, to cover the main sectoral aspects of the UNDP programme in his country, at all stages of the cycle, and to maintain contact with technical departments or ministries of the government on his behalf. Obviously, it will not be possible, even in countries having large programmes, to assign a technical adviser for each specialized field of activity to the Resident Representative's office. Moreover, effective and economical utilization of such staff could be best assured in many places by organizing them on a regional or sub-regional basis, so that they could serve several UNDP field offices in rotation.

83. Where the technical adviser was attached full-time to a Resident Representative's staff or to a group of UNDP offices, his services should be obtained, if possible, on secondment from the staff of the relevant Agency and on its recommendation. The salary of such full-time advisers should be paid wholly by UNDP. It is possible to envisage that some country needs and "group" assignments could be serviced by personnel provided part-time from the staffs of country, regional or sub-regional offices of the Agencies and paid on an agreed part-time basis by UNDP (see paragraph 85.(e) below). Whether full-time or part-time, however, such technical advisers must be entirely and exclusively responsible to the Resident Representative concerned. This would not, however, preclude them corresponding with the Agency or Agencies concerned on the Resident Representative's behalf and with his knowledge.

^{1/} See Chapter Eight, para. 17 for recommendations in this respect.

(iv) Relationship between the Resident Representative and the Resident Officials of other components of the UN development system

84. The arrangement described in the last paragraph opens up the vexed question of relations between the Resident Representative and Agency country representatives, and of their respective status. It is obviously imperative to find an urgent solution to this problem, which bedevils relations between the various components of the UN development system, and confuses and irritates governments, thus constituting an effective brake on capacity by reducing efficiency and distracting attention from the job in hand through unproductive squabbles about jurisdictions and protocol.

85. The Capacity Study proposes the following ground rules as a basis for mutual agreement between the interested parties:

- (a) If any Specialized Agency needs country representation to deal with matters of its exclusive competence (i. e. non-UNDP matters), for which it is prepared to pay in full directly from its own regular budget (i. e. not from UNDP overheads), and the government is willing to accept such representation, it is obviously justified and should be established. ^{1/} However, except for WHO, which has anyway indicated its wish gradually to veer towards the establishment of zonal or sub-regional representatives, the justified cases for independent country representatives based on the importance of non-UNDP activities would not seem to be numerous.
- (b) Where a separate representative is, nevertheless, appointed, UNDP should try to reach an agreement with the Agency concerned for the provision by that representative of technical advice and assistance to the Resident Representative of UNDP, without prejudice to the representative's other duties. If that is agreed, the Agency should be reimbursed for that part of its representative's time spent on UNDP work. When performing this function, the Agency's representative should be responsible only to the Resident Representative of UNDP. If an agreement cannot be reached, or the incumbent of the post is deemed unsuitable, and if the function is indispensable in relation to the UNDP programme in the country, then UNDP should exercise its right to appoint a full-time technical adviser of its choice.

^{1/} These, in the opinion of the Capacity Study, are the criteria which should be applied to the recent decision of FAO to appoint fifty-five Country Representatives.

- (c) In other cases which, in practice, are likely to prove the large majority, i. e. cases where the bulk of Agency country activities are conducted on the basis of contractual agreements with UNDP and are financed by UNDP, UNDP should proceed to appoint technical advisers according to the procedures prescribed in paragraph 83.
- (d) If, in circumstances where the appointment of a full-time, independent representative for non-UNDP matters is not justified, any Agency should still wish to have an official resident in the country to deal with matters of its exclusive competence, UNDP should endeavour to reach an agreement whereby the appropriate technical adviser on the Resident Representative's staff would be designated on a part-time basis as the Agency's country liaison officer (not representative). Such agreements, as in all other cases, must be subject to the concurrence of the host government. UNDP need not make a claim for any such services provided.
- (e) If appropriate, more general agreements could be negotiated between UNDP and the Agency concerned providing for the secondment of suitable technical advisers (who might be drawn from regional or sub-regional offices of the Agencies concerned as well as from country representatives) to serve in a number of UNDP field offices. They would be exclusively responsible in that capacity to Resident Representatives, but would simultaneously perform the functions of Agency liaison officers for non-UNDP matters and responsible on these matters to the Agency. The costs of such arrangements should be shared between UNDP and the Agency in accordance with an agreed percentage formula.

86. An arrangement based on these principles, in addition to the fact that the Resident Representative is already the formal representative of the UN itself, UNCTAD, UNIDO and WFP, would do much to provide that strengthening of his position. Much also depends on the calibre of the Resident Representative and also on the policies and attitude of the government to which he is accredited. Thus developing Member States can greatly assist in giving the Resident Representative more authority, and bringing about a more rational organization at the field level, simply by applying the criteria set out above and by insisting on the overall co-ordinating role of the Resident Representative and on the sole use of that one official channel of communication for UNDP matters.

87. Where, however, the government has accepted the accreditation of separate representatives for the non-UNDP functions of UN organizations, the Resident Representative should collaborate with them on matters concerning the Development Co-operation Cycle that are of direct relevance to their functions, including the country programme.

88. This structure would still fall short of complete integration of the UN development system at the country level, which has been strongly advocated to the Study by many governments of both developed and developing countries. In order to achieve this it would be necessary for it to become accepted and general policy that the Resident Representative is the direct and formal representative of all the inputs which that system has to offer in the fields of pre-investment and technical co-operation, notably - leaving aside those for which such an arrangement already exists - UNICEF and the operational programmes of Agencies financed from regular funds. Whereas the field arrangements outlined earlier could be implemented immediately, this would obviously have to be a more gradual step but there is no reason why governments and the organizations concerned should not begin to consider it (cf. the suggestion to UNICEF in paragraph 67 above). In the meantime, the Study believes that it would be a valuable advance if the present system adopted by UNICEF and some Agencies to appoint individual Resident Representatives as their representatives on an ad hoc basis could be extended to a larger number of countries assuming that the quality of Resident Representatives was acceptable to UNICEF.

(v) UNDP liaison offices in developed countries

89. UNDP at present has liaison facilities of varying kinds in Australia, France, Japan, Scandinavia, the Soviet Union and the United Kingdom. There is a strong case for strengthening these facilities and extending them on a systematic basis to all those developed countries which provide the bulk of UNDP resources and constitute important sources of recruitment and procurement. Such offices could perform the following functions on behalf of all components of the UN development system:

- (a) assistance in recruitment of certain types of personnel and general contacts with recruitment sources;
- (b) placement and administrative support for fellows;
- (c) procurement and contacts with potential sub-contractors;
- (d) liaison with bilateral programmes;
- (e) public information on the development co-operation activities of the UN system.

(2) Organization at the Headquarters level (Executive)

(a) General features

90. The recommended structure has the following key features at the executive level:

- (i) It provides a single executive, the Administrator of UNDP, accountable, through the Governing Council, to ECOSOC.

- (ii) It provides Regional Bureaux at headquarters to which line authority may be delegated by the Administrator for taking certain programme decisions, approving certain projects, and "backstopping" and supervising the Resident Representatives assigned to their respective regions. This would also ensure that the country approach advocated by the Study is reflected at headquarters by a type of organization which enables each country's programme to be dealt with in an integrated, rather than a piecemeal, fashion (see paragraphs 91-92 below).
- (iii) It provides him with all the staff skills needed so that he can exercise leadership over all operational aspects of UNDP (see paragraphs 93-101 below).
- (iv) It provides a logical framework for receiving technical staff advice and services from the Agencies through the Technical Advisory Panel (see paragraph 102 below).
- (v) It incorporates a "brain" - the Programme Policy unit - where new ideas and approaches can be examined and tried out, so that the programme remains constantly open to new thought and innovations and a proper interaction can be achieved between policies and practical experience (see paragraphs 103-106 below).
- (vi) It establishes a small consultative group - the Development Resources Panel - to foster policies and closer programme integration with the other principal components of the UN system as a whole (i. e. including the IBRD and the IMF), which have sizeable resources at their disposal for development co-operation activities or whose field of competence is non-sectoral and closely concerned with development on a comprehensive basis (see paragraph 107 below).
- (vii) It reduces the burden on Agency Directors-General by removing the need for IACB and concentrating high-level discussion on general policies for economic and social development and the co-ordination of such activities within the UN system on a reinforced ACC (see paragraphs 108-111 below).

(b) Regional Bureaux

91. There should be four such bureaux, one each for Africa; Asia and the Far East; Latin America; and Europe and the Middle East. Their main functions should be:

- (i) to participate as appropriate in the preparation of country and regional programmes;
- (ii) to appraise country programmes transmitted for approval by Resident Representatives and to make recommendations to the Administrator; to appraise and make recommendations on regional programmes and projects;

- (iii) to approve certain categories of projects on the basis of authority delegated by the Administrator;
- (iv) to backstop, support and supervise Resident Representatives in the operational control of projects;
- (v) to advise the Programme Policy staff on the establishment of indicative planning figures for country, regional and other programmes;
- (vi) to ensure adequate follow-up action on completed projects;
- (vii) to participate in the assessment of results of programmes and projects as required by the Inspection and Evaluation staff and take all appropriate measures to see that the findings are applied to future country and regional programmes.

92. In all programme matters, the directors of Regional Bureaux will play a key role. They should represent a line of direct superior authority for Resident Representatives and should be the only intermediary link between them and the Administrator. All communications and instructions to Resident Representatives originating from the various central staff services, and concerning programmes and projects as distinct from administration, should be channelled through them. The staffs of the bureaux, which could best be organized on the basis of sub-regional or country desks, should have thorough knowledge and experience of the countries with which they deal. They should basically be career UNDP staff but it would be advantageous if some were seconded from Agencies and from Regional Economic Commissions.

(c) Staff structures

93. Staff services are not in the line of direct authority; their role is to advise the Executive Head and to act on his behalf in various matters of general policy and administration. The levels of responsibility carried by the heads of "staff" units would not be equal in all cases and the grade to be allotted to them would have to be decided by the Administrator on the merits of each case. The internal organizational pattern of each unit would be left to the Administrator to decide, subject to the budgetary control of the Governing Council. The paragraphs that follow therefore merely outline the functions that each would have to perform.

(i) Programme Policy staff

94. Since this unit has a crucial role to play in the development of future policies and is a characteristic and central feature of the recommended model, a separate section is devoted to it (paragraphs 103-106).

(ii) Personnel and Training staff

95. Their principal function would be to develop and administer policies and procedures for recruiting and maintaining a fully capable staff at all levels; to offer leadership to a

development career service; and to arrange orientation and training of personnel. This staff would have a vital role to play in the reorganized UNDP, as illustrated in Chapter Eight, which gives further details of their responsibilities.

(iii) Contracting and Procurement staff

96. Their main functions should be:

- (a) to develop contracting policies that will help to secure the best qualified talents of the UN system and of the world generally for UNDP;
- (b) to advise the Administrator on the selection of Executing Agencies and agents for specific projects and to negotiate the contracts;
- (c) to follow the progress of technical aspects of such contracts on the basis of information provided by the Regional Bureaux and the Resident Representative, and determine if the terms are being met; and, if they are not being met, to advise the Administrator and subordinate line officials, as appropriate, so that they may take any necessary action;
- (d) to ensure that all contracted organizations, firms and institutions, are fairly compensated for the services they render;
- (e) to develop procurement policies and recommend and carry out procurement practices that will help ensure that optimum value is obtained from funds used to purchase equipment and supplies. 1/

(iv) Management and Information Systems staff

97. The function of this unit should be to design and help install all systems and procedures necessary for effective and efficient management of the programme and to operate the information system recommended in Chapter Six.

(v) Financial and Accounting staff

98. This unit would establish and maintain records of receipts and expenditures, prescribe accounting procedures and records to be maintained throughout the system and advise the Administrator on the current and expected flow of financial resources. It should also advise the Administrator on the establishment of the global allocation ceilings to be recommended for approval by the Governing Council. 2/

1/ Further details of how this would work are given in Chapter Ten, para. 13.

2/ See Chapter Nine, paras. 25-27.

(vi) Inspection and Evaluation staff

99. Their function would be:

- (a) to determine if prescribed policies and procedures are being observed;
- (b) to ascertain if programme and project objectives have been met; and
- (c) to report thereon to the Administrator who, together with line officials and other elements of his staff, as appropriate, would determine and take the action needed.

Their findings would be made available to the Programme Policy staff and to the Regional Bureaux.

(vii) General Administrative staff

100. This unit would assist and supervise administration of premises, staff arrangements and other general services required at headquarters and in the field.

(viii) Public Information staff

101. A small and highly qualified public information unit would be needed to keep the public aware of the programme and of its accomplishments and needs.

(d) The Technical Advisory Panel

102. The Technical Advisory Panel (TAP) would consist of top-level officers appointed and paid by other components of the UN system concerned with development, notably UN/ESA, other Participating and Executing Agencies, UNICEF, WFP and IBRD (either full- or part-time, as required), with broad knowledge of their organization's work and particular knowledge of its operational activities. This body would facilitate collective thinking since, in their respective fields, the members of TAP would be responsible for giving technical and sectoral advice and recommendations affecting all phases of the Development Co-operation Cycle (i. e. country programmes and formulation, implementation and evaluation of projects). In a broader sense they would also advise on the policies, systems and procedures under which the operational activities should be managed. For this reason, the Panel would be serviced by the Programme Policy staff, to whose more general functions it ought to make an important contribution. TAP would facilitate access to the accumulated technical and sectoral knowledge of the Agencies, since its members would be able to arrange for any advice or services that they could not provide personally to be supplied expeditiously from their headquarters. Equally, although TAP would work closely with the Programme Policy staff, its services could be used at any échelon within UNDP where they may be required (e. g. by the Administrator, the staff units, the Regional Bureaux or the field offices).

(e) The Programme Policy staff

103. Chapter Four has already made the case for endowing UNDP with a "brain" which would keep abreast of new approaches in development theory and practice, and exercise imagination in introducing innovations; examine, or sponsor, research designed to work out the efficacy of the methods of technical assistance as a means of promoting development; identify the obstacles to development and seek means of overcoming them; and generally equip the organization to keep pace with the changing needs of the developing world and the challenges of the future as they arise. ^{1/}

104. These important, and indeed crucial, functions would be entrusted to the Programme Policy staff. They would need to study the nature of the development process as it emerges from:

- (i) the development activities and objectives of individual countries or groups of countries;
- (ii) the experience gained from the operational development work conducted under the aegis of the UN system;
- (iii) the evolving overall sectoral doctrines and policies of development emanating from the non-operational activities of the UN system (in this respect close collaboration with ESA should prove of particular value);
- (iv) theoretical studies of development problems;
- (v) scientific and technological advances.

These analyses, concerning both the substance and the methodology of UNDP operations, should lead to the formulation of programme and policy guidelines for submission to the Administrator and to the Governing Council, as appropriate. They should reflect creative thinking on new approaches to development and new techniques and forms of development co-operation. The Programme Policy staff should be empowered to design controlled experiments, with the agreement of the government concerned, to test the practical application of such new approaches deemed to possess interesting potential. Many of the findings of this unit should enable it to give guidance to the Administrator, with the assistance of the Regional Bureaux, on the establishment of indicative planning figures for country, regional and other programmes (see paragraph 91 (v) above).

105. This unit would obviously need to be staffed by exceptionally talented, versatile, and alert people, with good insight into both theoretical and practical development problems, in order to examine the interactions of theory and operations. The very best intellectual talent

^{1/} See Chapter Four, paras. 46, 58, 59 and 103.

available in UNDP should be assigned to this task and supplemented by similarly highly qualified and imaginative people seconded from other parts of the UN system or from outside. The intellectual contributions of these other components would also be obtained through the Technical Advisory Panel described in paragraph 102 which, as indicated there, would be serviced by the Programme Policy staff and also, on a more ad hoc basis, through inter-Agency consultative groups or meetings set up to examine specific problems.

106. No difficulties or overlap should arise in practice between the Programme Policy staff and UN/ESA provided two conditions are observed: first, that the UNDP unit is basically operations-oriented and responds to the practical and immediate needs of the UNDP programme, while the emphasis in UN/ESA should be on the research side; and, secondly, that the two organizations work very closely together and exchange information and experiences frankly, so that their activities become truly complementary.

(f) Development Resources Panel

107. As already indicated, the purpose of this body would be to harmonize policies and integrate programme activities between UNDP and those components of the UN system which are the principal providers of inputs for purposes of development co-operation, or which have an overall and non-sectoral responsibility for economic and social development, or for policies which influence that process in a general sense. This group, which might meet at least two or three times a year, would be composed of the Executive Heads of IBRD, IMF, UNCTAD, UNDP, UNICEF and WFP and the UN Under-Secretary-General for Economic and Social Affairs. The Panel would thus cover the main constituents of development handled by the UN system - monetary, trade, economic and social and population policies and the main inputs it provides - capital investment, pre-investment and technical co-operation, assistance for mothers and children and food aid.

(g) Inter-secretariat co-ordination of economic and social development policies at the highest level

108. As indicated in paragraph 19 above, such co-ordination and consultation at the highest level takes place at present either in ACC, on general matters or, in IACB for specific questions and policies relating to UNDP-financed activities. The line dividing the competence of the two bodies (which are almost identical in composition) is rather blurred, in that both tend to discuss matters pertaining generally to economic and social development. Furthermore, IACB, which meets only twice a year for two or three days each time, cannot adequately perform its function of helping to formulate the operational policies of UNDP and advising on its programme. For these reasons the Capacity Study proposes in the recommended model that IACB should cease to exist and that its dual functions should be divided between two other bodies. Its more specific one of giving sectoral advice on the various aspects of operational

programmes and projects, either already under execution or in preparation, would be assumed by the Technical Advisory Panel, described in paragraph 102 above.

109. The second, and more general, function of overall inter-Agency co-ordination and consultation about development policy should be merged with the analogous function performed by ACC in the general economic and social sphere. For this purpose it is suggested that ACC should be renamed the Policy Co-ordination Committee and divided into two panels. The first of these, which might be called the Policy and Administration Co-ordination Panel, would deal with general policies of the UN system, political matters and the policy and administrative aspects of the inter-Agency relationship. The other - the Economic and Social Policy Co-ordination Panel - would concentrate exclusively on the co-ordination and discussion of general economic and social questions, with particular reference to development, e.g. through the harmonization of the sectoral and global policies of individual Agencies and their relationship to overall objectives such as those established for the Second Development Decade, and so on. ^{1/} It would, in short, provide a forum for serious examination by the Executive Heads of the various organizations which make up the UN system, on problems which are of the greatest moment for the world today and whose existence, in effect, represents the essential raison d'être for the work of those organizations. Such an arrangement would not only save the time of busy Directors-General by reducing the number of meetings but would also use their time more effectively. In addition, it would meet the complaint made by more than one of them that no focal point exists at present for profound and unhurried consideration of these questions, since much of ACC and IACB time is taken up with procedural matters and current business.

110. As in the case of ACC, the Policy Co-ordination Committee should be chaired by the Secretary-General ex officio but alternative arrangements could be made, if desired, for the chairmanship of its two component panels. Membership of the Economic and Social Policy Co-ordination Panel should include the Executive Heads of all components of the UN system which have a stake in aspects of economic and social policies and in development generally (i. e. including, on an equal basis, subsidiary bodies of the UN).

111. The servicing of the Policy Co-ordination Committee would be of supreme importance. The effectiveness of this modified ACC - which would at each of its meetings deal first with matters of general and administrative importance and then turn to economic and social affairs (particularly development) - would be decisively affected by the quality of its secretariat and

^{1/} This, of course, is not the only solution. The Study is aware of continuing efforts within ACC to find ways of intensifying its discussions on economic and social matters. If, for example, agreement could be reached on the creation of a smaller Board for Economic and Social Policy this might serve the purpose equally well.

of the papers submitted to it for consideration. ESA would have the primary responsibility for preparing the economic and social items discussed, but the Programme Policy unit of UNDP could make a contribution of the greatest importance.

(3) Relationships at the regional level

112. It will be noted that the model does not provide for any formal structure at the regional level at the present time. This does not imply any lack of awareness of the importance of the regional and sub-regional approaches or of decentralization to regional and sub-regional levels but a reluctant recognition that the heterogeneity of current arrangements for regional representation of the various components of the UN development system 1/ totally precludes, in present circumstances, any effective move toward the integration of the various elements making up UN development co-operation, which the Study considers imperative for the expansion of capacity. It could only be achieved by a major reorganization of the location and functions of the regional offices of all concerned. Since this would be unlikely to find general acceptance, the net result could only be upheavals all round and long delays, both of which would be damaging to the restructuring of UNDP activities. This is another instance, therefore, where the Study has had to sacrifice the ideal to a realistic appreciation of present difficulties. It does not mean, however, that a move cannot be made in this direction in the future and more will be said on this later.

113. For the moment, however, the desired improvements must be introduced at the country and headquarters levels, but should contain features which will immediately impinge on the regional level and permit further projections in that direction when circumstances become more propitious. Accordingly, the model recommended by the Study places great emphasis on a geographical and integrated approach to development co-operation, by its proposal to strengthen the Regional Bureaux at UNDP Headquarters, and place them in the direct line of authority between the Administrator and the Resident Representatives (paragraphs 91-92 above). The geographic jurisdiction of these bureaux coincides generally 2/ with that of the Regional Economic Commissions, which should greatly facilitate contacts and continuous co-operation between the two. Moreover, it is envisaged that these bureaux might eventually be relocated in the field, at the sites of the Regional Economic Commissions. The timing of this move would depend on two factors: firstly, the progress achieved by UNDP in establishing its new organization and in gaining experience in the smooth operation of the Development Co-operation Cycle, both of which might be damaged by premature geographical dispersal of the decision-making process; and secondly, the extent to which it is possible to rationalize

1/ See Chapter Four, para. 76-78 and Appendix Three in Part V for full details of this.

2/ The area covered by UNESOB, however, is included in a joint bureau for Europe and the Middle East.

and concentrate the existing regional structures of the UN development system. The latter would be essential in order to ensure that, in their new location, the bureaux would have equal access to technical and sectoral advice, as well as to the other international providers of resources for development co-operation, as would be the case in the recommended headquarters structure.

114. A first step might be made in this direction through the early appointment of officers of the UNDP Regional Bureaux as liaison officers to each of the Regional Economic Commissions (officials of the Commissions might also be appointed, on a secondment basis, to serve in the Regional Bureaux in UNDP Headquarters). Since any physical relocation of the bureaux would have to take place on a gradual basis - it would not be practicable to move all four out at once - it might be useful to start preparing the ground in one selected region, where it is expected to make the first experiment. This could take the form of appointing a liaison officer of greater seniority than in the other regions, who would, in effect, act as a programme co-ordinator for UNDP over the whole area, overseeing the work of the Resident Representatives and field offices in the region, as well as generally co-ordinating activities with the Commissions and Agency regional offices. Latin America might be the best region in which to experiment, mainly because it has a longer tradition of regional co-operation, and the advantage of greater homogeneity, which extends to the pattern of distribution of UN regional offices since these are less dispersed than elsewhere. After a year or two of trial, and depending on the result, this first step might be followed by the total transfer of the Regional Bureau for Latin America at UNDP Headquarters to the site of the Regional Economic Commission, with suitable sub-offices as necessary, and adequate delegation of authority. This further experiment would then provide guidance for the later transfer of the other bureaux. ^{1/}

115. Looking still further ahead, it would be possible to conceive of an even closer relationship between the Regional Bureaux of UNDP and the secretariats of the Regional Economic Commissions. Being a longer-term eventuality, this is dealt with in section VII C below, which attempts to foresee future lines of development.

116. In the meantime, other features built in to the model would help to make fullest use of existing regional structures and pave the way toward a more integrated regional approach on the part of the UN system, thus opening up the possibility of a more formalized regional structure in the future. These can be dealt with under two headings:

- (a) The secretariats of the Regional Economic Commissions and the Regional Planning Institutes;
- (b) The regional offices of the Specialized Agencies.

^{1/} For further details of this proposal see Appendix Three in Part V.

(a) The secretariats of the Regional Economic Commissions and the Regional Planning Institutes

117. The functions of the Commissions' secretariats in relation to the country programmes as defined in Chapter Five might take the following forms, in the various phases of their development:

- (i) Identification of Needs - the secretariats could participate in country or survey groups, and thus forge a valuable link between country needs and regional and sub-regional policies and strategies.
- (ii) Planning, Programming and Project Formulation and Appraisal - the secretariats of the Commissions could provide a valuable source of staff for strengthening the proposed country joint planning teams (whether for the periodic preparation of the country programme or for the annual review) when adequately qualified personnel were not available on the spot. ^{1/} Moreover, in this way, governments could be reminded of any relevant regional or sub-regional considerations to be taken into account when planning the co-operation required from the UN development system. Commission officials should also assist with the formulation of projects having a regional or inter-disciplinary connotation. At all stages, officials who participated in these exercises would naturally do so under the leadership of the Resident Representative. As a first step toward coherent regional policy-making and programming, the Commissions' secretariats might be given the task of appraising all regional projects presented for financing by UNDP, whether in the field of competence of the UN or a Specialized Agency, and of ensuring that they fit into the overall development framework for the area.

On a more general basis, the secretariats could also provide support to UNDP field offices by providing, where necessary, the part-time services of development planners attached to their sub-regional or regional establishments as suggested in paragraph 81 above. ^{1/} The Regional Planning Institutes could play a very important role here, by maintaining on their staffs, as a matter of course, teams of planners covering the main economic and social sectors, who could provide advisory services to Resident Representatives and governments as requested by them. ^{2/} In view of the dire need and shortage of such

^{1/} Consultative services of this kind should be reimbursed by UNDP under the system prescribed for Agencies in Chapter Nine, para. 59. This would mean, in effect, that UNDP would support a group of programme consultants in the regional and sub-regional offices of the Commissions.

^{2/} This is on the understanding that UNDP would continue to support these institutes adequately and would defray the cost of the advisory groups in full.

specialists these institutes should be given a greatly reinforced advisory function - in addition to teaching and research - than is the case at present (with the possible, though limited, exception of ILPES).

- (iii) Implementation - there has been much discussion of late as to how far the secretariats of the Commissions should undertake operational responsibilities.^{1/} In the opinion of the Study their potential for this work is limited in present circumstances. In the absence of true decentralization, the interposing of an additional level might simply exacerbate existing delays even further and reduce the Commissions' efficiency in carrying out their primary task of identifying development needs in their area, developing general policies, and measuring their progress. Their best contribution is likely to be in those areas likely to yield the greatest benefit in making the technical co-operation activities of the system more effective and they are principally planning and programming. There is a further obstacle to the assumption of a larger operational role and that is the extremely complicated relationship which would exist at the governmental level between the Governing Council and the Commissions.

- Within these limitations, however, the secretariats could perform useful functions at the execution stage. They could, for example, provide technical backstopping, as appropriate, to individual experts on projects in country programmes, through regional advisers with specialized knowledge of the area as well as of their own subject (where this is the case, however, their functions should not be duplicated by additional supervisory arrangements at the headquarters level and the backstopping should be agreed with the Resident Representative concerned and his field team).

- For the reasons indicated, direct responsibility for execution by Regional Economic Commissions, or for supervision of executing agents contracted by the UN and UNDP, should preferably be limited to regional projects, and to fields in which they, or the parent-body ESA, have had long experience and already possess adequate technical staff e. g. especially public administration, economic and social planning (in collaboration with the Regional Planning Institute) statistics, population and financial problems.

^{1/} See ECA resolutions 187 (IX) and 189 (IX), ECOSOC resolution 1442 (XLVII) and Memorandum by the Executive Committee of the Conference of Ministers of ECA for consideration by ECOSOC (doc. E/CN.14/ECO/10 of 5 July 1968).

- (iv) Evaluation - the Commissions could assist in specific evaluation exercises of UNDP country programmes as requested by the Administrator.
- (v) Follow-up - through their overall responsibility for the effective follow-up of regional policies, the Commissions would have a direct interest in the follow-up of completed projects, especially those of a regional nature, but the initial responsibility for follow-up of country projects should rest with the government concerned, assisted, as appropriate, by the Resident Representative.

Many of the above functions could be performed more effectively through subsidiary offices of the Commissions, where these corresponded to a clearly defined sub-region. In such cases, it is possible to envisage a UNDP sub-regional office covering the same area and possibly even joint representation.

118. There should obviously be a full, frank and regular interchange of information between UNDP, at its various levels, and the Commissions. This should be ensured by the arrangements described in paragraphs 113 and 114 above. These could be reinforced by several simple measures which could, in fact, be put into effect immediately and which would do much to improve the present unsatisfactory situation, e.g. automatically holding all regional meetings of Resident Representatives at the seat of the respective Commission; regular and fuller briefing sessions at the Commissions for all Resident Representatives in the area (at least once every two years); and recognition by each Commission of the Resident Representative's office as its channel to individual governments in the region.

(b) The regional offices of the Specialized Agencies

119. The regional offices of the Agencies could also be invited to provide technical and sectoral advice in the various stages of the UN Development Co-operation Cycle, under the leadership of the Resident Representative. This could include the provision of part-time technical staff to assist Resident Representatives, either individually or on a sub-regional basis, as already described in paragraphs 83 and 85 above.

(4) The government level

120. The recommended structure shown in Chart 7.4 has the following features "above the line" at the government level:

- (a) It reaffirms a single focal point - ECOSOC - for governmental control of all activities of the UN development system and establishes a single line of authority, through the Governing Council, to the Administrator of UNDP for the largest block of those activities, namely, the operational programme of UNDP.

- (b) It provides for the efficient functioning of a well-defined Development Co-operation Cycle so that the Governing Council can concentrate on broad policy issues, on the review, approval and control of programmes ^{1/} and the apportionment of financial resources to global, regional and country programmes, ^{2/} delegating authority to the executive to approve individual projects within approved policies and programmes.
- (c) It affords an opportunity for reducing the number of separate policy bodies, or at least for bringing them together at a single point, thereby simplifying the process of furnishing them with secretariat services and encouraging greater unity and consistency in the policy guidance they offer.

121. In order to perform its policy-making and supervisory function both in the realm of the organizational, budgetary, personnel and administrative matters and in that of examining programme results, the Governing Council should be able to have recourse, when appropriate, to independent expert advice. It is vitally important, however, that any such advice or judgments should be geared to the requirements of an operational programme of development co-operation and made only by people who have direct and long experience of such operations. Because of the distinction between operational and traditional secretariat activities, which is argued elsewhere in this report, ^{3/} the criteria customarily used to assess non-operational secretariats cannot usefully be extended as a matter of routine to operational programmes. Many of the recommendations of the Capacity Study, if accepted, will deepen that distinction. In the past, much valuable advice has been given by such bodies as ACABQ and the JIU but both have wide-ranging functions covering the whole gamut of organizations making up the UN development system and would find it difficult to give the exclusive attention required by this specialized area of activity or the time needed for developing a separate set of norms to apply to it. It is suggested, therefore, that the Governing Council might consider the possibility of recommending to the General Assembly the appointment of a small standing committee of high-level experts in the administration and evaluation of operations, which would report directly to the Council, and from which it would request advice whenever necessary. This could be made up in part from the existing bodies of JIU and ACABQ, or could be an entirely new creation. Independent checks on financial and budgetary questions should continue to be made by the External Auditors.

^{1/} Details of how Governing Council approval and control of programmes would function were given in Chapter Five, paras. 69-71 and their functions in respect to evaluation in paras. 171-173.

^{2/} Details of the function of the Governing Council with regard to financial matters are given in Chapter Nine.

^{3/} Chapter Eight, para. 2.

VI. IMPLEMENTATION AND COSTS OF THE RECOMMENDATIONS

A. General Implementation Plan

122. The basis for much of the recommended organization already exists at all levels, and these nuclei can be readily built upon or modified as necessary. However, there are some changes in relationships that have to be effected immediately, while some new units should be developed in the near future. The Study envisages the first phase covering the years 1970-71, and the second 1972-75. Measures falling into both these time sequences are described in this section in general terms; a more precise step-by-step timetable is set out schematically in the section on implementation included in Chapter One. As intimated earlier, the structure has also been designed in such a way as to open up the possibility of further improvements and modifications of a more far-reaching nature at a future date. Since these are necessarily more tentative and longer-term, they will be dealt with separately in Section VII.

(1) The first phase: 1970-1971

123. At the executive level, basic changes in relationships are needed from the outset. UNDP's full accountability and responsibility for all phases of the Development Co-operation Cycle which it finances must be accepted by the UN development system generally.

124. The first stage in restructuring would involve the reorganization of the UNDP Headquarters staff along the lines of the recommended model in Chart 7.4. The Bureau of Operations and Programming already contains the nucleus of people required to staff the vital Regional Bureaux and most of the finance and accounting staff required. The present Bureau of Administrative Management and Budget could provide most of the administrative staff and some of the personnel and training staff. The present Bureau of External Relations, Evaluation and Reports could contribute some personnel for the new Inspection and Evaluation staff and possibly also for the Management and Information Systems staff. The Public Information staff could also be formed from existing personnel. In these cases, therefore, the main need would be for immediate restructuring and rearranging of individual assignments. At the outset, however, it would probably not prove easy to find suitable candidates among existing staff for some of the new posts in the following staff structures: Programme Policy staff, Personnel and Training staff, Procurement and Contracting staff, Management and Information Systems, and Inspection and Evaluation unit. Urgent steps would therefore be required to fill these voids effectively as soon as possible.

125. While this process is being completed, arrangements should be made with the Specialized Agencies for the organization of the Technical Advisory Panel and early appointment of senior representatives, since their contribution will be vital to the functioning of the Programme Policy staff. The Development Resources Panel should also be established in

agreement with the organizations concerned and should hold its first meetings.

126. During this same early stage, the IACB should be discontinued and arrangements made to transform ACC into the Policy Co-ordination Committee proposed in paragraphs 108-111 above and to establish its two panels, especially that for Economic and Social Policy Co-ordination.

127. At the country level, the principal immediate need is for acceptance of new responsibilities and relationships rather than major structural change, since there are already some ninety Resident Representatives with their staffs (amounting to approximately 290 professionals in all). The recommended structure calls for a significant change in the position of the Resident Representative. He should, therefore, immediately be assigned the functions described in paragraph 77 above, and should assume the leadership in all matters relating to UNDP participation in the Development Co-operation Cycle. The way in which the Cycle will be introduced into each country has already been described in Chapter Five. 1/ In some cases, the Resident Representative would require the assistance of additional technical personnel, on a full- or part-time basis, in order to carry out his additional responsibilities. Where these services are deemed justified by the Administrator, the personnel required should be appointed as soon as practicable in the manner prescribed in paragraphs 80-83 above. At the same time, it is also recognized that some Resident Representatives may not be of the calibre required to assume these new and important responsibilities. The Administrator should therefore examine each case carefully, and take steps to find better qualified replacements wherever this may be necessary, applying the procedures suggested in Chapter Eight. 2/

128. Perhaps the greatest - and probably the most difficult - change relates to the modification of the functions and attitudes of Agency representatives in the field when dealing with programmes and projects financed by UNDP, or proposed for such financing. There will undoubtedly be a period of strain and tension during the early period of transition before it is possible to sort out the pattern of Agency country representation and reconstitute it along the lines proposed in paragraph 85 above. This will call for tact, restraint and understanding on the part of all concerned, especially the Resident Representatives, and it is evident that the new policy should be made effective as soon as practicable, though circumstances will naturally vary from one country to another.

1/ Paras. 75-77.

2/ Paras. 16 and 37.

129. At the regional level arrangements should be made to appoint UNDP liaison officers to each of the Regional Commissions, as outposted officers of the Regional Bureaux at headquarters, as soon as the latter have been strengthened and are in full operation.

130. During this first period also, steps should be taken to set up UNDP liaison offices in the major donor countries, or strengthen existing facilities there, as appropriate, along the lines suggested in paragraph 89.

(2) The second phase: 1972-1975

131. There is no arbitrary dividing line between the two phases and in practice the two will undoubtedly run into each other. Some measures started in the first phase will certainly need more work of consolidation in the second phase, while it may be possible to initiate action earlier than expected on others envisaged for the later stage. The main purposes in splitting the implementation process in 1972 are to indicate which of the various actions required should have priority and to provide an early opportunity for stock-taking, as proposed in paragraph 136 below.

132. The initial reorganization should be supplemented by intensive measures to strengthen the new structure and its processes. Assuming that the staff units, TAP and the framework of the Regional Bureaux and the Resident Representatives' offices have been initially reorganized and staffed as necessary, efforts should focus on achieving the smooth functioning of the major processes in the Development Co-operation Cycle. When these are reasonably well established, attention should shift to determining the types and amount of skills required to strengthen the line organizations in the longer-term. The future manpower requirements of the Regional Bureaux and the Resident Representatives' offices should be determined, and training and recruiting should be undertaken to meet them.

133. In order to avoid any duplication between the Programme Policy staff and ESA in the functions of information collecting, research, and policy formulation, a careful analysis should be made to identify those portions of ESA activities that are related to the operational development co-operation activities and those that are non-operational in character. With the growing concentration of operational functions for technical assistance and pre-investment activities on UNDP, ESA should become the focal point for the co-ordination and harmonization of non-operational work undertaken by the various sectoral Agencies and by the UN itself in the economic and social field. In order to be able to pursue these fundamental tasks effectively, the Department of Economic and Social Affairs should gradually divest itself of some of its present operational functions and responsibilities during this second phase, as proposed in paragraph 57 above. As stated there, responsibility for certain non-sectoral responsibilities, such as economic and social planning, public administration, statistics, fiscal and financial questions and population matters should remain with ESA.

However, some aspects of these functions relate to research while others are directly operational. Some transfer of functions and personnel from ESA to UNDP in these fields would therefore be desirable, particularly when they are predominantly operational.

134. At this stage, one of the Regional Bureaux might be moved out of UNDP Headquarters to the site of the relevant Regional Economic Commission - e. g. that for Latin America, as proposed in paragraph 114. Depending on the results of this experiment, the other Regional Bureaux might progressively follow suit. The speed with which this could be accomplished would also depend on the degree of success obtained in rationalizing the regional structures of the UN development system.

135. Another step towards greater integration could now be taken in relation to WFP and UNICEF, since both operate assistance programmes that are similar in nature to that of UNDP and are complementary in their purposes. Thus, the recommendations for integrating their programming processes at the country level with those of UNDP, made in Chapter Five,^{1/} and, in the case of UNICEF, for greater integration of field representation with UNDP (paragraph 67 above) should be implemented as soon as possible. The question then arises whether it would not be logical to go one stage further and merge the governing bodies of the two organizations with that of UNDP, while maintaining separate secretariats. The proposition has many attractions from the viewpoint of operational efficiency and should not be difficult to put into effect, since membership of the three bodies now existing is very similar. The main disadvantage stems from the danger that such a merger of identities might cause the two organizations to lose their special appeal and thus reduce the volume of contributions. It would be tragic to see this happen merely for the sake of organizational tidiness. Provided that the situation can be safeguarded in this respect, however, the Capacity Study believes that the relevant governing bodies should give early consideration to this suggestion, once the reorganization of UNDP has been completed satisfactorily.

(3) Reviews of progress

136. In view of the multiplicity of interlocking steps involve, in putting these recommendations into effect, it would be essential to assess the rate of progress periodically. The Study suggests that the Governing Council may want to do this in 1972, at the end of the first phase, when all the internal reorganization proposed should be complete, and also in 1975, by which time the restructured organization and the Development Co-operation Cycle should be in full swing. This latter review would therefore be more far-reaching. It could also be most timely, since it would coincide with the halfway mark of the Second Development Decade and

^{1/} Paras. 8, 14, 61.

also with the date proposed by the Commission on International Development as a deadline for attainment of their targets for the increase of aid generally, and particularly of that channelled through multilateral organizations.

137. At this second stock-taking a serious examination should be made of the progress achieved in putting the recommendations into effect. Any major difficulties encountered should be identified and their underlying causes analyzed. Most importantly of all, an assessment should be made of the extent to which the capacity of UNDP and the UN development system has effectively increased by that time. If the findings are favourable, as there is every reason to hope that they would be, then consideration might be given to proceeding to the further stages outlined in the next section.

138. If, on the other hand, results were such as to offer little hope of effective expansion of capacity at the rate required, then serious thought would need to be given to other alternatives which would limit the role of UNDP to a level of activity within its proven capacity and reduce the operational strains on the UN development system generally. It might even be necessary to adopt drastic measures, such as transferring the responsibility in the UN system for pre-investment activities from UNDP to IBRD, or, more specifically, IDA, along the lines of the alternative model discussed and rejected earlier in paragraphs 41-45. Whether this was feasible or not would depend very much on the constitutional position of IDA at that time, and how far it had been strengthened on the lines suggested by the International Commission on Development.

VII. THE LONGER PERSPECTIVE

139. The recommended model would go a long way toward rationalizing the present complicated structure of the UN development system, especially where operational activities are concerned. It would integrate the programme processes at every stage and enlarge the capacity of the system to assist the developing Member States, while at the same time avoiding any major upheavals or disruptions. It would still, however, fall short of the ideal, even in an imperfect world. It is to be hoped, therefore, that once the steps outlined for the first two phases had been successfully completed governments and secretariats would not rest on their laurels, but continue to move forward. The following paragraphs make some suggestions as to the direction these moves might take, bearing in mind the "ideal" model described in paragraphs 31-32 above and the likely requirements of the next quarter of a century for adaptability and change as envisaged in Chapter Four.

140. Some of the matters that will be touched on here stand at the fringe of the Study's Terms of Reference, but governments have repeatedly exhorted the Commissioner to be "bold and imaginative" and to look well ahead. Moreover, given the unity of the concepts of development co-operation and capacity as used in this Report, these matters do impinge directly on the future efficacy of the UN system in the development field. It is therefore considered appropriate to outline some of the possible lines of evolution foreseen by the Study, in terms first, of inter-governmental bodies, and, second, of further modifications at the secretariat level. One of the fundamental reasons for doing this is the hope that responsible officials, both within and outside the system, may be stimulated to think about the future and act.

A. Possible further Changes at the Inter-Governmental Level

141. The aim here should be to reduce the number of UN bodies that lay down policies for development or operate programmes of development co-operation, in the interests of obtaining both consistent policy directives and the closest possible integration of operations at all levels.

142. A proposal has already been made (paragraph 135 above) for an early merger between the governing bodies of UNDP, WFP and UNICEF. Other measures which could be contemplated at a later date might aim to reduce the numbers of subsidiary bodies of the General Assembly which deal with matters of economic and social development. The purpose of this would be to make ECOSOC the unmistakable focal point for the co-ordination and policy orientation of all the economic and social activities of the UN system and for all development co-operation operations undertaken by the system. At the same time it would help to clarify many issues if a parallel simplification could be introduced into the pattern of subsidiary bodies of ECOSOC. It is possible to envisage the majority of them being replaced by a single Operations Programme Committee which would assume responsibility on behalf of ECOSOC for all operational activities in the development field, including UNDP, WFP and UNICEF.

143. The process would advance one stage further if ways and means could be found to limit the discussions of the governing bodies of the Specialized Agencies to technical, administrative and budgetary questions strictly germane to their own sector and organization, leaving all overall discussion of general economic and social policies for development to the central forum of ECOSOC. Logically, the governing bodies of UNCTAD and UNIDO should also be brought under the aegis of ECOSOC.

144. The Study is well aware of the difficulties involved and that, in suggesting changes of this kind it is looking some distance into the future. Some may call it illusory dreaming. The Capacity Study disagrees, for such an attitude fails to recognize the lessons of the past

and avoids the challenges of the future. A concentration of this kind would effectively transform a suitably constituted ECOSOC into a one-world parliament, pledged to a unified attack on poverty, disease, hunger and ignorance, and to the corporate achievement of economic and social progress. This would surely provide a better prospect of success than the diffuse and inchoate efforts now taking place.

B. Possible further Changes at the Secretariat Level

145. It is clear that, if ECOSOC came to be endowed with this central role, it would have to be serviced by a first-class secretariat. This function would be mainly performed by the restructured ESA described in paragraph 133 which would be able to devote itself entirely to the co-ordination of economic and social policies.

146. If the suggestion made earlier for the union of the governing bodies of UNDP, WFP and UNICEF were agreed, then it should logically be followed at a later date by an amalgamation of the three secretariats under one Executive Head. Here, however, the danger of lost identity and appeal might be considerably greater and it is probable that this step could only be taken at some fairly distant date. However, it certainly deserves careful attention by governments at an appropriate time.

147. The regular operational programmes of the Agencies also need to be considered in this context, though in terms of size only those of the UN and WHO are of any significance. ^{1/} As indicated earlier, the Study is anxious to avoid any precipitate recommendations which might have the effect of reducing the total flow of resources. It does not, therefore, advocate the elimination of such activities but rather that, in the interests of long-term rationalization, governments should consider stabilizing them at their present level. ^{2/} However, in the longer-term the aim must be to channel all the operational resources of the UN development system through one central, integrated programme.

C. The Ultimate Objective

148. Looking still further ahead it is possible to foresee that, over the next twenty-five years, the economic and social activities of the UN system, and their projection into operational programmes of development co-operation, will grow even faster than in recent years. If that turns out to be the case, a moment may come when they are so large as to place an unbearable burden on a single Secretary-General in addition to his great political responsibilities.

^{1/} See Part V, Appendix Six, Tables 12 and 13.

^{2/} See Chapter Nine, paras. 2-8.

149. On this premise, it might be decided to establish a post of a Director-General who would co-ordinate all economic and social activities undertaken by the UN development system, including all operational programmes, and who would have a standing in the economic and social field comparable to that of the Secretary-General in the political world. The discussion and determination of overall economic and social policies of the UN development system would be firmly in the hands of a single governing body - ECOSOC - technical sectoral matters being taken care of by the governing bodies of the Specialized Agencies, which would report to it. Similar arrangements would apply to the governing bodies of UNCTAD and UNIDO, while ties between ECOSOC and the governing bodies of IMF and IBRD would need to be arranged so as to ensure compatibility of policies.

150. The secretariats of the Specialized Agencies would continue to exist as separate entities insofar as constitutional activities were concerned. However, if governments wish to achieve the maximum impact at the country level from the resources made available to the UN development system - as they have emphasized so frequently and so strongly to the Study - they would have to re-open a basic question, much debated during the creation of the present international system - that of centralized budgetary control. That would mean, in effect, that the budgets of individual Agencies would be approved by ECOSOC and not by their respective governing bodies and conferences.

151. Control of operational activities would be strongly centralized, as under the model recommended for immediate implementation. The central organization would continue to draw on the Specialized Agencies, primarily for programming help, and also for project execution, where warranted. It would be responsible to ECOSOC through a Programme Committee which would govern all operational activities. Under such a concept, it would be necessary to amalgamate the secretariats of UNDP, UNICEF and WFP, if that had not been done already. Moreover, at this stage, the residual part of ESA could be added to the central organization, so that the latter would, in fact, perform a dual function, which should be reflected in its structure: the harmonization and co-ordination of all the economic and social policies of the UN system; and the management of all operational activities. (ESA and the proposed Programme Policy unit, would be combined into one "intelligence" for both operational and non-operational activities, thus achieving the necessary marriage between development theory and practice.) This central organization, in short, would serve as the secretariat for the enlarged ECOSOC in all its general economic and social responsibilities.

152. At this stage, the Regional Economic Commissions would be incorporated into the structure and the Regional Bureaux of UNDP merged with them, so that a similar dual function would be performed at the regional level in a unit forming an integral part of the whole structure. This would also involve appropriate modifications in the governmental structure at the regional level.

153. It will be observed that an arrangement of the kind outlined here, while not identical with the ideal model, described in paragraphs 31-32 above, and discarded as impracticable at the present time, comes very near to it in that it conforms to the same principles of singleness of purpose and responsibility. Yet it would still reap the full benefit of the experience and knowledge built up over the years in the specialized institutions of the UN system. Thus, though accidents of history caused the UN machinery for economic and social development operations to be encased in a structure that was inimical to efficiency, it is still not too late to evolve a viable model.

SUMMARY OF PRINCIPAL RECOMMENDATIONS

[Note: These refer entirely to the recommended model, i. e. from Section V (paragraph 52) to the end.]

1. Roles of the principal executive components of the UN development system

UNDP

- (a) The operational activities of the United Nations development system should be co-ordinated by a central organization (UNDP) through which the greatest amount possible of technical co-operation and pre-investment funds available to the system should be channelled.
- (b) The Administrator of UNDP should be directly accountable for all funds entrusted to UNDP and for all phases of the programming, including implementation, to the Governing Council and the Economic and Social Council. He should be accountable to the governments concerned for the delivery of country programmes and of the projects encompassed by them.
- (c) The "line" authority of UNDP should be decentralized to the maximum extent to the Resident Representatives; the policy guidance and other "staff" functions should be centralized under the direct authority of the Administrator, subject to the policy-making role of the Governing Council.

UN/ESA

UN/ESA should concentrate on the co-ordination of general development policies and on the specialized non-sectoral fields within its competence, gradually divesting itself of operational responsibilities in other fields.

The Specialized Agencies

Their role vis-à-vis UNDP should be a triple one, namely to:

- (a) advise on general policies pertaining to their sectoral responsibilities;
- (b) furnish sectoral and technical advice, as appropriate, in the preparation of the country programme and the formulation of projects, on a consultancy basis;
- (c) serve as executing agents for particular projects contracted to them for execution, at the same time accepting accountability to the Administrator.

WFP and UNICEF

- (a) WFP should continue to use the Resident Representatives as its field representatives;
- (b) UNICEF should gradually amalgamate its field establishment with that of UNDP;
- (c) At a later stage, the amalgamation of the governing bodies of WFP and UNICEF with the Governing Council of UNDP to be considered.

IBRD

The relation of UNDP with IBRD should be closer, the UNDP serving as a focal point for the basic technical co-operation and pre-investment activities and the IBRD for investment.

2. The role of governments

- (a) Governments should endeavour to ensure that development policies and objectives are stated precisely and are consistent with policies proclaimed in other governing bodies of the UN system dealing with development;
- (b) Developing Member States should take all possible measures to ensure that their policies, attitudes and performance are consonant with the agreed objectives of the country programme.

3. The recommended structure

(a) At the country level

- (i) The Resident Representative should be the direct line representative of the Administrator of UNDP, with full overall responsibility for the UNDP country programme, and possibly other UN field programmes of pre-investment and technical co-operation. He should be the sole spokesman vis-à-vis the government for all activities financed by UNDP.
- (ii) The Resident Representative should have at his disposal adequate professional staff, including technical staff provided full or part time as necessary and preferably selected by agreement with the Agencies, but fully responsible to the Resident Representative in the performance of their UNDP functions and compensated by UNDP for time devoted to UNDP matters.
- (iii) Administrative support functions should be centralized to the maximum in the Resident Representative's office.
- (iv) Individual Agency representation should be restricted to cases where it is indispensable for dealing with matters of its exclusive competence (i. e. non-UNDP matters) and should be paid for from the Agency's regular budget.
- (v) The UNDP should establish liaison officers in industrialized countries.

(b) At headquarters

- (i) The headquarters organization should comprise four Regional Bureaux serving as intermediary links of line authority between the Administrator and the Resident Representatives, and a series of staff units, including a strong Programme Policy staff (a "brain").
- (ii) A Technical Advisory Panel consisting of qualified representatives of UN/ESA, the Specialized Agencies, IBRD, WFP and UNICEF should provide continuous technical and sectoral advice on all phases of the programme.
- (iii) A Development Resources Panel composed of the Administrator of UNDP and of the Executive Heads of IBRD, IMF, UNCTAD, UNICEF and WFP and of the Under-Secretary-General for Economic and Social Affairs of the United Nations should harmonize policies and integrate activities between UNDP and other components of the United Nations system which are the principal providers of inputs or are responsible for general policies which influence the development process.
- (iv) IACB should be discontinued, its dual functions being divided between the Technical Advisory Panel, and a reorganized ACC, renamed the Policy Co-ordination Committee and divided into the Policy and Administration Co-ordination Panel and the Economic and Social Policy Co-ordinating Panel. The latter should provide a forum for the discussion and harmonization, at the highest executive level, of general economic and social policies, with particular reference to development.

(c) Relationships at the regional level

- (i) The most urgent need is for a complete rationalization of regional structures. Until that happens, they cannot be fully integrated into the recommended model.
- (ii) In the meantime, the secretariats of Regional Economic Commissions and of Agencies regional offices should participate as appropriate in the preparation of country programmes and the formulation of projects under the leadership of the Resident Representative and in evaluation and follow-up.
- (iii) The operational responsibilities of the Regional Economic Commissions for UNDP projects should be restricted to selected regional projects and fields in which they have specialized staff and experience.
- (iv) UNDP should appoint liaison officers to the Regional Economic Commissions and arrange for secondment of staff from the secretariats of the Commissions to the Regional Bureaux of UNDP Headquarters.
- (v) As soon as possible, UNDP should appoint a regional co-ordinator for Latin America on an experimental basis, with a view to later transferring the Regional Bureau for Latin America to the seat of ECLA; at a still later stage, the other Regional Bureaux should be similarly outposted.

(d) The government level

The Governing Council should concentrate on broad policy issues and on the review, approval and control of programmes and broad allocation of financial resources; it should delegate authority to the Administrator to approve individual projects within approved policies and programmes.

4. Implementation

- (a) The recommendations should be implemented in two phases, the first running from 1970-1972 and the second from 1972-1975.
- (b) Progress should be reviewed at the end of both phases.

5. The longer perspective

Once the two implementation phases had been successfully completed, the Governing Council should consider additional measures designed to strengthen and integrate the economic and social development functions of the UN system still further.

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Chapter Eight

HUMAN RESOURCES FOR INTERNATIONAL DEVELOPMENT OPERATIONS

"Man is the measure of all things. "

- Plato, Protagoras

I. GENERAL CONSIDERATIONS

1. Human, rather than material, resources hold the key to development. As Chapter Three made clear, "capacity" is an indivisible concept made up of many interdependent facets but, in the end, it is the human element - national or international - which, through its faculty of deciding the use of the other productive factors involved, determines the quality of the results. The same chapter revealed a number of important constraints on capacity in this regard. It is therefore appropriate to devote a special chapter to manpower questions. Since the main objective of the Study is to make the United Nations development system more effective, the present chapter deals principally with international personnel, although brief reference will be made to complementary measures for national personnel.

2. First and foremost, it must be recognized that development is essentially an operational process and that operational activities and responsibilities require special talents and kinds of experience. The responsibility carried by operational personnel is particularly onerous because of the direct consequences for the development process. It is imperative to ensure the continued availability of international personnel possessing the necessary talents and experience and combining them with a capacity for taking operational responsibility; it is these requirements which distinguish operational development staff from other categories of staff in international secretariats. Many governments of developed countries have set up state corporations (including nationalized industries) or have established special salary structures and conditions of service for certain types of operational personnel. Among international secretariats, the need for the distinction is reinforced by the conditions of life which development staff must accept, both for themselves and their families. Expatriation is a feature of most international civil servants' lives, but those recruited mainly for headquarters' service can, at least, plan on establishing a semi-permanent base to which they can return, even if they accept an occasional field assignment. International operational staff must accept, in addition to expatriation, a way of life which does not provide even this degree of permanency and which involves not only frequent changes of duty station but also much travel within and outside the country of temporary assignment. These are all factors which must be considered in devising means of attracting, and keeping, the most qualified people for the job.

3. The second important basic principle is the need to maintain a sense of perspective. Several aspects are involved:

- (a) The time perspective. Looking ahead twenty-five or thirty years - the working years of one generation - makes it worthwhile, as well as necessary, to consider creating a United Nations Development Service as a new and dynamic profession. ^{1/}
- (b) The changing requirements for manpower. While many reasons can be cited - the development of technology, scientific advances, etc. - the principal cause is, or should be, the gradual replacement of international by national personnel. This process may be accompanied, however, by the emergence of increasingly sophisticated fields of action requiring international co-operation.
- (c) The persistence, notwithstanding, of certain constant features. These comprise, for example, the acceptance of substantial responsibility and the exercise of a competent and mature judgement in programming and project selection and formulation, the effective management of international operations, the administration of operational programmes in varied and usually difficult conditions, and the evaluation of results. Above all, certain human qualities and attitudes will mark the difference between an "international robot" and a creative agent of international co-operation.
- (d) The dimension of the problem. In the broadest sense of a co-operative effort between national and international personnel, international development work must necessarily involve great numbers of people. However, only a relatively small international task force of highly-qualified and experienced personnel is needed for planning and administering United Nations development work and this need not increase in the same proportion as the volume of programmes. In contrast, the size of the specialized force needed for the execution of projects will depend, not only on the number and nature of the projects to be executed, but also on the method chosen for execution, and the extent to which complementary devices such as associate personnel and volunteers are used.

4. A general conclusion emerges, namely, the need for the United Nations development system to have access to outstanding operational personnel. This demands continuity in certain basic aspects and, at the same time, a high degree of versatility in the more specialized areas. The first presupposes a nucleus of career personnel, carefully selected and trained and effectively utilized; the second requires effective and flexible measures on the part, not

^{1/} This proposal is supported by the recommendation of the Report of the Commission on International Development (op. cit. p. 185) "that international technical assistance be strengthened by the creation of national and international corps of technical assistance personnel with adequate career opportunities".

only of the United Nations, but also of Member Governments, designed to provide access to people well-qualified in specialized disciplines as and when the need arises.

5. In either case, the challenge of international development work ought to act as a powerful magnet in attracting the best qualified men and women, animated by the highest motives. It ought, in particular, to hold a special appeal for the younger generation. The extent to which this happened would depend very greatly on the public image of a United Nations Development Service, particularly in professional circles and among younger people about to choose a career. A Service enjoying a high reputation would automatically attract high-calibre personnel who might be prepared to forego higher remuneration in order to be associated with the international undertaking in development. Conversely, an indifferent reputation would tend to hamper recruitment and may already be doing so.

6. The rest of this chapter will explore ways and means of achieving these desiderata. It will be divided into two main sections, to reflect the two main categories of operational staff now employed by international secretariats:

- (a) Personnel performing functions in the fields of management, policy-making, programme and project formulation, evaluation and follow-up. A good many work at headquarters but adoption of the recommendations of the Capacity Study would encourage redeployment to field assignments. These officials may not require any particular specialization but must have a good knowledge and experience of development work and a sound grasp of modern management methods. Their numbers are less subject to fluctuation though, obviously, they must to some extent be influenced by the number and nature of projects. Many of them are already serving on a career basis.
- (b) Specialized project personnel engaged in project execution and mostly employed in the field. They fluctuate both in numbers and specializations according to the number and nature of the projects, though the need for some types of specialists is more constant than others and can be projected. Only a few serve on a career or long-term basis.

Section II deals with the first of these categories and Section III with the second.

7. Before embarking on this more detailed analysis, however, some further general considerations applicable to both categories need to be mentioned. First, in order to ensure the recruitment of qualified manpower, whether on a permanent or short-term assignment, the conditions of service for international development operational staff must meet the following criteria:

- (a) Remuneration should be comparable to that offered by outside employers - particularly government employers - for operational jobs abroad requiring similar levels of competence, experience and responsibility.

- (b) It should take adequate account (in terms of monetary supplements or facilities provided free of cost) of the peripatetic living conditions imposed on international development personnel, which create family problems and often result in recurrent household expenses, as well as in health risks and other discomforts and hazards. 1/

8. Taken to its logical conclusion, this could mean a substantial departure from the general United Nations salary structure, if an operational development service of the highest quality were to be built up comparable to those established by institutions and firms with equivalent scope and responsibility. If the present disparity of emoluments and conditions of service continues, there is little chance of establishing a United Nations Development Service; indeed, the best talent will continue to be attracted away. The policy of the IBRD in this respect is an acknowledgment that ability in these fields commands a high price and could be emulated with advantage by the United Nations Development Service.

9. If this departure from the United Nations salary scales was considered impracticable, the alternative would be to maintain salaries within the general salary structure of the other international organizations but to give the Administrator wide discretion in their classification so that grade levels attached to particular functions in the international development service adequately reflected the true levels of competence and responsibility involved, instead of following automatically the classification standards applicable to non-operational staff. Moreover, where necessary, it should be possible to pay non-pensionable supplements in addition to regular salaries in order to attract managerial talent of high quality required for posts of special responsibility. It should be recognized that this alternative would be a second-best.

10. Whichever method is chosen, it is essential to make a complete break with standard United Nations personnel policies. These are appropriate for secretariat personnel, but not for staff carrying operational responsibilities. In this connection, other conditions of service (i. e. allowances, fringe benefits, facilities offered to development staff, particularly in the field, in terms of housing - surely a problem of crucial importance - health protection, travel standards, leave, sick-leave, education grants and travel, travel of dependants, etc.) should be subjected to a searching review before introducing the new system. This review should not merely attempt a piece-meal adaptation of the arrangements currently applicable to all international staff but should consider these problems ab initio with a view to formulating and adopting separate staff rules for international operational staff. This work should be undertaken by a group of persons having broad experience in international administration and, even

1/ Many countries adopt such measures in respect of their national personnel serving overseas.

more importantly, direct experience of field work and conditions. Once this has been done, appropriate measures should be taken to ensure that all personnel rules and practices developed under the ægis of UNDP for operational personnel were applied to all such personnel. Uniform treatment of all operational staff is an elementary requirement of equity and of maintenance of morale, particularly in the field where staff employed by various international Agencies (but predominantly financed by UNDP) work side by side in the same location.

11. A corollary of this approach is that UNDP, as the leading United Nations organization providing development co-operation and employing key programme and administrative personnel, both at headquarters and in the field, should have its own Appointment and Promotion Board, completely independent of the United Nations Board, instead of the joint arrangements which exist at present. A joint Board, for understandable reasons, cannot evolve the kind of policies and incentives required to build up an efficient, dynamic and dedicated service to meet the needs of the developing countries.

12. Operational staff should be recruited on as wide a geographical basis as possible. However, geographical distribution must be subordinated, in the words of the United Nations Charter, to "the paramount consideration . . . of securing the highest standards of competence, efficiency and integrity" (Article 101). The General Assembly has already wisely decided against applying to UNDP staff the nationality "targets" used as guidance in the recruitment of non-operational secretariat staff. Other international Agencies are also freed from nationality quotas when recruiting project personnel. Nonetheless, there have been too many instances in which political pressures have led to operational appointments inspired by considerations of nationality rather than competence. If effective development is to be the paramount objective, the decisive criterion for selecting officers carrying key operational responsibilities, e. g. senior personnel in headquarters offices and many Resident Representatives, should be "the best man or woman for the job". This does not mean that UNDP should spare its efforts to achieve improved geographical distribution. On the contrary, this is the very essence of a multilateral operation. But it does mean that it may be necessary to follow a different and more evolutionary pattern, if international development operations are to sustain a high level of quality without robbing the developing countries of some of their best talent. Again, this requires a long-term career approach, where this is applicable, based on careful selection on a wide geographical basis at junior professional levels. In other cases, special measures need to be taken to make use of available qualified talent of all nationalities at all levels for fixed periods, without aggravating the "brain drain" from developing countries. Both aspects will be treated in more detail later in this chapter.

II. MANPOWER FOR THE UNITED NATIONS DEVELOPMENT PROGRAMME

A. General

13. The core of a United Nations Development Service would be formed by staff responsible for managing the overall programme and preparing country programmes, including some phases of project formulation; in various aspects of supervision and operational control of projects; and in evaluation and follow-up. These categories are mainly employed by UNDP, both at its Headquarters and in the field, and this section therefore deals primarily with UNDP personnel. The recommendations, however, could also apply to similar staff employed by the Specialized Agencies whose Executive Heads might wish to adopt the same broad policies.

B. A career service

(1) Evolution of a career service

14. Only a career service can provide the framework for building up an efficient United Nations development staff. Development planning and administration demand skills which can best be acquired by sustained, in-service training and developed by long practical experience. Any other approach would lead to waste and inefficiency.

15. In essence, a career system would consist of the following:

- (a) careful selection of able young people with the required educational background and the necessary attributes of character and motivation;
- (b) training them carefully in those aspects of international development work which cannot be acquired beforehand;
- (c) testing their aptitudes by assigning them to a variety of tasks during a period of probation, after which candidates would be retained on a career basis or released;
- (d) rational forward planning of their assignments so as to ensure their maximum utilization and the proper development of their aptitudes;
- (e) strict appraisal of their work as a basis for advancement, predicated predominantly on merit;
- (f) improving their qualifications by in-service training or, at later stages of their service, by refresher courses;
- (g) an open system of promotion permitting the ablest officers to serve in the highest posts, whether in headquarters or the field.

16. Career status should not prevent management from releasing persons who prove ineffective or who lose their effectiveness. A reasonably generous system of termination indemnities and of early retirement would be required, as well as assistance in finding alternative employment for those who cease to meet the exacting standards of operational work.

(2) Recruitment at the entry level

17. Recruitment at the entry level is the most decisive phase in building up a career service and should become the principal means of doing so. The staff establishment of UNDP should include a sufficient number of junior professional posts at an adequate level to attract the ablest candidates who should have university training in one of the fields of higher education relevant to development work, especially development economics, planning, or other branches of the social sciences. Selection should be competitive, based, possibly, on written tests, but in any event on a strict and impartial appraisal of qualifications (including linguistic qualifications) and of character and personality, supported by reliable references and interviews. Resident Representatives could help with the preliminary screening of candidates.

18. A valuable source of recruitment of young people already exists among junior professional trainees appointed to UNDP field offices under arrangements arrived at between UNDP and an increasing number of developed countries. So far, the experiment has produced excellent results and UNDP has been able to select a certain number of promising officers for career employment. This system should be continued and extended.

19. Naturally, not all countries would be able to finance such a scheme. Regional competitions should therefore be organized for the selection of well-qualified candidates for career posts, especially from less-developed areas. Another way of encouraging the entry of candidates from these areas would be to establish many more "local professional posts" in UNDP field offices, paying them good local salaries. Provided their service proved to be of high standard at the end of an agreed period, they could be considered for regular international posts. Alternatively, they would revert to other employment.

20. In these ways, UNDP could enlarge the scope of its career recruitment for the new service and gradually improve the geographical distribution of its staff.

(3) Recruitment for posts at the middle and higher levels

21. In addition, it would occasionally prove necessary to recruit more mature officers at the middle and higher levels. This should not be a main source of recruitment, however, and should initially be on a fixed-term (non-career) basis. After a suitable period of probation, this staff could also become eligible for career appointments, though on an even more selective basis than the more malleable junior staff. Candidates would come mainly from the pool of practical development experience to be found among the secretariat staff of the United Nations and of the Agencies, and particularly among effective project personnel. Project managers who have proved to have real managerial ability, as well as technical competence,

would deserve special consideration. Often, as at present, it should be possible to obtain such staff on secondment from the employing organizations, after which they might either return to their previous employment or be offered career employment in the United Nations Development Service.

22. Another source of non-career staff for that service would be the staff of governmental aid agencies who could be seconded or loaned for fixed periods. This process could increase common understanding between those responsible for multilateral and bilateral programmes. Furthermore, there might be great advantage in lending selected members of the United Nations Development Service to state institutions, large corporations, engineering firms and banks, etc., whose operations are directed to the developing countries, in exchange for staff seconded to the United Nations Development Service for specified periods.

23. Whether candidates selected for appointment at these intermediate and higher levels come from within or outside the system, however, it is indispensable that they should have had several years direct involvement in field operations. This condition has not always been observed in the past, as was perhaps inevitable in the early years of a new and modest service with uncertain prospects. Then, it was perhaps not unreasonable to suppose that any person who had an adequately successful career behind him in some executive, political or diplomatic capacity was qualified to take on responsibility for international development work. With the growing size of the programme, however, the increasing understanding of the complexity of development problems and the parallel need for specialization, this misapprehension could not continue without seriously prejudicing the capacity of UNDP. The greatest danger arises over the key post of Resident Representative. It has often mistakenly been thought that a modicum of diplomatic, political and administrative skills was all that was required, but these, on their own, would certainly not be adequate to carry out the functions envisaged for the Resident Representative by the Capacity Study. More will be said on this later.

(4) Training

24. Training is an essential feature of a career service and should become a constant pre-occupation for UNDP. One aspect is job security; the other, and more important, is retention and development of staff in order to improve their efficiency and utilize them effectively. This need will be especially acute in a United Nations Development Service because the tasks to be performed are still new, complex and varied. The greater emphasis on the preparation of programmes, formulation of projects, and evaluation and follow-up activities recommended by the Capacity Study would increase the demand for qualified staff and thus for their training.

25. The system of training should comprise:
- (a) orientation and briefing courses for the various categories of newly-appointed staff, centred around development planning and programming and management and including intensive language courses;
 - (b) effective briefing before a change of assignment, particularly from headquarters to the field and vice versa;
 - (c) other training and refresher courses including:
 - short courses on development planning for middle-level field and headquarters staff (reference is made later to the need for UNDP to sponsor advanced, long-term courses in development planning);
 - modern management techniques at appropriate levels for all staff;
 - seminars and group discussions on programme and management problems for staff being selected for senior levels;
 - courses in field administration for junior administrative officers (local and international);
 - (d) sabbatical leave for study purposes lasting up to one year, particularly for senior career staff who have had lengthy field assignments but still have a number of years of active service ahead of them.

26. Training for development must be a central, well-planned and permanent function. The United Nations Development Service should follow the proven experience of the developed countries and establish a staff college endowed with independent means and under a distinguished director. The developed countries have demonstrated their ability to create defence colleges which have earned great reputations by the quality of their training for the essential, but largely negative, function of national security. UNDP should strive to establish a United Nations Development College which could achieve an outstanding reputation and attract staff of a brilliance equal to that which can be found in the best institutes for advanced training in the world. This college should be designed for the positive and creative purpose of training international staff concerned with development in the broadest sense. As with most national staff colleges, courses should extend over about a year, including field visits considered necessary. Facilities for training (and associated research) would initially provide for selected staff members and for some students from developing countries. ^{1/} Fees would be charged for tuition according to circumstances. It might be possible for the staff college to emerge as part of the evolving functions of UNITAR, provided this did not involve delay. If the staff college is set up as a separate entity, it should, of course, work closely with UNITAR and the Economic Development Institute of IBRD.

^{1/} See also para. 71 below which suggests that the staff college might also provide a centralized briefing service for project personnel, if it were located in Europe.

(5) Rotation

27. Rotation of staff between headquarters and field assignments, as well as between various field duty stations, is essential to maintain the dynamism of staff and increase their competence by varying their experience. It should be clearly understood that joining the service constitutes, in itself, a commitment to work in developing countries.

(6) Selection for promotion

28. Promotion should be based on a periodic review of staff at each grade. The review should be conducted under the authority of the Administrator by small advisory panels composed of members of the service who possess a direct and thorough knowledge of the staff concerned and are of proven impartiality. For the reasons indicated earlier, this panel should be independent of the regular United Nations Appointment and Promotion Board. Ability and breadth of experience should be the criteria for promotion, rather than seniority alone.

29. The promotion system should be such that the outstanding individuals among first-entry candidates, once they have proved their worth and gained practical experience in many varied assignments over the years, may eventually aspire to positions of the highest responsibility in the service, whether these be Resident Representative posts in the field or top executive posts at UNDP Headquarters. It must be realized that if senior posts are invariably, or frequently, filled from outside the service, it will prove impossible to retain first-class people in the lower ranks, since they will inevitably seek to fulfil their ambitions in other careers which offer better prospects of advancement. Thus, the constraints on efficiency and capacity would be compounded: not only would the people in the more responsible positions be inadequately equipped by experience and training to carry out their functions, but their supporting staff - whose role must become increasingly important with the increase in size and complexity of the operations, however efficient their senior officers may be - would become steadily weaker.

C. Administrator of the United Nations Development Programme

30. If UNDP is to become increasingly the backbone of the organizational structure for United Nations development co-operation and to achieve the basic objectives of GA resolution 2188(XXI), the position of its Administrator should continue to be endowed with prestige, as now, but should be invested with additional authority.

31. The pre-eminence within the United Nations system of the Secretary-General must always be maintained. However, if the Administrator is to take the lead on the development co-operation and pre-investment fronts, and co-ordinate a wide range of operations involving all the Agencies, his position should be officially and publicly recognized as one of the greatest importance, analogous to that of the President of the World Bank and the Managing

Director of the International Monetary Fund. Similarly, his appointment should be made by the General Assembly, on the recommendation of the Secretary-General, as a further recognition of the importance of his role.

32. It is obvious that a man of exceptional stature will continue to be required to administer UNDP effectively, especially during the period of major organizational change and expansion which is implicit in the Study's Terms of Reference.

D. Resident Representatives

(1) Selection and appointment

33. The argument already made for a strong career element in an international development service applies with even greater force to Resident Representatives. The essential need to delegate real authority to them, and their key role in the administration of a very complicated operation, makes it clear that only outstanding men and women should be appointed.

34. Since quality is of such critical importance, Resident Representatives should be appointed personally by the Administrator of UNDP, in consultation with his colleagues in other parts of the United Nations development system, as necessary. Moreover, such appointments should normally be made only from within the United Nations Development Service. With the introduction of a more systematic career service, this should become axiomatic in the interests both of efficiency and of providing the necessary prospects of advancement for more junior staff. This does not mean that officials serving in other parts of the United Nations system could not, on occasion, be considered by the Administrator for Resident Representative posts, as at present, but any such arrangements should be made on a very selective basis and initial appointments should be fixed-term only (see paragraph 21 above).

35. Conversely, it does mean that only in very exceptional cases should a Resident Representative be appointed from outside the system. At the present time, traces of political patronage can be detected in some appointments, based on the mistaken assumption that the Resident Representative is some kind of quasi-ambassadorial figure. Such tendencies could be continued only at the expense of developing countries and would effectively prevent UNDP from fulfilling the requirements of GA resolution 2188(XXI).

36. Geographical distribution should be secondary to efficiency, but could be achieved relatively speedily within a United Nations Development Service in which care was taken to achieve a geographical balance amongst the younger members who should soon come to the top.

37. The improvement of the average quality of the Resident Representatives is a sine qua non if they are to fulfil the central role proposed by the Capacity Study. This poses not only the question of regulating future appointments on a more rational, career basis, which could only have a gradual effect, but also that of bringing about more immediate improvements. If the Study's main recommendations are accepted, it is essential for the Administrator to undertake a thorough and objective examination of all Resident Representatives, releasing those considered insufficiently qualified to carry out the extensive functions described in other chapters. In the case of those with fixed-term appointments, their contracts should not be renewed. Where permanent appointments were involved, immediate steps should be taken to provide reasonably generous provisions for early retirement on the lines suggested in paragraph 16 above. Qualified replacements could be found among existing UNDP Headquarters and field staff, some of whom are of excellent calibre and have not so far found adequate outlets for their abilities. One of the aims should be to achieve a younger and more dynamic service; at present, the average age of Resident Representatives is fifty-five and there are only seven below the age of forty-five. Far greater efforts should be made to bring substantially greater numbers of women into such posts and, indeed, into the service as a whole.

38. Experience reflected in reports on Foreign Services and on large international companies indicates the need for a margin of about 10 per cent over established key posts of an overseas operation is to be managed successfully. Personal observation proves the necessity for this in UNDP field service - illness, family problems, etc., all create situations where important Resident Representative posts are left vacant for unacceptable lengths of time. A margin of 10 per cent in Resident Representatives should therefore be authorized (at present, that would mean an additional nine or ten officials). The introduction of training and refresher courses for Resident Representatives would also justify such a margin. With the present - and foreseeable - pressure of work on UNDP, there is no likelihood of the services of any of these "supernumerary" Resident Representatives not being urgently required in some part of the overall organization.

39. As at present, the government concerned should be consulted about the proposed assignment of a Resident Representative since it is of paramount importance that Resident Representatives should enjoy, from the beginning, the confidence of governments to which they are accredited. The frequent difficulties experienced in obtaining the government's agreement to the selected candidate should be greatly alleviated by an increased use of career UNDP staff in Resident Representative posts since such difficulties stem mainly from governments' understandable reluctance to accept persons whose previous career and experience do not include practical acquaintance with development work.

(2) Title

40. There is considerable attraction in retaining the present designation of "Resident Representative of UNDP" which has gained acceptance throughout the world and the Capacity Study would therefore favour this. However, it has tended to become deprived of some of its original significance through the indiscriminate use of similar titles such as "regional", "sub-regional", "country" and other "representatives" of various international organizations established at the same location. If that tendency were to continue unchecked, the title of "Resident Director of UNDP" might be considered more appropriate.

(3) Conditions of service

41. Present conditions of service for Resident Representatives inadequately reflect the special and difficult functions assigned to them. They must be improved if the right people are to be found for the job.

42. The basic principles outlined in Section I are again generally applicable, but some points need to be emphasized to meet the special problems of the Resident Representatives:

- (a) Resident Representatives should be provided with proper housing, equipped with basic furniture, appliances and utensils. This has been talked about for years, but no effective action has been taken. If it is recognized that UNDP, or some kind of United Nations development organization, will continue to be needed in many countries indefinitely, then an early decision should be taken to provide all Resident Representatives with an adequately equipped house (i. e. providing relative comfort without ostentation), unless such housing is already being provided by the government. Immediate arrangements should be made to implement this, either through long-term leases, outright purchase or, if necessary, through UNDP financing the construction. House ownership by UNDP would undoubtedly result in long-term economies and would be an excellent form of investment for the United Nations. The incumbent Resident Representative should be charged a reasonable rent, representing a predetermined proportion of his emoluments, thus eliminating the glaring inequities existing at present between some Resident Representatives who pay only a nominal rent and others who have to pay exorbitant amounts. Moreover, Resident Representatives would no longer have to spend the first weeks, or even months, of a new posting worrying about housing arrangements, with all that that entails in loss of time and efficiency during the critical initial period of an assignment.
- (b) Resident Representatives are already provided with modest means to meet their representational and entertainment obligations. These allowances must be reviewed periodically, however, and revised as necessary, bearing in mind that there should be no attempt to emulate diplomatic representatives.

- (c) The grading of posts of Resident Representatives should reflect their increased responsibilities and a few crucial field posts should be given special treatment.
- (d) Resident Representatives have the opportunity of acquiring unparalleled experience of development problems, techniques and methods and a broad grasp of the political, financial and administrative aspects of the programme as a whole. The best of them should therefore be considered automatically for policy-making posts of leadership, not only in UNDP itself but also in other parts of the United Nations development system, as and when such openings occur.

E. Consultants

43. A considerable number of consultants must inevitably be associated with any large-scale development operation. First-class consultants, either specialist, or that rara avis, the generalist of demonstrated ability, are exceedingly hard to obtain - especially at the time when they are wanted. The reason is simple. "Development" - in the broadest sense - is today one of the most important human endeavours in the world, and the services of outstanding consultants are in constant demand. It would be of great advantage, therefore, if UNDP built up a "stable" of consultants. This process would be assisted by the introduction of a system of programming (see Chapter Five) which would make it possible to forecast requirements further ahead. It is self-evident that only consultants of proven ability should be employed. This standard has not always been maintained in the past and it is essential that no senior consultant should be employed on the Administrator's behalf, or be permitted to represent him, without his personal authority.

F. Personnel administration of UNDP

44. Clearly, a United Nations Development Service would require a strongly-staffed personnel administration, reflecting the effective leadership of the Administrator.

45. This would deal not only with recruitment and any necessary day-to-day administration (the latter being increasingly delegated to Resident Representatives), but also with activities of crucial importance, hitherto rather neglected in traditional international personnel departments. The most important of these would be: career development through rational placement and rotation of staff; personnel selection on grounds of merit for promotion; and training in all its aspects and forms (including the possible creation of a staff college suggested in paragraph 26 above).

46. It should also develop adequate conditions of service not only for UNDP staff but also for the international operational development staff generally, with particular attention to the problems of field staff. It is indispensable that UNDP should exercise leadership here. Other functions of the UNDP department of personnel in providing support for the recruitment of project personnel are described in Section III below.

47. The Administrator of UNDP should retain for himself all major decisions concerning the formulation of new personnel policies as well as those on the selection, placement and promotion of key staff (including Resident Representatives). He should be vested with wide powers in matters of personnel administration allowing him to formulate personnel policies and to establish conditions of service required by development work, subject only to consultations with other parts of the United Nations system on aspects which would be likely to affect the generality of international staff.

48. The cost of maintaining an efficient administration of personnel and of providing adequate training arrangements represents a type of overhead expense which UNDP, breaking new ground, as it must do, in establishing the foundations for a new, dynamic international development service, should meet without hesitation. The benefits, in terms of effective development operations, would be out of all proportion to the expense involved.

III. MANPOWER FOR THE EXECUTION OF PROJECTS

A. General

49. If the Administrator of UNDP is to administer contracts concluded with international Agencies or other agents for the execution of projects, ^{1/} he must have a general interest in the availability and quality of the manpower required. Where projects have been contracted to international Agencies, that interest must necessarily be more direct because, even with a considerable increase in subcontracting, direct recruitment by international Agencies will continue to be a substantial factor in the success of the programme. Moreover, certain problems require central handling (for instance, conditions of service, the devising of uniform policies and procedures for operational personnel, etc.). Finally, UNDP must keep governments informed of developments in this vital field.

50. In order to perform these functions, UNDP must obtain from the Executing Agencies and agents the uniform data on the supply and utilization of manpower that are, at present, largely non-existent.

51. Manpower required for the execution of UNDP projects embraces several categories of staff:

- international project personnel;
- associated staff (i. e. associate "experts" and volunteers);
- staff assigned by contractors outside the United Nations system;
- national counterpart staff assigned to the projects by the governments.

A separate section will be devoted to each.

^{1/} See Chapter Five, paras. 108-119.

B. International project personnel

(1) General

52. This category covers a wide range of specializations and types of personnel services. It includes project managers (who have a vital management role), advisers, instructors, consultants, and specialists at different levels. In practice, they are all called "experts". Apart from its looseness of application, the word "expert" was probably an unhappy choice because (a) it denotes unique professional qualifications which, in themselves, are extremely rare; (b) it creates the idea that all problems need to be solved by "experts"; (c) it leads to a demand for higher professional and educational qualifications than are often warranted by the job to be done; (d) it sometimes imbues personnel with an unfortunate sense of superiority; and (e) it creates expectations in developing countries which can result in disappointment. For these reasons, it would be advisable to avoid the use of the term "expert". For administrative purposes, the term "project personnel" is adequate.

53. Project personnel are international civil servants and, as such, act on behalf of the international Agency which employs them. The main problem here is that of preserving standards. One aspect is that the rapidly increasing number of projects being executed, especially by the larger Agencies, necessitates a parallel increase in project personnel, with the attendant difficulties of recruitment. Again, the more rapid the growth in the numbers of international project personnel, the more necessary it becomes to safeguard their link, first, with their specific technical or professional area of specialization, and, secondly, with their sponsoring Agency. It is impossible to exaggerate the importance of surmounting such difficulties and maintaining the quality of the personnel recruited for the success of the programme and hence its image. In the final analysis, this aspect is more critical even than speediness of recruitment. There is no point in filling a post punctually if the person selected is unequal to the task. The offensive to improve recruitment must therefore be directed toward the improvement of the calibre of the personnel chosen, as well as toward the curtailment of delays.

54. The recommendations of the Capacity Study should facilitate this since they would reduce the present overload on the larger Agencies and would make it possible to plan the deployment of personnel well ahead within the framework of a "country programme". The quality both of the staff and the work performed should thereby be enhanced.

(2) The geographical factor

55. The basic considerations applicable to operational development staff have been expounded in Section I. In the case of project personnel, it is even more self-evident that the nationality distribution must reflect the best sources of available specialized and competent staff rather than any predetermined quotas. In the interests of efficiency, it would seem

legitimate to restrict the search for specific candidates to those sources where the skills required are easier to find; occasionally, it may also be legitimate, and even advisable, to rely on a single source of recruitment, e. g. for the pre-selection of a group of project personnel in a field where the country in question has a high reputation for achievement. Such methods should be used, however, with circumspection and only where there would be a clear advantage to the recipient country and the international contribution could be ensured by adequate supervision on the part of the responsible international organization.

56. This does not mean that recruitment would only concentrate on the more developed countries. The developing countries also have a vital contribution to make to an international programme. However, it is clear that this contribution, in numerical terms, must be relatively limited, particularly where it would aggravate the "brain drain" and hamper rather than promote development. A steady increase in the number of project personnel from the developing world must be a long-term objective. In the meantime, some progress may be made by arranging periodic fixed-term missions of, say, one year at a time, with guaranteed return to their posts in their own countries, for technical personnel of developing countries having proven qualifications and experience in their own specialized field. Such personnel would be able to give their own experience and themselves benefit from working in other countries, without prejudicing the interests either of their own or the recipient country. Former counterpart personnel on UNDP-assisted projects could provide an important source for such personnel, with the advantage that selection could be made with full knowledge of the candidate's aptitudes, experience and training.

(3) Size and composition of the corps of project personnel

57. In 1957, before the creation of the Special Fund, there were 3,200 international experts serving in the field on projects financed by EPTA and other programmes of the United Nations and the Agencies. In 1962, when the Special Fund began to expand, the total number of international experts employed under all the programmes rose to 4,500. In 1968, it was 9,300. ^{1/} Thus, in eleven years, the number of experts increased three-fold. These numbers do not constitute an insuperable recruitment problem in absolute terms. They do not tell the whole story, however, of frequency of turnover and the incidence of short- and intermediate-term missions, which add to the burden of recruitment. The cost of international project personnel directly recruited by international Agencies has absorbed, in the years 1960-1968, 64 per cent of total project expenditures. In the TA component, the proportion was 76 per cent, and in the SF component, 53 per cent. The total cost during those years has amounted to almost US\$545 million.

^{1/} See Part V, Appendix Six, Tables 10 and 18; see note ^{1/} to Table 10.

58. Several of the Study's recommendations would tend to ease the recruitment responsibilities of the international Agencies:

- (a) The effort saved on direct recruitment by wider use of subcontracting should be re-directed toward better briefing, training, backstopping and supervision of project personnel directly employed by the Agencies, thus helping to improve the quality of their work.
- (b) Comprehensive country programmes covering a number of years would provide a firmer basis for forecasting future needs, while more careful formulation of projects should lead to less frequent programme changes and a better and more realistic definition of individual jobs (both of these are major causes of recruitment difficulties and delays).
- (c) The need for improved quality (and greater specialization) could lead to the creation of a more mobile, highly-qualified and experienced force of long-term specialists, perhaps regionally or sub-regionally based and dividing their attention between a number of projects, in preference to resident project personnel assigned to one project for its duration. This would also reduce the numerical demand for staff and would facilitate the part-time employment of specialists who would retain their regular jobs.
- (d) Wider use of associate "experts" and volunteers would also facilitate recruitment by lessening the need for resident, long-term project personnel.

59. The availability of national personnel or "counterparts" is obviously an important factor in determining the size and composition of the international project personnel force to be assembled. With the progress of technology, and an increasing supply of trained local staffs, the demand is likely to be for proportionately fewer, but more highly-qualified, specialists.

(4) Sources of recruitment

60. The main sources of recruitment of field personnel are, or might be, the following:
- (a) The headquarters' staff of international organizations. At present, the flow seems mainly in the other direction: from field to headquarters. Substantive officers in headquarters should be sent more frequently to the field for spells of project service, with advantage to the project, because of their previous experience and also to their own future supervision of projects, since they would not lose touch with practical development problems.
 - (b) Project personnel who have been used earlier and found to be satisfactory. They would normally be on Agency rosters.
 - (c) Persons who have indicated interest in field jobs but who have not been used. They are usually on rosters also.

- (d) Professional and personal links. These are of value in individual cases, although they cannot be used on a systematic basis at the present level of recruitment.
- (e) National authorities in certain fields of specialization and national professional associations with which Agencies are in close contact.
- (f) National recruitment services, many of them governmental organs.

61. Since Agencies must increasingly depend for their recruitment on these two last sources, it is important to understand how these bodies function and to take steps to facilitate their job (see paragraph 78 (d) below).

62. On their part, governmental organs, if they attach importance to their country's participation in the multilateral development effort, must be prepared to take any steps necessary for pre-selecting candidates and releasing governmental staff selected for international jobs. Member countries' support cannot be limited to funds; their roles as suppliers of specialized manpower is clearly important. In Chapter Five ^{1/} it was suggested that Member Governments might supply UNDP with lists of qualified institutions and firms which would be prepared to carry out contractual work for the organization in specialized fields. Similarly, governments might explore ways and means of supplying regular lists of individual specialists and consultants who could, with due notice, be released for fixed-term assignments. Here again, the government, where possible, should vouch for their qualifications and suitability for international work. In the main, any such arrangement would have to centre, for practical reasons, on personnel employed directly or indirectly by the government in the civil service or in para-statal enterprises. Even so, this could make an important contribution to more efficient and expeditious recruitment.

63. At the same time, a more determined effort should be made to interest individual organizations and firms through direct contacts and promotion campaigns designed to arouse their interest in the international development effort. In this way, they, too, might be persuaded to provide periodic rosters of candidates - co-ordinated perhaps through the national chamber of commerce or appropriate national professional associations - whom they would be prepared to release on a secondment basis for specified periods. For the bodies concerned, the arrangement would have the advantage of giving their selected staff members direct experience of working in a developing country. For the international organization, this suggestion, combined with the one given in the previous paragraph, would provide a ready additional roster of potential candidates against which the requirements of the developing countries could be swiftly matched. This would not, however, relieve them of the responsibility, in either case, of directly checking each candidate's qualifications before appointment.

^{1/} Para. 125.

(5) Retention of qualified project personnel

64. It is debatable how far international organizations should go in offering career appointments to specialized project personnel. Most Agencies do not favour a general policy of career appointments for such personnel because the specializations required are constantly changing and because those serving long periods in the field may find it difficult to keep up with technological and scientific advances. The problem is not uniform, however, and should be carefully examined. When the main assets sought are managerial skills and field experience as opposed to advanced technical knowledge (i. e. project managers), there is a strong case for offering career prospects or at least long-term appointments. The same argument might be applied to well-qualified specialists in fields for which there is a constant demand; they could keep abreast of new developments by periodical study leave, paid for by the organization. The conclusion reached by the Capacity Study is that there is certainly a case for building up a small nucleus of career project personnel, ^{1/} particularly to carry out the supervisory functions in a number of countries described in paragraph 58 (c).

65. Conversely, great care should be taken to ensure that people whose services have proved less than satisfactory are not re-employed and that their names are removed from the rosters. It has to be recognized that recruitment on a world-wide basis must necessarily incur a wider margin of error than purely national recruitment in the first instance, if only because of the increased difficulty of assessing the qualifications and character of the candidates. There is no excuse, however, for repeating mistakes by extending the contracts of people who have proved unsuitable in practice or later offering them new contracts. Unfortunately, this does sometimes happen at present and there are a number of project personnel drifting from one international job to another who would not be considered for comparable employment elsewhere. The difficulty of recruiting properly qualified people can provide no justification for this.

(6) Conditions of service and living conditions

66. The considerations on adequate conditions of service for operational staff set out in Section I apply generally to project personnel. In the case of non-career project personnel, particularly those employed for short missions (one-time or recurrent), the possibility of simplifying remuneration by a system of lump-sum payments in place of the payment of various allowances should be examined; this could be done by greater use of the existing device of "Special Service Agreements".

^{1/} This is also supported by the recommendation of the Commission on International Development already quoted in the footnote to paragraph 3 (a).

67. Improved remuneration is, however, not enough to ensure acceptable living conditions in the place of assignment. The welfare of project personnel may involve assistance in finding housing, the provision of local transport, the supply of scarce consumer goods, medications and appliances, or the arrangement of medical services, to quote only a few examples. The Resident Representative should be provided with sufficient staff to take charge of such arrangements in collaboration with the government. He should also continue to be responsible for ensuring the security of project personnel in periods of unrest.

(7) Briefing and debriefing of project personnel

68. Chapter Three has already noted ^{1/} that the briefing of project personnel at present leaves much to be desired, especially as regards aspects that, while not strictly technical, are of the utmost relevance to the success of a technical assistance assignment: understanding the cultural and social features of the country in question, with any possible implications they may have for resistance to technical change, obtaining insight into the intricacies of transferring technical know-how, appreciating the significance of being a field member of the United Nations development system - these are only a few examples of the many varied facets which need to be covered. Some Agencies have made commendable efforts in this regard. UNESCO, for instance, has created a special briefing centre where project personnel may spend a few days before embarking on a field assignment.

69. Yet, the overall situation is still far from satisfactory and there is clearly need for a more sustained and systematic effort. Several features of the proposed new system should help to make this possible: if, for example, the information systems were to be implemented, the improved collection and concentration of country data would make it possible to give each prospective member of the field operational staff a much clearer and more comprehensive idea of the overall situation in the country which he is to serve; secondly, the strengthening of the role and the staff support of the Resident Representatives and their improved quality would make it possible for them to speak both with greater authority and against the background of more complete information on local conditions; thirdly, the creation of a staff college would provide facilities which, in part at least, should be available for project personnel; and, fourthly, the work of the Programme Policy staff ought constantly to be producing information of a kind that, if properly utilized, could be of great assistance for briefing project personnel, e. g. on the nature and limitations of technical co-operation as an instrument, obstacles to development, etc.

^{1/} Cf. paras. 110 and 111.

70. It is impossible to prescribe the exact form that briefing should take in each case since needs will vary. Two main types of briefing seem to be necessary, however: on a more general plane, some understanding is needed of the development process, the role of technical co-operation and the range and purpose of the activities of the United Nations development system; secondly, and more specifically, information is required on local conditions in the country of assignment that are likely to affect working methods. Obviously, the Agency concerned in the former case and the Resident Representative in the latter will continue to have a major role to play.

71. For the more general type of briefing, some of the larger Agencies might wish to follow UNESCO's example and create facilities for providing a short briefing course (say two to four weeks) for new project personnel covering general aspects of the Agency's work and the relation of that particular sector to development. On the other hand, a more centralized arrangement would almost certainly be more economical and would have the advantage of a broader, inter-sectoral approach which should help to create an esprit de corps that has hitherto often been lacking among project personnel from different Agencies. Thus, if the staff college proposed in paragraph 26 was located in Europe, it would be quite feasible for it to arrange an almost continuous series of standard briefing courses for project personnel from almost all the Specialized Agencies. Project managers appointed by executing agents contracted outside the system could also attend such courses and would thus be able to obtain some understanding of the international framework within which they and their team would be working. A central briefing service of this kind would obviously be the ideal solution but, if it were not possible, an alternative would be for the Regional Planning Institutes to organize such courses within each region, also on a multisectoral basis. This would have the added advantage of combining both types of briefing by simultaneously providing deeper insight into the problems of each country in relation to its surrounding area.

72. Responsibility for the more specific type of country briefing should remain principally at the field level. UNDP field offices should be required to prepare standard briefing material on the country where they are located, which should preferably be made available to project personnel before they arrive. On their arrival, the Resident Representative should give a more personal appreciation of the principal characteristics of the country and the nature of UNDP activities there.

73. The scope for action and imagination is unlimited. The main principle to be observed is that all available facilities in the United Nations system are fully utilized and interchanged. Thus, even if the staff college could not be used directly for briefing courses as suggested in paragraph 71, it should, in close collaboration with UNITAR and the Programme Policy staff, provide guidelines and material for briefing courses to be organized either by the larger Agencies or regionally, and occasionally might supply the services of a staff member.

Similarly, measures should be taken to ensure that country briefing material prepared by the Resident Representatives is made available to the various components of the system and handled effectively.

74. Debriefing is another area to which insufficient attention is given. It is important because it could provide a valuable source of information about practical experience of development co-operation which, properly used, could help to improve both operational methods and future briefing practice. It seems likely that the most practical method would be for Agencies to continue to handle debriefing individually but on a much more systematic basis than heretofore. Particular care should be taken to ensure that any information of value is disseminated to interested parts of the United Nations system, especially to the Resident Representatives, to the Programme Policy staff and the Regional Bureaux at UNDP Headquarters, and to the staff college. If the latter came to operate a regular briefing service, it would have a special interest in the results of debriefing since it would make use of the material in its future courses. Experienced and well-qualified project personnel might also assist the college on an ad hoc basis, as and when they were available between assignments, by contributing their first-hand experience to briefing courses.

(8) Mechanics of recruitment

75. Although several of the Study's recommendations should ease the recruitment of project personnel, it will always remain a complex and time-consuming task. It is therefore necessary to speed up the mechanics and procedures of recruitment. According to information obtained from the larger Agencies, the period of time between the commencement of recruitment and the assignment to duty of project personnel generally averages between six to nine months but is often longer. 1/

76. The main impediments to recruitment fall into three categories:

- (a) those connected with programming and the formulation of projects;
- (b) those resulting from shortages of candidates and deficient mechanics for seeking them;
- (c) those affecting the actual assignment to projects of selected staff.

All three are dealt with in the following paragraphs.

77. Impediments arising at the programming and project formulation stage should be alleviated by the proposed arrangements for project formulation within a country programme since recruitment could be started even before formal approval of the project. Similarly, the improved general forecasting of future needs (see paragraph 58 (b)) would benefit not only the international recruitment services but also the national authorities which are the main sources of recruitment.

1/ See Chapter Three, paras. 48-54.

78. Measures for alleviating shortages of supply and expediting the search for candidates include the following:

- (a) Special training courses. UNDP financing of the advanced training of certain scarce types of specialists, for whom demand may be expected to increase, could be decisive in some circumstances; this has been done in certain key instances and the practice could readily be extended.
- (b) Crash language courses. Better knowledge of future requirements may help recruitment authorities in Member States to foster crash language courses for prospective candidates. In some instances, the United Nations system could also support such efforts, particularly for individual candidates of outstanding merit. In the case, however, of a few high-calibre consultants and highly-specialized project personnel, especially those advising the higher echelons of government, linguistic requirements should be met through interpreters.
- (c) The development and harmonization of rosters of candidates. Most Agencies keep rosters of candidates for project posts. This is a time-consuming process, requiring careful classification and appraisal; moreover, in order to be of practical value, the rosters must be kept continuously up to date. Some Agencies are planning, or already undertaking, the computerization of information on candidates. Since areas of mutual specialization exist in such important fields as economics and planning, water resources, industrial management, etc., and may be expected to grow, it is important that the systems adopted by the individual Agencies should be mutually compatible to allow easy interchange.
- (d) Active assistance to national recruitment services. A first step would be to standardize Agencies' recruitment procedures and their formats for job descriptions, application forms, interview and appraisal forms, etc. The Study is suggesting the posting of UNDP liaison officers to some developed countries ^{1/} whose functions could include interviewing candidates and generally exploring recruitment sources. Since the selection of candidates is not confined to national recruitment authorities, the latter should invariably be informed whenever an independently selected candidate is being considered.

79. Lastly, impediments affecting the arrival of selected personnel require remedial action:

- (a) Release of candidates from their current employment. Some governments already facilitate the release and subsequent re-employment of specialists placed at the disposal of international Agencies. Others should be encouraged to act similarly. UNDP liaison officers could also prove helpful here.

^{1/} See Chapter Seven, para. 89.

(b) Clearance of project personnel by recipient governments. The period spent in securing clearances runs from a few weeks to four months and more, while the percentage of candidates rejected on account of exaggerated expectations or, more often, on non-technical grounds, tends to increase. This introduces an added element of uncertainty and the consequent delays cause many candidates to seek other employment. The practice of obtaining formal clearance by recipient governments is doubtful in the light of international conventions which guarantee freedom of travel for international civil servants in the performance of their duties, and less stringent arrangements often exist for personnel of organizations subcontracted by the United Nations system. The best solution would be to dispense with this formality gradually, in agreement with individual governments. In its place, the Resident Representative might be given a right of veto on the assignment of project personnel to be exercised on the basis of informal consultation with the government. Governments might more readily accept such an arrangement if the quality of project personnel were improved. Alternatively, a reasonable time limit might be established, on the expiry of which the candidate would be appointed if the government raised no objection in the interim.

(9) The organization of recruitment services and role of UNDP

80. Some governments advocate the creation of a centralized United Nations recruitment service, at least for operational programmes. This solution appears, prima facie, to offer certain advantages: centralized direction, economy of effort, single or uniform lines of communication with recruitment sources, and uniform procedures and criteria. The Agencies, however, unanimously oppose centralization. They fear that a central recruitment service would become a new bureaucratic monster, merely creating additional delays. Above all, they maintain that specialized recruitment requires the support of substantive divisions in order to assess technical qualifications, and that these would be lacking in an organization devoted exclusively to recruitment. Past experience with recruitment of industrial experts for UNIDO ^{1/} by TARS in New York and Geneva tends to confirm some of those fears.

81. UNDP should, however, exercise more direct influence on certain aspects of recruitment for UNDP-assisted projects. It should, for example:

- take the lead in establishing adequate conditions of service for all operational development staff;
- obtain from the Agencies uniform data on the recruitment, utilization and performance of project personnel;

^{1/} UNIDO is now gradually assuming full responsibility for recruiting project personnel.

- require the adoption of uniform procedures whenever these affect the work of national recruitment authorities or of recipient governments;
- require a system of rosters of qualified candidates allowing rapid exchanges of information between the various components of the whole United Nations system.

82. At the same time, UNDP should give all possible assistance to the Agencies. For instance, the average cost of recruiting, briefing and assigning a specialist could be included in the calculation of project budgets and charged to those budgets. This would greatly help the financing of recruitment services which are, at present, generally understaffed and insufficiently financed for travel, publicity, etc. UNDP should sponsor periodic meetings of heads of the Agency recruitment services for the purpose of sharing experience and exploring possible areas for uniform action. It should further assist the Agencies financially by underwriting the cost of training and retaining available specialists, e.g. the costs arising out of career appointments or, in certain cases, of maintaining valuable specialists in service between two assignments. Through its liaison officers it should also assist national recruitment organizations.

C. Associated staff

83. This term covers staff provided by governments directly or indirectly (e.g. through voluntary organizations endorsed by governments) and basically free of cost, for the purpose of assisting United Nations development work. It comprises:

- (a) associate project personnel (i.e. junior technicians with basic theoretical preparation but lacking experience);
- (b) volunteers (i.e. non-specialized personnel with basic training in certain fields and little, or no, experience) provided free of cost.

Both categories work under the guidance of international project personnel, side by side with counterpart staff. Associate project personnel have, and should continue to have, the status of international civil servants. Volunteers do not have that status and it is doubtful whether they should acquire it.

84. Associate project personnel should be used more fully in order to increase the mobility of high-level project personnel and to enable them to look after a number of projects. They should also become a source of recruitment for international operational staff employed either by UNDP or the Agencies.

85. In the case of volunteers, UNDP, the Specialized Agencies and Resident Representatives should foster tripartite agreements between the international Agency, the recipient government and the sponsoring voluntary organization, with due regard for any political considerations. Sponsoring organizations and governments should be responsible, in principle, for the travel, remuneration, living conditions, discipline and the well-being of volunteers; project managers should provide work assignments and supervision.

86. Gradually, the present system of using volunteers could evolve toward the creation of an international volunteer corps under United Nations auspices. The Capacity Study therefore warmly endorses the recent proposal for a study of such a service made by ECOSOC 1/ which has also been supported by the Commission on International Development. 2/ If such a corps were established, Agencies could obtain the secondment of volunteers from a variety of sponsoring volunteer organizations which would continue to be responsible for remuneration outside the country of assignment and for travel. International Agencies would take over the responsibility for the organization, administration and welfare of the teams of volunteers assigned to projects and would pay a local stipend of equal amount for all volunteers, irrespective of nationality. These costs could be included in the project budget. 3/

D. Staff provided by contractors outside the United Nations system

87. This category is the responsibility of the contractors concerned. However, the Resident Representative administering the contract on behalf of UNDP must provide certain services, such as local briefing and support, including appropriate measures to ensure the staff's welfare and safety.

E. Counterpart staff

88. The term "counterpart staff" is rather vague; it may embrace first-rate, high-level administrators or specialists as well as routine staff often requiring a considerable amount of training. The basic responsibility for that staff belongs to the recipient government which should ensure, in consultation with the Resident Representative and with the project manager, as appropriate, that the best available national staff is assigned to UNDP-assisted projects in accordance with the terms of the plan of operation.

89. The assignment of national counterpart staff should be more flexible. In some cases, it might be appropriate to designate a national counterpart as project manager, assisted by a senior international specialist as his principal adviser. In others, it may be preferable for the counterpart officer to be co-manager or deputy manager of the project.

90. In most projects, the training of counterpart staff must be specified as an essential objective in the plan of operation and described in as much detail as feasible in the work plan. Where fellowships are involved, the selection of candidates should be the joint responsibility of the government and the project manager and the latter should assume continuous

1/ ECOSOC resolution 1444(XLVII)

2/ Report of the Commission on International Development, op. cit. p. 189.

3/ Questions such as these will no doubt be considered by the Secretary-General in the study which he has been invited to undertake by ECOSOC (ECOSOC resolution 1444(XLVII)).

responsibility for checking the progress of the fellows. When long-term fellowships are awarded at a preliminary stage of the project, or even before it starts, the office of the Resident Representative may provisionally take over the project manager's function.

91. The assignment and retention of counterpart staff is a major problem which requires imaginative solutions. Chapter Nine recommends, in certain situations, the partial payment of counterpart salaries by UNDP. ^{1/} But this is only a partial solution since local civil service salaries are seldom sufficient to attract and, more importantly, retain suitable counterpart staff. For reasons of financial stringency, few governments of developing countries have yet been able to offer more favourable conditions of service to specialized staff in short supply, even though they may have contributed to their training. This, in addition to the external "brain drain", represents a serious problem of internal "brain drain" of qualified personnel who have been trained for government service but relinquish it because of insufficient remuneration and prospects.

92. In order to improve the "absorptive capacity" of developing countries for external development assistance, it is imperative to remedy this situation. There are several ways in which international organizations could possibly help. They might, for instance, extend to counterpart staff some of the local amenities made available to international project staff, e.g. subsistence and travel allowances up to international standards in the case of joint travel of international and national staff. Another, more radical, solution proposed to the Study would consist of paying, from UNDP funds, supplements to the national salaries of counterpart staff making their emoluments more comparable to those offered on the private market. The difficulty is that such solutions are short-term and cannot continue beyond the termination of international co-operation.

93. Recently, an Agency suggested that UNDP should pay such salary supplements to counterpart personnel in selected cases, provided that the government committed itself publicly and officially to the application of a more generous salary scale for certain defined groups of technical staff in short supply, specifying the date from which this obligation would come into force. The idea is certainly worth exploring, perhaps on an experimental basis. However, the practical difficulties are still formidable. On the one hand, there is the danger of creating inflationary pressures by stimulating demands for similar increases from other categories of staff. On the other, unless government revenue has increased substantially in the interim, financial difficulties are likely to impinge once more when the time comes for the government to fulfil its undertaking.

^{1/} See Chapter Nine, para. 80.

94. The availability of suitable counterpart personnel, capable, in due course, of taking over responsibility for projects, is a question as decisive as it is - in many places - intractable. It therefore deserves continuous attention for a solution must be found. The suggestions made above do not exclude others and UNDP should be ready to experiment.

F. Training of national personnel

95. Training lies at the heart of technical co-operation. Unless the skills and know-how introduced can be assimilated by national personnel and adapted to the national environment, their effect will be transitory and may even prove counter-productive because they result in restlessness and frustration and, in some instances, may accentuate the "brain drain". The real test of a technical co-operation job well done is the proficiency of those who remain to carry on when outside assistance ceases.

96. The transfer of knowledge may follow several forms, according to the project. It can be effected on the job, for instance, through the day-to-day contact between international personnel and their immediate counterparts or other national personnel assigned to an operational project. In other cases, the project itself may be an educational or training institution, whether at the university, intermediate technical, or other levels; in some of these, training may be given directly to the students in a specialized field; in others, a multiplier effect is built in because the trainees are potential teachers. Yet another form is the award of fellowships for study abroad in fields related or unrelated to other technical co-operation activities being carried on in the country.

97. While the results of such activities are difficult to measure, because they are often intangible or untraceable, there are reasonable grounds for supposing that the various United Nations programmes have fallen short of their goal in this respect, both quantitatively and qualitatively. ^{1/} Many of the people trained have not stayed in their own country or, if they have, have moved on to other fields of activity unrelated to that for which they were prepared. In part, this is due to circumstances which are conditioned by under-development itself: uncertain employment conditions, low salaries, insecurity of tenure, and so on. It remains equally true that insufficient attention is often paid to such factors by both governments and international organizations when planning projects and insufficient measures taken to reduce their impact. Often, the kind of training offered has been based on a straight transplant of curricula and methods used in developed countries which have inevitably proved unsuited to local conditions, social and other traditions, and economic structures. Adherence to rigid educational hierarchies derived from traditional structures in other countries and insufficient emphasis on the acquisition of professional and technical skills at the intermediate level have

^{1/} See Chapter Three, paras. 86-89.

reduced the impact of training programmes and have often tended to produce misfits instead of active promoters of social and technical change. Not enough use has been made of modern teaching media and techniques which could improve results both quantitatively and qualitatively. In combination, all of these factors have meant that the cost of the training offered was usually far too high in relation both to results and to the developing country's resources (whether domestic or external).

98. Fresh thinking is also required on the subject of fellowships. ^{1/} Experience has shown that, except in the case of carefully chosen key personnel, or of technicians in some advanced new branch of technology, training within developing countries is likely to produce the most effective and economic results, directly related to local conditions. Short courses or study tours in developed countries have their value but may be abused. This is a field in which sub-regional arrangements can be specially effective. Problems arise, however, because governments in developing countries are often reluctant to send personnel for training in neighbouring countries which they possibly regard as little, if at all, more advanced than in their own, whereas within any single country it is sometimes difficult to finance the attendance of students for prolonged courses. As to the first, governments may change their attitudes if regional training institutions receive adequate international support and can be shown to offer courses of high quality, closely tailored to the needs of the surrounding countries. In the second case, there seems no reason why, in carefully selected cases, nationals should not receive stipends paid from international funds for attendance at training institutions (preferably where standards are internationally supported) in their own countries, i. e. the fellowship component might, in certain instances, be spent at home rather than abroad. In all cases, however, no large-scale training institution, national or regional, should be started without a thorough initial investigation of the eventual employment possibilities, followed by the adoption of any necessary measures in the appropriate sector of the economy. In other words, training and fellowships should form an integral part not only of individual projects (which is often the case already, although single ad hoc fellowships still figure in the TA component from time to time) but of the overall development strategy of the country, reflected in its "country programme".

99. In short, there is an overwhelming need to adapt training efforts more closely to the needs and conditions of each society and to conceive of them as an integral and complementary part of each country's development strategy, rather than as isolated and indiscriminate islands of activity. This will demand much imagination and research, greater emphasis on educational planning, in the widest sense of the word, receptivity to new ideas and techniques which are likely to speed up the process and make it less costly and more effective, and a readiness to experiment. This area should be a priority one for the Programme Policy staff. There can be no baulking the fact that it is the crucial factor on which effective development depends.

^{1/} Cf. Chapter Three, paras. 87-88, Graph 3.6 and Table 3.13.

SUMMARY OF PRINCIPAL RECOMMENDATIONS

General

1. Development co-operation should be recognized as an operational process requiring special talents and types of experience in its personnel.

Manpower for UNDP

2. A United Nations Development Service should be established, on a career basis, comprising a relatively small international force of highly qualified and experienced personnel needed for planning and administering UN development work.

3. UNDP should have broad autonomy in personnel administration; the salary structure and conditions of service should provide adequate compensation for the special requirements of an operational service at a level likely to attract the best talent available.

4. UNDP should have its own independent Appointment and Promotion Board.

5. Recruitment should be on as wide a geographical base as possible, subject to the overriding requirements of Article 101 of the UN Charter. Equitable geographical distribution should steadily be achieved through careful selection of junior officers.

6. Recruitment at the entry level should be competitive.

7. Recruitment at the middle level should be limited and should mainly draw on candidates with proven practical development experience selected from other components of the UN development system.

8. Great emphasis should be placed on training career personnel and a Staff College should be established for this purpose, possibly in conjunction with UNITAR. Sabbatical leave for study purposes should also be granted.

9. The system of promotion should be open, providing access to the highest posts both at headquarters and in the field.

10. The Administrator of UNDP should be elected by the General Assembly of the United Nations upon the recommendation of the Secretary-General.

11. Resident Representatives should be appointed personally by the Administrator and should only exceptionally be appointed from outside the UN Development Service. Their quality should be improved in order to enable them to play the central role proposed by the Study; those unable to meet these requirements should be released.

12. There should be a 10 per cent margin of supernumerary Resident Representatives to fill unforeseeable gaps.

13. The conditions of service for Resident Representatives should be improved, and adequately equipped housing provided for a standard rent.

14. The best Resident Representatives should automatically be considered for policy-making posts of leadership in UNDP and in other parts of the UN development system.

15. UNDP should build up a "stable" of high-level consultants.

Manpower for execution of projects

16. The quality of project personnel should be improved.
17. Improved and speedier recruiting should be possible, facilitated by increased sub-contracting and improved programming.
18. Governments should improve their support for the recruitment process. Both they and individual organizations and firms should be encouraged to provide rosters of qualified personnel available for fixed-term assignments.
19. While many of the functions of project personnel do not lend themselves to long-term employment, the nucleus of a career service could be built up, comprising a more mobile, highly-qualified and experienced force of long-term specialists, regionally or sub-regionally based, and dividing their attention between a number of projects.
20. Greater care should be taken to ensure that personnel whose services have not been satisfactory are not re-employed.
21. Much greater attention should be devoted to the briefing and debriefing of project personnel. If located in Europe, the proposed Staff College could provide a centralized service for project personnel from the majority of the Agencies.
22. Efforts should be made to increase the supply of potential project personnel by special training courses, crash language courses, the harmonization of rosters and assistance to national recruitment services.
23. Formal government clearance of project personnel should either be dispensed with in agreement with individual governments, or subjected to a time limit.
24. UNDP should play a leading role in establishing adequate conditions of service for all operational development staff, including project personnel. It should help to standardize recruitment data and procedures, facilitating the rapid interchange of information between Agencies. It should generally provide support for Agencies' recruitment services, including financial support.
25. Associate project personnel and volunteers should be more widely used and the creation of an international volunteer service should be studied.
26. UNDP should explore ways and means of facilitating the assignment of qualified counterpart staff provided by governments to UNDP projects and their subsequent retention in government service.
27. Training should be more closely adapted to local requirements and conditions and should make greater use of modern teaching media and techniques.
28. Fellowships should be an integral part of the Country Programme, and more use should be made of regional and sub-regional training institutes. In selected instances, national personnel should be granted stipends to attend internationally-supported training institutions in their own country.

Chapter Nine

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Chapter Nine

FINANCIAL RESOURCES

"Les questions financières plaisent à la raison par leur exactitude et à l'imagination par leur étendue."

- Anatole France

I. INTRODUCTION

1. For the purposes of the Study the level of financial resources has been taken as given in the Terms of Reference. At the same time, it would be shortsighted to overlook the evident and mutual inter-relationship between finance and capacity. Without money the programme cannot operate. At the same time, efficient management of a well-conceived development programme, combined with good administration of its financial resources, will play a major part in ensuring a continuing and increasing flow of contributions. The purpose of previous chapters was to propose ways and means of achieving the first of these requirements. This chapter is accordingly devoted to the second: sound financial and budgetary management.

A. The management of the total financial resources of the UN development system

2. All the recommendations made so far by the Study have been shaped by the thesis that the capacity of the UN development system can only be increased by greater integration and more rational use of all its available resources, based firmly on the country approach. If the same principles are extended to financial management, they point logically to the channeling of all resources of the system, intended for operational programmes of development co-operation, through a single fund. Once again, however, medicine of such strong brew, administered indiscriminately, might well kill the patient and it is necessary to find a more gradual cure.

3. The main resources eligible for discussion under this head are:

- (a) Trust funds set up for specific purposes (e. g. population);
- (b) Resources of Agencies destined for non-UNDP operational programmes of technical assistance;
- (c) WFP;
- (d) UNICEF.

Because of the ad hoc way in which many programmes falling into this category have been set up and financed, it is hard to lay down any categorical ruling. But certain principles can be established: firstly, no arrangement should be adopted which might reduce the flow of total funds available to the UN system for development operations; secondly, insofar as possible, such funds should be administered from under the same umbrella, so that their use is consistent with overall policies and, with each other; and, thirdly, whatever their source or mode of administration, their use should be programmed to complement that of other inputs of the UN development system. (Where, for instance, one of these wider programmes required specific action at the country level, e. g. in the form of a population control project, this project should be fully integrated into the "country programme".)

4. The arrangements made for the trust fund on population fit very well into this framework, and it is to be hoped that the precedent may be followed as and when any new funds are created. At the same time, all proposals for new funds should be scrutinized with great care, to avoid unnecessary proliferation in their growth, and to keep their volume in proper proportion to the central fund of UNDP. Adoption of the proposal in Chapter Four 1/ that the Governing Council of UNDP should earmark a certain proportion of funds for "non-country" actions would have the advantage of providing an alternative solution to the creation of new funds for some types of activities, although the proportion so allocated would have to be determined in the light of the total resources available, and of the financial requirements of the country programmes.

5. The resources of the UN and the Agencies for non-UNDP operational programmes of technical assistance pose a more difficult problem, though it can be solved by joint programming, particularly at the country level, on the lines proposed in Chapters Five 2/ and Seven 3/. It has also been suggested more tentatively in Chapter Seven 4/ that governments might consider stabilizing these programmes at their present level, and channelling any additional resources centrally.

6. In the case of WFP and UNICEF similar proposals have been made for joint country programming in Chapter Five 5/ and also, in Chapter Seven, for closer integration of field representation with UNICEF. 6/ Looking further ahead, Chapter Seven has also suggested

1/ Paras. 76-81.

2/ Paras. 60-68.

3/ Para. 62.

4/ Para. 147.

5/ Paras. 14 and 55.

6/ Para. 67.

consideration of a total merger between these programmes and UNDP, at a moment when this can be done without damage to the individual appeal of each. 1/

7. All of these proposals reflect the gradual and pragmatic approach advocated by the Capacity Study toward the desired end. However, this should not blind either governments or the system to the fact that, in the long-term, the more that development funds are channelled through one central point, the more rational their use is likely to be. Moreover, the more efficient the control over their use, the more likely the programme is to follow uniform policies and meet agreed objectives. Obviously there can be only a gradual aspiration toward the ideal but governments proposing to inject more money into operational programmes of the Agencies, or to create new funds for specific activities, might wish to think twice before taking a step which might thwart its attainment.

8. Given the importance of the issues raised in this sub-section it would be both useful and appropriate if ECOSOC could take steps to study them further.

B. The objectives of the financial and budgetary system of UNDP

9. The system of financial and budgetary administration suggested here is designed to serve the following objectives:

- (a) continuous programming over a period of several years, within the framework of indicative financial planning figures. These would reflect policies adopted by the Governing Council for an equitable and rational apportionment of resources to meet the needs of individual developing countries;
- (b) the maximum utilization of these resources, compatible with sound financial management practices. The latter would entail keeping income and expenditure in reasonable balance and holding sufficient reserves in a Working Capital and Reserve Fund, which is described in paragraph 35;
- (c) the development of procedures for budgeting and for financial control and authorization that are fully responsive to the requirements of an essentially operational programme. There should therefore be a clear distinction between policy decisions and those of an executive character, and the latter should be decentralized to the maximum;
- (d) to centre accountability vis-à-vis the Governing Council for the use of the financial resources provided, squarely on the Administrator, while at the same time placing in his hands the instruments of control - "the power of the purse" - necessary for him to assume that commitment effectively, together with overall responsibility for the conduct of the programme.

1/ Para. 146.

C. The merger of TA and SF accounts into a single fund

10. Since the merger of EPTA and the Special Fund into UNDP the sharp distinction between the content of the two component programmes has tended to disappear, despite the maintenance of two separate accounts, governed by different financial philosophies. However, attainment of the Capacity Study's objectives will require a merger of the two funds and the adoption of a single financial system. Indeed, the continued maintenance of separate funds could only hamper the integrated programming approach set out in Chapter Five.

11. Any fear that a single fund would result in the loss of the particular values offered by the former EPTA programme, with its flexibility and its tendency to produce a multiplicity of smaller projects serving a variety of purposes, is, in the Study's opinion, unfounded. The whole object of the new programming cycle is to respond meticulously to the needs of developing countries, and it should provide equal variety and scope for smaller projects if these are desired.

12. The Capacity Study therefore recommends complete amalgamation of the two funds; the financial principles by which the new fund should be guided and the transitory arrangements necessary for their introduction are described in the following section.

II. THE FINANCIAL SYSTEM

A. The indicative planning figures

13. As indicated in Chapter Five, ^{1/} each country programme would need to be prepared within the framework of an "order of magnitude" of resources or, in other words, of an "indicative planning figure". This would not, however, constitute a firm commitment to spend that exact amount of funds on a given programme.

14. When calculating these indicative planning figures, it would be assumed that the total annual pledges would increase by a stated proportion from one year to the next. The amount of the increase would be determined in part from information available about the intentions of contributors, and in part through the extrapolation of the rate of growth of individual contributions over the last few years. However careful these estimates, they might in practice marginally exceed the aggregate of known planned individual donor increases. Governments would be informed of the assumptions underlying the calculation and would be warned that the indicative programmes based on it might have to be adjusted in the event of a shortfall in pledges. The Governing Council would approve the global indicative planning figure for a

^{1/} Para. 50.

period of five years, revising it annually and projecting it one year further ahead each time. 1/

B. The apportionment of resources for planning purposes

15. The next step would be for the Governing Council to approve the distribution of the global indicative planning figure between the various types of programmes and other expenditures, as follows:

- (a) Country programmes
- (b) Global programmes 2/
- (c) Regional programmes 2/
- (d) Programme support expenses 3/
- (e) General administrative expenses
- (f) Working Capital and Reserve Fund.

16. Initially, the Governing Council would have to adopt criteria for the provision of UNDP assistance and for establishing the volume of the UNDP contribution to the development needs of individual recipient countries. 4/ Presumably such criteria, would direct the Administrator to take into account, among other things:

- (a) the total amount of external aid, from whatever source, available to a given country; and
- (b) the economic and financial circumstances of the least endowed of the developing countries, which, in turn, would determine the share of project costs to be borne by UNDP 5/ and influence the "order of magnitude" of UNDP resources required to support a given level of activities.

17. On the basis of these criteria, the Administrator of UNDP would prepare indicative planning figures for all countries receiving UNDP assistance, also for a five year period, and submit them for approval to the Council. The same procedure would be followed in revising these figures annually and projecting them for an additional year.

1/ See footnote to para.70 in Chapter Five about the possible re-scheduling of the Council's sessions to suit the timing of these functions.

2/ In the event that the Governing Council accepted the proposal to put aside certain resources for "non-country" actions.

3/ See explanation in paras. 85-87 below.

4/ A first set of such criteria was adopted in January 1968, see UNDP, Report of the Governing Council, Fifth Session (doc. E/4451).

5/ See paras. 73-84 below.

18. This system would allow the Governing Council to control the intended distribution of resources for planning purposes between individual countries receiving UNDP assistance, while at the same time permitting the Administrator to organize continuous programming for a period of five years ahead. Thus, when the government of a given country was about to embark on the preparation of a development plan, the Administrator would be able to indicate the planning figure within which its UNDP-assisted programme for the plan period should be framed. This would be the figure most recently revised and approved by the Council. If the period of the country's development plan were shorter or longer than five years, the Administrator would adjust to extrapolate the figure as necessary. Once a government's country programme for UNDP operations had been appraised by the Administrator, and approved by the Governing Council, 1/ the indicative planning figure would become a "programme earmarking" but would still not imply a commitment.

19. Reductions in an indicative planning figure during the period of the approved country programme would not normally necessitate a modification of the programme since it would be an indicative programme. Increases on the other hand, though not a very likely occurrence, since the figure would already reflect the expected rate of growth of resources, could allow for programming marginally additional activities.

20. The annual review of the country programme 2/ would have the task, among others, of making appropriate adjustments in the approved programme.

21. Since the Governing Council would annually approve further extensions of the country's indicative planning figure, it would also be possible for the annual review to consider the extension of certain planned activities beyond the termination of the approved country programme. This would introduce a desirable element of continuity for projects of longer duration needing to span two plan periods, but, taken to excess, it could also lead to premature commitment of the next country programme and to the fossilization of the whole process. The danger should not be too great, however, if the principle is laid down that no project can be considered during the lifetime of a country programme unless it originally figured in the list of projects included in the programme or corresponds fully to one of its established priority objectives. Certainly no project could be approved that was not due to start until the following country programme.

22. A similar system of indicative planning figures would be adopted for the programming of "non-country" programmes, i. e. global and regional programmes, as well as for the preparation of longer-term projections of other UNDP expenditures.

1/ See Chapter Five, paras. 69-71, for a description of this process.

2/ Described in Chapter Five, para. 64.

23. Indicative country programmes prepared within approved planning figures would constitute, in themselves, a demonstration, ad oculos, of the need for growing resources and would thus provide a favourable climate for increased pledges.

C. The allocation ceiling

24. The Study recommends a more conservative approach to transactions entailing actual financial commitments. In broad outline, the financial framework proposed here is similar to the framework already approved by the Governing Council for the TA component and it should not therefore be difficult to expand it to cover the whole programme.

25. Commitments would follow from the actual approval of individual projects. For project approval and the consequent allocation of funds, it would be assumed that total annual pledges for each of the ensuing five years would be equal to the total for the current year. On this basis the Governing Council would approve annual global allocation ceilings for a period of five years. ^{1/} The Council would revise these ceilings each subsequent year once the results of the Pledging Conference were known and would project them one additional year. Under this system, allocations of funds would be firm for the first year and firm, subject only to the availability of funds, for the ensuing years.

26. Governing Council approval of country and other programmes, together with its approval of global allocation ceilings, as described in the previous paragraph, would constitute the authority for the Administrator to make allocations and commitments, covering a period of up to five years. Allocations would never exceed, in a given year, the global allocation ceiling for that year. That portion of the annual allocation ceiling remaining unallocated at the end of the year should be added to the revised allocation ceiling of the succeeding year.

27. The annual rate of allocations during the period of a country programme would necessarily fluctuate since the rate of approval of individual projects would not be evenly spread. This should cause no problems provided two important conditions are observed:

- (a) UNDP should not allocate funds in excess of conservative estimations of expected income (i. e. in excess of the global allocation ceiling); and
- (b) annual expenditures should be maintained in reasonable balance with annual income.

^{1/} See footnote to para. 70 of Chapter Five about the possible re-scheduling of the Council's sessions to suit the timing of these functions.

28. Each country should be able to expect to obtain, during the period of its country programme, the volume of technical co-operation and pre-investment assistance permitted by its indicative planning figure, provided selected projects prove feasible and conform to objectives stated in the programme. If serious delays due to difficulties in formulating and executing projects caused the level of activities to fall well below what was planned, the Administrator should investigate the reason for it. If the country could not absorb all of the co-operation offered at the rate proposed, then this might be a valid reason for modifying the indicative planning figure for the next country programme and seeking ways of breaking the bottlenecks with projects planned more realistically. If, on the other hand, the difficulty arose from delayed delivery of international inputs, then there might well be a case for changing the methods, or the agents, of execution, in order to expedite matters, and increasing the next indicative planning figure to make up the shortfall.

29. While there would be no need for individual country allocation ceilings, the Administrator of UNDP would naturally establish appropriate controls and would submit an annual performance report to the Governing Council, which would thus be able to appraise the efficacy of his financial management.

30. The official accounts would reflect, on a global, regional and country basis, allocations, commitments, unliquidated commitments and expenditures. They would not reflect indicative planning figures.

D. Fuller utilization of resources and sound financial management.

31. The merger of the two components of UNDP into a single fund would necessitate the adoption of a single method of financing projects. At present, projects in the TA component can be approved, allocations issued and commitments entered into for a period of up to four years, on the assumption that future income levels will not fall below that of the current year. On the other hand, projects in the SF component are financed by setting aside, from the resources in hand, funds to cover the full costs of the project from its inception to its completion ("full funding"). Despite some liberalizing efforts, such as the decision to approve projects whose aggregate cost exceeds resources in hand by an amount of US\$140 million (a dispensation which does not extend to the signature of plans of operation) this method has resulted in a considerable accumulation of "resources in hand", or to their use in ways other than originally intended (investment loans). This situation has often been criticized by members of the Governing Council and has undoubtedly acted as a deterrent to increases in pledges and to early transfers to UNDP of cash amounts already pledged.

32. A change in the method of financing projects involves a major policy decision. However, Governing Council acceptance of the present financing procedures for the TA component may perhaps be taken as an indication that it would not be averse to extending the same principle to a merged fund. The Capacity Study considers that this would be a logical step. Since the total resources of the TA and SF programmes have grown consistently over the years, the assumption, for allocation purposes, that future pledges will not fall below the level of the current year appears prudent and even conservative. Moreover, allocations, though considered as firm, would be subject to the actual availability of funds.

33. However, if the Governing Council did decide to follow this course certain basic precautions would be needed.

34. First, the Governing Council should establish a uniform percentage to be included as an unplanned reserve in each country's indicative planning figure. This would serve as a "cushion" against:

- (a) downward fluctuations in resources available for project allocations;
- (b) fluctuations in actual project costs as compared with planning estimates; and
- (c) contingencies of the type formerly financed by the Contingency Fund of the Executive Chairman of TAB.

35. Second, a Working Capital and Reserve Fund, functioning partly on a revolving basis, should be maintained at a level adequate to:

- (a) offset any unevenness in cash flows in and out;
- (b) permit the financing of urgent and valid projects not foreseeable at the time of preparation of the country programme (e. g. emergency projects arising out of natural disasters or experimental "risk ventures" of the kind foreseen in Chapter Four); ^{1/}
- (c) provide a liquidation reserve.

36. Clearly, also, the introduction of the financial system proposed here would be greatly assisted if an increasing number of countries followed the precedent set by some governments and announced minimum forward pledges for a number of years ahead, revising them annually.

E. Transitional measures

37. These would be required to permit existing project and overhead allocations to remain valid when the financial merger between the TA and SF components became effective, while simultaneously establishing the global allocation ceiling. The following paragraphs contain

^{1/} Para. 67.

general guidelines as to how this might be done.

38. Those portions of earmarkings and allocations which were made under both components in years prior to the effective date of the new arrangements, and which covered goods and services to be delivered after the effective date, should be recorded as a first charge to the new indicative planning figures and to the global allocation ceiling. For the TA component, this would be a simple exercise, since the proposed new arrangements for UNDP follow similar lines. The exercise should not encounter any major difficulty in the SF component either: when completed it would permit a presentation of the full existing programme, year by year and country by country.

39. Since Special Fund earmarkings and allocations are currently recorded against resources in hand (except for the excess earmarking - "balloon" - authority), the transfer of a portion of such earmarkings and allocations as charges against estimated future resources (i. e. against the indicative planning figures and global allocation ceiling) would result in the release of equivalent amounts of resources in hand. These released resources would constitute a temporary reserve to be used for new projects as described later.

40. The mere transfer of commitments in this manner obviously would not create additional resources but would merely represent a switch in financing technique for the SF component from that of "full funding" from current resources to one of mortgaging anticipated future resources for planned future activities. This switch would free - on a one-time basis - funds which could be available for a one-time burst of additional activity. If pledges were not increased, however, the programme level would subsequently fall back to the level prevailing before the burst.

41. The object of the transitional arrangements would be precisely to avoid the undesirable effect of such a one-time burst and fall-back. This would be accomplished by the gradual release of funds from the "reserve"; it would be phased in such a way that when the "reserve" was depleted, there would be no fall-back in the total programme level because the difference would have been made up by increases in pledges over the years in which the "reserve" was used. In other words, the overall increase in resources would take over where the phased injection of reserve funds left off. At the end of the transitional period, the UNDP would have a significantly higher level of programme resources and a significantly lower cash balance than at the beginning of the period.

III. THE BUDGETARY SYSTEM

42. Individual allocations would not only be subject to the overall control of the global allocation ceilings, but should also conform to expenditure forecasts contained either in project budgets or, in the case of non-project expenditures, in budgets approved by the Governing Council. The Capacity Study suggests that the latter would include budgets for programme support services and for general administrative services.

A. Categories of expenses

43. Before describing the various UNDP budgets in detail, it is necessary to attempt to categorize the nature of the expenses for which this budgetary system should be designed. This would throw more light on the system itself and would facilitate financial transactions between UNDP and the Agencies or agents executing UNDP-financed projects.

44. At present such terms as "project costs", "overhead costs", "programme support costs", used in the financial administration of UNDP are not defined with sufficient clarity and thereby add to the difficulty of understanding the system and of exercising expenditure control.

45. For instance, "project costs" for projects executed directly by an international Agency usually include administrative expenses incurred at the site of the project but invariably exclude the costs of technical and administrative backstopping or of operational supervision by the Agency headquarters, which are partially financed by UNDP through lump-sum reimbursements of Agency "overhead costs". On the other hand, the costs of UNDP consultants, and of UNDP staff members' travel required in connection with the formulation and inspection of projects, are generally charged to "project costs". In the case of subcontractors, however, "project costs" include all the administrative expenses of the subcontractor (including technical backstopping), plus an element of profit.

46. No watertight definition of "overhead costs" exists within the UN system. In the case of the Participating and Executing Agencies of UNDP, the reimbursements made by UNDP on this count are defined as covering "additional, clearly identifiable, costs" incurred by the Agency in carrying out UNDP projects. However this theory is not translated into practice since reimbursement takes the form of lump-sum payments calculated as a percentage of "project costs"; hence the nature and cost of the items included escapes UNDP control totally.

47. For UNDP itself "overhead costs" do not seem to have been defined. In practice, they currently embrace all, or almost all, of the costs which, for whatever reason, are not charged to "project costs". They thus encompass not only the costs of policy-making and general direction by UNDP Headquarters and of administration, both at the headquarters, and field levels, but also functions vitally related to the programmes themselves. Thus they include substantive divisions at headquarters and Resident Representatives and their staffs, all of whom play a considerable role in such matters as programming, project formulation and overseeing execution, evaluation and follow-up.

48. The Study therefore concludes that it is both important and urgent to arrive at some clearer distinction between the three main categories of expenditure - "project" costs, "programme support" costs and "general administrative" costs. It does not attempt to make any precise definitions - the exact dividing-line in each case is bound to be disputed and, in practice, can only be based on common-sense, conventional arrangements - but does give some general guidelines as to how this clarification might be brought about.

B. Overhead costs of the Executing Agencies

49. The Capacity Study has approached this complex and highly technical subject with some diffidence, since it was dealt with authoritatively earlier this year by Mr. Maurice Bertrand of the JIU. ^{1/} Yet, it is of such prime importance from an operational point of view, and bears so directly on the assessment of the system's capacity for effective and economic performance, that it demands very careful attention.

50. Mr. Bertrand concluded that only the introduction of an itemized cost accounting system would provide figures on which to base valid proposals for fixing a mean rate of overhead costs as a basis of calculation, but the lack of technical resources made this an impossible proposition for the time being. He therefore proposed that, as a first step in this direction, UNDP might earmark small additional credits to finance studies in the Agencies directed at introducing modern methods, including itemized operational accounting.

51. His report, and the independent enquiries undertaken by the Study, show that the present situation is highly unsatisfactory from all points of view. The Specialized Agencies complain that the amount of overheads paid fall well short of the level of actual expenditures. UNDP has no way of knowing how funds are used or whether they are used properly, especially since they are often inextricably mixed with funds originating in regular budgets. Member governments are also left without any precise information as to how their contributions have been

^{1/} Report on the Overhead Costs of Extra-Budgetary Programmes and on Methods of measuring Performance and Costs (doc. JIU/REP/69/2).

spent and the Governing Council has no instrument for assessing performances by measuring benefits against cost. The result of all this confusion is that both governments and individuals tend to speak of the "excessive cost" of the programme whereas, at the moment, there is no way of knowing with certainty what the true cost is.

52. The Study has therefore tried to work out a pragmatic approach which would at least throw a little more light on the situation than at present, and also promote a move in the direction of the ultimate aim of cost accounting rightly advocated by Mr. Bertrand.

53. There are, in theory, three ways of dealing with overheads: charging the full amount to the regular budgets of the Agencies concerned, by leaving them to absorb all costs not related to direct expenditures in field operations; charging to UNDP the full cost of identifiable and specific support services provided by the Agencies, in addition to direct expenditures on field operations; or dividing the cost of all overheads between the two, on an arbitrary percentage basis. This last - which in practice would open the way to an infinite number of permutations and combinations - is the method applied at present and which, for the reasons given in paragraph 51, has proved so unsatisfactory. The Capacity Study believes that any system which attempts to apportion this category of costs between UNDP and the Executing Agencies on this basis is doomed to failure because the division must inevitably be arbitrary and can only lead to disagreement and fuzziness. It is therefore necessary to opt for one of the extremes.

54. One school of thought would argue that the support services ostensibly covered by overheads - which include programming, formulation of projects and other policy matters, as well as technical and administrative backing of projects - are a natural function of the Specialized Agencies and should therefore be rendered as part of their normal constitutional tasks and supported by their regular, assessed budgets. A corollary of that argument is that development operations financed by UNDP have now become the lifeblood of their substantive role and that UNDP should not be asked to finance, in addition to a large part of the Agencies' most important activities, a large part of their constitutional costs as well. Some exponents of this view also consider that the elimination of overheads would discourage the excessive promotion of projects that occurs at the present time, often with little relation to countries' own priorities. As one correspondent wrote: "If the Agencies want to play golf on the UNDP course, let them buy their own golf-clubs."

55. After much thought, however, the Capacity Study has concluded that the method which would fit in best with the framework and philosophy which it is proposing for the UN development system in the future is to charge all identifiable and specific overhead costs to UNDP. There are several good reasons for this. First, such a system would enable UNDP to make rational use of "the power of the purse" in a way that has not been possible up to the present,

and would ensure that UNDP obtained from the Agencies the services that it required, and for which it was paying, and that these services were used in an integrated and consistent manner. Secondly, by giving UNDP a proper degree of financial control, it would reinforce the concept of the Administrator's full accountability. Lastly, it would give the system and governments a clearer indication of the cost both of the programme as a whole and of individual projects, and of the various elements of which that cost is composed; in this way a first step would be made toward the introduction of cost accounting advocated by Mr. Bertrand. The Study therefore recommends the adoption of a system along these lines.

56. The question, then, is how it could be put into practice. The Study believes that it could be done by:

- (a) defining the type of "overhead" expenses which should be charged to projects; and
- (b) defining "overhead costs" generally in such a way as to separate general administrative expenses (including costs of direction, policy formulation and administration) from "programme support expenses". It could be argued, in theory, that the latter should also be apportioned to individual project budgets, but for practical and other reasons, it seems preferable to lump them together as serving "programmes".

57. As regards the first of these proposals, certain categories of expenses incurred by the Agencies in direct connection with projects (administrative and technical backstopping and overall supervision) would be charged to project costs as reflected in project budgets; an effort should progressively be made to identify and standardize such expenses. A further explanation of how this might be done is given in sub-section D below on "The project budget", notably in paragraphs 65-67.

58. The handling of more general consultative services performed by the Agencies in such matters as programming, project formulation, and policy questions relating to UNDP-financed programmes is more complex. ^{1/} It would be essential for the services which UNDP was financing to be clearly identified and separated from the other expenditures and functions of the Agencies. To this end UNDP would have to negotiate with each Agency, an agreement whereby the latter would undertake to provide consultant services to UNDP in the preparation of country, regional and global programmes to be financed by UNDP and in the selection of projects, while UNDP, for its part, would pay an agreed fee for these services and become,

^{1/} To this list it will probably be necessary to add some of the functions which they will be performing in the information system described in Chapter Six, if this is adopted.

as it were, a client of the consultant. UNDP would, however, have the responsibility for deciding how the advice received should be applied.

59. The Capacity Study has considered carefully how these Agency consultant services could best be organized. It was impressed by the arrangements made for a similar purpose between IBRD and FAO and UNESCO. Under these arrangements, which have already been referred to earlier, ^{1/} the Bank reimburses 75 per cent of the salaries of Agency headquarters staff working on their joint programmes and pays the travel and subsistence expenses of staff members participating in Bank missions, as well as expenses connected with documentation and its reproduction and translation. In return, the Bank has some say in the appointment of the members of these groups, and receives the results of their work. This system appears to have worked to the mutual satisfaction of the parties involved, and there seems good reason to believe that some similar arrangement between UNDP and its Participating Agencies would have a distinct improvement over the present situation. It would have the advantage of identifying and separating, on the one hand, the general consultative function of the Agencies predominantly related to programming, but also to other general aspects of the overall programme (follow-up, evaluation, etc.), and, on the other, those functions which directly relate to the execution of individual projects. Like the alternative described in paragraph 54, this system would also remove - or at least reduce - the incentives for the multiplication of projects which exist unchecked at present. It would, at the same time, ensure that UNDP, through the exercise of financial control, received the kind of services it required, without interfering in the internal arrangements of each Agency, since the staffs concerned would operate under the exclusive authority of the Executive Head of the Agency, as in the case of agreements concluded with IBRD.

60. Obviously, if this proposal were accepted in principle, practical arrangements would have to be made for organizing the work and sharing the costs of the staffs concerned, particularly where, for reasons of economy, the same staff members had to pursue more than one activity (e. g. staff already assigned to the IBRD-Agency co-operative programmes in the case of FAO and UNESCO). These details would have to be worked out later, once a policy decision had been taken. Something needs to be said about project formulation, however, since this function constitutes a special case. In paragraph 58 above, it has been coupled with programming but, -if the principle of charging all costs related to a project to its own budget is followed through logically, the cost entailed in its formulation should also be included there

^{1/} Chapter Five, para. 187.

(see paragraph 67 below). 1/ Difficulty would only arise when a project in process of formulation was abandoned as unfeasible, with the result that there would be no project budget from which the cost of its initial phases could be defrayed subsequently. Only in these cases should these preliminary costs be charged under the consultancy agreements referred to in the previous paragraph. Moreover, such reimbursement by UNDP should be limited to projects which can be shown to have been included in the "country programme" of the country concerned, as a deterrent against unplanned project promotion.

C. Common budgetary and accounting practices

61. The Capacity Study has followed with great interest the various recent initiatives directed toward establishing common budgetary standards and classifications and fostering uniform methods of budgets and of accounts throughout the UN system. It has carefully studied the recommendations made in this respect by Mr. McCandless in his report to ACABQ. 2/ 3/ While noting his conclusion that adoption of uniform budget presentation by all Agencies is not feasible at the present time, and that more study is required, it strongly endorses his recommendation that Agencies could and should start producing compatible budget presentations. UNDP should certainly encourage and assist all such moves in every possible way since, as the apex of the UN system of operational activities, it would greatly benefit from an increased comparability of data included in the separate budgets of international organizations or Agencies involved in operations. At the moment, as Mr. McCandless points out, 4/ one of the most obvious differences between Agency budgets relates to their treatment of extra-budgetary funds, of which the major part is made up of UNDP funds: some show little or no information on this while, at the other end of the scale, one or two show UNDP-financed programmes side by side with related programmes in their regular budgets. In this connection the Study supports the view of the Ad Hoc Committee of Experts that Agency budgets should be comprehensive and show programmes financed from both

1/ The alternative would be to include the cost of project formulation in the consultancy service agreements with Agencies described in para. 59, on the grounds that this would entail simpler budgeting and accounting. However, it would not permit a calculation of the total costs of an individual project or a comparison of Agencies' operating costs with those, say, of an outside consulting firm, which would include all such features. The Capacity Study would therefore prefer the alternative described in the text to be applied, at least on an experimental basis, subject to review after two years.

2/ Budget Presentation in the UN System, A Study for the ACABQ.

3/ See also Chapter Six, paras. 186-189.

4/ Op. cit. page 12.

budgetary and extra-budgetary funds. Only by steady progress toward both compatibility and comprehensiveness could a more complete picture on operational programmes emerge for the information, not only of international executives, but also of governments.

62. Some of the recommendations of the present Report should facilitate this process. Mr. McCandless, for example, states that one obstacle impeding comprehensive presentation derives from the non-availability of information on UNDP projects which have not been approved at the time the Agency budget is prepared, but which are subsequently approved during the same budget year, and that this has been aggravated by the latest change in procedures for approving TA projects. ^{1/} This obstacle would disappear with the introduction of a programming system along the lines proposed in Chapter Five, and supported by the financial arrangements described in Section II, since the country programme would specify the areas of activity to which UNDP co-operation would be directed, and contain a "slate" of those specific projects which could be identified from the outset, with an approximate indication of the expected cost of each area or project, within the indicative planning figure. While these estimates might subsequently be revised, or more projects added within the areas of activity agreed with the government, Agencies would have a much clearer view ahead of the nature and scope of their anticipated activities in each country than at present, and certainly sufficient to make reasonably accurate forecasts of what might be expected in the way of new UNDP projects for each budget year.

63. For reasons similar to those set out above, the Study also fully concurs with the opinion expressed by Mr. Bertrand in his latest report ^{2/} that Agencies' budgets "should be presented according to precise classification by programme and should give a clear description, based on a uniform method, of all the funds used", and with his more specific recommendation that "... at least a summary budget of the funds allocated annually by UNDP, for both the SF and the TA component, should be compiled each year and should forecast, in particular, the apportionment of funds by Executing Agency and the broad lines of execution." ^{3/} Here again, not only would programme budgeting greatly facilitate UNDP's control of the operations which it finances, which is an essential aspect of the Administrator's "accountability" but the adoption of the Capacity Study's main recommendations, rooted as they are in the programme concept rather than on the individual project approach, would, in its turn, make the introduction of programme budgeting much easier than it might otherwise be.

^{1/} Budget Presentation in the UN System, op. cit. page 14.

^{2/} Draft Report on Programming and Budgets in the United Nations Family of Organizations, June 1969, page 60, para. 4.1

^{3/} Op. cit. page 63, paragraph 4.2, proposal (1).

64. Finally, the introduction of common principles of accounting and particularly of a uniform system of cost-accounting would also be of much practical importance for UNDP. Among other advantages it would facilitate accurate calculation of the amounts of Agency overhead costs to be included in project budgets.

D. The project budget

65. Project budgets are particularly important since they should determine the bulk of UNDP expenditures and reflect the fact that projects are a joint venture of UNDP and the government to support an objective which is the government's own development objective. As indicated in Chapter Five, ^{1/} therefore, the project budget should be included in the plan of operation. It should encompass all the inputs and expenditures necessary for the operation and completion of the project during its lifetime, whether provided by the government or UNDP.

66. A project budget should serve four main purposes:

- (a) it should provide a basis for sharing the cost of the project between the government and UNDP (this will be discussed in paragraphs 73-84);
- (b) it should provide an instrument of control for UNDP project expenditures; for that purpose the total UNDP contribution to project costs should be broken down into successive annual estimates of project expenditures;
- (c) it should establish the counterpart project obligations of the recipient government in as precise and realistic a manner as possible and thus facilitate control of the government's contributions;
- (d) it should facilitate the gradual assumption by the government of full responsibility for the project, through a progressive increase of the government's contribution, and make the government aware of the exact amount of the recurring costs which it would have to assume single-handedly on completion of UNDP assistance.

(1) Composition of the project budget

67. In order to achieve these aims, the project budget should include the following items:

- (a) Capital inputs: (actual additional expenditures)
 - equipment (whether imported or locally purchased)
 - construction of new buildings
 - furniture
 - vehicles
 - other inputs

^{1/} Paras. 88-89.

- (b) Operating costs: (actual additional expenditures)
- costs of experts: salaries and related allowance, expressed in US dollars
 - cost of experts: field allotments in local currency
 - project overhead costs of the Executing Agency (including identifiable costs of earlier project formulation)
 - cost of government personnel required for the project but not on present payroll
 - cost of fellowships
 - cost of maintenance, repairs, rent, etc.
- (c) Government counterpart obligations in kind: (based on actual cost or a realistic current valuation)
- existing buildings
 - staff already on payroll
 - general administrative support.

68. All monetary values should be expressed in US dollars; when the expenditures are to be made in local currency both the amount in that currency and its equivalent in US dollars should be given.

69. Government contribution in kind presents a more difficult problem. In the past its value has often been deliberately inflated in order to satisfy general criteria about the rough proportion of the total cost of a Special Fund project which ought to be met by the government. This seemed to supply a good argument for recommending that the project budget should make no attempt to assess the monetary value of government contributions in kind but should merely list and describe the various items. However, careful consideration revealed a major disadvantage in such an approach. The prominence given to "additional" expenditure, and the lack of any costing of the existing inputs supplied by the government, would camouflage the total cost of a development project and its implications for the alternative uses of scarce government resources, thus making it impossible to calculate the opportunity cost of a given project. The primary aim of UNDP should not be to get governments to spend additional money on development projects (so as to provide evidence of the government's serious commitment to a project) but to help it to manage its total resources - existing and future - in such a way as to get the best return in terms of development. On these grounds, therefore, the Capacity Study concluded that there was no alternative but to continue to cost government contribution in kind, although it is evident that, if these estimates are to serve the purpose outlined here, a determined effort must be made to make them more realistic. Otherwise they are worse than useless. The Capacity Study proposals should markedly reduce the present pressures to inflate the value of government contribution in kind, however, notably in their emphasis on programme objectives and on a constructive approach to absorptive

capacity which would tailor obligations according to the varying means of the recipients. 1/

70. The item for the project overhead costs of the Executing Agency should be calculated to reimburse the Agency retroactively for identifiable expenses it has incurred in the formulation of an approved project and to compensate it for those which it expects to incur after the project has been approved, e. g. on administrative and technical backstopping and supervision of the projects, as well as reporting, evaluation and follow-up activities directly connected with its execution. The calculation should exclude the contribution to the above functions made by field personnel directly employed on the project.

71. Pending the introduction of elements of a cost-accounting system, which must be achieved as soon as possible, it would probably be necessary initially to calculate the amount of these overheads in a lump sum calculated on a common-sense basis. However, UNDP should progressively try to identify individual items and to standardize certain cost elements. For instance, it might be relatively easy to calculate the average cost of recruiting project personnel and include it as a separate item in Agencies' project overheads. Every element of overheads so identified and standardized should be charged separately to the project budget and the lump sum diminished proportionately.

72. In the case of executing agents contracted outside the UN system, the entire cost of the contract might be entered into the project budget under the item of "operating costs", without any breakdown, since this would include costs of project formulation, where these had been incurred, and also of administrative backstopping and technical supervision. Except for the profit element in the case of such executing agents, all project budgets would contain the same types of expenditures, irrespective of the mode of execution, and would offer an easier basis for comparison.

(2) The use of government resources in UNDP-assisted projects

73. Under the present system, the obligations falling on recipient governments for UNDP projects are both manifold and inconsistent, as shown in the list below. One basic distinction between the two components of UNDP is that government counterpart contributions for SF projects, whether in cash or in kind, are listed in detail in plans of operation, whereas, for TA projects, they are expressed in very general terms only in basic agreements.

1/ See paras. 73-84 below.

Present distribution of local costs

	<u>TA</u>		<u>SF</u>
1. Local living costs of experts.	cash 12 ¹ / ₂ % of) standard <u>pro</u>) <u>forma</u> cost of) experts )	)	cash 15% of expert) costs (includes) items (1) through) (4)).)
2. Local administrative and clerical services including necessary local secretarial help, interpreter, translator and related assistance.	in kind))	
3. Transportation of personnel, including local transport.	in kind))	
4. Postage and telecommunications.	in kind))	
5. Materials, equipment, supplies and labour available in the country.	in kind))	
6. Professional services.	in kind )	)	normally in kind,) but, if the plan of) operation so states,) government can) make a cash contri-) bution for these) obligations.)
7. Transportation of supplies and equipment within the country.	in kind))	
8. Buildings and office space.	in kind))	
9. Medical facilities and services for international personnel.	in kind))	
10. Costs of any taxes, duties, fees or levies which may be imposed on any firm or organization retained by SF or Executing Agency.	not applicable )	)	cash)

74. The payment of local costs by recipient governments formerly represented an important financial resource as it made it possible to obtain an increased proportion of the "matching" contribution of the United States. Because other "matchable" contributions have risen, however, this particular factor does not operate at present.

75. The present system of government contributions is complicated requiring cumbersome administration in UNDP and in the Agencies, and is not easily understood by recipient governments. It tends both to inflate the government's contribution in terms of existing local facilities and personnel already on the government payroll, and to overestimate its ability to supply additional personnel and facilities.

76. Its main failing, however, is its lack of flexibility. There is no means of graduating the requirements according to the recipient country's economic and financial circumstances. The system thus tends to pose unreasonable and unrealistic burdens on the less well endowed among developing countries, obliging them to provide costly new facilities, such as buildings and equipment, which not only entail serious budgetary constraints but may also aggravate balance of payments problems by requiring the expenditure of scarce foreign exchange on imported components. 1/

77. In the case of such countries, the UNDP contribution should certainly cover all foreign exchange costs, even where these form part of a local facility or capital input. 2/ In some cases it might also be justified for it to cover part of the local currency costs of a project. This could apply both to the local currency costs of new buildings or equipment 3/ indispensable for the project and to the operating costs of the project. 1/

78. The Capacity Study recommends the replacement of the present system of "local costs" contributions by one of sharing the total costs of the project set out in a comprehensive project budget (except for the government's contribution in kind and the Agency overheads) according to the principle that the government's share in the costs should reflect its economic and financial circumstances. UNDP's share should cover the remainder of the costs.

79. For the majority of recipient countries this would mean, in practice, that the Governing Council would prescribe a standard formula similar to that used at present, i. e. UNDP would defray all foreign exchange costs and the recipient government all local currency costs, including a portion of the local living costs of international project personnel. However, the Governing Council would also authorize the Administrator to approve variations from the "normal" formula, whereby governments with relatively greater financial resources would provide more than the norm, 4/ while those less well endowed would provide less than the norm, it being understood, however, that the principle of the recipient government's participation in the cost of the project would be maintained in all cases. The Administrator

1/ The Report of the Commission on International Development (op. cit, p.177) underlines this problem and recommends that, on balance, donors should take a generous view of local costs. It specifically recommends (p.190) that "Donors should give financial assistance for local recurring expenditures and for equipment, transport, and other supplies in connection with technical assistance projects."

2/ This is a case where the use of grants-in-aid from the Capital Development Fund as proposed in Chapter Four (para. 31) might appropriately be applied to the less-developed countries with very reduced budgetary and foreign exchange resources.

3/ Again, the grant-in-aid formula might be applied here.

4/ Pending the elaboration of guidelines by the Governing Council, the Administrator might be instructed to balance these two categories, so far as possible, financially, so that the total net effect on UNDP resources would be negligible.

would periodically submit a report on such exceptions to the Governing Council for its consideration and confirmation (or amendment).

80. Where very great financial stringency exists, UNDP might bear all those local currency costs directly associated with UNDP participation which would disappear when that participation ceased. In extreme cases UNDP could also carry part of the salaries of counterpart personnel not on the payroll of the government when the project started. Arrangements of this kind would be specially appropriate for projects expected, if successful, to produce sufficient revenue with which to finance their own recurrent costs once they are off the ground.

81. Project costs would be phased so that the financial responsibilities of the government would increase gradually during the life of the project. Shortly before UNDP participation was scheduled to end, the government should be carrying the level of expenditures expected to devolve upon it after the withdrawal of UNDP.

82. In countries where UNDP agreed to pay a larger proportion of project costs, there should also be a relative increase in indicative planning figures so as to ensure that the level of activities in the less-endowed countries maintained a proper proportion in relation to that in other recipient countries.

83. A similar formula could also apply to the contribution which governments make towards operating expenses of UNDP field offices. At present there is no discernible rationale in establishing the amount and form of government support for Resident Representatives and their offices; both are determined by what can be negotiated by the Resident Representative, and factors such as the size of the programme and the needs and resources of the country, have no direct bearing on the outcome.

84. In future the "normal" arrangements could consist of UNDP covering the cost of international personnel, of external and internal travel and of transport facilities, while the government provided office space (in kind or by payment of rental) and funds for maintenance, salaries of local staff, communications and so on. Variations from "normal" arrangements could be authorized by the Administrator and negotiated with the governments on the same basis for project costs.

E. The budget for programme support services

85. This budget, prepared annually by the Administrator and submitted to the Governing Council for approval, 1/ should contain forecasts of expenses related to the substantive support of programmes and projects. These would cover direct support to programmes, particularly "country programmes" and should therefore be considered as part of programme costs and not of general administrative costs.

86. Since programme support activities largely determine the quality and productivity of the programmes themselves, the amount of funds set aside for that purpose must be fixed at an adequate level in relation to the size of programmes under preparation and execution during the budget period, and must increase proportionately with them in subsequent budgetary periods. Inadequate financing of this vital function would be a false economy, inevitably leading to a waste of resources far more costly in real terms than the cost of the programme support itself.

87. For the reasons given earlier, the detailed definition of "programme support expenses" must be based on common-sense. In practical terms, the UNDP budget for programme support services could include:

- (a) Costs of UNDP field offices - since they directly support country programmes and projects. 2/ This would also include the cost of sectoral technical advisers appointed in accordance with arrangements described in Chapter Seven. 3/
- (b) The cost of the Regional Bureaux of UNDP Headquarters - i. e. of those organizational units of UNDP which perform "line" duties of appraising and recommending approval of country programmes and projects and of providing day-to-day guidance in the implementation of projects. These particular costs should also include the estimated expenses of the services of consultants to be called upon by UNDP to help with such general matters as programme appraisal and evaluation.

1/ Since the Governing Council would have approved an indicative planning figure for programme support expenses covering a period of five years, the annual estimates could also include a tentative projection of these expenses for the whole period.

2/ Field offices also provide administrative support but this is directly linked to programme operations; moreover, it would be difficult to break up the budgets of field offices since a number of officials perform both functions. It is therefore suggested that the entire costs of field offices should be included in the programme support budget. On the other hand, if the Governing Council wished to have the administrative costs of the field offices distinguished from the strictly programme support activities, an attempt could be made to identify the former and include them in the Budget for General Administrative Services described in the next sub-section.

3/ Paras. 82-83.

- (c) The cost of supporting consultative groups in the Specialized Agencies - to render general consultative services to UNDP as proposed in paragraphs 59-60 above.

F. The budget for general administrative services

88. The general administrative expenses of UNDP (i. e. expenses relating to the central direction and administration of the programme, including various "staff" services such as formulation of general policies, servicing the Governing Council and other supervisory organs, finance, accounting, personnel, public information, rental and maintenance of headquarters accommodation, supplies, etc.), constitute a clearly different category. Although these services are also vital to the success of the programme, their cost should not necessarily bear any direct relationship to the size of the programme. Governments have frequently stressed that these expenses should not grow too rapidly and that administrative services ought to be able to absorb reasonable additional burdens without an automatic rise in cost. A separate budget for general administrative expenses ^{1/} should be submitted to the Governing Council annually for its approval.

89. The separate presentation of budgets for programme support expenses and for general administrative expenses should not inhibit the flexibility which is essential to good and economic administration. The Governing Council should therefore approve appropriation decisions enabling the Administrator to utilize staff flexibly within the total number of posts authorized under both budgets, and to effect transfers between similar appropriations of the two budgets (for instance, expenditure for travel), within authorized limits.

IV. FINANCIAL AND POLICY CONTROL

90. The proper distribution of authority for financial decisions between the Governing Council (as the supervisory and policy-making governmental organ) and the Administrator of UNDP (as the Executive Head of UNDP responsible for operations) is a matter of major importance. As a general rule the Capacity Study recommends that financial decisions having policy implications should be the domain of the Governing Council, whereas decisions on operational matters should be taken by the Administrator.

^{1/} Here again, the Administrator could be expected to submit to the Council a periodic projection of expected expenditures over several years within the indicative planning figure approved by the Council for general administrative expenses.

91. Thus, the Governing Council would:

- (a) approve and revise from time to time criteria of eligibility for UNDP assistance and for the apportionment of resources between country programmes;
- (b) approve and revise each subsequent year:
 - (i) a global indicative planning figure covering a period of five years;
 - (ii) a global allocation ceiling covering the same period;
 - (iii) the apportionment of resources for planning purposes between global, regional and country programmes, programme support and general administrative expenses, and the Working Capital and Reserve Fund;
 - (iv) indicative country planning figures for all recipient countries.
- (c) approve each year a certain number of indicative country programmes and of regional or global programmes;
- (d) approve each year budget estimates for programme support and general administrative expenses;
- (e) approve the "normal" arrangement for sharing project costs between UNDP and governments, periodically reviewing the upward and downward deviations from the "norm" and providing guidance to the Administrator.

92. In addition, the Governing Council would each year review various reports submitted to it by the Administrator as a background for its financial decisions. Such information might include, among other things:

- (a) a statement summarizing project, programme support and general administrative expenses incurred during the previous year. This would be accompanied by the Administrator's progress report on programme performance, covering each country programme as well as regional and global programmes;
- (b) a statement summarizing country by country and programme by programme, UNDP activities planned for the next and succeeding years and the allocations already made.

This information would give the Governing Council a general view both of the past performance of the programme and of the main lines of its future development.

93. The Administrator's financial responsibilities would be to approve individual projects ^{1/} within indicative country programmes endorsed by the Governing Council, to make consequent allocations, and to administer the budgets for programme support and for general administrative expenses within the limits established by the Council. The Administrator would delegate

^{1/} See Chapter Five, para. 95.

some of his powers, particularly those relating to the approval of individual projects and to making consequent allocation of funds, as appropriate, to the Directors of Regional Bureaux and to the Resident Representatives. At all times, however, he would remain fully responsible for all the funds entrusted to him and would be fully accountable to the Governing Council for their use. In order to underline the Administrator's role in this respect it might be appropriate to make him the custodian of the UNDP account, instead of the Secretary-General as at present.

V. ESTIMATED COSTS OF IMPLEMENTING THE RECOMMENDATIONS OF THE CAPACITY STUDY

94. Clearly the Governing Council will wish to have a reasonable idea of the cost of the proposals advanced by the Study. Like "capacity", "cost" is not easily defined. What must concern UNDP is the ultimate cost of the operation related to the actual results achieved by the programme as a whole and by individual projects. While some idea of cost can be derived from an analysis of pre-investment projects which have, or have not, attracted investment, it is virtually impossible, for example, to assess the value or loss relative to a successful or unsuccessful institute. This is not to suggest that cost accounting is not essential for the UN development system. It is, and is mentioned earlier in this Chapter.

95. The Study has made a detailed calculation of possible costs, but after careful consideration has not reproduced it in detail in the Report for several reasons: the present lack of cost accounting, which makes it impossible to allocate expenditure to specific functions and projects; the tentative nature of projections of expenditure made for an untried system; and the impossibility of predicting inflationary movements in different parts of the world, etc. Again, when considering the figures which follow, it must be appreciated that it is very difficult to compare costs as reflected in the present financial and budgetary system and costs as they would be shown following the recommendations of the Study.

96. In common-sense terms, the operating cost in 1968 of the programme to UNDP and the Agencies, i. e. excluding direct project costs of approximately US\$180 million, appears to have been about US\$49 million, made up of:

(a) UNDP budget for programme support and general administrative expenses	US\$17 million
(b) Agencies' overhead costs reimbursed by UNDP	US\$19 million
(c) Agencies' overhead costs financed by regular budgets. ^{1/}	US\$13 million

^{1/} Studies made by several Agencies indicated that their total costs in executing UNDP projects amounted to approximately 20 per cent of the expenditure on each project.

97. Bearing in mind the reservations in paragraph 95, the cost to UNDP of the same operation, under the system recommended by the Study, is estimated to be:

- | | |
|--|----------------|
| (a) programme support services, including payments to Agencies | US\$25 million |
| (b) project overhead costs | US\$20 million |
| (c) general administrative expenses | US\$4 million |

98. The above figures are tentative but the Study considers them sufficiently reliable to indicate that the cost of running UNDP would, initially, be about the same under either system. Two major changes, however, are involved. First, the system recommended by the Study appears to raise the direct cost to UNDP from US\$36 million to US\$49 million. This figure, however, must be related to UNDP's budget for 1970 which is estimated to be about US\$6 million more than 1968. Furthermore, a significant part of the remaining US\$7 million should be offset by reductions in the budgets of Executing Agencies.

99. The Agencies, under the system recommended by the Study, would be receiving substantial amounts both for programme support and for project overhead costs. These costs, in future, could be much more directly related than at present to the services actually performed, and the Agencies should be able to make corresponding reductions in their regular budgets. No doubt governments would wish to ensure that this was done.

100. Second, when assessing the "cost" of an operation administered on the lines recommended by the Study, governments should take into account the following advantages:

- First, a rational distribution of expenditure would be reflected in accounts;
- Second, all concerned would have a much better knowledge of how money is being spent;
- Third, the principle of accountability would be applied in practice; and
- Fourth, with effective financial control, those managing UNDP should be able (at a minimum) to identify much more quickly those projects that were not justifying expenditure and eliminate them (the "deadwood"). 1/ This is where any increase in programme support costs would be more than offset by savings arising from the cancellation of unsuccessful elements in the actual development operation;
- Fifth, and most important of all, UN development co-operation would be administered systematically and efficiently, with benefit to all Member States and the UN system itself.

101. If the programme were to be doubled (to about US\$360 million basic project costs) the Study's projections, calculated under its own procedures, indicate that the aggregate costs of programme support, project overheads, and general administrative services, would be approximately US\$80 million, or 22 per cent of basic project costs compared to 28 per cent at present.

1/ Chapter One, para. 22.

SUMMARY OF PRINCIPAL RECOMMENDATIONS

1. Funds made available for development purposes through the various components of the UN development system should increasingly be channelled through one central point.
2. The accounts of the TA component and of the SF component of UNDP should be merged.
3. A financial system should be introduced which would provide the necessary framework for the UN Development Co-operation Cycle. It should comprise:
 - (a) the establishment of global indicative planning figures, approved by the Governing Council to cover a period of five years, and revised annually, and distributed between the various types of programmes and expenditures;
 - (b) the establishment of global allocation ceilings, also approved by the Governing Council for a period of five years and revised annually; the Administrator should be allowed to make allocations against anticipated income (within approved allocation ceilings);
 - (c) the introduction of a single method of financing projects based on the present financing procedures for the TA component.
4. A budgetary system should be introduced which would distinguish between three categories of expenditure, namely, project expenses, programme support expenses and general administrative expenses, and would absorb the cost of identifiable and specific support services provided by the Agencies under the first two of these heads, so modifying the present system of percentage payment for overheads.
 - (a) The project budget should include:
 - (i) all expenditures necessary for the implementation of the project, whether financed by UNDP or the government;
 - (ii) overhead costs of Executing Agencies related to formulation, technical and administrative backstopping and supervision of projects, should be progressively identified and standardized;
 - (b) The programme support services budget, approved each year by the Governing Council, should contain:
 - (i) estimates of expenditures connected with the maintenance of those units of UNDP which provide "line" authority, i. e. the Regional Bureaux at headquarters and the offices of the Resident Representatives;
 - (ii) estimates of expenditure related to "consultative services" to be provided by the Agencies in advising UNDP on programming and other general policy matters;
 - (c) The general administrative services budget, approved each year by the Governing Council, should contain estimates of expenditures connected with the maintenance of the central direction and of the "staff" services at headquarters.
5. The Agency consultative services referred to under 4 (b) should be organized and paid for under an arrangement similar to that operating between IBRD and certain Agencies.
6. A flexible formula should be worked out allowing the Administrator to finance a larger proportion of total project expenses in the case of the less well-endowed countries, while countries enjoying a more favourable economic and financial situation should be encouraged to pay a larger than normal proportion of project expenses.

7. UNDP should encourage all moves toward common budgetary and accounting practices, including cost accounting, and the introduction of programme budgeting.
8. Financial decisions having policy implications should be the domain of the Governing Council, whereas decisions on operational matters should be taken by the Administrator.
9. In conformity with the principle of his accountability for the programme as a whole, the Administrator of UNDP should be made the custodian of UNDP funds.

Chapter Ten

OTHER RESOURCES AND FACILITIESContents

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TABLE 10.1

UNDP: RATIO OF EXPENDITURE ON EQUIPMENT
AGAINST TOTAL EXPENDITURE
(Expressed in \$ million and percentage figures)

A. All Agencies, by component, cumulative from 1960 to 1968

	Equipment	Total project expenditures	Ratio (percentage)
TA	24.5	412	6
SF	113.8	440	26
Total	138.4	852	16

B. 1968 only

	Equipment	Total project expenditures	Ratio (percentage)
TA	2.7	65	4
SF	22.4	112	20
Total	25.1	177	14

SOURCE: Part V - Statistical Annex - Tables 16 and 17

TABLE 10.1

Chapter Ten

OTHER RESOURCES AND FACILITIES

"'The time has come', the Walrus said,
 'To talk of many things:
 Of shoes - and ships - and sealing wax -
 Of cabbages and kings -'"

= Lewis Carroll, Through the Looking-Glass

I. INTRODUCTION

1. This chapter considers certain ancillary resources of the programme which are, however, vital to its capacity and thus to its success. These are:

- the provision of equipment;
- the physical means of communication between UNDP Headquarters, the Executing Agencies and UNDP field offices;
- common premises at the country level for all units of the UN system concerned with development;
- common services at both field and headquarters levels.

2. Shortage of time and a limited budget for staff made it impossible to investigate all the technical and legal aspects of these problems in depth. Sufficient consideration has however been given to them to establish the nature of the improvements required and the factors needing to be taken into account. The comments which follow therefore provide the basis for any further detailed inquiries which may be deemed necessary.

II. EQUIPMENT

A. Present procedures and problems

3. Although the equipment component has represented only 16 per cent of total expenditure of EPTA, SF and of both components of UNDP since 1960 (see Table 10.1), it is a vital input, especially in SF projects; costly delays in operations can result when the right equipment is not in the right place at the right time.

4. For TA projects (formerly EPTA), equipment and supplies are specifically limited to that required for demonstration purposes in connection with expert assignments. A ceiling of 25 per cent for equipment expenditures in relation to the entire TA programme has been established but has never been reached, partly because "governments tend to consider the

Expanded Programme as a supplier of skills and apply to other programmes for necessary equipment", 1/ and partly because the established criteria of "no equipment without an expert" has inhibited some governments from making requests. In some cases governments have requested expert assistance merely in order to receive the accompanying "demonstration" equipment.

5. In the case of SF projects, equipment is looked upon as an essential capital input. There is no limitation on the proportion of expenditure which may be used for equipment and, in fact, present legislation 2/ would make it perfectly feasible for the administration to approve a project where the only input on the part of UNDP would be equipment.

6. During the life of the project, the title of equipment purchased for UNDP projects is held by the Executing Agency in their own name in the case of the TA component and in the name of UNDP for the SF component. In principle, such equipment can be transferred between projects and programmes, but it is normally handed over to the host government on completion of the project.

7. In most cases, only an estimated amount for main categories of equipment appears in the plan of operation for SF projects and in the government's official request for TA projects. After project approval, the project manager or expert draws up equipment lists in as much detail as possible and the Executing Agency takes the necessary steps to purchase and deliver the equipment. Procurement procedures vary in flexibility from Agency to Agency, both as regards international tenders and the degree of authority for small purchases delegated to the regional or country level.

8. It is interesting to note that IBRD, which uses sub-contractors exclusively for the implementation of UNDP projects, does not experience procurement problems. The sub-contractors provide any equipment required under the terms of the contracts and can do so expeditiously because they have available both the equipment required for their specialized work and personnel trained in its use. When they complete their assignment, however, they often take their equipment with them. On the other hand, a Specialized Agency directly executing a project needs to purchase any equipment especially for that project and this causes delay. This system, however, has the advantage that the equipment usually remains in the country upon completion of the project.

1/ Cf. doc. TAB/1/Rev.4, para.31.

2/ GA resolution 1240 (XIII).

9. Since Chapter Three has already analysed the problems affecting the provision of equipment ^{1/} it is only necessary to recall that the major ones are late deliveries and lack of standardization. They originate usually in inadequate planning, project formulation and equipment specification, aggravated by late appointment of the project manager, who should draw up the specifications, or because the Agency headquarters concerned changes the specifications - often for reasons of currency utilization - without checking with the field as to the suitability of the equipment selected or the local availability of spare parts. Often the various items of equipment delivered to a single project, which ought to be complementary, all have different origins and servicing situations, thus making the administration of the project unnecessarily costly. Moreover, it is self-evident that project personnel will work best with the kind of equipment to which they are accustomed, a preference again often overruled by considerations of currency utilization. It is also quite common to find in a country vehicles of different makes, some with servicing facilities, some without, attached to the various projects financed by UNDP. It is obvious that it would be best to purchase standard models, adapted to that particular country, taking into consideration terrain and servicing facilities.

10. Delays in the ordering and the delivery of equipment are often compounded by lengthy customs clearance procedures in the recipient country or by other factors such as port congestion or inadequate communications between the port of entry and the project site.

B. Recommended course of action

11. First and foremost, and in accordance with the Study's recommendation of a complete merger of the two components, the regulations concerning the proportion, use and ownership of equipment should now be standardized. The new system should preferably follow current arrangements for the SF component.

12. Secondly, all possible steps must be taken to remedy the deficiencies in the supply of equipment. The Study recognizes that this is not a simple problem. The task of procurement is rendered immensely complicated, not only by the constraints imposed by currency utilization, but also by the expectation of the governments of countries which are major producers of equipment used in UNDP projects that actual purchase orders should follow some sort of "geographical distribution" pattern. Serious attempts at improvement will therefore entail recognition that, in the final analysis, the main consideration must be the efficiency of the service performed on behalf of the developing countries. This necessarily requires some modification of present arrangements, but it should be perfectly possible to do this in a

^{1/} Para. 55.

way that will protect the interests of all concerned, including the main donor countries.

13. The Capacity Study endorses a number of suggestions which have been made both by governments, Executing Agencies and Resident Representatives, to improve existing procedures. There is general agreement that:

- (a) project managers or experts should be involved in the selection of equipment earlier than at present;
- (b) equipment should be purchased for which local servicing facilities and spare parts are available;
- (c) equipment of a similar type purchased for a single project should, so far as possible, be standardized;
- (d) arrangements should be made for strategically located central stocks;
- (e) existing procurement practices and financial regulations should be revised to make them less cumbersome (e.g. the existing ceiling on purchases not subject to bidding should be raised);
- (f) pro forma equipment specifications for many standard items, such as vehicles and drilling equipment, should be established;
- (g) to ensure better supplier delivery performance, contracts should include cancellation or penalty clauses against non-delivery by the promised date;
- (h) stock-piling agreements should be made with regular suppliers whereby they would reserve a minimum supply of standard items for UNDP;
- (i) for many categories of equipment, standardization would be advantageous and facilitate bulk purchasing with consequent economies. The central stocking of equipment and parts in strategic locations would require standardization of equipment both between similar projects and within a particular country or area;
- (j) governments should facilitate faster customs clearance of UNDP equipment.

14. Improvements of this kind should make possible a more rational approach to problems of currency utilization and geographical distribution, since these could be dealt with on a larger scale instead of an item-by-item basis. The programming pattern proposed in Chapter Five would also greatly assist by making it possible to plan further ahead and ensure, for example, that project managers are appointed well in time to order equipment. If the Study's recommendations for greater delegation of authority to the field level are also accepted it is possible to envisage the following sequence of events, where a Specialized Agency was designated to execute a project involving the supply of a considerable amount of equipment:

- (a) Project formulation would be carried out by the Resident Representative and the project manager, plus any outside assistance considered necessary.
- (b) Once the project was formulated and approved, the project manager would draw up the specifications for the equipment needed, in consultation with the Executing Agency.
- (c) After specifications had been agreed, the Resident Representative would ascertain what items on the equipment list were available locally and obtain customs-free price quotations (including advantages of any cash discounts) and delivery dates.
- (d) Depending on the equipment to be bought, he would then send the list either to a Specialized Agency purchasing unit or to the "Contracting and Procurement" unit of UNDP asking them to:
 - purchase the equipment outright not available in the recipient country.
 - obtain quotations and delivery dates from manufacturers of equipment that could be purchased in the recipient country. These quotations would be sent to the Resident Representative who would decide, in agreement with the project manager, where the equipment was to be bought depending on price and delivery dates. If it was more advantageous to buy outside the country, the Resident Representative would "contract" with the appropriate purchasing unit to make the purchase on behalf of UNDP.

Local purchasing would have the advantage of using agents who hire local staff and maintenance personnel and would have an interest in seeing that the equipment is well serviced.

15. The greater use of sub-contracting advocated by the Study should also help to alleviate difficulties over equipment for the reasons specified in paragraph 8. It should be perfectly feasible to make arrangements, where appropriate, for equipment provided under such contracts to remain in the country on completion of the project.

16. Consideration should also be given to the approval of projects in which equipment is the only UNDP input, for which, as indicated in paragraph 5, legislative authority already exists. These would be exceptional cases at the present time but it is likely that their numbers will grow as more and more countries acquire the technical expertise necessary to manage their own projects. The Administrator would naturally have to assure himself that the objectives of the project would be met by the provision of equipment only, and that the recipient government or institution had sufficiently well-trained staff to operate and maintain the equipment provided without the assistance of international project personnel. As in all other projects financed by UNDP, the Administrator would maintain overall supervision of

operations.

17. Adoption of the various suggestions in paragraphs 13-15 above would represent a great advance but, in the Capacity Study's view, is not of itself sufficient. If UNDP assumes overall responsibility for the programme it finances, as proposed elsewhere, this will include ensuring that the right amounts and kinds of equipment are purchased and delivered on time, that they are properly maintained and that suitable conditions for proper follow-up use exist if ownership is to be transferred to the recipient country. This raises the question of whether a system of central purchasing would not be more appropriate for all UNDP projects. Virtually all Executing Agencies have come out against such an idea. Yet this system is being used most satisfactorily for projects for which UNICEF provides equipment and supplies and in which these same Agencies participate.

18. The main arguments against a centralized equipment procurement arrangement for UNDP-financed activities cite the wide range of equipment involved and the many different kinds of expertise required to determine the choice of equipment.

19. On the other side of the argument, it may be recalled that specifications are worked out by project managers and experts in the field who are in the best position to decide what is needed. Again, it is evident that a centralized procurement system would help to reconcile the technical and local factors which should influence the choice of equipment with the claims of "geographical distribution". The larger the scope and the amount of equipment handled by a central procurement service, the easier that reconciliation would be. It would therefore seem that the objections to a centralized procurement system are not sufficiently convincing to warrant a summary dismissal of the idea.

20. The Capacity Study therefore strongly recommends that this question should be examined separately by a group of experts assembled by UNDP. This group should pay special attention to the experiences of UNICEF and of centralized national procurement organizations, such as the British Crown Agents for Oversea Governments and Administrations, and should preferably include members who have had direct experience of the functioning of such arrangements. Its recommendations should be prepared with special reference to the problems of currency utilization involved.

21. The Group of Experts could take into consideration the merits of a centralized purchasing system with decentralized authority to specially created purchasing units, ^{1/} or to Executing Agencies in the major supply countries or areas, as well as to Resident

^{1/} Attached, for instance, to UNDP Liaison offices, as recommended in Chapter Seven, para. 89.

Representatives and project managers in the countries themselves. Standard items in frequent use could be purchased from a central source (i. e. the Contract and Procurement office of UNDP) either directly or indirectly, i. e. through purchasing units located in the headquarters of the Agencies or in UNDP liaison offices in major supply countries, and warehoused in strategic areas. Specialized items could still be purchased through Executing Agencies' procurement units. Resident Representatives and project managers would be given increased authority to purchase equipment and supplies locally on the lines suggested in paragraph 14.

22. Without wishing to anticipate the findings of such an expert group the Study believes that, whatever the eventual decision on specialized equipment, there is certainly a very strong case for centralized purchasing of certain common user items such as vehicles, furniture, office equipment and supplies, etc. Indeed, such an arrangement could result in even greater economies if it were not applied exclusively to field operations but extended to the various headquarters of the UN development system. Further reference to this will be made in Section V.

III. COMMUNICATIONS

23. Given the complexity and wide geographical spread of the UN development system, rapid communications between the headquarters of UNDP, the Specialized Agencies and the field offices are an essential element of the Study's management concept. This, it will be recalled, advocates optimum decentralization to the country level, with increased authority for the Resident Representative combined with firm policy and overall direction from the centre. At present, however, the communications system as a whole is not efficient and is responsible for some of the delays which lead to the criticism that the system is slow in acting. Moreover, bad communications add unnecessarily to overhead expenses. Not all the failings are within the control of the UN organizations, but much could be done by them to improve matters.

24. A survey conducted for UNDP in 1967-68 by a consulting firm showed that, on average, seventeen and a half days elapsed between the despatch of a letter from a field office to UNDP headquarters, whether by pouch or airmail, and the receipt of a reply. 1/ Of these, eight and a quarter days were outside the control of UNDP, being taken up by pouch handling by the UN and air transportation. The minimum time for the slowest 20 per cent of the mail to reach UNDP Headquarters from the field was eight and a half days and ten and a half days from headquarters to the field.

1/ No survey was made of the substance of these communications, to ascertain whether urgent matters needing discussion or guidance were dealt with in letters or, conversely, whether cables were sent on non-urgent matters.

25. The average cable cycle was estimated to take seven and a quarter days, of which one and a half days were needed for transmission and handling. In 20 per cent of the cases, the minimum transmission and handling time was three days.

26. Often UNDP Headquarters can reply to the field only after consulting a Specialized Agency or other institution, and here also inter-communications tend to be slow. Each cumulative delay multiplies the total to a point where several weeks may elapse before a reply can be sent.

27. If UNDP field operations are to increase their impact, it is obvious that project operations which currently involve UNDP and the developing countries in a total outlay of over US\$2 billion cannot be delayed for an average of eight to seventeen days, and sometimes much longer, while a reply on an operational matter is awaited from a decision-making centre.

28. Moreover, it is obvious that the effectiveness of the Information System described in Chapter Six is dependent to a significant extent on efficient communications.

29. Another problem is the lack of adequate communications within some of the developing countries. Often, large projects or individual experts are located in regions where communication facilities with the field office headquarters in the capital city are inadequate, or non-existent, and operations are often delayed as a result.

30. Where such deficiencies exist they also make it difficult, if not impossible, for the Resident Representative to carry out effectively the responsibilities for ensuring the security and protection of all UN personnel stationed in the country which are often assigned to him by the Secretary-General. In a few cases, arrangements have been made with the host government for providing communication facilities to projects in remote areas but these instances are rare and the overall need remains great.

31. Several improvements are now being introduced by UNDP or are under consideration, but the Capacity Study believes that it is not possible to recommend any major communications improvements without making a country-by-country survey. It therefore recommends that UNDP, as the largest user, should take the initiative in organizing a group of specialists to undertake this survey, in co-operation with ITU, UPU and the services of the UN telecommunications unit. The group's terms of reference should cover economic as well as technical aspects. Consideration should be given to:

- (a) the anticipated communication needs in each country, based on planned programmes;
- (b) existing and projected improvements in communication facilities in the country and region;

- (c) time differences between UNDP Headquarters, Agency headquarters, and field offices;
- (d) the cost benefit of installing telex facilities where practicable;
- (e) direct links with regional centres with sub-links to neighbouring countries;
- (f) arrangements for radio links within the country;
- (g) increasing the frequency of pouches;
- (h) better arrangements with commercial airlines for immediate delivery of pouches;
- (i) more information to personnel throughout the system to make them "pouch date and closing" conscious;
- (j) increased use of "lettergrams" - e.g. UNESCOGRAM, FOODAGRAM, WHOGRAM.

32. The country surveys should lead to the formulation of overall conclusions and policies for the improved use of the various communication facilities (pouch, airmail, commercial cables, telephones, telex, radio links) and for the establishment of new facilities (e.g. the installation of a widespread network of telex facilities, of an independent UNDP pouch system, of additional radio links, etc.). The group should give urgent attention to the speeding up of communications between UNDP Headquarters and the Executing Agencies. The improvements suggested may lead to apparent additional costs, but the Capacity Study is convinced that a small investment in better communications would pay for itself many times over in increased efficiency and would reduce the hidden overhead costs that result from current delays. With adequate decentralization, as advocated elsewhere in the Report, there should be fewer communications to the field on routine matters, but when the need does arise for rapid communication, the most advanced methods should be available.

IV. COMMON PREMISES

33. It is self-evident that common premises at the country level for all components of the UN development system would result in greater administrative efficiency, easier co-ordination and considerable economies. As the Secretary-General has pointed out on a number of occasions, the present situation is highly unsatisfactory. In many countries the various offices of the UN system are scattered all over the capital city and are often sub-standard and non-functional. At the regional level the problem is compounded by the lack of any uniform pattern of representation, already described elsewhere. 1/

1/ Chapter Three, para.150, and Appendix Three in Part V.

34. The problem has been recognized for many years and has long been under discussion - e. g. in ACABQ, in the Governing Council and in ECPC, to mention only a few bodies. Yet the difficulties in providing a viable solution have proved so great that little progress has been made. The main problem is financial. In general, host governments are expected to provide offices for UNDP and other components of the UN development system at the country level, and most of them contribute to a greater or lesser extent, in the form, and at the level, appropriate to their circumstances. The rental or construction of more suitable accommodation would almost everywhere entail considerable extra expenditure beyond the means of the government and not permitted by the present policies of UNDP and the other Agencies concerned. In at least one instance this has caused a generous offer by a host government to provide the land free of cost and finance half the construction costs of a building large enough to house all UN organizations, to be turned down by the Governing Council. 1/

35. A way out of this impasse must be sought urgently. After due consideration of all the arguments and of the various initiatives taken at one time or another, the Study believes that the best hope of making progress is provided by the draft recommendation submitted to ECPC by the delegation of Malta at its resumed second session. 2/ Briefly, this proposes that:

- (a) immediate steps should be taken to ascertain the exact position in each place, through annual reporting based on an agreed questionnaire to be devised by ACC;
- (b) the obligations of the local government should be limited to the following, unless of course additional obligations are freely assumed:
 - (i) land provided free of charge;
 - (ii) 25 per cent of construction costs in local currency or in services (labour, for instance);
 - (iii) exemption of building from taxes or rent;
 - (iv) payment of 75 per cent of depreciated value in the event of the building becoming surplus to United Nations requirements.
- (c) the United Nations should assume responsibility for maintenance of completed buildings and for the remainder of the construction costs to be financed by a revolving construction fund made up of voluntary contributions

1/ Decision at its 171st meeting on a proposal to construct common premises in New Delhi (See UNDP, Report of the Governing Council, Eighth Session, op. cit., paras. 308-311).

2/ See Common Premises, submission by the delegation of Malta (to ECPC), (doc. E/AC.51/GR/L.15 of 23 June 1969). At its latest meeting, ECPC recommended that the reconstituted CPC should be asked to study this question as a matter of urgency, in close consultation with ACABQ and ACC.

and administered by the Secretary-General in accordance with policy guidelines established by the Committee composed of representatives of contributing governments;

- (d) all UN organizations established in each location should make use of the building and pay rent in freely convertible currency in proportion to the space occupied; the total annual rent in each case not being less than 10 per cent of the capital cost of construction;
- (e) ACABQ should be asked to study the feasibility of this study and the best way of carrying it out.

While not all of these proposals may find acceptance, they certainly merit further examination. The Study strongly endorses the suggestion of a feasibility study and recommends that it should be carried out as a matter of urgency. UNDP, as the principal interested party, should take an active part in bringing this about.

36. It should be noted that the Study's proposals for a more integrated approach to all phases of field operations of the UN development system make the establishment of common premises imperative. At the same time the Study's proposals for the integration of field representation set out in Chapter Seven 1/ should make the consolidation of office accommodation much easier to bring about, and reduce the frictions which might otherwise arise and to which the Maltese delegation's draft refers. The Study's recommendation for an examination of the possibility of relocating regional offices on a more rational basis 2/ is also directly germane to this question.

V. COMMON SERVICES

37. Common services at the country level offer the same advantages as common premises, but it is obviously difficult to operate them to their fullest effect without common premises. The latter must be a first objective therefore and, in their default, common services can be introduced only to the extent permitted by the varying circumstances in each place.

38. But the issue of common services transcends the field level, affecting also the headquarters of the components of the UN development system. The two cannot be considered in isolation and together have a direct bearing on capacity. From the evidence available to the Study it appears that sufficient attention has not been given to the possible improved efficiency and undoubted resulting economy by the organizations jointly reaching arrangements to use

1/ Paras. 85-86.

2/ See Appendix Three in Part V.

common services, particularly common supply services. A considerable degree of standardization in the use of equipment and supplies could be achieved throughout the system, notably furniture, office equipment and supplies, vehicles, etc. There is also a possibility of standardizing certain types of forms and procedures which are standard operating procedure for most or all of the organizations.

39. One of the main reasons why this has not happened, despite many initiatives and discussions in the past, seems to have been the absence of any specialized entity which could perform certain services on behalf of the various organizations making up the UN system and achieve common understanding and agreement in others of mutual interest. It is not too late for such a body to be set up, even though it would clearly have been useful if this could have been done from the inception of the international organizations, since it would have helped to prevent the immense diversity of administrative and supply procedures which now exist. It is therefore recommended that a separate inquiry be undertaken to determine the feasibility of establishing a separate entity with responsibility for undertaking general and common service functions of the kind outlined above on behalf of all organizations in the UN development system. In the course of such an inquiry other additional functions might well emerge. The inquiry should consider the following:

- (a) the functions to be covered by such a body;
- (b) their scope and feasibility, together with indications of limitations;
- (c) the methodology and machinery to be employed.

40. It will be noted that this proposal is closely related to the proposal for examining the feasibility of a centralized purchasing system made earlier, and particularly to the considerations set out in paragraph 22. It would therefore be appropriate if the two inquiries could be combined under the aegis of a single expert group. UNDP should also take the initiative here.

SUMMARY OF PRINCIPAL RECOMMENDATIONSEquipment

1. Regulations concerning the proportion, use and ownership of equipment should be standardized.
2. Present deficiencies in the supply of equipment should be remedied by taking the following measures:
 - (a) project managers or experts should be involved in the selection of equipment earlier than at present;
 - (b) equipment should be purchased for which local servicing facilities and spare parts are available;
 - (c) equipment of a similar type purchased for a single project should, so far as possible, be standardized;
 - (d) arrangements should be made for strategically located central stocks;
 - (e) existing procurement practices and financial regulations should be revised to make them less cumbersome;
 - (f) pro forma equipment specifications for many standard items, such as vehicles and drilling equipment, should be established;
 - (g) to ensure better supplier delivery performance, contracts should include cancellation or penalty clauses against non-delivery by the promised date;
 - (h) stock-piling agreements should be made with regular suppliers whereby they would reserve a minimum supply of standard items for UNDP;
 - (i) for many categories of equipment, standardization would be advantageous and facilitate bulk purchasing with consequent economies;
 - (j) governments should facilitate faster customs clearance of UNDP equipment.
3. Consideration should be given to approval of projects in which equipment was the only UNDP input, provided technical co-operation objectives were being met and recipient institutions had sufficiently well-trained staff to operate and maintain the equipment provided.
4. UNDP should convene a group of experts from both within and outside the system to examine the merits of a centralized purchasing system, with decentralized authority in specified cases to
 - (a) specially created purchasing units;
 - (b) executing Agencies in major supply countries or areas, and to Resident Representatives and project managers.

Communications

5. UNDP should organize a group of specialists to undertake a survey of the needs of the United Nations development system with a view to introducing faster means of communication. The survey would take into consideration the economic as well as the technical aspects of telecommunication links, and also mail and diplomatic pouch services.

Common premises

6. Urgent steps should be taken to provide common premises at the country level for all UN organizations. The suggested feasibility study of the specific proposals made by a member of ECPC should be undertaken as soon as possible by ACABQ.

Common services

7. An enquiry should be organized to determine the feasibility of establishing a separate entity with responsibility for undertaking general and common service functions on behalf of all organizations in the UN development system, including the purchase of common user items such as furniture, office equipment and supplies and vehicles. It could be combined with the enquiry to be undertaken for a centralized equipment purchasing system.

PART V

APPENDICES

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Appendix One

TERMS OF REFERENCE AND METHODOLOGY

I. TERMS OF REFERENCE

A. Introduction

1. At the Fifth Session of the Governing Council held in January 1968, the Council considered a study presented by the Administrator containing the results of his assessment of the needs of the developing countries. 1/ This was the first part of the Administrator's response to the Council's request formulated and elaborated during the Second, Third and Fourth Sessions for a realistic assessment of developing countries' needs related to the administrative capacity of the United Nations system to programme and implement the assistance required.

2. In presenting this report, the Administrator observed, inter alia, that, in his view, it confirmed the necessity for a clearer definition of the role which the UNDP should play in the immediate future. As regards the capacity of the UNDP system to carry out a much larger programme of assistance, the Administrator stated his intention -- now that the essential first step of assessing the magnitude of the need had been taken -- to examine the question in consultation with the Agencies, report progress to the Sixth Session of the Governing Council, and submit a full report for the Seventh Session.

3. The foregoing summary will suffice to indicate the genesis of the Capacity Study and its relationship to the magnitude of the operation it was considered faced the UNDP and the Agencies. The Administrator proceeded with his consultations with the Executive Heads of the Agencies and in his progress report to the Sixth Session of the Council 2/ was able to inform it:

- (a) That the initiative to carry out a capacity study had the unanimous and whole-hearted support of the Executive Heads of the Agencies;
- (b) That the consensus reached during the IACB meeting had been reflected in provisional terms of reference which would shortly be agreed upon by members of IACB; and
- (c) That in the view of the IACB "the study should accept as a basis the accumulated knowledge of the participating and executing agencies with their specialized

1/ Doc. DP/L. 57 and Corr. 1 and 2

2/ Doc. DP/L. 79.

approaches to the various aspects of development problems, and it should have as its aim the further harmonization of these approaches and activities with a view to achieving the maximum impact of the programme as a whole. The study should also aim at a clear definition of the respective responsibilities of UNDP and the participating and executing agencies for programming, execution and follow-up."

4. The terms of reference to which the Administrator referred in this progress report were as follows:

"The Objectives and the Scope of the Study

1. The objective of the Study is to make a series of recommendations for the further development of an efficient and economical system of formulating and delivering a Programme composed of projects truly responsive to the ascertained needs and priorities of the developing countries, as requested by them, and also reflecting the policies of international organizations.

2. Bearing in mind the very rapid growth of the present Programme, the Study must first submit it to an objective and searching analysis as regards its character, its formulation and its implementation. The Study should then examine the implications which would follow from the doubling of resources available for international pre-investment assistance within the period of the next five years.

3. The Study must embrace the UNDP activities as a whole and consider their relationship to other operational programmes of the UN family. It will take into account past experience and relevant enquiries in the field of development assistance, such as the formulation of the objectives of the 'Second Development Decade'. It is realized, however, that the Study cannot include an exhaustive enquiry into trends and desirable future contents of all the development operations now being carried out by the organizations affiliated with the United Nations, and it should not duplicate enquiries into areas already adequately covered.

4. The Study should accept as a basis the accumulated knowledge of the Participating and Executing Agencies with their diverse approaches to the various aspects of development problems, but it should have as its aim the harmonization of these approaches and activities with a view to achieving the maximum impact of the Programme as a whole. The Study should therefore aim at a clear definition of the respective responsibilities of UNDP and of the Participating and Executing Agencies for programming, execution and follow-up.

The Character of the Programme

5. The Study must therefore take into account possible modifications to the character and content of the Programme that may become necessary in the future, particularly where these would have a direct bearing on the capacity of the United Nations system to carry out the UN Development Programme.

The Formulation and Appraisal of Projects

6. The Study will be expected to examine carefully ways and means for the further development of the most efficient arrangements for the formulation and appraisal of projects at all levels of consideration, i. e. at the level of the country, of the region, of the Agencies and of the UNDP. Due consideration should be given to the capacity at the international as well as national level to give efficient support to individual projects.

7. The Study should also examine the contribution of the regional Economic Commissions of the UN in the formulation of projects and programmes.

The Execution and follow-up of Projects

8. The problems of project execution are the next important field which should be subjected to thorough examination. A fresh look at all the phases of execution will need to be taken, including, among others, the recruitment of experts, the procurement of equipment and the various aspects of training.

9. The follow-up of projects to achieve full utilization of the results of international assistance should also be the subject of examination leading to appropriate recommendations.

Evaluation of Projects and Programmes

10. Evaluation of projects and programmes should also be examined.

Staffing, Financing and Field Organization

11. The implications for the staffing and for the financing of the administration of the operational activities both of the UNDP and of the Participating and Executing Agencies, should be examined in the light of the conclusions reached by the Study with regard to programming, implementation, follow-up and evaluation.

12. Finally, the important question of field organization, including the role and functions of the Resident Representatives and of regional as well as local offices and representatives of the Agencies should be reviewed with a view to formulating appropriate recommendations.

Parallel Study of Overhead Costs

13. Further to paragraphs 11 and 12 above, it is understood that, parallel to the Capacity Study, a separate but related study of the question of overhead costs will be undertaken at the request of the Governing Council of UNDP. It is also understood that arrangements will be made for the efficient correlation of the two studies."

5. These terms of reference were regarded as provisional until experience was gained with the Study. In the event, they were accepted by all concerned, but the word "provisional" was never formally removed. The IACB had also agreed that the Study should be entrusted to one person in order to obtain an independent and objective assessment of the present operation and the implications which would follow from the doubling of resources available for international pre-investment assistance (i. e., UNDP) within the next five years. Accordingly, the Administrator invited Sir Robert Jackson to serve as Commissioner and to undertake the Study. He agreed to do so on the understanding that the Study would be conducted on behalf of IACB collectively and that governments would support the Study.

B. The Governing Council's views

6. The Governing Council of UNDP met in June 1968 and discussed the progress report 1/ submitted by the Administrator on the Capacity Study; the provisional terms of reference were

1/ Doc. DP/L. 79.

not available as they were still under review by the Executive Heads of the Agencies. However, in his report,^{1/} the Administrator summarized the salient points of the draft terms of reference. After considerable debate, the Council agreed that the Study should proceed and took the following decision, subject to the reservation expressed below:

"The Council,

- (a) Takes note of the progress report contained in document DP/L. 79;
- (b) Expresses its appreciation of the readiness of the participating and executing organizations to support the study of administrative capacity of the United Nations system to programme and implement a growing United Nations Development Programme;
- (c) Decides that in the preparation of the study, United Nations bodies such as the Committee for Development Planning, the Committee of Seven on the Reorganization of the Secretariat, the Advisory Committee on Administrative and Budgetary Questions, the Committee on Programme and Co-ordination and the Enlarged Committee, and the United Nations Joint Inspection Unit, should be consulted and their relevant work taken into account;
- (d) Requests the Administrator to have included in the terms of reference of the study as defined in paragraphs 6-8 of document DP/L. 79 the following:
 - (i) the most efficient arrangements for the 'appraisal and processing' of project requests,
 - (ii) any aspect of the present process of project formulation and execution that has a bearing on the administrative capacity of the United Nations system, such as organizational and structural matters, the use of inter-governmental organizations not only within but also outside the United Nations family for project execution, problems inherent in the implementation of inter-agency projects and ways and means of solving these problems and in general, the most effective utilization of the resources and finances of UNDP in the interests of the developing countries,
 - (iii) consideration of general principles concerning administration, staffing and financial implications;
- (e) Requests that in general, the various views and observations made by members of the Council at the sixth session on the terms of reference of this study and the manner of its implementation should be taken into account in the preparation of the study;
- (f) Decides that the consultants to be appointed should include a number of experts to be selected from countries of different social and economic systems on the basis of their personal qualifications and expertise and taking into account the need fully to utilize the experiences of the developing countries in the preparation of this study;
- (g) Decides that these experts should be consulted on a regular basis at different stages of the preparation of the study;
- (h) Decides that the original text of the study and any interim reports on its progress should be submitted to the Council, with any comments and viewpoints of the members of the IACB and of the consultants on the final report to be annexed to the report;

^{1/} Doc. DP/L. 79, paras. 6-8.

- (i) Approves the estimate of expenses; in the total amount of \$90,500, to be borne directly by the 'Capacity Study' in the period ending 31 December 1968;
- (j) Authorizes a special allocation in the amount of \$90,500 under a separate ad hoc Section 6 ('Capacity Study') of the Administrative and Programme Support Services budget for 1968, to be financed to the extent of 64 per cent, or \$57,920, from the resources of the Special Fund component, and 36 per cent, or \$32,580, from the resources of the Technical Assistance component.

86. This decision was taken subject to the reservations of one member on paragraphs (d), (f), (g) and (h). Another member stated that his delegation understood 'consulted' in paragraph (c) of the decision to mean little more than 'taken into account'."

7. During the meetings of the IACB and the Governing Council, some representatives expressed the hope that the Commissioner would "pull no punches", "be bold and imaginative" and, above all, be "independent". Other members also suggested that the Report on the Study should be "hard hitting" and written in "non-UN language".

8. Sir Robert Jackson agreed to serve as Commissioner on 8 July 1968.

9. At the 45th session of ECOSOC on 8 July 1968, the Secretary-General observed:

"I would also welcome the decision to undertake a study of the capacity of the United Nations system to carry out an expanded development programme. As its terms of reference are now formulated, it is of a far-reaching nature. It should try to formulate and answer a number of questions, some of them difficult, on the functions, the content, the strategy, the programming procedures, and the operative methods of the United Nations system in a large part of its technical co-operation and pre-investment activities.

It is also encouraging that the Study was commissioned to Sir Robert Jackson ... (who will formulate) suggestions designed to make our programmes and efforts more effectively geared to the needs of our Member countries. This is the sort of collective initiative which I believe most Member Governments are expecting from us and which may help to convince them that we are constantly applying our minds to reassess our past performance, that we take nothing for granted and that, when necessary, we are ready to give away that part of our habits which is no longer valid."

10. At the Seventh Session of the Governing Council in January 1969, a further progress report by the Administrator 1/ was considered; this contained a report by the Commissioner covering the period until mid-November 1968 which outlined the steps he had taken to prepare his Report and recommendations. In introducing the Report, the Commissioner stressed the importance of holding consultations with governments and with organizations within and outside the United Nations system. In this connection, he remarked that the Capacity Study seemed to have become something of a focal point for everyone dealing with United Nations development work. The Commissioner also warned against a possible tendency to burden the Study with a large number of valid but loosely-related problems which would tend to lead to a hotch-potch

1/ Doc. DP/L. 91.

of unrelated proposals instead of the comprehensive framework which would be a prerequisite for future action. 1/

11. The members of the Governing Council welcomed the Commissioner's progress report and in the course of the debate many of them referred to issues which they considered of main interest for the Commissioner's study. Among the points made by members were the following:

- the need to examine new types, fields or trends in the assistance provided to recipient governments;
- the role and relative sizes of pre-investment and investment activities;
- the relations between bilateral and multilateral aid, their respective importance and role and their co-ordination to achieve the best results;
- the influence of the complexity of the present system for multilateral aid on its practical efficiency;
- the modifications required in the structure of the different parts of the present system to improve efficiency;
- the procedures for handling project requests within UNDP and the Agencies, with a view to improving efficiency;
- problems of staff reassignment should savings be obtained by improved organization;
- machinery for continuous co-ordination between long- and short-term objectives of the assistance provided;
- definition of an ideal multilateral system and description of the practical steps required to achieve such objectives;
- the problems encountered with centralization and decentralization of the present structures and their advantages and drawbacks;
- methods of evaluation of the programmes to avoid duplication or lacunae between various undertakings;
- the question of quantitative evaluation of the assistance given in terms of the ratio between project costs and overheads;
- the methods and rationale used in determining satisfactorily the overhead costs to be allocated to the UNDP secretariat and to the Agencies;
- recommendations on the United Nations bodies best suited for such a study;
- the possibility for the present system of carrying out increased assistance without significant increases in overheads;
- the question of an integrated approach for developing and implementing projects in which several Agencies are involved;
- the role of the Resident Representative in programme planning and co-ordination, so as to offset the dangers of duplication inherent in the overlapping fields of competence of the Agencies;

1/ Doc. E/4609, paras. 102-106.

- the system of technical field advisers in relation to that of Agency field representation, and the overall costs involved; and
- the means of attracting and retaining qualified people to enable the system to provide efficient assistance.

12. Most members, while welcoming a broad review of multilateral aid, expressed concern at the number of questions referred to the Study and welcomed the Commissioner's statement that he would concentrate on priority matters.

13. At the conclusion of the debate, the Council noted the progress report and the statement of the Commissioner and invited him to take into account, in the further work of the Study, the views expressed by members of the Council during the discussion.

14. At this session, the Council also had before it a report from the Administrator on the question of data storage and retrieval. ^{1/} The Council approved the proposal contained in paragraph 12, namely,

"In view of the close relationship that any information system should have to an overall system for development planning and management the (information) study would be carried out as an extension of the Capacity Study."

15. At its eighth session in June 1969 the Governing Council took note of an oral report from the Commissioner and

- (a) decided that the final report of the Commissioner should be submitted to governments, the UNDP and the Participating and Executing Agencies simultaneously, if possible not later than the beginning of December 1969;
- (b) decided that a preliminary review of the report at its next session in January 1970 would serve a useful purpose and that a special session of the Council should be held in March 1970 for the substantive consideration of the report;
- (c) requested the Administrator to ensure that the services of the Commissioner would be available for assistance and advice to the Council during the consideration of his report, and further if required.

C. Conclusions

16. No further formal additions to the Terms of Reference were made but in later discussions of the subject the Commissioner was frequently requested to take into account factors considered to be relevant for his work, while on other occasions action has, by agreement, been postponed on matters likely to be dealt with by the Capacity Study. It may be appropriate at this point to make the following comments on the Terms of Reference as they finally appear:

^{1/} Doc. DP/L. 99.

First, the IACB placed great emphasis on the requirement that the Study should reflect the judgement of one man. The members of the Governing Council, however, stressed that the Study should not reflect the views of one man, but should take into account all shades of opinion and thought. In the event, the Study does take into account a very wide range of shades of opinion and thought, but in the last analysis does reflect the judgement of one man after taking into account those opinions and thoughts.

Second, only after accepting the appointment did the Commissioner become fully aware of the extent to which the problems he was asked to examine were also subject to study by the Enlarged Committee on Programming and Co-ordination.

Third, the risk that the Study might exceed its Terms of Reference. On this point, at least five factors should be taken into account:

- (a) The implications of the word "capacity" which is discussed in this Appendix in Section II;
- (b) The fact that the operations of UNDP are now inextricably involved with the entire UN development system and, as such activities increase, it will become progressively more difficult to discover the precise limits of UNDP's responsibilities;
- (c) Throughout the Study, there has been an ever-increasing tendency, both on the part of governments and of the United Nations development system itself, to refer more and more questions to it;
- (d) The need for the Study not to lose sight of the clear guidance contained in GA resolution 2188(XXI);
- (e) The insistence of the IACB and of many governments that the Study be undertaken with imagination, boldness and independence.

II. METHODOLOGY

A. Introduction

17. These methodological explanations have two main purposes: first, to discuss the concept of "capacity" in both its international and its national connotations and to show the reasoning which underlies a good deal of the Capacity Study's inquiry, and second, to describe the method of organizing the inquiry in such a way as to elicit clear-cut judgements without being burdened by a mass of detail, despite the extremely wide ramifications of the subject.

18. Both kinds of explanation may be helpful to the reader, but in addition it is hoped that they may be of use for any further studies of this nature which the UN development system may decide upon.

19. The Capacity Study was by no means a conventional commission commencing with carefully constructed terms of reference which remain unchanged throughout its life, proceeding to the examination of documents and witnesses in orderly sequence, and culminating in thorough Commission debates on the text put forward by interested Commissioners or the Secretariat.

20. Like the UN development system it was studying, the Capacity Study grew, and at a great pace, while it was in progress (see Terms of Reference). These Terms of Reference became a matter of interest to a large number of UN and other authorities, each of which thought it advisable, and rightly so, that the Study should "take account of" some new factor. There was also an invisible addition to its responsibilities in the number of decisions it was considered wise "to postpone pending the publication of the Capacity Study". The charge given to the Commissioner in formal terms was therefore only the tip of the iceberg.

21. Neither the collection of statistics of information nor their analysis was a routine matter; this subject is referred to elsewhere but here, at least, it may be said that certain vital basic aggregates and some essential data still elude the Study because they are simply not available.

22. Finally, the Study's task was made more difficult by a production time-table which had to take into account not only final drafting of the text and its approval, but also its translation and reproduction in the working languages and its distribution to governments for consideration prior to the Ninth Session of the Governing Council in January 1970.

23. If the preceding three paragraphs convey in some degree the difference between a governmental commission of inquiry and the Capacity Study, they will usefully serve to introduce the following account of the manner in which the Study was actually organized in order to carry out the Terms of Reference as fully as possible in relation to an extremely complex system combining many independent entities, grappling with difficult policy and operational problems in practically every country of the world. This was the first venture of its kind; later investigations may thus benefit from this record.

24. To balance these organizational problems, reference may also be made to the difficulties surrounding the concept of "capacity". Of what did the United Nations development system's capacity consist? What were the constraints restricting it and the advantages it enjoyed? Although at first sight these were topics already well understood, it became necessary to re-examine many well-established views, define terms anew and ask fundamental questions as to How and Why the United Nations was concerned in such matters. The answers will be found throughout Part II of the Report. It may be helpful here to provide some of the background to the questions which were asked.

B. A methodology for the analysis of the capacity of the UN development system

25. As already indicated at the beginning of Chapter Three, any analysis of the capacity of an organization must necessarily be carried out in terms of the objectives established for that organization. The following notes indicate the lines along which the present capacity of UNDP has been examined, suspending for the moment consideration of any changes in the character and content of the programme which might be considered desirable. They therefore start from the premise that the objectives of the programme are as established by the various resolutions setting up the programme and its forerunners. The salient points of these resolutions to be noted in this context have already been quoted in paragraph 3 of Chapter Three. The leading resolutions in this sense adopted by the General Assembly and by ECOSOC are as follows:

GA resolution 200(III)

"Technical Assistance for Economic Development" (1948).

ECOSOC resolution 222(IX)

A. "Economic Development of Under-Developed Countries" (1949);

B. "Expanded Programme of Technical Assistance for Economic Development of Under-Developed Countries: Relations between the United Nations and Regional Organizations" (1949).

GA resolution 304(IV)

"Expanded Programme of Technical Assistance for Economic Development of Under-Developed Countries" (1949).

ECOSOC resolution 542 (XVIII)

"Technical Assistance" (1954)

GA resolution 1240(XIII)

"Establishment of the Special Fund" (1958)

GA resolution 2029(XX)

"Consolidation of the Special Fund and the Expanded Programme of Technical Assistance in a United Nations Development Programme" (1965).

26. These resolutions established the salient features of the present objectives and character of the programme and the concept of present capacity has to be considered in their light. The Capacity Study, however, was also required to consider the future capacity of the system in quite specific terms. For its examination of this question, the Study considered that the criteria established by the General Assembly, as part of the terms of reference for ECPC, in resolution 2188(XXI), admirably served this purpose.

27. Capacity may be examined under two aspects: the quantitative, relating to the volume of activity planned and undertaken, and the qualitative, i. e. , the quality of the operation, the operators and their performance. Both of these aspects may be further subdivided. The first lends itself to a considerable degree of statistical measurement, but the second is much harder to assess, since it inevitably involves subjective and value judgements; nonetheless, it is probably more important in terms of the real impact of the co-operation afforded to the development process.

C. Quantitative capacity

28. The effectiveness of the system is obviously conditioned by the amount of international resources which are available to the UN system in carrying out its programme of development co-operation. These resources can be divided into two categories: financial and human.

29. No further detailed analysis is attempted about financial resources, firstly because it is assumed that the Study is to take the two hypotheses of present resources, and a possible doubling of resources within a few years, as given; and, secondly, because the Pearson Commission has estimated the requirements of the developing countries through multilateral channels. The Pearson Commission calculations are described in more detail in the chapter on "The Next Twenty-Five years" 1/ and it is sufficient to recall here that they recommend an increase in the percentage of multilateral development co-operation in the total picture of external resources available to developing countries from 10 per cent to 20 per cent. While this refers to both financial and technical flows, it would imply a proportionate increase in the technical co-operation undertaken by the UN development system. 2/

1/ See Chapter Four, para. 3.

2/ It may be noted here that the analysis of future needs for pre-investment assistance from UNDP for 1968-70, carried out by Dr. H. Singer, estimated that by 1970 more than twice the volume of 1968 contributions would be needed (doc. DP/L. 57 of 15 November 1967, paras 15 and 16).

30. Secondly, there is the question of how far these international resources can be matched by the local resources, both human and financial, required on the part of the developing countries in order to carry out their share of the programme – in other words, the measurement of the absorptive capacity of the recipient countries. It may be argued that this is unrelated to the capacity of the UN system as such, but it is evident that, even if the system were 100 per cent efficient, it would not have the capacity to deliver an effective programme if the country toward which it was directed could not make use of it. Such a constraint would also defeat the essential purpose of the programme, which is to help countries to help themselves. In the final analysis, therefore, it becomes a test of the capacity of the UN development system to respond to the needs of countries at varying levels of development and with varying types of problems. Hence there is a need for a more positive approach to absorptive capacity, a theme elaborated in Chapters Four and Nine.

31. Thirdly, the capacity of the UN system is reflected in the degree to which its development co-operation programme achieves its quantitative objectives. The extent to which this is possible depends on a number of factors, among which one may list the following:

- the efficacy of the methods of technical assistance used;
- the quality of the original project preparation;
- the degree to which the original project description specified quantitative objectives;
- the adequacy of delivery by the responsible Agency – (quantitative);
- the quality of execution by the responsible Agency;
- the quantity and quality of the support given by the government in terms of counterpart staff, accommodation, transport and other facilities, budgetary and administrative support, any necessary legislative action, etc. ;
- the degree and efficacy of follow-up action (including investment) once the project is completed.

D. Qualitative capacity

32. While high quantitative performance is necessary in order to establish the basis for effective development co-operation, it is in itself of little value unless a high standard of quality is achieved. Thus, it would be foolish to claim that an Agency has met its commitments by supplying six experts needed for a project on time, if those experts were not qualified to carry out the work entrusted to them. When qualitative shortcomings are glaring, as in this illustration, they are easy to pick up; in the majority of cases, however, the deficiencies are more subtle and often elude objective measurement.

33. Here also, the problem has three categories:

- the quality of the international resources available to carry out the programme;
- the quality of the resources available in developing countries to carry out their part of the programme (again, the question of their absorptive capacity);

- the degree to which the programme has achieved its qualitative objectives and made an effective contribution to the development of the country.

34. Quality on the international side depends principally on the quality of the human resources used by the programme, that is to say, the quality of the staff (professional and other) at UNDP and Agency headquarters and at the field level. Consideration of the factors which bear on the quality of the staff reveals a whole series of linkages. The most important of these may be listed as follows:

- the methods of recruitment and criteria for selection of personnel;
- the adequacy of briefing;
- the conditions of service and levels of remuneration;
- personnel management;
- pre- and in-service training arrangements;
- the adequacy of backstopping;
- the quality of management at UNDP and Agency headquarters and at the country level which, in turn, depends on
- the quality, experience and training of the people concerned;
- the efficiency of the management techniques used and the degree to which functions and responsibilities are clearly and rationally allocated within the system;
- the adequacy of the organizational structure of the different components of the system and of the relationships between them at the headquarters, regional and country levels;
- the efficiency and adequacy of the procedures applied to the programme which, ideally, should be simple and flexible.

35. A similar analysis of the quality of the resources available in the developing countries to carry out their part of the programme, i. e. , the absorptive capacity, leads to the singling out of the following factors:

The quality of counterpart staff which, in turn, relates to:

- the adequacy of basic educational and specialized training facilities;
- salary levels and conditions of service;
- personnel policies;
- the quality of local administration and financial management;
- the adequacy of the organizational structure of government generally and of the specific institutions most directly involved;
- the policies and attitudes of the government;
- the attitudes of local people most directly concerned with programmes and projects.

36. When an assessment has to be made of the contribution made by the programme of development co-operation to development in the sense of achieving an improvement in the quality of life in developing countries, new and very complex factors are involved. Moreover, when the resources are as limited in relation to the size of the problem as those of the UN

development system, the task is even harder, though it must be undertaken. However, the main qualitative influences can be distinguished, namely:

- the efficacy of the technical assistance methods used;
- the degree of relevance which the original programme and/or projects bore to the development needs of the country in question;
- the quality of project formulation;
- the degree to which the original project description specified qualitative objectives;
- the quality of execution by the responsible Agency;
- the quality of support given by the government in terms of counterpart personnel, facilities, supporting legislation, and consistent policies in the field of the project and those areas of activity most nearly impinging on it;
- the degree and efficacy of follow-up action once the project is completed;
- a whole host of other inter-related factors, affecting the development process, some of them quite intangible, many of them outside the direct competence or sphere of influence of the UN - e. g., the political, economic and social structure of the country concerned, traditional attitudes of the population, policies of the government, local administrative structures, the difference between growth and development, trade policies of developed countries etc. etc.

E. Conclusions of the analysis of capacity

37. The following conclusions may be drawn from the above:

- (a) That a number of statistical aggregates for the quantitative side could and should be produced, though this will necessarily be a limited exercise (the difficulty in obtaining adequate and coherent figures from all parts of the system is in itself a reflection on the system's capacity);
- (b) That capacity in its qualitative (and basically more important) sense can only be discussed in very general terms. However, a discussion of this kind could provide a useful peg on which to hang the most important findings (e. g., the importance: of programming and project formulation; of rationalization of the organization and of the inter-relationship between the various components of the system at all levels, headquarters, regional, country; of decentralization to the country level; of more expeditious methods of execution and similar matters). Thus, on the basis of an analysis on such lines, the basic bottlenecks limiting the capacity for more effective action might be identified and the action required to resolve them could be specified;
- (c) That quantity and quality are essentially inter-related. "Development" is indivisible;
- (d) That the capacity of UNDP cannot be discussed in isolation. On the one hand, it is a function of the type of organization and operating methods which have grown up in the UN system. On the other, it is, or should be, a co-operative enterprise with the countries concerned, and one cannot therefore draw a clear line indicating

on which side the definitive constraints lie, since "capacity" in itself must be a joint concept. In other words, one cannot discuss the capacity of UNDP other than in the framework of the whole development effort of the UN and its Agencies, or without also considering the responsibilities of governments; specifically, of course, those of the developing countries, but more generally all participating governments in such matters as recruitment, consistent policies, attitudes toward trade, and so on.

- (e) Given the almost insuperable difficulties of establishing present capacity in any very satisfactory way, apart from demonstrating the inevitable strains resulting from a rapid growth in the demands made on an ill-prepared structure, the only feasible way in which the Study could deal with the hypothetical case of a doubling of resources is to emphasize the key constraints and make recommendations for their removal.

F. The Organization of the Capacity Study - -

38. After the provisional Terms of Reference prepared by IACB had been carefully considered, the first step taken, in order to associate UNDP and the Participating and Executing Agencies as closely as possible and from the outset with the Study, was to establish an Advisory Group of key officials from UNDP and from those Agencies executing the greater part of the present programme. These officials served in their personal capacity; they adopted a broad view when discussing the problems considered by the Study and did not act as representatives of the organizations which they serve.

39. The meetings of the Advisory Group were attended by the following officials; normally, only one attended from each organization - where additional names are shown, this indicates that other officials participated when the original members were unable to be present:

Dr. A. Bellerive	WHO, Director, Division of Co-ordination and Evaluation
Mr. F. Blanchard	ILO, Deputy Director-General
Mr. M. Cohen	UNDP, Assistant Administrator and Director, Bureau of Operations and Programming
Mr. R. Demuth	IBRD, Director, Development Services Department
----- Mr. A. de Silva (succeeded by Mr. J. Fobes)	UNESCO, Director, Liaison Office, New York
Mr. J. Fobes	UNESCO, Assistant Director-General for Administration
Miss J. Henderson	UN, Associate Commissioner for Technical Co-operation
Mr. P-M. Henry	UNDP, Assistant Administrator and Associate Director, Bureau of Operations and Programming

Mr. M. Hoffman	IBRD, Associate Director, Development Services Department
Mr. J. Huyser	FAO, Director, Area Services Division
Mr. J-P. Martin	UN, Director, UNESOB
Miss G. McKitterick	UNESCO, Chief, Division of Relations with UNDP
Miss B. Newton	WHO, Chief, Administrative Co-ordination
Mr. E. Ward	UNIDO, Deputy Director, Department of Technical Assistance

40. Preliminary discussions were held with the Advisory Group about possible ways in which the Study might be undertaken and action was initiated to ascertain whether any similar inquiries were being made, either within or without the United Nations system.

41. About this time (June 1968), the Governing Council of UNDP met and added new dimensions to the Study (see Section I of this Appendix). The Governing Council further decided that a Panel of Consultants should be appointed to assist the Commissioner and the following distinguished officials agreed to become members:

H. E. Mr. Bunchana Atthakor Minister of Economic Affairs	Thailand
H. E. Dr. Ali Attiga Former Minister for Economy and Trade	Libya
H. E. Mr. Mamadou Aw Former Minister for Planning, Equipment and Industry	Mali
Mr. David Bell Executive Vice-President The Ford Foundation	U. S. A.
Mr. Ernst Michanek Director-General Swedish International Development Authority	Sweden
Dr. Manuel Perez-Guerrero Permanent Representative of Venezuela to the UN (until his appointment as Secretary-General of UNCTAD)	Venezuela
Dr. Raul Saez Executive Vice-President National Enterprise of Power	Chile
Dr. Janos Szita Deputy Minister Secretariat for International Economic Relations of the Council of Ministers	Hungary
H. E. Mr. Aleksei V. Zakharov Deputy Permanent Representative of the USSR to the UN	USSR

4 . After the Governing Council had endorsed the proposal for the Study, Sir Robert Jackson agreed to serve as Commissioner in charge of it. During the next few weeks, a small staff was assembled, consisting of four full-time professionals, besides the Commissioner, and supplemented by the part-time services of two professionals amounting to approximately six months each. The Director-General of the World Health Organization generously provided office accommodation in his Headquarters in Geneva.

43. It was decided, after consultations with the Advisory Group and other authorities, to approach the Study in three broad phases:

- (a) The first phase would be directed towards an analysis of the character and content of the operation in the past and at the present time and would then consider the possible shape of those elements in the future;
- (b) The second phase was intended to review the methods used for programming - usually considered to be project formulation and appraisal, execution, evaluation and follow-up - both in the past and at the present time - and then go on to consider the form that these procedures might best assume in the future;
- (c) Next, the administrative, financial and organizational implications of the results of the analyses carried out during the first two phases of the Study would be considered.

44. In July 1968, shortly after the Governing Council had met, a detailed questionnaire was circulated to UNDP and all the Participating and Executing Agencies with the objective of obtaining essential information related to the first two phases of the Study. The Administrator of UNDP readily agreed that the Commissioner should have direct access to the Resident Representatives of UNDP on a personal basis. The questionnaire was therefore also sent to all those officials. Simultaneously, action was initiated to obtain the views of a considerable number of governments directly concerned with the Study.

45. From the time when the first questions were addressed to UNDP, to the Participating and Executing Agencies, and to the Resident Representatives, great emphasis was placed on the fact that care would be taken to protect the security of any documents submitted to the Study and that any views expressed would be treated in complete confidence. This policy was adhered to throughout the Study and, as a result, information was made available which otherwise might have been withheld. In the same sense, the views of individuals expressed orally were considered with great care and notes made but never attributed. This policy has undoubtedly proved its value and is one which could be adopted with advantage by any future studies.

46. After the Governing Council endorsed the Study, renewed efforts were made, following the initial inquiries already undertaken, to find out what work of a similar character was being undertaken in other parts of the United Nations system. The major parallel activity which was identified was that of the Enlarged Committee on Programming and Co-ordination, the terms of reference for which embraced virtually all the problems which had been referred to the Commissioner. A meeting with the members of ECPC was therefore arranged at as early a date as possible and a working relationship was established which avoided a great deal of duplication of effort which would otherwise have taken place. The Commissioner is particularly grateful to members of the ECPC for their constructive and positive attitude which clearly did much to assist the conduct of the Study.

47. It soon became evident that many of the problems involved in the Study were being considered in greater or less detail, but almost invariably in isolation, in other parts of the United Nations development system. A wide range of consultations therefore became inevitable and, although this was a time-consuming process, it very quickly proved to be an essential procedure and one which not only assisted directly the conduct of the Study but simultaneously avoided duplication, and indeed triplication, of work being done in other places. It can be concluded from this experience that the United Nations system is now so large and complex that all too often inquiries are initiated which duplicate the work of some other part of the system.

48. This range of substantial consultations involved at least the following authorities and organizations:

- (a) The Governing Council of UNDP;
- (b) The great majority of the governments making major financial contributions to UNDP;
- (c) The governments of the developing countries;
- (d) All the Executive Heads of UNDP and the Participating and Executing Agencies, of UNICEF and WFP;
- (e) The Enlarged Committee on Programming and Co-ordination;
- (f) The Secretary-General's Committee on the Reorganization of the Secretariat;
- (g) The Panel of Consultants;
- (h) The Advisory Group;
- (i) The Chairman of ACABQ;
- (j) The Chairman of the Panel of External Auditors;
- (k) The Computer Users' Committee of the ACC;
- (l) The Inter-Agency Study Group on Evaluation of the ACC;
- (m) The Joint Inspection Unit;

- (n) The Chairman of the Committee for Development Planning (Second Development Decade);
- (o) All Resident and Regional Representatives of UNDP;
- (p) The Executive Secretaries of the UN Regional Economic Commissions (ECE, ECAFE, ECLA, ECA) and the Director of UNESOB;
- (q) The Executive Director of UNITAR;
- (r) The Inter-American Development Bank;
- (s) The Asian Development Bank;
- (t) The African Development Bank;
- (u) Many officials working within the United Nations system;
- (v) The Organization for Economic Co-operation and Development, Paris;
- (w) The European Development Fund, Brussels;
- (x) The Commission on International Development (The Pearson Commission);
- (y) The Overseas Development Institute, London;
- (z) Representatives of non-governmental organizations;
- (aa) Representatives of the International Secretariat for Volunteer Service and of the Co-ordinating Committee for International Voluntary Service;
- (bb) Several large international concerns with wide international experience.

49. The Governing Council of UNDP met in January 1969 and referred further problems to the Study (see Section I of this Appendix), and also asked it to produce a conceptual design for a system to collect, store, and retrieve data.

50. When the responses to the questionnaire dealing with the first two phases of the Study had been received, they were analysed in sufficient detail to permit the formulation of another questionnaire (despatched in February 1969) relating to the problems of the third phase of the Study. This questionnaire was also addressed to UNDP, all the Participating and Executing Agencies, and to many Resident Representatives.

51. As had been planned, a "Think Tank" comprising the members of the Advisory Group and the staff of the Capacity Study was held and provided an unusual opportunity to consider all the problems then before the Study, particularly as the meeting was held in an atmosphere of complete confidence. This meeting took place at the end of February and permitted all concerned to express their views on the present and future operations with complete freedom and objectivity; it lasted nine days and was of much value to the staff of the Capacity Study.

52. Responses to the questionnaire relating to the third phase of the Study were expected to be available by the end of April 1969, but, unfortunately, much important material did not become available until late in May.

53. Simultaneously, written consultations had been proceeding with the governments of the developing countries. In order to ensure that the problems, needs and views of these countries would be fully taken into account, contact was also made with a considerable number of individuals in these countries who had had practical and relevant experience with development problems.

54. At the end of April 1969, in accordance with the network analysis, the process of consultation was brought to an end, although contact with the Pearson Commission and those responsible for the Study of the Second Development Decade continued in order to ensure that the Capacity Study complemented the reports of these authorities wherever this was possible and constitutionally correct.

55. Subsequently, it was possible to obtain any additional information required from UNDP and the Participating and Executing Agencies by correspondence, and no further meetings of the Advisory Group were necessary. The Panel of Consultants met on two separate occasions. A third meeting had been arranged but was cancelled owing to the inability of several members to attend. Individual meetings, however, were held in the meantime with a number of members. The Panel of Consultants has arranged a further meeting to be held in December 1969 after the Report has formally been transmitted to governments so that they can consider it and decide what comments they themselves wish to transmit to the Governing Council.

56. This process of consultation has therefore meant that, at all times, UNDP and the Participating and Executing Agencies have had every opportunity to consider the problems under consideration by the Study and to express their views and suggestions. Similarly, governments making major financial contributions have been kept generally aware of the progress of the Study and each of the developing countries has been invited formally to ensure that the Study took into account whatever factors they believed to be important.

57. The lack of reliable facts and figures, and differing interpretations of the same word or words by individual organizations, has been a grave handicap. Much research would have been required to ascertain with confidence whether certain facts and figures even existed, thus illustrating the need for an effective information system. Again, many facts and figures submitted to the Study were either incomplete or were not consistent; the Study would have needed research staff and much more time in order to ascertain the true position in relation to certain problems.

58. Certain statements and facts are often repeated in the Report and its appendices. This has been done deliberately. First, it appears that it is difficult to repeat too often certain basic facts and very real threats to the present operation if any attention is to be paid to them. Second, many chapters are intended for specialists and are written so that they can be considered independently.

59. The Report was completed, as planned, on 30 September 1969 and was passed to the translators for further action.

60. As to the organizational methodology employed in the Study, four conclusions may be drawn from this experience:

- (a) This kind of study is likely to be more effective and much effort, time, and money will almost certainly be saved, if at the outset particular care is taken to ascertain whether similar inquiries are already being undertaken, in part or in whole, elsewhere within the United Nations system.
- (b) If it is possible to preserve the security of information and ensure that the opinions and views of individuals given in confidence remain confidential, it is almost certain that a clearer and more accurate picture of any given problem will be presented.
- (c) The creation of what could be called "neutral ground" between the various organizations composing the UN system clearly could have considerable implications for the future, for by this means individuals serving in separate organizations would be able to contribute far more effectively in that they could express opinions about the capacity and the effectiveness of the system as a whole and would not be restricted to expressing the official views of the organizations in which they were working.
- (d) A similar study of this scope and complexity is likely to be more effective if those commissioning it decided to approach it in stages, each stage being approved in sequence:

Phase I	Determination of the precise scope of the Study and the principal problems involved in it;
Phase II	Establishment of separate groups or task forces to study individual problems under central control, and to make recommendations;
Phase III	Action to ensure effective implementation.

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Appendix Two

SUPPLEMENTARY INFORMATION TO CHAPTER FIVE

I. PRESENT SYSTEMS OF PROGRAMMING

[Note: This section provides background information for paragraphs 31-43 of Chapter Five, introducing the Country Programme.]

A. United Nations Development Programme

1. Different systems of programming are at present used for the TA and SF components of UNDP. A third system is applied to the programming of regional projects within the TA component.

(1) Programming of the TA component

2. During the first few years of the Expanded Programme of Technical Assistance, the method of programming was determined by the philosophy underlying its creation. EPTA was originally conceived as a means of supplementing the regular resources of the United Nations and its Specialized Agencies for assistance in the field of social and economic development in developing countries. As a consequence, the funds available were distributed among the participating organizations using a scale of Agency shares. The subsequent evolution toward a country-oriented procedure which would effectively interpret the needs and priorities of each recipient government, and toward a more concerted response by the various components of the UN system, is described in Chapter Two. This traces the successive stages of "country programming", "biennial programming", "project programming" and "joint programming".

3. The latest revision of the programming procedures for what is, since the merger of EPTA and the Special Fund, known as the Technical Assistance component of UNDP, was undertaken by the Governing Council in 1967 and came into force on 1 January 1969.

4. The Governing Council's decision to introduce the new TA programming system was motivated by the need:

- for greater and more timely adjustment to needs in recipient countries;
- for more overall flexibility;
- for improved planning of the use of TA resources in a longer-term perspective;
- for better control of the programme by the recipient country as well as UNDP;
- for improved assessment of individual project requests;

- to focus on essential needs;
- for simpler and less time-consuming procedures;
- to strengthen the co-ordination function of the Resident Representative in relation to the TA component;
- to facilitate the full merger of the TA and SF components.

5. While introducing some new features, notably that of continuous programming, the new system for programming TA consolidated many of the earlier innovations that had been introduced over the years. Its chief characteristics are:

- (a) the maintenance of an annual country target system for the TA component, which becomes a provisional target for the next three ensuing years after it is approved;
- (b) continuous programming, i. e. submission of requests for assistance, through the Resident Representative, individually, as and when the need occurs;
- (c) full project budgeting, i. e. requests will cover projects for their entire expected duration;
- (d) approval of requests by the Administrator for the full duration of the project up to a maximum of four years, after consultation with the Participating and Executing Agency, and bearing in mind any recommendations made by the Resident Representative and the comments of the Specialized Agencies;
- (e) the total annual pro forma allocation for approved projects should not at any time exceed the current annual target in each case;
- (f) Agencies should report quarterly to UNDP Headquarters with a copy to the Resident Representative on the savings arising in the implementation of the country programme;
- (g) savings should revert to the unprogrammed portion of the country target as they occur and should be available for reprogramming;
- (h) the unprogrammed target at the end of the year should be added to the target for the next year, subject to a maximum of 50 per cent of the original target (any unprogrammed balance in excess of 50 per cent would revert to the central UNDP (TA) account);
- (i) a certain degree of decentralization to the Resident Representatives who may approve changes in approved projects where these involve modifications of less than six months in experts or fellowships, or of less than US\$10,000 in the equipment and miscellaneous component; all larger changes have to be approved by the Administrator; Agencies have authority to approve very minor changes, e. g. of less than one month in experts or fellowships, or of less than 5 per cent of the US\$200 component for equipment and miscellaneous items, provided no increased project allocation is required;

- (j) a speedier response to requests is anticipated: UNDP Headquarters should act on each request within thirty days, at a maximum, of its receipt;
- (k) a somewhat more flexible approach to counterpart obligations in that, where a government, exceptionally, cannot provide the local transport and secretarial facilities needed by the expert(s), these may be provided for under the "miscellaneous" component of the project budget.

6. Although it is too soon to make any judgement based on results, the new system is likely to be an improvement over its predecessors because it marks an important further advance in the country orientation of the programme and stimulates the long-term planning of projects on a continuous basis. Furthermore, the approval of individual projects as and when they are presented, instead of the former wholesale or block approvals of country programmes bunched together during a few crowded months at one point in the biennium, should make it possible for the Administrator and his staff to scrutinize each request against established criteria and thus ensure that the funds available are put to the most productive use in each case.

(2) Programming of the SF component

7. The programming system used for the SF component is based on premises which distinguish it from the TA component:

- (a) its projects are to be relatively large in size ("mini-projects" are normally the first phase of larger-scale operations in the future);
- (b) the projects are often expected to pave the way for subsequent investment by domestic or external, official or private, sources of capital;
- (c) there is no formally stated division of funds between regions and countries;
- (d) funds are earmarked for, and allocated to, projects for the duration of their expected lifetime which averages between four and five years, except for "mini-projects".

8. On these premises, a programming structure has been erected, with three main characteristics:

- (a) project-by-project appraisal and approval, combined with,
- (b) continuous programming, and
- (c) project budgeting.

Some phases and features of the present system which are of particular interest to the Capacity Study are described below.

9. The original idea for a project may germinate in a variety of ways, in addition to the initiative of the government. In many cases, it is the United Nations Agency concerned which initiates discussion with the government of a request, either directly, or by sending a

special mission, or through the medium of its local representative or expert. The government's formal approval is obtained subsequently. UNDP itself has also initiated projects, as have Regional Economic Commissions and other regional bodies. There have also been cases where a request has originated with a bilateral assistance programme.

10. Whatever the source of the idea, the project request has to be formulated in detail and submitted officially by the government in order to be given official consideration. Sometimes, the whole process of detailed formulation is undertaken by the government but, more often than not, it is done by an expert, a mission, or a special consultant, especially when the request has originated from outside the government. Frequently, additional study on the spot and reformulation is called for and is carried out by a preparatory mission, often consisting of a consultant appointed by UNDP, and staff from one or more Agency headquarters, and financed by UNDP. There is no limit to the number of requests that a government may submit as long as they keep within the general terms of reference and objectives of the SF component.

11. The appraisal of a request, once officially submitted, is the joint responsibility of several institutions. UNDP Headquarters carries out an appraisal of the project's general soundness and its compliance with the rules and criteria established for the SF component. One or more Agencies, as the case may be, are asked to perform a technical appraisal. The UN is given the opportunity of appraising the soundness of the project from the viewpoint of its potential impact on economic development and, in turn, passes the request to the relevant Regional Economic Commission for comments. The IBRD is also consulted in relation to its own current and planned activities in the country concerned and the eventual possibilities for investment follow-up. Several other authorities are also provided with project summaries, e. g. governments having bilateral programmes which have officially requested an exchange of information for the purposes of co-ordination, and also Regional Development Banks.

12. In principle, a government can submit a request whenever it feels the need to do so. Since the Governing Council meets only twice a year, normally in January and June, and since project recommendations to the Council have to be scrutinized by the IACB three months earlier, governments do, in practice, have to observe certain deadlines if they wish their requests to be considered at a particular time. Except where the Administrator uses his authority to commence operations before a project is formally approved, projects are grouped and presented as recommendations to the Governing Council at semi-annual intervals.

13. Project budgeting is applied to all projects under the SF component. In approving projects, the Governing Council earmarks funds for their entire expected duration. The costs are consequently calculated on the basis of an estimate of the timing of UNDP expenditures

within the project. In the plan of operation, this timing of expenditures - both local and UNDP - is expressed in actual calendar years.

(3) Programming of regional projects

14. Both the TA and SF components of the UNDP contain regional and inter-regional projects. Up to now, the chief features under the TA component were as follows:

- (a) each year, a specific target, most recently amounting to 17 per cent of TA resources, has been set aside for regional and inter-regional projects;
- (b) the funds available have been divided into Agency target figures;
- (c) the main initiative for programming regional and inter-regional projects has thereafter rested with the Agencies; official governmental support subsequently obtained has tended to be a routine formality and has not necessarily represented all the governments concerned;
- (d) project proposals have been put before the Governing Council once a year in the January session for approval;
- (e) local costs are assessed in only isolated instances.

15. Recently, the Governing Council recommended to ECOSOC the introduction of new programming procedures for regional projects under the TA component, starting in 1971. The main features proposed are:

- (a) a single global target established by the Council;
- (b) the elimination of Agency target figures;
- (c) applications are to be made on a project-by-project basis through appropriate channels and signed by a group of governments;
- (d) the Administrator is authorized to approve projects directly, except when the cumulative value of the project for its anticipated duration exceeds US\$200,000.

This proposal was endorsed by ECOSOC at its summer session in 1969 for approval by the General Assembly. ^{1/}

16. The salient features of the programming process for regional projects under the SF component are:

- (a) no specific amounts are set aside for regional projects;
- (b) whereas projects are often devised by the Regional Economic Commissions or regional offices of Agencies, the actual requests must be signed and submitted by all the governments wishing to co-operate in a required project;
- (c) requests are submitted, appraised and recommended for approval on a continuing basis according to the procedures applied in the case of national projects under the SF component.

^{1/} ECOSOC resolution 1432(XLVII).

B. Programming procedures for other operational programmes of the UN development system not financed by UNDP

17. The principal operational programmes of the UN development system besides UNDP are those of UNICEF and WFP. However, the UN and some of the Specialized Agencies operate programmes of technical assistance financed from sources other than UNDP (e.g. from their regular budgets, trust funds and the like). Since all these represent inputs from the system, it is appropriate to consider their programming procedures briefly. This will not be an exhaustive survey but will merely bring out the salient points of interest in comparison, or in relation, to those of UNDP.

18. The programming of UNICEF's resources is country-oriented. UNICEF operates with unofficial planning ceilings for each recipient country. During the 1960's, the work of UNICEF has become more clearly oriented toward certain overall development objectives for the benefit of mothers and children, which influence its programming policies and methods. As a source of funds to promote these purposes, it gives material support for such activities within the programmes of the Specialized Agencies (notably WHO, FAO, UNESCO, ILO).

19. The World Food Program works without country planning ceilings. During the first three experimental years, a main concern was to give the programme a wide geographic spread in order to be able to study its working methods and impact under widely differing conditions. However, because of the dependence of this form of assistance on reasonable administrative support within the recipient country, there is a tendency to concentrate more projects in countries that are relatively more advanced in this respect. The World Food Program, although using Resident Representatives as its country representatives, programmes its projects independently of other development assistance activities of the United Nations. Furthermore, a comparatively large number of the existing projects seem to have been initiated by missions from headquarters or through WFP project officers in the field, though it should be noted that the latter form part of the Resident Representative's staff and work under his authority.

20. Generally speaking, the main purpose of operational programmes of technical assistance financed from the regular budget of a Specialized Agency is to strengthen the activities of the Agency in its area of competence by permitting a certain measure of operational work in the field. Such programmes are therefore strongly based on priorities and policies laid down at the various headquarters and by the various inter-governmental bodies governing the programmes. To quote one instance, the UNESCO manual states that requests for assistance under its Participation Programme "will be considered only for projects covered by resolutions and work plans which are maintained by the General Conference".

21. While the UNESCO Participation Programme has some things in common with other technical co-operation work, e. g. in the use of experts and fellowships, it is therefore a quite distinctive programme in that the assistance provided is strongly oriented toward the basic purposes of the organization and especially the support of cultural activity and institutions. Consequently, it is made available to all countries and not limited to the developing group.

22. The regular technical assistance programme of WHO occupies a unique position by virtue of its size, and of the programming methods used. It finances a larger share of WHO field activities than does the UNDP. All WHO projects are programmed in largely the same way, regardless of the source of funds. For many years, WHO has worked on the basis of a three-year programme which is rolled forward one year at a time. Although the time-scale of UNDP projects has not usually conformed - the divergence being greatest in the case of EPTA and now the TA component of UNDP, which operated first on a yearly and later on a biennial basis - they are dovetailed into the overall pattern. Indeed, given the relative sizes of the two, the UNDP-financed projects (especially in the TA component) come to fill in gaps in that pattern. The WHO regular programme is also characterized by a strong policy of decentralization - not only for the actual programming but also with regard to the decisions taken on the programme - to its regional offices and thence to the WHO country representatives. Although there is no system of country targets, certain decisions are taken on the distribution of funds between regions. The great increase during the 1960's of the share of Africa in the regular programme resources is thus the result of a conscious policy.

23. The regular programme activities of UNIDO in 1968 amounted to nearly US\$1.0 million based on a share of the UN regular programme, voluntary contributions and trust funds. UNIDO also managed, jointly with UNDP, the Special Industrial Services (SIS) programme. Formerly, this programme was financed by direct voluntary contributions, but following the Governing Council decision of June 1969 projects of SIS type will be financed from the revolving fund of UNDP with an approximate upper limit of US\$2 million annually.

24. The regular programme of WMO used to be carried out with the help of the New Development Fund. The Fund has now ceased to exist, although there are some residual activities financed by remaining monies. On 1 January 1968, the Voluntary Assistance Programme came into being. This programme is wholly linked with the World Weather Watch. Although WMO plays an active role as a link between donors and recipients under the programme - all equipment is, for instance, donated to WMO which, in its turn, transfers title to it to the recipient government - certain features resemble a series of bilateral assistance projects under the guiding and co-ordinating influence of an international body. To the extent that governments donate cash, however, WMO also executes projects under this programme.

25. Mention should also be made of the Freedom from Hunger Campaign (FFHC) which operates under the ægis of FAO but is financed by voluntary donations by governments and non-governmental bodies, usually provided for specific projects which are then executed by FAO. There is thus no country target, the approval of projects (which are technically screened by FAO) depending on the availability of a sponsor and taking place on an ad hoc basis. The degree of involvement of the Resident Representative depends on the form of FAO representation in the country concerned: his participation will be greater where a Senior Agricultural Adviser serves on his staff and where (as in some places) he himself acts as FAO representative.

26. A common feature of most regular technical assistance programmes is that their resources are regarded, to a certain extent, as "seed money" for projects to be financed at a later stage by the UNDP. Since the Agency initiative in bringing projects into being is, for obvious reasons, even more marked under programmes financed from regular budgets than under UNDP, these programmes tend to influence the direction in which UNDP-financed country programmes are moving. Consequently, they often militate against a clear-cut, country-centred programming policy.

27. It is interesting to compare the procedures used for various regular programmes with those of the TA component of UNDP. Some base their programming on notional country target figures, while others do not. Similarly, when the TA component operated on an annual or biennial cycle, some regular programmes, such as UN and ILO, used to be synchronized with it and submitted by governments at the same time. Others either did not correspond to the UNDP (TA) cycle or operated on a completely ad hoc basis as and when requests arose. The latter is now the case also with the TA component under the new regulations. While these variations do not rule out complementary action between the regular programmes and UNDP (TA), it does make it more difficult to arrange. Again, the involvement of the Resident Representative ranges from active (and, in some cases, sole) participation in the planning of some regular programmes (e. g. UN, where he is alone responsible, or UNIDO), through a consultative role (ILO, UNESCO), to the merely passive one of being informed of the negotiations and of their outcome (WHO).

28. In several countries, the co-ordinating unit in the government is often in the same position as the Resident Representative and does not know what the technical ministries have negotiated with individual Agencies with regard to regular programme activities.

II. EVOLUTION OF THE PRACTICE OF EVALUATING UN DEVELOPMENT CO-OPERATION PROGRAMMES AND PROJECTS

[Note: This section provided background information for paragraphs 142-149 of Chapter Five, Introducing Evaluation.]

29. At the outset, when multilateral technical assistance was intended primarily to strengthen the on-going work of UN organizations in developing countries and financial resources were very modest, little was done to promote evaluation. Indeed, the first international meetings which discussed technical assistance through the UN system disclosed the active resistance of some governments to evaluation on the grounds that it was a rather academic exercise. The assumption at that time was that the transfer of knowledge and experience from developed to developing countries was a good thing per se and all available resources should be used for that purpose. The basic legislation of EPTA, however, does mention the need to carry out "critical examinations of activities undertaken and results achieved".

30. Increased funds and the introduction of "country programming" led, however, to a greater realization of the need to investigate the effectiveness of EPTA. In 1957, the Technical Assistance Committee of ECOSOC appointed a working group which undertook an evaluation of the programme's activities in six selected countries. From 1957 on, it was agreed to include a special chapter entitled "Evaluation of the Programme" in the annual report of TAB to TAC. ^{1/} This became a recurring, though not comprehensive, evaluation, attention being given one year to regional projects, in another to fellowships, etc.

31. The chapters on evaluation in the annual report of TAB to TAC were mostly based on information submitted by Resident Representatives, supplemented by material from the Executing Agencies. They mainly represented impressions rather than systematic analysis, and appeared to evoke little enthusiasm in governments which felt that the planners and executives of the programme sat as their own judge and jury.

32. These early attempts at evaluation, however, were an expression of a growing conviction that technical co-operation for economic and social development was one of the most difficult tasks that had been undertaken, requiring imagination, extensive knowledge and a fund of systematically collected and organized experience. In other words, technical co-operation was an activity in which people learnt by doing. It was therefore necessary to make good use of the knowledge gained and this demanded a systematic and analytical approach providing a sound basis for future action, especially in programming, project planning and formulation, and implementation.

^{1/} The first one appeared in the report on the activities of TAB for 1956, issued in 1957. See United Nations, Technical Assistance Committee, Annual Report of the Technical Assistance Board for 1956 (doc. E/2965).

33. When the Special Fund was created in 1958, the need for proper evaluation of its activities was recognized. Paragraph 44 of resolution 1240(XIII) specifically states that "the Managing Director and the Governing Council shall take appropriate measures to ensure an objective evaluation of the results of projects and programmes".

34. On 1 January 1966, UNDP came into being and assumed the responsibilities for evaluation previously assigned to its predecessors. There is now an Evaluation Division within the Bureau of External Relations, Evaluation and Reports.

35. It is of interest to compare the experience of other UN organizations. The resolutions by ECOSOC and the General Assembly setting up UNICEF in 1946, for instance, make no mention of evaluation. In 1964, however, the Executive Board of UNICEF reviewed the question and agreed that there should be an examination of the progress and results of individual projects for which primary responsibility rested with the recipient country. At the same session, the Board also decided to consider, each year, reports reviewing one or two fields of aid. These reports, which evaluate project planning, progress, working methods and results, are made by consultants jointly selected by UNICEF and the technical Agency or Agencies concerned, or by the technical Agency alone, often with the help of consultants.

36. The World Food Program basic legislation is explicit on the subject of evaluation and it was natural that importance should have been attached to this aspect during the first experimental three-year period. When the programme was put on a permanent footing, the General Regulations approved by ECOSOC and FAO in 1965 attributed a decisive role to the recipient government, both in operational control and evaluation of results, and also defined the responsibilities of the programme itself. Paragraph 18 (f), for instance, states that governments entering into project agreements with the programme "shall give full co-operation so as to enable authorized personnel of the Programme to review operations from time to time, to ascertain their effects, and to complete an appraisal of the results of each project".

37. Several Specialized Agencies have latterly come to attach increased importance both to built-in control of the progress of projects and programmes and to ex post assessment of results. There are, however, differences between Agencies with respect to the conceptual framework as well as approach and methodology. Some have devoted considerable thought and effort to this aspect of their operational activities, others less.

38. In addition, a number of institutions, other than those immediately concerned with development co-operation operations, have for some time been involved in evaluating both projects and programmes. Among them are ECOSOC (which requested the Secretary-General to undertake so-called impact evaluations of development assistance rendered by the UN family of organizations in five selected countries), donor governments, the Joint Inspection Unit, and the External Auditors.

Appendix Three

REGIONAL STRUCTURES OF THE UN DEVELOPMENT SYSTEM

INTRODUCTION

1. This appendix examines the following questions in greater detail than was possible in the main body of the Report:

- I. What is the present situation with regard to the regional structure of UN organizations?
- II. How effective has the regional approach been in UN organizations?
- III. The raison d'être of the regional approach in the UN development system.
- IV. What needs to be done to make the regional structures of the UN development system more effective?

A final section attempts to draw some general conclusions as regards the principal steps that could, and ought to, be taken in order to improve the situation. It should be realized from the outset, however, that no miraculous or clear-cut solution is possible. The problem of the regional structures of the UN system is complex enough in itself to warrant a separate study of its own. All that can be done here is to pinpoint the main problems and map out a course of action overcoming them. It will not be an easy task, and much will depend on the will of governments and secretariats to seek viable solutions.

2. The virtues of regionalism are often vaunted. Most people regard it as good per se, because a regional breakdown puts world problems into a more manageable focus and because of the essential interdependence of nations, especially if they are small and poor. But it is a term which is often loosely applied, with no more than a vague idea of its meaning in practical administrative terms. Moreover, no distinction is made, on the one hand, between regional or sub-regional co-operation between countries, which requires a certain degree of delegation of national sovereignty and, on the other, regional or sub-regional decentralization by international organizations for purposes of administrative and operational efficiency. The two are clearly interrelated and, ideally, should be complementary, but they are not the same thing. This paper is concerned primarily with the regional structures of international agencies and aims to present some tentative suggestions as to how they could be converted into more efficient arms of the UN development system.

I. WHAT IS THE PRESENT SITUATION WITH REGARD TO
THE REGIONAL STRUCTURE OF UN ORGANIZATIONS?

3. The present situation has been described by one organization as a "jungle". It is not intended here to explore this jungle in detail but merely to give a few examples illustrating how very greatly the concept varies from one organization to the next as regards:

- A. the distribution and allocation of regional offices;
- B. their functions; and,
- C. the constitutional position.

A. Distribution and allocation of regional offices.

4. WHO - has six regions, some of them delimited in a rather arbitrary way and transcending the normal geographical regions: e. g. the Eastern Mediterranean Office includes Ethiopia; Morocco is covered by the European Office, etc. The internal organization of each regional office also varies: e. g. zone offices are restricted to Latin America.

5. The Regional Economic Commissions - correspond to the four main continental divisions of Europe, Asia, Latin America and Africa, with a series of sub-regional offices in the latter two. Near East countries are covered by a Bureau of the Department of Economic and Social Affairs, the UN Economic and Social Office in Beirut.

6. FAO - has regional offices for North America, Latin America, Europe, Africa, the Near East and Asia. In Latin America and Asia, these are located in the same place as the Regional Economic Commission. There is also a pattern of sub-regional or zone offices (which, in Latin America, corresponds to a large extent to those of ECLA).

7. ILO - decentralization began in 1966 and should be completed in 1969, with the exception of the Asian region. Three regional co-ordinators have been appointed in Addis Ababa, Bangkok and Lima. They are supported by a network of twenty-three field units, chiefly area offices (Africa: seven; Latin America: four, plus two country offices in Rio de Janeiro and Buenos Aires; Middle East: one, plus one office in Istanbul).

8. UNICEF - one-quarter of UNICEF staff are located at UN Headquarters in New York and three-quarters in the offices of six regional directors (Lagos, Santiago, Bangkok, Beirut, New Delhi and Paris) and approximately twenty-five UNICEF field representatives, each servicing a large area.

9. Some smaller Agencies have no regional offices at all; where they do exist, they often only have limited attributions.

10. The chart attached to this appendix gives an idea of the "scatterization" of regional and sub-regional offices generally and of the number of different places to which some countries have to apply for advice on various sectoral aspects of their economic and social policy.

B. Their functions

11. WHO follows a policy of decentralization in the true sense of the word. Regional offices have responsibility for:

Planning - programming and planning.

Financial - control and analysis of allotments incurring obligations for execution of programme.

Execution - implementation of projects and supervision of personnel, recruitment within the region, except for senior professional and administrative officers.

Evaluation - "tactical", as opposed to "strategic" evaluation (a WHO distinction).

12. WHO Headquarters is responsible for general policy and strategy, while the regions are responsible for the application of that policy and for the planning and execution of programmes.

13. The Regional Economic Commissions. There has been a gradual and progressive evolution in the functions of the Commissions' secretariats with regard to technical assistance, characterized, for example, by the growth in the number of regional technical assistance projects and the development of TA co-ordination units, but there has not been real decentralization in the sense of devolution of authority to any marked extent. The present functions of the Commissions include:

- studying regional economic problems;
- helping formulate policies as a basis for practical action in promoting country and regional development;
- initiating measures for facilitating regional economic and social development;
- rendering advisory services to countries within the region.

14. The Commissions have been assigned a limited and not very well defined role in the programming and implementation of country projects, but they enjoy a good deal of de facto freedom which, applied constructively, can result in such helpful initiatives as the ECLA/ Agency Development Planning Advisory Groups in Latin America in the early 1960's, (later incorporated into the Latin American Planning Institute) but which can also, in practice, lead to confusion and duplication. At the Ninth Session of ECA, held in Addis Ababa in February

1969 to commemorate the tenth anniversary of the organization, Member States passed a series of resolutions urging a greater degree of decentralization of operational programmes, the reorganization of the secretariat in order to enable it to carry out these functions, and the allocation of the necessary additional resources. 1/ These recommendations were endorsed in general terms, and made extensive to the other Commissions and UNESOB at the 1969 summer session of ECOSOC. 2/ It is not yet clear, however, what practical steps will be taken to make them effective.

15. FAO regional offices - assist in the programming process but are not a direct link in the chain of command as WHO offices are, and programme and project formulation continue to be centralized. Execution is a headquarters responsibility, although the regional offices may do some technical backstopping. There is no delegation of financial authority to FAO regional offices in respect of country programmes and projects within the region. 3/

16. UNESCO - has set up a series of regional offices for specific purposes, e.g. for science and technology, training in fundamental education, educational planning, etc. It does not have a network of offices with overall programme responsibilities but this is due to financial stringency rather than a policy decision. 4/ It is, in fact, UNESCO's wish to increase the number of chiefs of mission in individual countries as resources permit.

17. ILO - the recent re-allocation of staff referred to in paragraph 7 aims to extend and reinforce ILO's infrastructure and financial and administrative relations and technical services in the field by decentralizing responsibility and facilitating closer contact with experts and with the needs and conditions of developing countries. Field Department staff in the field are concerned with the management of field operations, under the Regional Co-ordinators, and are progressively assuming responsibilities of a non-technical character.

1/ ECA resolutions 187 (IX) and 189 (IX), and Memorandum by the Executive Committee of the Conference of Ministers of ECA for Consideration by ECOSOC (doc. E/CN.14/ECO/10 of 5 July 1969).

2/ ECOSOC resolution 1442 (XLVII).

3/ See FAO Director-General's Bulletin, Functions and Responsibilities of Regional Representatives, Regional Officers and Country Representatives (No. 69/9 of 21 March 1969).

4/ See UNESCO, Report of the Director-General on the Activities of the Organization in 1968. Para. 118 indicates that regional centres, institutes and offices are regarded as a substitute for individual country coverage.

UN PROGRAMMES AND AGENCIES: REGIONAL AND FIELD ESTABLISHMENT

1. AFRICA	UNDP			WFP			UNICEF			HCR			UN Reg. Comm.			UNIDO			FAO			ILO			UNESCO			WHO			ICAO		
	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)			
Morocco	X																																
Algeria	X																																
Tunisia	X																																
Libya	X																																
UAR	X																																
Sudan	X																																
Mauritania	X																																
Senegal																																	
Gambia																																	
Guinea																																	
Sierra Leone	X																																
Liberia	X																																
Chana	X																																
Togo	X																																
Dahomey	X																																
Nigeria	X																																
Mali	X																																
Upper Volta	X																																
Niger	X																																
Ivory Coast	X																																
Chad	X																																
Cameroon	X																																
Central African Republic	X																																
Gabon	X																																
Congo (B)	X																																
Congo (K)	X																																
Equatorial Guinea	X																																
Ethiopia	X																																
Somalia	X																																
Kenya	X																																
Uganda	X																																
Tanzania	X																																
Zambia	X																																
Malawi	X																																
Botswana	X																																
Nyane	X																																
Malagasy	X																																
Mauritius	X																																
Rwanda	X																																
Burundi	X																																
Lesotho	X																																

3. ASIA	UNEP		WFP		UNICEF		HCR		UN Reg. Comm.		UNYFPO		FAO		ILO		UNESCO		WHO		ICAO			
	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(1)	(2)	(3)	
Korea	X		X		X				Bangkok											X				
China (Taiwan)	X		X		X				Bangkok											X				
Philippines	X		X		X				Bangkok											X				
Indonesia	X		X		X				Bangkok											X				
Singapore									Bangkok											X				
Malaysia									Bangkok											X				
Western Samoa									Bangkok											X				
Cambodia	X								Bangkok											X				
Viet-Nam	X								Bangkok											X				
Leos	X								Bangkok											X				
Ceylon									Bangkok											X				
Thailand	X		X						Bangkok											X				
Burma	X								Bangkok											X				
Nepal	X		X						Bangkok											X				
India	X		X						Bangkok											X				
Pakistan	X		X						Bangkok											X				
Afghanistan	X		X						Bangkok											X				
Iran	X		X						Bangkok											X				
Maldivo Islands	X								Bangkok											X				

	UNDP			MFP			UNICEF			HCR			UN R.C. + UNESCB			UNITDO			FAO			ILO			UNESCO			WHO			ICAO					
	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)	(1)	(2)	(3)						
4. MIDDLE EAST AND EUROPE	X																																			
Saudi Arabia	X																																			
Yemen Arab Republic	X																																			
People's Republic of Southern Yemen	X																																			
Syrian Arab Republic	X																																			
Jordan	X																																			
Iraq	X																																			
Lebanon	X																																			
Kuwait	X																																			
Cyprus	X																																			
Malta	X																																			
Greece	X																																			
Turkey	X																																			
Yugoslavia	X																																			

KEY: (1) Field office chief of mission, correspondent, country representative, industrial development field adviser, senior agricultural adviser, etc. resident in the country and servicing that country only
(2) Same plus sub-regional offices, regional chiefs of mission, etc. servicing that country and other countries
(3) Location of above offices servicing that country when situated in another country

NOTES: UNESCO Y: Substantive regional office (as distinct from regional chief of mission)
WHO/FAO (Latin America): In addition to country representatives the location of the zone representative is indicated in brackets in col. (3)
§ : Regional office of an organization
No indication: Country probably serviced directly from headquarters or from regional office
This chart was proposed for illustration purposes only; it is therefore not a comprehensive picture of the regional and field establishment of the UN development system
ACC, Regional and Branch Offices, doc. CO-ORDINATION/R-737, 13 March 1969
SOURCES: Information prepared by Agencies

18. UNICEF - regional area offices are concerned with planning and programming UNICEF country activities and with supplying equipment. Field staff also maintain continuous liaison with projects and report to UNICEF Headquarters.

19. ICAO - regional offices have a primarily technical function, related to the need for regional co-operation in the organization's special field, and their programming responsibilities are secondary.

20. UNDP - has set up regional offices only in small areas where the size of the countries concerned, their homogeneous nature, and/or economy reasons, have made it advisable to cover several countries with one Resident Representative's office. In general, however, there has been no concept of a regional UNDP office as an intermediate level of administration or a mechanism for decentralization.

21. Co-ordination between UNDP and the regional offices of other UN organizations has been conducted on an ad hoc basis, either directly between UNDP Headquarters and the regional offices concerned, or between those regional offices and individual Resident Representatives (apart from a brief interlude during which a UNDP liaison officer was attached to ECA, but it should be noted that he had to report to UNDP Headquarters and had no authority delegated to him with regard to the region as a whole).

C. The constitutional position

22. The situation varies greatly, from WHO, in whose case the regional approach is enshrined in the constitution, to others where it is not mentioned at all (cf. the UN Charter), but has merely developed on an ad hoc basis.

23. The above refers only to some aspects of the regional pattern of the UN and its Specialized Agencies. The picture is further complicated by the existence of other regional organizations which do not form part of the UN structure; some of these are political in nature, some economic and social, and some combine both types of responsibilities in a not very well defined way. The Organization of American States (OAS), the Organization for African Unity (OAU), the Regional Development Banks, and other similar bodies fall into this broad category.

24. The conclusion drawn from the foregoing is that the overall pattern of international organizations at the regional level is even more complex and confusing than at the world level.

II. HOW EFFECTIVE HAS THE REGIONAL APPROACH BEEN IN UN ORGANIZATIONS?

25. It is clear from what has already been said that the regional approach has developed on an ad hoc basis and often as a result of historical accident. It is doubtful whether even WHO, whose regional basis is probably the most clearly established, would have been given such a pronounced regional slant had it not been for the prior existence of strong regional health organizations, (notably PASB, but also the Pan Arab Health Bureau and the Alexandria Sanitary Bureau) which, it was agreed, should be incorporated into the new structure. But here again the experience has not been consistent, if one compares, for example, the discussions at San Francisco in 1945, when the idea of using regional organizations as building blocks for the UN was rejected.

26. Because of the number of international organizations at the regional level and their widely varying functions, it is difficult to arrive at any overall assessment of their efficacy. WHO has been the most successful, precisely because its regional functions were so clearly agreed upon from the outset. Others have had varying degrees of success but, in some cases, lack of a clear mandate has led to criticisms of duplication between headquarters and regional offices, with the resultant increase in cost and inefficiency of administration. Area-wise, the regional approach has probably been more successful in Latin America because the area is more homogeneous and has longer experience of regional co-operation.

27. From the point of view of the UN development system as a whole, the effectiveness of the regional set-up can only be described as indifferent. There are two main reasons for this:

- the lack of a coherent pattern, because the various regions are not co-terminous and the functions of the offices differ; and hence,
- lack of effective co-ordination between the various organizations.

28. Some attempts have been made to remedy the situation by creating joint divisions in the Regional Economic Commissions, or attaching liaison officers to them since they have an interest in all aspects of development and represent a point of unification in the complex system, simultaneously covering many of the major fields: i. e. agriculture, trade, industry, natural and human resources, population. But these arrangements have not been as effective in practice as might have been hoped, mainly because of the diffusion of responsibility - e. g. the ECA/FAO Joint Division, the FAO Regional Office for Africa and individual divisions of FAO Headquarters, all have a different view of what should constitute an agricultural plan for Africa. The fault is by no means exclusively attributable to the secretariats; the FAO Director-General's recent proposal to centre FAO regional operations on the Commissions

and make the Executive Secretary his regional representative would have been a crucial step in the right direction but was turned down by governments in all three continents.

29. Action is clearly needed to ameliorate this situation. But before considering how this could be done, it is first necessary to examine the raison d'être of the regional approach.

III. RAISON D'ETRE OF THE REGIONAL APPROACH IN THE UN DEVELOPMENT SYSTEM

30. In theory, and assuming a rational application of the theory, the regional approach offers several attractions:

- (a) In many areas, where developing countries are small, dependent on limited ranges of production, and have insignificant domestic markets, some degree of economic integration with neighbouring countries is essential for effective development and a regional bias in the structure of the UN development system can help to influence and support this process (especially on a sub-regional basis).
- (b) It is easier to build up global strategy from an analysis of regional requirements than from an aggregate of individual country analyses. Conversely, the global policy can be better adapted to local circumstances through this channel. In other words, the regional structure could provide a useful bridge between global and sectoral strategies, on the one hand, and individual country programmes on the other.
- (c) The various aspects of an organization's work can be better co-ordinated within the area.
- (d) The persons and governments concerned often feel themselves less separated from the source of control and can more readily consider a regional organization as their own and not as an alien one.
- (e) Planning, supervision, and the provision of services can be better developed in the light of the specific requirements of the area served.

31. There are also, however, serious pitfalls to be borne in mind:

- (a) It is more difficult to ensure that the system follows uniform policies and administrative procedures on a world-wide basis.
- (b) Regionalization is often more costly than a centralized administration and the possibilities of duplication and wasted effort are multiplied.

- (c) It is a dangerous simplification to consider the problems in each region as homogeneous since the three developing continents are themselves vast and embrace widely differing economic and social conditions and prospects. A regional approach pure and simple could lead to serious distortions and also to severe administrative problems (i. e. there is a need for a sub-regional or "neighbourhood" approach).
- (d) Unless close links exist between the various organizations there is a danger of sectoral compartmentalization at the regional level, nullifying the attempt to achieve an integral approach to development problems at the country level.
- (e) The corollary of (c) and (d) is that regionalism can never be a substitute for the country approach. Properly used, however, it can be a most useful adjunct.

32. The dangers described above are more functional than basic and it ought to be possible to overcome them by rational organization and management. However, it must be recognized that they are greatly increased by the confusion of the numerous and varied regional structures now operated by the various components of the system (see Section II above) and by the absence of an effective country approach at the present time.

IV. WHAT NEEDS TO BE DONE TO MAKE THE REGIONAL STRUCTURES OF THE UN DEVELOPMENT SYSTEM MORE EFFECTIVE?

33. There are strong arguments in favour of concerted regional and sub-regional attacks on development problems (always on the understanding that these are based on a firm infrastructure at the country level). But, in order to ensure that the advantages are not offset by the disadvantages, a radical overhaul and rationalization of the existing regional structures should be undertaken.

34. In making suggestions in this regard it is difficult to draw any hard-and-fast distinction between the operational and non-operational activities of the various agencies concerned. For purposes of discussion, the following paragraphs (35-41) attempt to establish some basic principles and functions which would facilitate the interlocking of all UN development activities at the regional level, i. e. embracing both the overall policy and standard-setting responsibilities and the operational programmes, whether regular or UNDP-financed, because the two layers of activity ought clearly to be mutually complementary. Paragraphs 42 to 44 then suggest how the UN development system might be organized on a regional basis in order to slot into this overall picture, bearing in mind also the field organization proposed at the country level in Chapter Seven of the Report. 1/

1/ Paras. 75-89.

35. From a general point of view, rationalization of the existing regional structures might involve:

- (a) inter-Agency agreement on co-terminous regions; 1/
- (b) location of the regional and sub-regional offices of the various components of the system in the same place;
- (c) the establishment of a closer link between the secretariat of each Regional Economic Commission, with its overall responsibility for economic and social development of the region, and the regional offices of the Agencies, with their sectoral responsibilities;
- (d) a clear definition of the functions at the regional level, which should, so far as practicable, be standardized for these various organizations.

36. It is appreciated that such far-reaching changes could not be effected overnight, but even a general move in this direction would represent a considerable advance, at the regional level, toward the integrated approach to development problems by all components of the UN development system which is a central tenet of the Capacity Study's recommendations at all levels. However, this would not depend on structural modifications alone. Probably the most important condition of all would be the recognition, by all components of the system having regional representation, of certain basic principles which have been stressed again and again in the main Report and which, in themselves, could have a significantly cohesive effect. Those principles are, essentially:

- (a) Acceptance of the "country-centred approach" as predicated by the Study
- This does not mean the relinquishing of regional or sub-regional policies or projects but rather that they must be fed in at the country level and receive the full and unequivocal support of the individual governments concerned before being translated into action. In other words, they should not be imposed or "sold" from the outside but should be discussed and acted on within the framework of the "country programme" and "annual review" exercises. 2/

1/ In this connection it is interesting to note that the WHO Board expressed willingness to consider changes in its regional boundaries at its 11th session in 1953, in the conclusions of its report on Organizational Study on Regionalization.

2/ See also the proposals in Chapter Four (paras. 76-81) for the allocation of funds for "non-country" actions including regional projects and programmes.

- (b) Acceptance of UNDP as the co-ordinating element for all operational activities undertaken by the UN development system - At the country level this means full recognition of the Resident Representative as the team leader in the "country review" and "annual review" exercises. Members of the secretariats of the Regional Economic Commissions and of the regional offices of Specialized Agencies participating in them would accordingly become members of the team under his leadership. The kind of arrangements whereby their services might be obtained and paid for are described in Chapter Seven. 1/ It also means recognition of the Resident Representative as the main channel of communication on all development matters in which the UN system is involved in the country to which he is accredited.

37. If these conditions are observed, it is possible to envisage the secretariats of the Regional Economic Commissions and Agency regional offices playing a most useful supporting role in most of the phases of the UN development co-operation cycle, especially in the identification of needs, in the preparation of country programmes, in the formulation and appraisal of projects, and in evaluation and follow-up. This is a role for which they are ideally suited, and in which they have already done much commendable work, though it has been hampered, and limited in its effectiveness, by the procedural and organizational deficiencies of the present situation. Where the government so wished, they might in the future embrace wider functions, such as strengthening the national planning machinery or helping in the preparation of the country's overall development plan. Here, the collaboration of the Regional Planning Institutes would be vitally important, and once again the same co-ordinated approach should be observed, under the leadership of the Resident Representative. Since the nature of these functions has already been described fairly fully in Chapter Seven 2/ there is no need to go into more detail here.

1/ Paras. 83, 85.(d), and 117.

2/ Paras. 117 and 119.

38. However, a further word needs to be said about the potential role of regional organizations in the implementation phase, in view of the recent pressures for the Regional Economic Commissions to assume greater responsibilities in this regard ^{1/} and since the matter raises complex issues to which it was impossible to do justice in the limited space available in Chapter Seven.

39. The difficulties likely to arise from assigning responsibility for implementing operational projects to regional organs of the UN system (and here it is principally the Regional Economic Commissions that are in question) can be succinctly stated. They are, in a sense, an extension of the difficulties which have already occurred at the headquarters level of the UN and its Specialized Agencies: i. e. slow and inefficient performance as a result of injecting large sums of money for operational projects into organizations not geared to operational functions; the incentive to these organizations to promote more projects in their own particular fields in order to expand their operations still further; the difficulties arising from jurisdictional disputes between the various Agencies; and the excessive diffusion of responsibility at the top level. Some of these would be compounded at the regional level, particularly in the case of the Regional Economic Commissions whose secretariats are not well equipped at present to undertake the implementation of large-scale SF projects but are also more prone to jurisdictional clashes, since they cover the whole array of economic and social matters and so impinge on the areas of competence of most Specialized Agencies. Moreover, unless there were true decentralization of responsibility the net result might be even greater delays and inefficiency because the arrangement in practice would simply interpose another level of bureaucratic control between headquarters' decision and action at the field level; yet decentralization in itself poses problems, because there

1/ See para. 14 above, and footnotes. The kind of projects for the execution of which ECA proposed that it should be made responsible are listed as follows in its Report: Reorganization, Structure and Functions of the Secretariat of the Economic Commission for Africa (The Second Development Decade, 1970-1980) (doc. E/CN.14/ECO/6), para. 9, "(a) planning and programming, in respect of multinational, sub-regional and regional projects ... (b) development or promotion of multinational, sub-regional and regional institutions for economic development and co-operation in various areas; (c) serving as Executing Agency (or co-ordinating authority) for UNDP Special Fund mini projects directly related to multinational, sub-regional and regional programmes of economic development and co-operation... (d) specific projects: Natural Resources and Transport Division ... Trade and Economic Co-operation Division ... Industry and Housing Division ... Human Resources Development Division ... Planning Advisory Services for multinational, sub-regional and regional economic development and co-operation ... (e) bilateral assistance for multinational, sub-regional ... regional projects ... (f) management of funds for the implementation of approved regional projects under the Regular Programme of the UN and of UNDP (TA) and Special Fund mini projects ... (g) recruitment and training of staff for service with the secretariat of the Commission ... (h) appraisal and evaluation, with particular relevance to projects decentralized to the Commission as well as other projects affecting the programme of work of the Commission ..."

are certain functions that can best be done centrally - e. g. recruitment of experts, purchasing equipment etc. To create new units at the regional level for these purposes would simply be to relapse once more into the old sins of fragmentation and duplication which the recommendations of the Capacity Study are mainly designed to purge.

40. The problem, then, is how to harness the skills and knowledge available at the regional level without further aggravating a problem which, as the Capacity Study has shown, has already reached serious proportions. The Study believes that it can only be resolved gradually. That being said, it should at once be acknowledged that there is nothing in its recommendations which would prevent the Administrator from appointing the secretariat of a Regional Economic Commission, or, indeed, any other regional body of the UN system, as Executing Agency for a project, or as the supervisor of an executing agent for a particular project, in accordance with the procedures proposed in Chapter Five, 1/ provided he was satisfied that the organization in question was fully qualified and equipped to carry out these tasks effectively and expeditiously and that this was the most efficient way of performing them for the maximum benefit of the country or countries concerned.

41. If the guidelines set out in the Capacity Study are observed, certain consequences are likely to follow in practice, viz:

- (a) As at present organized, the Regional Economic Commissions are more likely to be called on as direct Executing Agencies than the regional offices of Agencies.
- (b) Even they, however, are much more likely to be called upon to supervise the work of an executing agent, in fields where they are particularly qualified to do so, rather than executing directly, especially in the case of large, complex projects. Regional offices of Agencies might also be asked occasionally to exercise such supervision.
- (c) The assignation of either function should be limited to projects having a definite regional or sub-regional character, embracing several countries, and covering sectors in which the regional body concerned possesses proven operational experience and adequate staff.
- (d) By far the most useful function which regional offices and commissions could perform immediately is to provide technical backstopping to individual experts working on projects in country programmes, through regional advisers with specialized knowledge of the area as well as of their own subject. This does already happen, but in a sporadic and not very efficient way; all too often there

1/ Paras. 108-131.

is insufficient delegation of authority and the supervisory functions are duplicated at the headquarters level, thus resulting in confusion and waste. What the Capacity Study is recommending here is a systematic arrangement whereby, in agreement with UNDP, the Resident Representative and the parent organization concerned, explicit responsibility would devolve on the regional office or commission secretariat for supporting certain small projects (usually the one- or two-expert, ex-TA type project) in its region. This would be a far more productive use of the time and talents of regional advisers, especially those attached to the Regional Commissions, whom one contributor to the Study referred to as "feckless grasshoppers". 1/ This arrangement, combined with an integrated system of country programming on the lines proposed in Chapter Five, would do much to focus attention on the proper execution of existing projects, instead of on the promotion of disconnected new projects, which so often predominates at present. It is possible, for example, that a group from the highly qualified corps of experts, with supervisory responsibilities for a number of countries, proposed in Chapter Eight, 2/ might be based on the Regional Economic Commissions.

42. There remains the question of how the restructured UNDP organization should be linked with other, existing regional structures of the UN system. The Capacity Study has devoted much time and thought to this problem, and found it perhaps the most difficult to resolve of all the many complex issues referred to the Commissioner. At an earlier stage serious consideration was given to the possibility of outposting UNDP Regional Programme Co-ordinators - high-ranking officers with long practical experience - to the sites of the Regional Economic Commissions with a general responsibility for the activities of the UN development system throughout the region, especially in terms of programming and certain aspects of evaluation. It was thought that, in a general sense, they might supervise the work of the Resident Representatives and field officers in the region and could undertake "trouble shooting" missions. Because of the size of the regions, they might be supported by Sub-regional Programme Co-ordinators, where an identifiable sub-region existed. This approach had various advantages to recommend it, not the least of them being that it would encourage

1/ A large number of the recipient governments who wrote to the Capacity Study complained that the visits of regional advisers were too short (often only a few days) and infrequent to be of any practical value, and many recommended that their work should be related to specific projects.

2/ Para. 58(c).

movements toward regional and sub-regional groupings where a genuine government will to do so existed, without vitiating the country approach. 1/ It was also thought that this scheme might be tried out experimentally in Latin America, reviewed after two years and then modified or extended to other regions as appropriate. In the end, however, the idea had reluctantly to be abandoned, for two principal reasons:

- (a) The concept formed part and parcel of the "collective model" (the Regional Co-ordinator was to head up a regional team formed of all components of the UN development system) which the Study also had to exclude, for the reasons given in Chapter Seven, 2/ in favour of the "direct line" approach which is described in Chapter Seven as the recommended model. 3/ The maintenance of the post without proper functions or authority would serve no useful purpose.
- (b) After a thorough study of the complications of the present regional structure, the Study came regretfully to the conclusion that the capacity of UNDP for effective operations would not be enhanced - and might well be impaired - by any attempt to fit it into the existing diffuse regional arrangements before these had been drastically improved and rationalized, and UNDP itself had been reinforced.

43. This does not denote any underestimation of the value of the regional and sub-regional approaches for the developing world. On the contrary, the Study is convinced that they are essential. The dilemma, then, was how to give free rein to these forces of integration without becoming entangled in a bureaucratic imbroglio which could only militate against efficient management and effective results. Hence, after examining all possible combinations, the Study opted for the creation of Regional Bureaux at headquarters, with a direct line of authority to the Resident Representative but with immediate provision of liaison arrangements with the Regional Economic Commissions, and a longer-term prospect of relocation at the sites of the Commissions, prefaced by pilot experiments in Latin America which could be initiated almost at once. Since these proposals are described in detail in Chapter Seven 4/ there is no need to spell them out again here. It should be noted, however, that they have been conceived

1/ It is interesting to note that the ECA proposals referred to earlier in para. 14 and the footnote to para. 38, contain the suggestion that UNDP should "appoint full-time representatives initially to the better established regional groups" (E/CN.14/ECO/6, para. 52, p. 19) though the proposal is not worked out in the same detail.

2/ Paras. 49-51.

3/ Paras. 53 et seq.

4/ Paras. 112-119.

in a longer term perspective which could, eventually, lead to a complete integration of UNDP and the Regional Commissions. ^{1/}

44. It should; however, be recognized that acceptance of the Capacity Study's proposals alone will not bring this this about. It is imperative, also, that governments and secretariats should make a determined effort to reform and standardize the present distribution and functions of all regional structures of the UN system. The task is not an easy one, but immediate steps must be taken.

CONCLUSIONS

45. The immense complexity of the regional structures of the UN development system make it impossible to find any straightforward solution. However, on the basis of the findings in this appendix, the Capacity Study proposes three main recommendations for a course of future action, assuming that governments and international organizations are determined to try to improve the present situation :

- (a) ECOSOC should commission an investigation into ways and means of rationalizing the distribution and functions of all the regional structures of the UN system. This group should be composed of representatives of the main components of the UN system which possess important regional networks but some members should be drawn from outside the system, among people with direct experience of the management problems of operational activities carried out on an international scale, and decentralized to regional and country levels. The chairman of the group, in particular, should be independent. The terms of reference should instruct the group to work within the framework of such of the Capacity Study's proposals as had been accepted by the Governing Council.
- (b) Pending the availability of the findings of such a commission, a considerable number of improvements could be introduced, again within the framework of the Capacity Study's recommendations, along the lines proposed in paragraphs 36-37 above, and in paragraphs 113-119 of Chapter Seven.

^{1/} See Chapter Seven, para. 152.

- (c) Until effective measures have been taken - perhaps as a result of the commission proposed under (a) - to rationalize the regional structures of the UN development system, and have proved themselves in practice, caution should be observed in allocating major operational responsibilities to regional bodies, including the Regional Economic Commissions, for the reasons given in paragraph 39 above. Their principal and most effective role will undoubtedly continue to be in programming, project formulation, evaluation and follow-up, and should be enhanced by the greater coherence given to these functions by the proposed procedures and organizational framework for the UN Development Co-operation Cycle. This does not, however, preclude certain specific operational functions, as defined in paragraph 117(iii) of Chapter Seven, and in paragraphs 40 and 41 above, provided always that the criteria for the selection of executing agents, which are essential for the proper functioning of the UN Development Co-operation Cycle, are strictly observed.

Appendix Four

DEFINITIONS AND ABBREVIATIONS 1/

(The) United Nations	The Member States acting through the principal organs, or the secretariat, i. e. the Secretary-General and his staff. (CS)
(The) UN System	The whole complex of organizations related to the United Nations. (CS)
(The) UN Development System (UNDS)	The organs of the United Nations (including UNICEF and WFP) and the Specialized Agencies concerned in the promotion of economic and social development and the professional and technical secretariats which serve them. Where the IBRD and IMF are included, this is usually indicated. (CS)
(The) UN Development Programme (UNDP)	(a) The organization headed by the Administrator qualified, if necessary, by "headquarters" or "field" to indicate the specific reference; (b) The aggregate of technical co-operation services financed by UNDP and delivered by the UN development system. (CS)
UN Technical Co-operation	The services contributed toward projects of economic and social development comprising the provision of experts, singly or in teams, fellowships for individuals or groups, usually for study or observation overseas, and equipment, provided by UNDP from voluntary contributions from Member States, and by the UN and Specialized Agencies from their regular (assessed) budgets and extra-budgetary funds; in both cases, the Specialized Agencies organize the service required. UNICEF provides equipment, supplies and stipends for projects benefiting mothers and children; WFP provides food aid for development. (CS)
UN Development Co-operation Cycle (UNDCC)	The cycle of action by which the government, with the co-operation of the UNDS and with the co-operation of the World Bank group as appropriate, prepares a technical co-operation programme for a period of years usually concurrent with the national development plan. See UNDCC, Chapter Five. (CS)

1/ The source of these definitions and abbreviations is indicated by the initials given, i. e. ACC (Co-ord/R731), DP (DP/L. 24/Add. 1), CS (Capacity Study).

Absorptive capacity

The natural, material and human resources of a developing country and their organization so as to enable it to receive and effectively employ external assistance for further development. (CS)

Agencies

Any organization encompassed in the United Nations development system (Specialized Agencies, IAEA, WFP, UNICEF, UNCTAD, etc.) and also the United Nations, insofar as it undertakes operational activities. (CS)

Allocation

- (a) A financial authorization given by the Administrator to an Executing Agency to incur obligations or commitments and to draw funds up to the amount of the allocation. Normally, the allocation actions follow and are authorized by earmarkings made by the Governing Council. (DP)
- (b) In the case of a contract entered into with an agent outside of the UN system, a commitment (q. v.) is made to cover the full costs of services to be rendered or goods to be delivered in accordance with the terms of the contract. (CS)

Annual Review

Annual programme review. See Chapter Five, paragraph 21. (CS)

Appraisal

The processes the result of which provide a basis for decisions on requests for assistance in the light of established criteria, such as: relevance to the development objectives to be attained; propriety in terms of legislative and other requirements of the international system of development assistance; operational feasibility; and cost-benefit studies. (ACC)

In Capacity Study terms, the process applies to both country programmes and project submissions.

Assessment of results

The processes by which, at an appropriate time before or after the termination of external assistance, all aspects of a project are reviewed and the major direct and indirect results are systematically determined and critically examined with respect both to the effectiveness of the project in attaining its objectives, within the context of the relevant economic and social objectives, and to the guidelines to be derived for the benefit of further activities. (ACC)

Associate experts

Junior experts, mostly from developed countries, assigned to UNDP projects in the field, the costs being borne by their national governments. Normally, associate experts have completed their professional training, but lack the practical experience required of full-fledged experts. Associate experts are appointed only with the concurrence of the recipient government and they normally receive the status of a junior professional officer in the international civil service. (DP)

Approved programme

That portion of the programme financed by UNDP which has been approved (and for which provisional earmarkings have been authorized) by the Governing Council. (CS)

Budget

Project budget encompasses all inputs and expenditures necessary for the operation and completion of the project during its lifetime whether provided by the government or UNDP.

Programme support services budget - forecasts of expenses related to the direct support of programmes, particularly country programmes; they should be considered as part of programme costs and not of general administrative costs.

General administrative services budget - expenses relating to the central direction and administration of the programme. (CS)

Capacity

See Chapter Three, paragraphs 1-12. (CS)

Categorization

See Data.

Classification

See Data.

Coding

Preparation of primary data which consists in giving numbers or symbols to each category, class, index group, etc., which will facilitate correct processing. (CS)

Commitment

A reservation of credits within an established allocation to cover the full cost of any legal obligation of whatever duration. "Obligation" has a similar meaning, except that an obligation is usually (with specified exceptions) limited to the cost of goods to be delivered or services rendered within the current calendar year. A "commitment" has no arbitrary limitation in time within the period of validity of the allocation. (DP)

Compatible systems

See information systems.

Conceptual design

The first step in the development of the system. (CS)

Contingency

General term applicable to urgent and unforeseen undertakings which could not be programmed at the time of preparation of country or other programmes. These undertakings could be financed from the reserve in country programmes. The financing of such contingency activities arising from grave natural disasters or contingencies due to major internal or external disturbances could be met from the Working Capital Fund functioning partly on a revolving basis. (CS)

Contingency authority (TA)*

The authority given to the Administrator by the Governing Council to finance urgent or unforeseen activities from the Revolving Fund. (CS)

Contract

An arrangement entered into by the Administrator under which all or part of the assistance financed by UNDP is provided by an Executing Agency or outside agent. (CS)

* This definition will become obsolete should the recommendations of the Capacity Study be adopted.

Counterpart

Refers to government inputs to the project, which should be specified, for example, counterpart financial contribution, counterpart services, or counterpart personnel. (ACC)

Counterpart contribution

Agreed share of project costs to be contributed in cash or in kind by the recipient government. (CS)

Country profile

A statistical system of interpreted country data designed to illustrate the evolution of social and economic aspects of development. (CS)

Country programme

A programme of assistance to a country over a number of years usually synchronized with its own national development plan. (CS)

Country programming

See Chapter Five, paragraphs 13-14. (CS)

Data

General term used to denote any basic elements of information which can be processed or produced by a computer. (CS)

Primary data - original data used as computer input for storage and subsequent processing as received from the source of information. (CS)

Secondary data - data derived or resulting from primary (or original) data so as to enable meaningful comparisons or conclusions. (CS)

Interpretative data - ad hoc procedures applied to certain primary data either to make it comparable with other data of the same kind or to supplement missing elements.

Classification, categorization, indexing and formatting are among the techniques in use to manipulate the data. (CS)

Data bank

Automated information system of storage and retrieval of data using techniques for selection of required information in the most practical form for the user. (CS)

Development Service (UN)

A career service of international civil servants established under UNDP to man its field and headquarters establishment. See Chapter Eight, paragraph 13. (CS)

Earmarkings *

Action taken by the Governing Council to designate and reserve funds within UNDP resources to cover the costs of activities approved by the Council. (CS)

Evaluation

See Chapter Five, paragraph 19. (CS)

* This definition will become obsolete should the recommendations of the Capacity Study be adopted.

Executing Agency/agent

The organization, Agency or agent within the UN development system which has undertaken to carry out a specific UNDP project. (CS)

Execution

Work undertaken on a project in accordance with a plan of operation. See Implementation. (CS)

Experts

See international project personnel, Chapter Eight, paragraph 52. (CS)

Feedback

Feature of an information system which consists of transferring parts or all of the output of a process as input for another phase. In an automated process, the output of the first phase may be associated with new primary data as input for the second phase, and so on. (CS)

Fellowship

Assistance to a government to enable an officially designated individual to undertake specified study or training abroad. A fellow is to be distinguished from a participant for whom financial assistance is provided to take part in a seminar, study group, study tour, workshop or similar activity. (CS)

Field office

When used without qualification, the term denotes an office representing UNDP in a host country or region, and usually headed by a Resident or Regional Representative. (CS)

Follow-up

Action taken by the appropriate institutions in a recipient country, with external assistance as and when required, in consequence of findings and recommendations of a project. (ACC)

Formatting

See Data.

Funds-in-Trust

Identical to Trust Funds in concept except that the specific activities are carried out in the contributor's country. See Trust Funds. (CS)

Global allocation ceiling

A financial maximum or ceiling approved and revised annually by the Governing Council setting an overall upper limit to the power of the Administrator to allocate funds. (CS)

Implementation

Refers to all project-related operations from the phase of project formulation through project execution to follow-up. (CS)

Indexing

See Data.

Indicative planning figures

Tentative figures expressed in monetary terms, approved and revised by the Governing Council annually to facilitate preparation of programmes, normally for a period of five years; in the case of country programmes, the figure would be adjusted to the duration of the country's own development plan. Indicative planning figures do not imply a commitment to allocate funds up to the limit of the figure. (CS)

Information systems

Knowledge, however acquired, in any manner, facts, data, etc., so arranged that they can be retrieved as and when required. An information system need not necessarily be automated. (CS)

A compatible information system is an automated system that can communicate (or exchange data) through the use of standard categorizations, classifications, and other codes. (CS)

An integrated information system is an automated system that can store and process centrally any type of data and that can communicate through a sophisticated two-way link communication network with terminals throughout the world which are part of the system. In addition to the requirements for compatible systems, the integrated system will require standard formatting of the data. (CS)

Integrated development project

A project combining various elements of different economic and/or social sectors or sub-sectors in an organic relationship.

Inter-Agency Consultative Board (IACB) *

An advisory committee established by GA resolution 2029(XX) comprising the Secretary-General and the Executive Heads of organizations participating in UNDP and chaired by the Administrator. The Board advises the Administrator on all significant aspects of the UNDP and, specifically, on projects and programmes prior to their submission to the Governing Council, on the selection of Executing Agencies for specific projects and on the appointment of Resident Representatives. (DP)

Inter-regional project

A multinational development activity in which some or all of the countries of two or more geographical regions participate. (ACC)

Local costs *

A general term used to describe recipient government's assessed obligations in local currency. It embraces "local living costs of experts" and "local operating costs". (DP)

Microfiche

A flat negative film containing multiple microimages in a grid pattern. It usually contains a title which can be read without magnification. (CS)

Monitor

The process by which action related to a programme or project is kept under surveillance. In the context of the Study, it is usually the process by which a Resident Representative keeps a project under surveillance and compares performance against the plan of operation and the network analysis. (CS)

* This definition will become obsolete should the recommendations of the Capacity Study be adopted.

Network analysis

Overall analysis of a project at the formulation phase requiring the listing arrangement in a logical sequence of all individual activities which must be performed in order to meet the final objective. The resulting graph in the form of a "network" will be arranged so as to display the (sequential) relationship of these activities. (CS)

Obligation

A reservation of credits to satisfy a legal obligation to pay for goods and services expected, with specified exceptions, to be received in the current financial year. Obligations are recorded against allocations issued by the Administrator, and are liquidated through disbursements. "Commitments" are similar to obligations, except that they carry no limitation in time. (DP)

Operational (development) activities

General: activities of organizations in the UN development system designed to achieve, in co-operation with a government or governments, a defined development objective within an established timetable. Such activities are chiefly implemented in the field but also include related programmes, backstopping, supervisory and administrative functions performed at headquarters. In specific terms: all activities financed either by the central fund of UNDP or from regular funds or trust funds managed by an organization in the UN development system. (CS)

Operational assistance (OPAS) (OPEX)

A scheme governing the provision of operational and executive personnel, financed by the UNDP (TA) or by the regular programmes of UN and several Specialized Agencies. The recipient government pays to the OPAS expert the relevant salary and allowances for civil servants doing comparable work in that country, the balance to approximate his income to that of project personnel of equivalent salary level is provided by the Programme. (CS)

Operational control

The processes, including methods of inspection, reporting and other means, by which implementation of the project is monitored and reviewed in order to determine the extent to which it is fulfilling the stated targets and objectives and to introduce any necessary modifications at the right time. (ACC)

Overhead costs *

Costs incurred by the Executing Agencies, normally at their headquarters, relating to the central administration, organization, staffing and financing of a project or of a programme. The term "overhead costs" embraces "administrative costs" and "operational services costs", as used in TA terminology. These concepts have been modified in Chapter Nine of the Capacity Study. (DP)

Pipeline

See Chapter Three, paragraphs 26-27. (CS)

Plan of operation

A formal agreement on a project between the government(s) and the organization(s) concerned setting out the objectives, terms and conditions of the project and the respective responsibilities of each party to the agreement. (ACC)

* This definition will become obsolete should the recommendations of the Capacity Study be adopted.

Phase II projects (SF)

New SF projects, requiring new earmarkings, which are an outgrowth of earlier SF projects. (CS)

Pledging Conference

The conference convened annually by the Secretary-General at which governments pledge their voluntary contributions to the UNDP. (CS)

Preparatory assistance *

One of the types of activity authorized to be financed by the UNDP Revolving Fund (q. v.). The term embraces two types of SF activity: the provision of assistance to the governments in connection with the preparatory elaboration or revision of requests for SF financing and the provision of assistance to the Administrator in his appraisal of a particular request before formulating his recommendation to the Governing Council. (DP)

Preliminary operations (SF)

See Revolving Fund. (DP)

Pre-investment assistance

Development assistance devised to pave the way for subsequent investment, private or public, domestic or external. Taken in this wide context, virtually all technical assistance is pre-investment assistance (and incidentally investment) since it strengthens human infrastructure and absorptive capacity. (CS)

Programme

Development activities designed to achieve given objectives over a stated period of time. May be related to a country, region or field or activity. (CS)

Programme earmarkings

Indicative planning figures when and as approved by the Governing Council. (CS)

Programming - rolling, continuous

See Chapter Five, paragraph 22. (CS)

Project

An approved national or multinational development activity of varying complexity to which the government or governments and the participating international organization or organizations contribute specified inputs over a stated period of time in order to attain defined objectives. (ACC)

Project manager

The senior field official responsible to the Executing Agency or agent for the implementation of a UNDP project. (CS)

Project personnel

Internationally-recruited personnel assigned to field duty on UNDP projects. (CS)

* This definition will become obsolete should the recommendations of the Capacity Study be adopted.

Regional project

A multinational development activity in which some or all of the countries of a particular geographical region participate. (ACC)

Regular programme

Activities of the UN or other organizations in the UN development system which are financed by their assessed budgets. (CS)

Regular operational programme

Activities financed from assessed or voluntary funds set aside specifically for supporting operational activities of the organizations in the UN development system. (CS)

Resident Representative

The official representative of the UNDP in a country with a UN development programme. (CS)

Revolving Fund *

A fund established by the Governing Council embracing TA contingency authority and SF preparatory assistance authority and which, in addition, provides a means of financing preliminary SF operations on a contingency basis, the latter for an initial experimental period of one year. The fund also provides for financing investment-oriented feasibility studies and projects of the special industrial services type. (CS)

Specialized Agencies

International organizations brought into relationship with the United Nations as described in Articles 57, 63 and 64 of the United Nations Charter. Note: IAEA has a special status and is not a Specialized Agency. (DP)

Sub-contract

An arrangement entered into by a prime contractor (Executing Agency or outside agent) under which all or part of the UNDP assistance is provided by a third party. See Contract. (CS)

Trust Funds

Funds which are accepted by an international organization under the terms of its financial regulations to finance extra-budgetary activities specified by the contributor which are not inconsistent with the general aims and purposes of the organization. See Funds-in-Trust. (CS)

Voluntary contributions

Contributions made into the general resources of UNDP by Member States of the United Nations, or members of the Specialized Agencies or of the IAEA in accordance with the provisions of ECOSOC resolutions 222 A(IX) paragraph 8(a) and 623 B(XXIII) paragraphs 1-3 and 5, and GA resolution 1240 (XIII) paragraphs 45-50. Voluntary contributions are separate and distinct from donations, host governments' cash payments toward local currency costs of field offices, counterpart and local-costs payments, and other types of income and from trust funds. (DP)

Volunteer

A person who gives his services without regard to financial benefit and with the purpose of contributing to the development of the recipient country. (ECOSOC resolution 1444(XLVII)).

* This definition would become obsolete should the recommendations of the Capacity Study be adopted.

ACABQ	Advisory Committee on Administrative and Budgetary Questions (UN)
ACASTD	Advisory Committee on the Application of Science and Technology to Development (ECOSOC)
ACC	Administrative Committee on Co-ordination
CCAQ	Consultative Committee on Administrative Questions (ACC)
CDF	Capital Development Fund (UN)
CDPPP	Centre for Development Planning, Projections and Policies (UN/ESA)
CPC	Committee for Programme and Co-ordination (ECOSOC)
CUC	Computer Users' Committee (ACC)
DD-2	The Second Development Decade
DHL	The Dag Hammarskjöld Library (UN)
DRP	Development Resources Panel (see Chapter Seven)
ECA	Economic Commission for Africa
ECAFE	Economic Commission for Asia and the Far East
ECE	Economic Commission for Europe
ECLA	Economic Commission for Latin America
ECOSOC	Economic and Social Council of the United Nations
ECPC	Enlarged Committee for Programme and Co-ordination (ECOSOC)
EEC	European Economic Community
EPTA	Expanded Programme of Technical Assistance
ESA	Department of Economic and Social Affairs (UN)
E & S	Economic and Social Information (see Chapter Six)
FAO	Food and Agriculture Organization of the United Nations
FFHC	Freedom from Hunger Campaign (FAO)
FUNDWI	Fund for West Irian (UNDP)
GA	General Assembly of the United Nations
GATT	General Agreement on Tariffs and Trade
IAEA	International Atomic Energy Agency
IACB	Inter-Agency Consultative Board (UNDP)
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
ICC	International Computing Centre (UN/ESA)
ICSAB	International Civil Service Advisory Board (ACC)
IDA	International Development Association (IBRD)
IDB	Industrial Development Board (UNIDO)
IDEP	Institut africain de développement économique et de planification (African Institute for Economic Development and Planning)
IDFA	Industrial Development Field Adviser (UNDP/UNIDO)

IFC	International Finance Corporation (IBRD)
IGC	Inter-Governmental Committee (WFP)
IIEP	International Institute for Educational Planning (UNESCO)
ILO	International Labour Organisation
ILPES	Instituto Latinoamericano de Planificación Económica y Social (Latin American Institute for Economic and Social Planning)
IMCO	Inter-Governmental Maritime Consultative Organization
IMF	International Monetary Fund
IRO	International Refugee Organization
ITC	UNCTAD/GATT International Trade Centre
ITU	International Telecommunication Union
JIU	Joint Inspection Unit (GA)
MISS	Management and Information Systems Staff (see Chapter Six)
NDC	National Documentation Centre (see Chapter Six)
NGO	Non-Governmental Organizations
OECD	Organization for Economic Co-operation and Development
OPAS) OPEX)	Operational and Executive Personnel, c. f. definitions and GA resolution 1256(XIII)
O & A	Operational and Administrative Information (see Chapter Six)
PPS	Programme Policy Staff (see Chapter Seven)
SAA	Senior Agricultural Adviser (UNDP/FAO)
SF	The Special Fund component (UNDP)
SIS	Special Industrial Services (UNIDO)
SUNFED	Special United Nations Fund for Economic Development
TA	The Technical Assistance component (UNDP)
TAB	Technical Assistance Board
TAC	Technical Assistance Committee (ECOSOC)
TAP	Technical Assistance Panel (see Chapter Seven)
TARS	Technical Assistance Recruitment Service (UN)
T & S	Technical and Scientific Information (see Chapter Six)
TDB	Trade and Development Board (UNCTAD)
UNCITRAL	United Nations Commission on International Trade Law (GA)
UNCTAD	United Nations Conference on Trade and Development
UNDCC	United Nations Development Co-operation Cycle (see Chapter Five)
UNDP	United Nations Development Programme
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNESOB	United Nations Economic and Social Office in Beirut
UNHCR	United Nations High Commissioner for Refugees

UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UNITAR	United Nations Institute for Training and Research
UNKRA	United Nations Korean Reconstruction Agency
UNRISD	United Nations Research Institute for Social Development
UNRRA	United Nations Relief and Rehabilitation Administration
UNRWA	United Nations Relief and Works Agency for Palestine Refugees in the Near-East
UPU	Universal Postal Union
WFP	UN/FAO World Food Program
WHO	World Health Organization
WMO	World Meteorological Organization

Appendix Five

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Appendix Six

STATISTICAL AND OTHER REFERENCE MATERIAL

Table 1	Date of creation of UN Specialized Agencies, IAEA, UN major operational programmes and organs, and UN Regional Economic Commissions
Table 2	Membership of UN by year and region
Table 3	Membership of UNCTAD, UNIDO and Specialized Agencies
Table 4	Regular budgets of the Specialized Agencies and of the United Nations from 1950 through 1969
Table 5	Voluntary contributions pledged to EPTA, SF, UNDP and components from 1950 through 1969
Table 6	Analysis of total expenditure for EPTA, SF, UNDP and components from 1950 through 1968
Table 7	Analysis of Agencies' expenditure, including overhead costs, financed from EPTA, SF and UNDP resources
Table 8	Proportion of EPTA, SF and UNDP funds spent (project costs only) by Agencies from 1950 through 1968
Table 9	SF projects approved by the Governing Council from 1959 through 1968
Table 10	Number of experts by programme from 1952 through 1968
Table 11	UN system total net expenditure on economic and social activities by main sources of funds, 1965 through 1968
Table 12	Technical assistance expenditure by source of funds compared with total expenditure
Table 13	Technical assistance expenditure under Agencies' regular budgets and other non-UNDP resources
Table 14	Development performance during the First Development Decade compared with the 1955-1960 period
Table 15	SF projects: Actual expenditure compared to planned project budgets
Table 16	SF projects: Actual expenditure on projects by project component
Table 17	TA projects: Expenditure, by component, by Agency and by year
Table 18	UN system professional staff as of January 1969

General notes to tables 1/

1. Reference to "dollars" (\$) means United States dollars.
2. Details and percentages of tables do not necessarily add to totals because of rounding.
3. Three dots (...) indicate that data are not available or do not exist.
4. A dash (-) indicates that the amount is nil or negligible (i. e. less than half of the unit indicated).

1/ This applies also to Tables 3. 11 to 3. 13 of Chapter Three.

TABLE 1

DATE OF CREATION OF UN SPECIALIZED AGENCIES, IAEA, UN MAJOR OPERATIONAL PROGRAMMES AND
ORGANS, AND UN REGIONAL ECONOMIC COMMISSIONSI. Specialized Agencies and IAEA

	<u>Creation Date</u>	<u>Agreement with UN coming into force</u>
ITU	1865	1949
UPU	1874	1948
ILO	1919	1946
FAO	1945	1946
IBRD	1945	1947
IMF	1945	1947
UNESCO	1946	1946
ICAO	1947	1947
GATT	1948	-
WHO	1948	1948
WMO	1950	1951
IFC	1956	1957
IAEA	1957	1957
IMCO	1959	1959
IDA	1960	1961

II. UN major programmes and organs

<u>Body</u>	<u>GA Resolution Establishing Body</u>		<u>Operational Date</u>
UNICEF	57(I)	- 1946	1946
UNWRA	302(IV)	- 1949	1950
UNHCR	319(IV)	- 1949	1951
UNDP/EPTA	304(IV)	- 1949	1949
- SF	1240(XIII)	- 1958	1959
- Merger	2029(XX)	- 1965	1966
WFP	1714(XVI)	- 1961	1962
	(FAO Conference Res. 1/16)	- 1961	
UNCDF	2186(XXI)	- 1966	?
	*		
UNCTAD	1995(XX)	- 1965	1965
UNIDO	2152(XXI)	- 1966	1966
	*		
UNITAR	1934(XVIII)	- 1963	1965

III. UN Regional Economic Commissions

	<u>ECOSOC Resolution Establishing Commission</u>	
Economic Commission for Europe	36(IV)	- 1947
Economic Commission for Asia and the Far East	37(IV)	- 1947
Economic Commission for Latin America	106(VI)	- 1948
Economic Commission for Africa	671(XXV)	- 1958

TABLE 1 (continued)

IV. Major GA and ECOSOC Resolutions on Technical Assistance

GA	52	(I)	1946	Provision of expert advice by the United Nations to Member States
GA	58	(I)	1946	Transfer to the United Nations of the advisory social welfare functions of UNRWA
ECOSOC	51	(IV)	1947	Expert assistance to Member Governments
GA	200	(III)	1948	Technical assistance for economic development
ECOSOC	222	(IX)	1949	Economic development of under-developed countries
GA	304	(IV)	1949	Expanded programme of technical assistance for economic development of under-developed countries
ECOSOC	542	(XVIII)	1954	Technical assistance
GA	1 240	(XIII)	1958	Establishment of the Special Fund
GA	1 256	(XIII)	1958	United Nations technical assistance in public administration (OPEX personnel)
GA	1 530	(XV)	1960	United Nations assistance in public administration: provision of operational, executive and administrative personnel
GA	2 029	(XX)	1965	Consolidation of the Special Fund and the Expanded Programme of Technical Assistance in a United Nations Development Programme
GA	2 186	(XXI)	1966	Establishment of the United Nations Capital Development Fund
GA	2 188	(XXI)	1966	General review of the programmes and activities in the economic, social, technical co-operation and related fields of the United Nations, the Specialized Agencies, the International Atomic Energy Agency, the United Nations Children's Fund and all other institutions and agencies related to the United Nations system

TABLE 2

MEMBERSHIP OF UN BY YEAR AND REGION

YEAR	Total	Africa	Americas	Asia	Europe
1945	51	4	22	10	15
1946	55	4	22	12	17
1947	57	4	22	14	17
1948	58	4	22	15	17
1949	59	4	22	16	17
1950	60	4	22	17	17
1951	60	4	22	17	17
1952	60	4	22	17	17
1953	60	4	22	17	17
1954	60	4	22	17	17
1955	76	5	22	22	27
1956	80	8	22	23	27
1957	82	9	22	24	27
1958	83	10	22	24	27
1959	83	10	22	24	27
1960	100	26	22	24	28
1961	104	29	22	25	28
1962	110	33	24	25	28
1963	112	34	24	26	28
1964	115	36	24	26	29
1965	118	37	24	28	29
1966	122	39	26	28	29
1967	123	39	26	29	29
1968	126	42	26	29	29
1969	126	42	26	29	29

TABLE 2

TABLE 3

MEMBERSHIP OF UNCTAD, UNIDO AND SPECIALIZED AGENCIES

UNCTAD	135 ^{1/}
UNIDO	135 ^{1/}
FAO	117
UNESCO	125
WHO	128
ILO	118
IAEA	99
WMO	130
ITU	135
UPU	138
ICAO	116
IMCO	67
IBRD	110
IDA	102
IFC	90
IMF	111
GATT	79

1. In addition to the 126 members of the United Nations, the founding resolutions of UNCTAD [1995 (XX)] and UNIDO [2152 (XXI)] provide that the members of these organizations shall be those states which are members of th UN, of the Specialized Agencies or of the IAEA. Their total membership is thus 135; the additional category includes, in Europe, countries such as the Federal Republic of Germany and Switzerland and, in Asia, Southern Vietnam and Southern Korea. Other members of certain agencies are not sovereign states.

TABLE 3

TABLE 4
REGULAR BUDGET OF THE SPECIALIZED AGENCIES^{1/} AND OF THE UNITED NATIONS FROM 1950 THROUGH 1969

Voluntary contributions to EPTA, SF and UNDP during the same period
(Expressed in \$ million)

	1950	1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969
FAO	4.5	4.6	4.8	5.1	5.5	6.0	6.4	7.0	9.1	10.5	10.6	11.1	14.4	16.8	18.0	23.6	27.8	29.7	34.1	33.6
UNESCO	7.2	8.0	8.7	8.0	9.0	9.2	11.4	10.6	12.3	12.6	13.8	15.8	18.2	19.7	21.3	27.6	28.6	32.9	37.3	42.1
WHO	6.1	6.3	7.9	8.1	8.1	9.3	10.0	12.1	14.0	15.4	17.1	19.2	24.2	29.8	33.9	42.1	48.2	56.3	62.5	67.4
ILO	5.3	5.8	6.4	6.5	6.6	7.0	7.3	7.7	8.5	9.1	9.6	10.4	11.6	14.5	17.0	21.5	23.5	26.5	29.1	31.1
IAEA	-	-	-	-	-	-	-	-	3.9	4.5	5.2	6.0	6.4	6.9	7.3	8.8	10.0	10.4	11.7	12.6
WMO	-	0.2	0.2	0.3	0.3	0.4	0.4	0.4	0.4	0.5	0.6	0.6	0.8	0.9	1.1	1.5	2.0	2.4	2.9	3.2
ITU	1.6	1.6	1.6	1.5	1.3	1.3	1.7	1.5	1.9	2.7	2.3	2.8	3.4	4.1	4.1	5.6	7.0	6.8	7.6	7.5
UPU	0.3	0.4	0.4	0.4	0.4	0.4	0.4	0.5	0.5	0.6	0.6	0.7	0.7	0.8	1.2	1.1	1.3	1.5	1.7	2.0
ICAO	2.9	3.2	3.2	3.2	3.1	3.3	3.3	3.9	4.0	4.5	4.6	4.8	5.5	5.8	6.1	6.4	7.5	7.0	7.7	8.0
IMCO	-	-	-	-	-	-	-	-	-	0.2	0.3	0.3	0.4	0.4	0.5	0.9	0.9	0.8	1.0	1.1
Total	27.9	30.0	33.3	33.1	34.3	36.9	40.9	43.7	54.6	60.6	64.8	71.8	85.6	99.7	110.4	138.7	156.7	174.3	195.4	208.7
UN ^{2/}	43.7	48.6	50.3	49.3	48.5	50.1	50.5	53.2	62.5	61.9	65.8	71.1	84.5	92.2	102.9	107.1	118.6	130.5	140.4	151.2
Voluntary contributions to EPTA, SF & UNDP	20.0	18.8	22.3	25.0	27.6	28.8	30.8	31.1	55.2	72.6	89.1	105.6	122.7	136.9	145.3	154.8	172.0	183.5	197.4	3/

NOTES:
1/ Not including Bank Group, IMF and GATT
2/ Including UNCTAD and UNIDO
3/ As at 30 September 1969

SOURCE: Budgets: Annual reports of ACABQ to the General Assembly
Voluntary Contributions: See Table 5

TABLE 5

VOLUNTARY CONTRIBUTIONS PLEDGED TO EPTA, SF, UNDP AND COMPONENTS
(Expressed in \$ million)

<u>Year</u>	<u>EPTA</u>	<u>SF</u>	<u>Undivided</u>	<u>UNDP</u>
1950/51 ^{1/}	20.0	-	-	20.0
1952	18.8	-	-	18.8
1953	22.3	-	-	22.3
1954	25.0	-	-	25.0
1955	27.6	-	-	27.6
1956	28.8	-	-	28.8
1957	30.8	-	-	30.8
1958	31.1	-	-	31.1
1959	29.4	25.8	-	55.2
1960	34.0	38.6	-	72.6
1961	41.7	47.5	-	89.1
1962	45.4	60.2	-	105.6
1963	50.0	72.8	-	122.7
1964	51.2	85.8	-	136.9
1965	53.9	91.5	-	145.3
1966	33.6	58.2	63.0	154.8
1967	35.7	66.2	70.0	172.0
1968	30.7	59.0	93.8	183.5
1969 ^{2/}	27.6	51.0	118.9	197.4
TOTAL	<u>637.6</u>	<u>656.6</u>	<u>345.7</u>	<u>1 639.5</u>

NOTES:

^{1/} 18 months
^{2/} as at 30 September 1969

SOURCE:

UNDP

TABLE 5

TABLE 6

ANALYSIS OF TOTAL EXPENDITURE FOR EPTA, SF, UNDP
AND COMPONENTS FROM 1950 THROUGH 1968
(Expressed in \$ million)

Broken down according to category of expenditure

Year	Project costs			Agency costs			Central adminis- tration ^{1/}	Grand total
	TA	SF	Total	TA	SF	Total		
1950/51	4.5	-	4.5	1.8	-	1.8	-	6.3
1952	18.8	-	18.8	3.7	-	3.7	0.5	23.0
1953	17.8	-	17.8	3.7	-	3.7	1.3	22.8
1954	15.1	-	15.1	3.1	-	3.1	1.3	19.5
1955	21.3	-	21.3	3.2	-	3.2	1.4	25.9
1956	25.3	-	25.3	3.6	-	3.6	1.6	30.5
1957	25.8	-	25.8	3.9	-	3.9	1.8	31.5
1958	27.7	-	27.7	4.2	-	4.2	2.0	33.9
1959	26.5	-	26.5	4.4	0.1	4.4	2.2	33.1
1960	27.9	2.3	30.2	4.4	0.9	5.3	2.8	38.3
1961	31.3	7.5	38.8	3.8	1.2	5.0	3.7	47.5
1962	44.6	20.1	64.8	3.8	3.1	6.9	5.1	76.8
1963	39.5	35.0	74.5	4.5	3.7	8.2	6.7	89.4
1964	51.8	48.2	100.0	4.6	5.0	9.6	8.7	118.3
1965	42.5	59.7	102.2	6.3	6.4	12.7	10.8	125.7
1966	58.9	75.4	134.4	6.8	8.0	14.8	13.2	162.4
1967	50.6	92.9	143.5	8.0	9.7	17.8	14.7	176.0
1968	64.6	116.1	180.6	8.1	11.4	19.5	17.1	217.2
TOTAL 50-68	594.5	457.2	1 051.8	81.9	49.5	131.4	94.9	1.278.1

NOTE: ^{1/} Including field offices

SOURCE: TAB, SF and UNDP reports

TABLE 6

TABLE 7

ANALYSIS OF AGENCIES EXPENDITURE INCLUDING OVERHEAD COSTS,
FINANCED FROM EPTA, SF AND UNDP RESOURCES

From inception through 1968 inclusive
(Expressed in \$ million)

By year and by Agency

	1950/ 1951	1952	1953	1954	1955	1956	1957	1958	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968
UN	1.2	5.4	5.3	4.7	5.8	7.1	6.7	7.0	7.0	8.2	8.9	13.7	15.8	23.6	25.6	32.8	37.8	40.5
UNIDO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5.5
FAO	2.0	6.4	6.0	4.7	7.7	8.0	8.6	8.4	8.1	9.1	12.2	19.7	23.5	30.5	36.4	47.2	53.5	62.5
UNESCO	1.1	3.5	2.7	2.3	3.1	3.8	4.2	5.4	4.8	5.3	7.1	13.4	14.6	21.2	19.9	25.2	25.8	34.0
WHO	1.3	4.4	4.2	3.8	4.4	5.2	5.2	5.6	5.2	5.5	6.3	8.1	8.2	9.8	8.7	11.4	10.4	13.3
ILO	0.3	1.9	2.3	2.0	2.6	3.1	3.2	3.4	3.4	3.6	5.0	8.6	10.4	11.8	11.7	14.1	15.8	19.1
IAEA	-	-	-	-	-	-	-	-	0.3	0.6	0.5	1.1	0.8	1.6	1.1	2.0	1.2	2.1
WMO	-	-	-	-	-	0.3	0.3	0.4	0.5	0.6	0.8	1.6	1.8	2.5	1.8	2.8	2.6	4.5
ITU	-	-	-	-	-	0.3	0.3	0.4	0.3	0.4	0.6	1.2	1.4	2.4	3.4	4.8	4.8	5.5
UPU	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.2	0.4	0.6	0.5	0.6
ICAO	0.3	0.9	1.0	0.8	1.0	1.2	1.3	1.3	1.4	1.5	2.0	3.0	3.7	3.7	3.8	4.6	3.7	4.3
IMCO	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	0.1	0.1	0.2
IBRD	-	-	-	-	-	-	-	-	-	0.7	0.5	1.3	2.5	2.3	2.0	3.6	5.1	8.4
TOTAL	6.3	22.5	21.5	18.2	24.5	28.9	29.7	31.9	30.9	35.5	43.8	71.7	82.7	109.6	114.9	149.2	161.3	200.1

SOURCE: TAB, SF and UNDP reports

TABLE 7

TABLE 9 SF PROJECTS APPROVED BY THE GOVERNING COUNCIL FROM 1959 TO 1968
(Expressed in number of projects)

Shown by Agency and by year ^{1/}

Agency	1959	1960	1961	1962	1963	1964	1965	1966	1967	1968	1969	Total
UN	6	6	8	10	14	20	27	25	21	24	33	194
UNIDO	-	1	-	1	2	2	5	4	3	8	12	38
FAO	16	32	16	29	33	38	41	52	47	58	51	413
UNESCO	6	10	8	17	14	10	13	19	13	17	13	140
WHO	-	2	-	1	1	2	4	6	3	5	4	28
ILO	7	6	7	15	6	7	8	17	19	19	28	139
IAEA	-	-	-	1	1	-	1	-	-	1	-	4
WMO	3	1	-	2	1	2	1	4	2	2	1	19
ITU	-	1	2	3	2	7	1	1	4	5	3	29
UPU	-	-	-	-	-	-	-	-	-	-	1	1
ICAO	-	6	-	1	1	1	-	1	-	1	3	14
IMCO	-	-	-	-	-	-	-	-	-	-	-	-
IBRD	4	3	-	4	4	2	5	6	10	9	7	54
Other than UN Agencies	-	-	-	-	-	-	-	-	-	2	-	2
Total	42	68	41	84	79	91	106	135	122	151	156	1 075

NOTE: ^{1/} Excludes cancelled projects

SOURCE: UNDP, Projects in the SF component as of 30 June 1969 (Doc. DP/SF/Reports, Series B No.8)

- Report of the Governing Council, Eighth Session (Doc. E/4706)

TABLE 9

TABLE 10

NUMBER OF EXPERTS BY PROGRAMME FROM 1952 to 1968^{1/}
(Expressed in number of experts)

Shown for EPTA, SF, UNDP and components, and for Agencies, own programmes of technical assistance

Year	EPTA or TA	SF	UNDP	Other	Total
	(1)	(2)	1 + 2 (3)	(4)	(5)
1968	3472	4728	8200	2117	10.317
1967	3301	3599	6900	1702	8.602
1966	3643	2978	6621	1893	8.514
1965	3130	2503	(5633)	1796	7.429
1964	3292	1523	(4815)	1827	6.642
1963	2817	1075	(3892)	1866	5.758
1962	2552	671	(3223)	1319	4.542
1961	2381	285	(2666)	1358	4.024
1960	2207	82	(2289)	1018	3.307
1959	2291	-	-	924	3.215
1958	2427	-	-	717	3.144
1957	2513	-	-	670	3.183
1956	2346	-	-	549	2.895
1955	2004	-	-	...	...
1954	1584	-	-	...	...
1953	1757	-	-	...	...
1952	1733	-	-	...	...

IMPORTANT NOTE:^{1/} Number of experts in this table is based on statistics by nationality of the expert; in data reported by certain agencies, an expert's nationality is counted separately for each assignment that he had during the year. Data for SF projects include sub-contractors' personnel (e.g. 1070 in 1968). For these reasons and some possible discrepancies in definitions, figures in this table differ from those given in Table 18, which are based on authorized posts. It could also be mentioned that the total number of man year of project personnel financed by UNDP in 1968 (sub-contractors' personnel excluded) was about 4400.

SOURCE: TAB, SF and UNDP reports.

TABLE 10

TABLE 11
UN SYSTEM TOTAL NET EXPENDITURE IN ECONOMIC AND SOCIAL ACTIVITIES BY MAIN SOURCES OF FUNDS, 1965 - 1968
(Expressed in \$ million)

Agencies or Programmes	Total net expenditures						Part financed by UNDP/ ^{1/} net expenditures						Breakdown of total net expenditures:											
	1965			1966			1967			1968			1965			1966			1967			1968		
	84.9	100.0	112.7	128.0	25.6	32.8	37.8	46.0	30	33	34	36	48.9	57.1	63.5	69.2	36.0	42.8	49.2	58.8				
UN ^{2/}	56.4	70.6	77.8	88.5	36.4	47.2	53.5	62.5	65	67	69	71	20.9	24.4	26.2	28.0	35.5	46.2	51.5	60.5				
FAO	43.7	50.3	54.0	66.5	19.9	25.2	25.8	34.0	46	50	48	51	24.8	26.1	28.6	33.9	18.9	24.2	24.4	32.6				
UNESCO	62.6	74.1	82.7	89.3	8.7	11.4	10.4	13.3	14	15	13	15	38.3	43.4	51.3	55.6	24.2	30.6	31.4	33.8				
WHO	31.6	35.6	38.4	44.1	11.7	14.1	15.8	19.1	37	40	41	43	19.2	21.5	23.3	25.6	12.4	14.1	15.1	18.5				
ILO	10.8	12.9	10.6	11.4	1.1	2.0	1.2	2.1	10	15	11	19	7.7	8.7	8.8	9.5	3.2	4.2	1.7	1.9				
IAEA	3.5	4.7	5.0	7.5	1.8	2.8	2.6	4.5	52	59	52	59	1.3	1.8	2.2	2.7	2.2	2.9	2.8	4.8				
WMO	9.5	11.1	11.1	12.3	3.4	4.8	4.8	5.5	36	43	43	44	5.1	5.9	5.7	6.1	4.4	5.2	5.4	6.2				
ITU	1.6	2.1	2.2	2.5	0.4	0.6	0.5	0.6	22	27	22	23	1.2	1.4	1.6	1.7	0.4	0.7	0.6	0.8				
UPU	9.1	10.9	9.3	10.8	3.8	4.6	3.7	4.3	42	42	39	40	5.2	6.2	5.6	6.1	3.8	4.7	3.7	4.7				
ICAO	0.9	0.9	1.0	1.0	-	0.1	0.1	0.2	3	8	17	20	0.9	0.9	0.8	0.8	-	-	0.2	0.2				
IMCO	314.6	373.1	404.7	462.0	112.9	145.6	156.2	191.7	36	39	39	42	173.6	197.5	218.7	239.3	141.0	175.6	186.0	222.7				
Sub-total	10.8	13.2	14.7	17.1	10.8	13.2	14.7	17.1	-	-	-	-	-	-	-	-	10.8	13.2	14.7	17.1				
UNDP adm.	30.3	36.2	40.0	45.9	-	-	-	-	-	-	-	-	-	-	-	-	30.3	36.2	40.0	45.9				
UNICEF	18.2	32.0	30.7	50.7	-	-	-	-	-	-	-	-	-	-	-	-	18.2	32.0	30.7	50.7				
WFP	37.6	37.5	40.5	44.0	-	-	-	-	-	-	-	-	-	-	-	-	37.6	37.5	40.5	44.0				
UNRWA	411.6	492.0	530.7	619.8	123.7	158.8	170.9	208.8	30	32	32	34	173.6	197.5	218.7	239.3	238.0	294.5	312.0	380.5				
Grand total																								

NOTES: 1/ UNDP payments to Agencies include projects as well as overhead costs; note that UNDP funds are not always presented as extra-budgetary; a number of Agencies consider, for instance the overhead payments as part of their regular budget; this explains why in a few cases the part of TNE financed by UNDP is larger than the total of extra-budgetary funds expended. Also note that UNDP figures do not include payments to IBRD (\$ 2 million in 1965, 3.6 in 1966, 5.1 in 1967 and 8.4 in 1968; therefore totals differ from those shown in Tables 6 and 7

2/ Figures include only expenditures attributable to activities in the economic, social and human rights fields (as per definition adopted by ACC); see source below; total include UNIDO, UNCTAD and UNHCR expenditures

SOURCES: - Expenditures of the UN system in relation to programmes, Annual reports of the ACC (doc. E/4351, E/4501 and E/4702)

- UNDP statistics

TABLE 12

TECHNICAL ASSISTANCE EXPENDITURE BY SOURCE OF FUNDS
AS COMPARED WITH TOTAL EXPENDITURE
(Expressed in \$ million)

1968 figures by Agency

Agencies	Total net expendi- tures	Technical Assistance by source of funds				TA as % of TNE (5:1x100)	UNDP as % of TA Funds (3:5x100)
		Regular Budget	UNDP ^{2/}	Others	Total (2+3+4)		
	(1)	(2)	(3)	(4)	(5)	(6)	(7)
UN ^{1/}	128.0	6.1	41.9	5.8	53.8	42	78
FAO	88.5	-	55.7	6.7	62.4	71	89
UNESCO	66.5	1.0	30.9	1.0	32.9	49	94
WHO	89.3	27.3	11.6	3.5	42.4	47	27
ILO	44.1	2.3	17.0	1.2	20.5	46	83
IAEA	11.4	1.8	1.9	-	3.7	32	51
WMO	7.5	0.3	4.0	0.2	4.5	60	89
ITU	12.3	-	5.0	0.5	5.5	45	91
UPU	2.5	-	0.5	0.1	0.5	20	100
ICAO	10.8	0.1	3.8	0.9	4.8	44	79
IMCO	1.0	-	0.1	-	0.1	10	100
TOTAL	462.0	39.1	172.4 ^{3/}	19.8	231.3	50	75

NOTES: 1/ Including UNIDO and UNCTAD

2/ Project expenditures only

3/ Does not include funds channelled through the IBRD

SOURCE: Table 11 (col.1); Table 13 (col. 2 & 4); Documentation prepared for the Capacity Study by UNDP (col. 3)

TABLE 12

TABLE 13

TECHNICAL ASSISTANCE EXPENDITURE UNDER AGENCIES
REGULAR BUDGETS AND OTHER NON-UNDP RESOURCES
(Expressed in \$ million)

1968 figures by Agency

Agencies	Source of funds				
	Regular Budget	Other sources			
		Total	of which:-		
			Funds-in-Trust ^{a/}	Associate Experts ^{b/}	Other
UN	5.1	3.8	2.7	1.0	0.1 ^{c/}
UNIDO	1.0	2.0	0.4	0.1	1.5 ^{g/}
FAO	-	6.7	3.5	-	3.2 ^{e/}
UNESCO	1.0	1.0	0.6	0.3	-
WHO	27.3	3.5	1.8	-	1.6 ^{f/}
ILO	2.3	1.2	0.8	0.3	0.1 ^{d/}
IAEA	1.8	-	-	-	-
WMO	0.3	0.2	0.2	-	-
ITU	-	0.5	0.4	0.1	-
UPU	-	0.1	0.1	-	-
ICAO	0.1	0.9	0.9	-	-
Total	39.1	19.8	11.4	1.8	6.6

- NOTES: ^{a/} Relates to funds provided by recipient governments and to FUNDWI.
^{b/} The majority of such experts came from Belgium, Netherlands and Sweden
^{c/} Includes "subventions" from other agencies; UNKRA.
^{d/} Includes UNHCR, UNKRA, and Ford Foundation.
^{e/} Consists of Freedom from Hunger Campaign (FFHC).
^{f/} Consists of voluntary fund for health promotion.
^{g/} Consists of "Special Industrial Services" (SIS).

SOURCE: Documentation prepared for the Capacity Study by UNDP.

TABLE 13

TABLE 14

DEVELOPMENT PERFORMANCE DURING THE FIRST DEVELOPMENT DECADE
AS COMPARED WITH THE 1955-1960 PERIOD
(Expressed in percentages)

A. Global rates of GDP growth 1955-1968

	Period					
	1955-60	1960-65	1964	1965	1966	1967
Group of countries :						
World	...	...	6	5	5	4
Industrial market economies	3.2	4.9	6	5	5	3
Centrally planned economies	...	...	8	7	8	7
Developing countries	4.6	4.3	5	4	3	5

B. Annual average rate of growth of GDP, 1955-1965, by region

	1955-1960		1960-1965		1955-1965	
	<u>total</u>	<u>per capita</u>	<u>total</u>	<u>per capita</u>	<u>total</u>	<u>per capita</u>
Developing countries:	4.6	2.3	4.3	1.9	4.5	2.1
- Latin America	4.6	1.9	4.4	1.7	4.5	1.8
- Africa	4.3	2.1	4.5	2.3	4.4	2.2
- West Asia	6.5	4.0	7.3	4.6	6.9	4.8
- Southern and South East Asia	4.2	2.0	3.5	1.2	3.9	1.6

TABLE 14

TABLE 14 (continued)

C. Distribution of developing countries according to average rate of growth of GDP, 1955-1965

(i) Developing countries, India included, China excluded.

Annual average rate of growth	Number of countries	Proportion of total population	Proportion of total GDP
5% and over	22	1/6	1/3
4-4.9%	31	1/3	1/3
less than 4%	22	1/2	1/3

(ii) Developing countries other than India and China

Annual average rate of growth	Number of countries	Proportion of total population	Proportion of total GDP
5% and over	22	1/4	2/5
4-4.9%	31	1/2	2/5
less than 4%	21	1/4	1/5

SOURCE: Based on UN, World Economic Survey, 1967 (doc. E/4488/Add.1 and E/4489).

TABLE 15
SF PROJECTS: ACTUAL EXPENDITURE COMPARED TO PLANNED PROJECT BUDGETS
(Expressed in \$ million)

Shown by year and by agency for all projects

Agencies	Key	Cumulative at end of each year										Individual years			
		1960	1961	1962	1963	1964	1965	1966	1967	1968	1965	1966	1967	1968	
All agencies	(1)	11.8	33.5	69.2	117.8	178.1	251.2	339.4	445.1	557.1	73.1	88.2	105.7	112.0	
	(2)	2.3	9.8	29.9	65.4	110.8	166.8	239.2	327.9	439.9	56.0	72.4	88.7	112.0	
	(3)	9.5	23.8	39.2	52.4	67.3	84.4	100.2	117.2	117.2	17.1	15.8	17.0	-	
UN	(1)	2.5	6.1	14.5	22.8	33.7	47.8	69.0	90.9	113.5	14.2	21.2	21.9	22.6	
	(2)	0.8	2.3	6.2	12.7	21.0	33.3	48.0	67.1	90.3	12.3	14.7	19.1	23.2	
	(3)	1.8	3.8	8.3	10.1	12.6	14.5	21.0	23.8	23.2	1.9	6.4	2.9	-0.7	
UNIDO	(1)	-	0.2	0.4	0.5	0.8	1.7	3.7	6.3	9.9	0.8	2.0	2.7	3.6	
	(2)	-	-	-	0.1	0.3	0.8	2.0	3.7	5.9	0.5	1.2	1.7	2.3	
	(3)	-	0.2	0.3	0.4	0.6	0.9	1.7	2.7	4.0	0.3	0.8	1.0	1.3	
FAO	(1)	3.3	10.5	23.0	40.1	62.9	90.0	121.9	160.5	202.9	27.1	31.9	38.6	42.4	
	(2)	0.5	3.1	9.9	20.6	36.7	56.3	83.6	115.5	154.9	19.6	27.4	31.9	39.4	
	(3)	2.9	7.3	13.2	19.5	26.2	33.7	38.3	44.9	48.0	7.5	4.5	6.7	3.0	
UNESCO	(1)	2.8	6.5	12.4	20.2	32.2	46.6	62.3	78.5	94.7	14.4	15.8	16.2	16.2	
	(2)	0.2	1.0	4.0	10.9	20.3	30.5	42.5	57.8	76.6	10.2	12.1	15.3	18.8	
	(3)	2.7	5.5	8.4	9.3	11.9	16.1	19.8	20.7	18.1	4.2	3.7	0.9	-2.6	
WHO	(1)	-	0.2	0.6	1.2	1.9	2.6	4.1	6.7	10.2	0.7	1.5	2.6	3.6	
	(2)	-	-	0.1	0.4	0.9	1.7	2.7	4.5	7.6	0.8	1.0	1.8	3.1	
	(3)	-	0.2	0.5	0.8	0.9	0.9	1.4	2.2	2.6	-	0.5	0.8	0.5	
ILO	(1)	1.5	4.5	8.6	15.4	22.2	28.9	35.5	44.2	56.1	6.8	6.5	8.7	11.9	
	(2)	0.1	1.4	4.8	10.2	15.5	21.5	28.1	36.5	47.1	5.9	6.7	8.4	10.6	
	(3)	1.4	3.0	3.9	5.2	6.6	7.5	7.4	7.7	9.0	0.9	-0.1	0.4	1.3	
IAEA	(1)	-	-	-	0.2	0.6	1.2	1.9	2.1	2.4	0.6	0.7	0.3	0.3	
	(2)	-	-	-	0.1	0.4	0.8	1.3	1.7	2.0	0.4	0.6	0.3	0.3	
	(3)	-	-	-	0.1	0.3	0.4	0.5	0.5	0.4	0.1	0.1	-	-	
WMO	(1)	0.3	1.1	1.7	2.7	3.3	4.0	4.3	7.6	9.9	0.6	0.4	3.3	2.2	
	(2)	0.1	0.3	0.9	1.7	2.6	3.2	3.8	4.7	6.9	0.6	0.7	0.9	2.2	
	(3)	0.2	0.8	0.8	1.0	0.8	0.8	0.5	2.9	2.9	-	-0.3	2.4	-	
ITU	(1)	-	0.3	0.8	2.4	4.6	8.4	12.1	14.7	16.5	3.9	3.7	2.6	1.8	
	(2)	-	-	0.2	0.6	1.7	3.8	6.5	9.6	12.4	2.0	2.7	3.1	2.8	
	(3)	-	0.3	0.6	1.8	2.8	4.6	5.6	5.1	4.1	1.8	1.0	-0.5	-1.0	
ICAO	(1)	-	1.6	3.6	5.4	7.1	8.4	9.2	10.0	10.8	1.3	0.8	0.8	0.8	
	(2)	-	0.4	1.4	3.1	4.1	5.8	7.6	8.7	9.8	1.7	1.8	1.2	1.1	
	(3)	-	1.2	2.2	2.3	2.9	2.6	1.6	1.3	1.0	-0.3	-1.0	-0.4	-0.3	
IBRD	(1)	1.2	2.6	3.5	6.8	9.0	11.6	15.5	23.5	30.2	2.7	3.8	8.0	6.7	
	(2)	0.7	1.2	2.5	5.0	7.3	9.3	13.0	18.1	26.3	2.0	3.6	5.1	8.2	
	(3)	0.6	1.4	1.0	1.8	1.7	2.3	2.5	5.4	3.9	0.7	0.2	2.9	-1.6	

KEY: (1) Original project budget, SF portion, project costs only (excluding overheads)
(2) Actual expenditures
(3) Difference between 1 and 2

SOURCE: Documentation prepared for the Capacity Study by UNDP

TABLE 16

SF PROJECTS: ACTUAL PROJECTS EXPENDITURE BY PROJECT COMPONENT
SF portion of project costs only, overheads not included

Shown by Agency and by year for all projects

Agencies	Key	1960		1961		1962		1963		1964		1965		1966		1967		1968		Total 1960-68		
		\$ m	%	\$ m	%	\$ m	%	\$ m	%	\$ m	%	\$ m	%	\$ m	%	\$ m	%	\$ m	%	\$ m	%	
All agencies	(1)	2.3	28	7.5	38	20.2	35.5	45.4	56.0	72.4	88.7	112.0	439.9	56	53							
	(2)	0.6	2	2.8	1	7.8	16.1	23.6	28.9	39.6	49.7	62.5	231.7	3	3							
	(3)	-	2	0.1	1	0.2	0.6	1.4	1.7	3	2.6	3.0	3.8	3	3							
	(4)	0.4	16	2.9	38	8.3	41	12.2	34	15.9	18.3	22.4	113.8	20	26							
	(5)	1.2	54	1.6	22	3.5	18	5.9	17	7.9	6.1	14	19.4	17	16							
UN	(1)	0.8	25	1.6	21	3.9	6.5	8.3	12.3	14.7	19.1	23.2	90.3	48	45							
	(2)	0.2	-	0.3	-	1.1	2.8	4.5	4.9	6.4	9.0	11.2	40.4	4	3							
	(3)	-	-	-	-	-	-	0.2	0.4	0.5	0.6	0.9	2.5	4	3							
	(4)	-	5	0.4	23	1.4	36	2.4	29	3.4	4.6	3.9	21.8	17	24							
	(5)	0.5	70	0.8	54	1.2	30	1.6	25	3.4	2.8	6.5	23.3	28	26							
UNIDO	(1)	-	-	-	-	-	0.1	0.1	0.5	1.2	1.7	2.3	5.9	23	26							
	(2)	-	-	-	-	-	0.1	0.1	0.4	0.7	1.0	1.6	3.8	69	65							
	(3)	-	-	-	-	-	-	-	-	-	-	-	0.2	2	3							
	(4)	-	-	-	-	-	-	-	-	0.1	0.2	0.3	0.9	15	15							
	(5)	-	-	-	-	-	-	-	-	-	0.3	0.3	0.8	13	13							
FAO	(1)	0.5	42	2.7	48	6.7	10.7	16.1	19.6	27.4	31.9	39.4	154.9	63	58							
	(2)	0.2	4	1.3	1	3.0	5.6	8.4	10.7	16.0	19.5	24.7	89.4	3	3							
	(3)	-	5	-	1	0.1	0.2	0.4	0.6	3	1.0	1.3	4.4	3	3							
	(4)	0.2	40	1.0	38	2.5	37	4.7	5.8	29	7.4	9.4	41.6	27	27							
	(5)	0.1	12	0.4	13	1.1	17	2.3	2.1	11	2.5	2.9	15.9	7	10							
UNESCO	(1)	0.2	4	0.8	47	3.0	6.9	9.4	10.2	12.1	15.3	18.8	76.5	66	60							
	(2)	0.1	3	0.4	3	1.3	4.3	4.9	6.2	7.9	10.0	12.4	46.3	5	5							
	(3)	-	-	-	-	-	0.2	0.5	0.4	4	0.6	0.5	3.6	5	5							
	(4)	-	-	0.4	44	1.6	51	3.5	3.3	32	2.6	4.2	22.0	29	29							
	(5)	-	-	-	-	-	0.4	6	0.2	2	0.4	0.2	1.4	2	2							
WHO	(1)	-	-	-	-	0.1	0.3	0.5	0.8	1.0	1.8	3.1	7.6	24	24							
	(2)	-	-	-	-	-	-	0.1	0.1	0.2	0.5	0.9	1.8	5	5							
	(3)	-	-	-	-	-	-	-	-	0.1	0.1	0.2	0.4	5	5							
	(4)	-	-	-	-	-	-	-	-	0.2	0.5	0.6	2.0	26	26							
	(5)	-	-	-	-	-	-	-	-	0.4	0.7	1.4	3.3	43	43							
ILO	(1)	0.1	32	1.3	32	3.3	5.5	5.3	5.9	6.7	8.4	10.6	47.1	71	71							
	(2)	0.1	3	0.4	1	1.5	2.9	3.8	4.3	5.5	6.6	8.4	33.5	2	2							
	(3)	-	-	-	-	-	0.1	0.1	0.1	2	0.2	0.3	1.1	3	3							
	(4)	-	64	0.8	64	1.8	2.4	1.1	1.2	21	0.7	1.3	10.6	23	23							
	(5)	-	-	-	-	-	-	0.1	1	-	-	0.1	0.3	1	1							
IAEA	(1)	-	-	-	-	-	0.1	0.3	0.4	0.6	0.3	0.3	2.0	28	28							
	(2)	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1	0.6	8	8							
	(3)	-	-	-	-	-	-	-	0.1	-	-	-	0.2	33	33							
	(4)	-	-	-	-	-	-	-	0.1	0.1	0.1	0.1	0.6	28	28							
	(5)	-	-	-	-	-	-	-	-	-	-	-	0.6	36	36							
WHO	(1)	0.1	0.6	0.2	0.6	0.6	0.8	0.9	0.6	0.7	0.9	2.2	6.9	32	36							
	(2)	-	-	0.1	0.2	0.2	0.2	0.2	0.3	0.4	0.4	0.7	2.5	4	4							
	(3)	-	-	-	-	-	-	0.1	-	-	0.1	-	0.2	2	2							
	(4)	0.1	0.5	0.1	0.5	0.5	0.5	0.6	0.3	0.4	0.4	1.4	4.0	63	58							
	(5)	-	-	-	-	-	-	-	-	-	-	-	-	1	1							

TABLE 16 (continued)

Agencies Key	1960		1961		1962		1963		1964		1965		1966		1967		1968		Total 1960-68	
	\$ m	%	\$ m	%	\$ m	%	\$ m	%												
ITU	(1)				0.2		0.5		1.1	67	2.0	57	2.7	58	3.1	58	2.8	2.8	12.4	61
	(2)				0.1		0.3		0.7		1.2	1	1.6		1.8		1.8	7.5	3	
	(3)				-		-		-	28	-	1	0.1	3	0.1	4	0.1	0.3	3	
	(4)					0.1		0.1		0.3	39	0.8	1.0	36	1.1	35	0.7	4.1	33	
	(5)					-		-		-		-	-		-		-	-	-	
ICAO	(1)		0.4		1.0		1.7		1.0		1.7		1.8		1.2		1.1	9.8	55	
	(2)		0.2	56	0.6	56	0.7	38	0.7	71	0.8	51	0.8	48	0.8	65	0.8	5.4	2	
	(3)		-		-	1		2	-	3	0.1	3	-	3	-	2	-	0.2	41	
	(4)		0.2	44	0.4	43	1.0	59	0.2	24	0.7	45	0.8	46	0.3	29	0.3	4.0	2	
	(5)		-		-	-		-	-		-	-	-		-		-	-	-	
IBRD	(1)	0.7		0.5		1.3		2.5	2.3	2	2.0	-7	3.6		5.1		8.2	26.3	2	
	(2)	-		0.1		-		0.4	0.1	16	-0.1	1	-	0.1	1	1	0.1	0.5	1	
	(3)	-		-		-		-	-	1	-	1	0.1	2	0.1	1	0.1	0.3	8	
	(4)	-		-		-		0.5	0.2	10	0.1	5	1.0	27	0.2	3	0.2	2.1	2	
	(5)	0.7		0.4		1.2		1.6	1.9	84	2.0	100	2.6	71	4.9	95	7.9	23.3	89	

KEY: (1) Total project expenditures, SF portion of project cost only ^{1/}
 (2) Experts
 (3) Fellowships
 (4) Equipment
 (5) Sub-contracts ^{2/}

NOTE: 1/ Miscellaneous expenditures, which are usually negligible, are not mentioned in the table, therefore totals may not add
 2/ Amount and percentages concerning sub-contracting are somewhat below their actual level since the equipment component, which is usually sub-contracted with the other components of sub-contracted projects, is indicated here separately

TABLE 17 TA PROJECTS: EXPENDITURES, BY COMPONENT, BY AGENCY AND BY YEAR

Shown by Agency and by year from 1960 to 1968

Agencies	Key	1960		1961		1962		1963		1964		1965		1966		1967		1968		Total	
		\$ m	%	\$ m	%	\$ m	%	\$ m	%	\$ m	%	\$ m	%	\$ m	%	\$ m	%	\$ m	%	\$ m	%
All Agencies	(1)	27.9	78	31.3	75	44.6	70	39.5	80	51.6	80	42.5	81	58.9	73	50.6	84	64.6	76	411.5	76
	(2)	21.8	17	23.5	13	31.2	21	31.6	14	36.3	23	34.5	15	43.2	21	42.5	13	49.1	20	313.7	17
	(3)	4.7	5	4.1	3.7	9.4	9	5.5	6	11.9	7	6.2	4	12.4	61	1.6	3	2.7	4	73.4	17
	(4)	1.4		3.7	12	4.0		2.4		3.6		1.8		3.3							24.5	7
UN	(1)	6.2		6.2		8.8		8.2		10.5		9.1		12.0		11.1		11.2		83.3	
	(2)											7.2	80	9.0	75	8.9	81	8.6	76		
	(3)											1.7	19	2.8		2.0	18	2.3	21		
	(4)											0.1	1	0.2		0.1	1	0.3	3		
UNIDO	(1)																			3.1	74
	(2)																			2.3	25
	(3)																			0.8	1
	(4)																			-	1
FAO	(1)	7.1		8.0		10.5		10.4		11.5		10.2		13.6		13.6		14.4		99.3	
	(2)											8.8	87	11.1	81	11.8	87	11.9	83		
	(3)											1.1	11	2.1	15	1.3	9	2.1	14		
	(4)											0.3	3	0.5	3	0.5	4	0.4	3		
UNESCO	(1)	4.4		5.7		8.9		6.0		9.9		7.3		10.5		7.6		12.1		72.4	
	(2)											5.7	78	7.1	68	6.5	86	9.1	76		
	(3)											1.0	14	2.0	19	0.8	10	2.2	18		
	(4)											0.6	8	1.4	13	0.3	4	0.8	6		
WHO	(1)	4.8		5.6		7.3		7.1		8.4		6.8		9.1		7.0		8.5		64.6	
	(2)											5.6	81	6.3	69	5.8	83	6.4	75		
	(3)											0.9	14	2.7	27	1.0	14	1.8	21		
	(4)											0.3	5	0.3	4	0.2	3	0.3	4		
ILO	(1)	2.7		3.1		4.4		3.8		5.4		4.5		6.3		5.7		6.4		42.3	
	(2)											3.8	84	5.0	81	5.0	89	5.1	79		
	(3)											0.5	11	1.1	17	0.6	10	1.2	19		
	(4)											0.2	5	0.2	2	0.1	1	0.1	2		
IAEA	(1)	0.6		0.5		1.1		0.7		1.2		0.5		1.2		0.6		1.6		8.0	
	(2)											0.3	61	0.6	50	0.3	54	0.9	53		
	(3)											0.1	13	0.3	25	0.1	15	0.3	18		
	(4)											0.1	26	0.3	25	0.2	31	0.5	29		

TABLE 17

TABLE 17 (continued)

Agencies	Key	1960		1961		1962		1963		1964		1965		1966		1967		1968		Total	
		$ m	%	$ m	%	$ m	%	$ m	%	$ m	%	$ m	%	$ m	%	$ m	%	\$ m	%	\$ m	%
WMO	(1)	0.4		0.5		0.8		0.9		1.4		1.0		1.7		1.3		1.7		9.7	
	(2)											0.7		1.0		1.0		1.0			
	(3)											0.2		0.5		0.3		0.5			
	(4)											0.1		0.3		0.1		0.2			
ITU	(1)	0.3		0.5		1.0		0.8		1.1		1.1		1.6		1.3		2.2		9.9	
	(2)											0.8		1.1		1.0		1.5			
	(3)											0.2		0.4		0.2		0.6			
	(4)											-		0.2		0.1		-			
ICAO	(1)	1.3		1.4		1.7		1.6		2.2		1.8		2.5		2.0		2.7		17.2	
	(2)											1.5		1.7		1.7		1.8			
	(3)											0.2		0.6		0.2		0.7			
	(4)											-		0.1		-		0.1			
UPU	(1)											0.3		0.5		0.4		0.5		2.0	
	(2)											0.1		0.3		0.3		0.3			
	(3)											0.1		0.2		0.1		0.2			
	(4)											-		0.1		-		-			
IMCO	(1)																			2.0	
	(2)											0.1		0.1		0.1		0.1			
	(3)											0.1		0.2		0.1		0.2			
	(4)											11		0.1		11		11			
																				0.2	
																				0.1	
																				0.1	
																				-	
																				-	
																				1	
																				93	
																				6	
																				32	
																				4	

KEY: (1) Total expenditures
 (2) Experts
 (3) Fellows
 (4) Equipment

SOURCE: Same as Table 16

TABLE 18

UN SYSTEM PROFESSIONAL STAFF
as of January 1969

Shown by Agencies and Programmes, by source of funds and by location level

Agencies and Programmes	Personnel financed by regular budgets and overheads ^{1/} payments			Project personnel			Total			Regional level (as included in total)		
	HQ ^{2/}	Field	Total	HQ	Field	Total	HQ	Field	Grand total	RB+O	PP	Total
UN ^{3/}	2 706	514	3 220	40	1 155	(1 196) ^{4/}	2 746	1 669	(4 416)	439	187	626
UNHCR	58	44	102	2	2	4	60	46	106	-	-	-
UNICEF	79	134	213	-	-	-	79	134	213	72	-	72
UNWRA	2	115	117	-	-	-	2	115	117	-	-	-
UNDP	183	285	468	-	-	-	183	285	468	-	-	-
Sub-total UN	3 028	1 092	4 120	42	1 157	(1 200)	3 070	2 249	(5 320)	511	187	698
ILO	759	165	924	6	691	(689)	765	856	(1 613)	35	52	87
FAO ^{5/}	1 150	129	1 279	9	2 208	(2 223)	1 159	2 337	(3 502)	84	10	94
UNESCO	639	117	(754)	45	1 170	(1 225)	684	1 287	(1 979)	88	96	184
WHO ^{6/}	653	313	(971)	115	1 572	(1 688)	768	1 885	(2 659)	189	182	371
IBRD	907	48	955	-	21	21	907	69	976	16	8	24
IMF	532	6	538	-	63	63	532	69	601	-	-	-
ICAO	170	51	221	19	186	(182)	189	237	(403)	39	2	41
UPU	62	-	62	6	19	25	68	19	87	-	7	7
ITU	130	-	130	17	196	(211)	147	196	(341)	-	7	7
WMO	102	-	102	-	98	98	102	98	200	-	-	-
IMCO	31	-	31	-	4	4	31	4	35	-	-	-
GATT	83	-	83	-	-	-	83	-	83	-	-	-
ITC	33	-	33	5	-	(7)	38	-	(40)	-	-	-
IAEA	352	10	362	-	250	250	352	260	612	-	-	-
Sub-total other agencies	5 603	839	(6 445)	222	6 478	(6 686)	5 825	7 317	(13 131)	451	364	815
Grand total	8 631	1 931	(10 565)	264	7 635	(7 886) ^{7/}	8 895	9 566	(18 451)	962	551	1 513

TABLE 18 (continued)

NOTES: 1/ The following definitions have been used:

Regular and overhead posts

- (a) continuing posts financed under the regular budgets and included in the regular manning tables; plus
- (b) continuing posts financed from voluntary funds but used to provide or to supplement the "overhead" administration of the field programmes financed by the same voluntary funds.

Project posts

- (a) posts in country, regional or special projects to provide technical assistance financed from voluntary funds (UNDP, UNICEF, trust funds etc.);
- (b) similar technical assistance posts financed from regular budget appropriations.

2/ "Headquarters" refers to the following locations, for the agencies mentioned only:

Vienna: UN (UNIDO) and IAEA; Montreal: ICAO; Paris: UNESCO; Rome: FAO;
Bern: UPU; London: IMCO; Geneva, New York, Washington: UN and all other Agencies.

"Field" refers to all other locations.

3/ Including posts for all functions (political and security affairs, finance and management, public information, conference and general services, etc.). As far as economic and social affairs are concerned, the following figures illustrate the respective importance of the various administrative units concerned: figures do not come from the source used for the main table; they relate only to non-project personnel; it was not possible to obtain them according to the same pattern:

<u>Department of Economic & Social Affairs</u>	544
ECA	205
ECAFE	169
ECE	107
ECLA	160
UNESOB	26
Sub-total ESA	1211
UNCTAD	206
UNIDO	289
UNITAR	26

SOURCES (for note 3 only):

- United Nations, Work programme of the United Nations, in the economic, social and human rights fields and its budgetary requirements, (doc. E/4612).
- United Nations, Budget estimates for the financial year 1969 and information annexes (doc. A/7205, Vol. II).
- UNITAR, Report of the Executive Director (doc. A/7263).

4/ Figures obtained from different tables do not always coincide; figures between brackets are those given in the source's aggregate table and differing from the total of other columns, which were obtained through the use of country tables.

5/ Including WFP posts (some 130, of which about 50 in the field).

6/ Including PAHO.

7/ N.B. comments to Table 10.

SOURCE: Annual CCAQ list of regular and project personnel posts of the UN and related agencies as of January 1969 (doc. CCAQ/S.30/R.42 (PER), 14.VII.69).