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HIGH-LEVEL COMMITTEE ON THE REVIEW
OF TECHNICAL COOPERATION AMONG
DEVELOPING COUNTRIES
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CONSIDERATION OF REPORTS OF THE ADMINISTRATOR OF THE
UNITED NATIONS DEVELOPMENT PROGRAMME

SUMMARY

The present document is submitted in compliance with decisions 7/9, 7/8 and 7/2 of the High-level Committee regarding:

- I. International Consultative Meeting on Technical Cooperation among Developing Countries held in Morocco in 1993 (decision 7/9)
- II. The extent to which the recommendations of the report of the South Commission pertaining to technical cooperation among developing countries can be implemented (decision 7/8)
- III. Progress of preparation of guidelines for the review of policies and procedures in those organizations of the United Nations development system concerning technical cooperation among developing countries (decision 7/1)
- IV. Intergovernmental programming exercise for technical cooperation among developing countries (7/2)

I. International Consultative Meeting on Technical Cooperation among Developing Countries held in Morocco in 1993

1. In its decision 7/9, 1/ the High-level Committee on the Review of Technical Cooperation among Developing Countries welcomed the offer of the Government of Morocco to host a consultative meeting on Technical Cooperation among Developing Countries (TCDC) in 1992 and invited the Administrator of the United Nations Development Programme (UNDP) to report to the High-level Committee at its eighth session on the outcome of the meeting. Owing to various constraints, the Moroccan Government opted to hold, with the support of the Special Unit for TCDC, an Expert Group Meeting in lieu of the larger international meeting proposed. The Expert Group, which included participants from all the regions, met on 10 and 11 February 1993 at Rabat. Mr. Amaziane of Morocco was elected to chair the meeting. It was further agreed that the record of its deliberations should reflect the diversity of views presented rather than an set of agreed recommendations or consensus views.

2. The Group reviewed the status of TCDC and exchanged views on ways and means to enhance the use of TCDC. The meeting addressed important aspects of TCDC, particularly the environment for TCDC, constraints, and possible measures to enhance it.

The climate for TCDC

3. The Group took stock of the current global economic realities and noted that:

(a) The emergence of the transitional economies in Eastern Europe and Central Asia opens a "small window" for opportunities for TCDC;

(b) Increased cooperation among regional economic groupings and new trade blocs of developed and developing partners were changing the global realities. While new trade blocs of developing and developed countries are welcome, the risk of marginalizing weak economies is genuine;

(c) Poor economic performance in the 1980s and the consequent downturn in growth have adversely affected TCDC;

(d) Greater emphasis by the United Nations on humanitarian and social issues is pushing development issues to the back seat while the shortage of resources globally makes TCDC even more relevant.

Progress in TCDC

4. The Group reviewed progress in TCDC since the adoption of the Buenos Aires Plan of Action for Promoting and Implementing Technical Cooperation among Developing Countries 2/ and concluded that:

(a) Significant progress in the promotional work of TCDC has been achieved through bilateral and regional groups, with the supportive role played by the United Nations system. Because of acquisition and expansion of expertise and

capacities, developing countries now offer each other varied, competent and appropriate technical resources;

(b) A strategy for the 1990s for developing countries could be anchored on three elements: close linkage between TCDC and Economic Cooperation among Developing Countries (ECDC) concentration on regional and subregional cooperation, and exploration of new areas of TCDC interventions. The principal ideas put forward are the following:

- (i) National or regional institutions with capacity to deliver TCDC should be supported and strengthened. Indicative Planning Figure (IPF) resources should also be used for this purpose;
- (ii) National focal points should be strengthened so that they can effectively coordinate all TCDC activities in a country;
- (iii) Triangular cooperation should be explored to promote TCDC. Bilateral or multilateral resources should be used to obtain expert services or training facilities under the TCDC modality;
- (iv) Sensitization of developing country officials and leaders at high policy levels should be emphasized;
- (v) Field offices of UNDP and United Nations agencies should take a greater interest in promoting TCDC in line with the Economic and Social Council directive (resolution 1992/41);
- (vi) To meet foreign exchange needs of the TCDC programme within and beyond regions, a trust fund should be established with catalytic contributions from some developing countries, which may volunteer to lead the way;
- (vii) The idea of an information network for the South dealing with economic and social information in countries at the country level, business and development opportunities and education should be explored.

II. The extent to which the recommendations of the report of the South Commission pertaining to technical cooperation among developing countries can be implemented

Introduction

5. In its decision 7/8, the High-level Committee invited the Administrator of UNDP, in close cooperation with the Office of the Director-General for Development and International Economic Cooperation, to prepare a report on the extent to which the recommendations of the report of the South Commission 3/ pertaining to TCDC could be implemented.

6. Since TCDC is South-South cooperation in the technical cooperation area, many of the recommendations are broadly relevant. However, very few of the South Commission report recommendations are specifically directed to technical

cooperation activities per se as distinguished from South-South cooperation, which has a more general political, economic and social application. It should further be noted that the Commission's report, which is founded on the conviction that it is the developing countries themselves that are the main actors in South-South cooperation, directs its recommendations mostly to the developing countries themselves. This, in turn, means that the implementation of its recommendations will largely depend on the commitment, policies and specific actions at the national level.

7. In response to decision 7/8 of the High-level Committee, UNDP has taken supportive measures to make the report known within and outside the United Nations system. The Special Unit financed the purchase of 2,000 copies of the report and had them distributed through UNDP field offices to Governments and institutions of developing countries. The Special Unit also arranged the visit by the Chairman of the Commission, former President Julius Nyerere, to UNDP on 20 November 1991. The Chairman's visit provided an excellent opportunity for the senior staff of UNDP to be informed about and sensitized to the far-reaching implications of the report and its recommendations. Cooperation South also carried a feature article on the report.

8. The report points out that organizations of the United Nations system have not given high priority in the past to TCDC. As reported at the seventh session of the High-level Committee in TCDC/7/2, TCDC is increasingly given priority in the programmes and activities of each United Nations organization.

9. The programme of action for TCDC described in the South Commission report contains a number of recommendations which are being implemented and which pose no particular problems of implementation. The following are particularly noteworthy as far as TCDC is concerned:

(a) South Commission recommendation: Each developing country should reflect in its development plans and national policies an explicit commitment to South-South cooperation.

Implementation: The responsibility for implementation of this recommendation rests with Governments. Each country can effectively engage in South-South cooperation or TCDC when it identifies priority sectors and determines its capacities and needs to offer or receive services, expertise, facilities, etc. These need to be reflected in national development plans if they are to gain attention and ensure commitment of the implementing government institutions. While a number of Governments have reported that they have a clear policy on use of the TCDC modality, most Governments still do not have explicit policies on TCDC.

(b) South Commission: Developing countries should give to one government ministry or department responsibility for coordinating action within the country arising from the commitment to South-South cooperation.

Implementation: Most developing countries have designated TCDC national focal points and a number also have sectoral focal points in such ministries as health, agriculture, and the environment. While some countries' focal points are quite active and well developed, in many cases national focal points have not been established at a level in the government structure that would enable

them to give leadership and effectively catalyse TCDC activities. Support is being provided for the establishment and strengthening of TCDC national focal points by the Special Unit in cooperation with the Governments through the organization of regional meetings for focal points. In the past two years, four regional meetings of TCDC national focal points have been supported by the Special Unit for TCDC. These meetings enable focal points to share experiences, establish contacts, be apprised of current developments, and receive information about successful TCDC experiences. The programmes for sensitization and orientation of officials at the national level which are supported by the Special Unit for TCDC are also being decentralized to TCDC national focal points and field offices. United Nations development system agencies are also assisting in the establishment and strengthening of TCDC focal points at the sectoral level.

(c) South Commission: Use should be made of the South's educational institutions and priority should be given to identification and development of selected centres of excellence.

Implementation: Regional projects, network and twinning arrangements support to a large extent the strengthening of institutions to become centres with particular specialization or excellence. Many of the United Nations organizations have provided significant support in their areas of competence for this purpose. The Special Unit for TCDC will continue to provide increased support in the 1992-1996 programming cycle to a number of institutions which will be selected for their potential or available competence to undertake TCDC activities in integrated priority sectors.

(d) South Commission: All forms of South-South trade should be promoted and facilitated.

Implementation: The promotion of South-South trade is one of the priority areas for support from the resources managed by the Special Unit for TCDC. Support is provided through capacities- and needs-matching activities, subject-specific workshops, and financial support to the development of a trade information network in the South. Three workshops on subjects related to South-South trade will be carried out in 1993 in Latin America and the Arab States region. The mandate and activities of the International Trade Centre UNCTAD/GATT focus on South-South trade promotion.

(e) South Commission: Cooperation among business enterprises of the South should be promoted.

Implementation: The United Nations system is also encouraging and supporting the participation of the private sector in TCDC. In the case of UNDP, financial support is provided for activities that address problems of privatization and enhance cooperation among business institutions of the South. An interregional workshop organized by private sector institutions was supported to share experiences on technology parks and business incubators. A capacities- and needs-matching exercise, supported by the Special Unit for TCDC and the participating developing countries, brought together small- and medium-scale private enterprises. The participation of the private sector in UNDP programmes is widely encouraged and thus applies to the activities supported to promote and apply TCDC.

(f) South Commission: A review of food security and related issues should be initiated.

Implementation: Apart from the wide-ranging TCDC activities of the Food and Agriculture Organization of the United Nations in this sector, the Special Unit identifies it as a priority area for support for the current programming cycle. Three capacities- and needs-matching exercises during the past two years dealt with agriculture and food security.

III. Preparation of guidelines for the review of policies and procedures of the organizations of the United Nations development system concerning TCDC

10. The High-level Committee, in its decision 7/1, recommended to the Governing Council of UNDP the convening in 1992 of a special meeting of TCDC focal points of the organizations of the United Nations development system to prepare guidelines for the review of policies and procedures in those organizations concerning TCDC.

11. Accordingly, the fifth TCDC focal point meeting of United Nations organizations was convened in New York, on 15 and 16 July 1992, with the participation by nine TCDC focal points the United Nations development system: Economic Commission for Africa (ECA); Economic Commission for Latin America and the Caribbean (ECLAC); Economic and Social Commission for Asia and the Pacific (ESCAP); Food and Agriculture Organization of the United Nations (FAO); International Labour Organisation (ILO); United Nations Department for Economic and Social Development (UNDESD); United Nations Educational, Scientific and Cultural Organization (UNESCO); United Nations Industrial Development Organization (UNIDO); and World Health Organization (WHO).

12. The meeting, after reviewing a draft report on the status of policies and procedures currently in use in United Nations organizations, noted the need to make a concerted system-wide effort to review policies and procedures concerning TCDC and to take distinct measures to ensure that specific operational guidelines are developed to facilitate the use of the TCDC modality in all programmes and projects. In doing so, four prerequisites were noted at the meeting. First, the application of a common system-wide definition of TCDC and its different categories, particularly the interpretation of the Intergovernmental Expert Group by the High-level Committee. Secondly, a check-list of core policy elements to be used to enable future reviews of policy to be made in a comparable and systematic manner. The following elements may be considered: training, financing, focal points, data and information, networking. Thirdly, each organization should issue new self-contained instructions on TCDC for the use of all its staff. Finally, each organization should strengthen its internal system of monitoring and review of TCDC.

13. The United Nations development system focal points agreed on a set of draft guidelines. These draft guidelines were submitted to the Administrative Committee on Coordination (ACC) for review and are now being transmitted to the eighth session of the High-level Committee on TCDC for its consideration and adoption and subsequent implementation by the United Nations development system

organizations. The following are the guidelines for the review of policies and procedures concerning TCDC:

Training

Existing TCDC-related policies contain significant training components.

(a) There should be regular in-house orientation and awareness seminars for operational staff on TCDC;

(b) The seminars should include: approaches, methods and techniques of TCDC; applicability of the TCDC modality to specific situations, both promotional and operational; TCDC procedures; cost-effectiveness and comparative advantage of the TCDC modality;

(c) TCDC training should be extended to field staff;

(d) Where possible, training should be extended to national and sectoral focal points and carried out at the regional, subregional or country level;

(e) Training material should be exchanged among organizations, and joint training programmes should be organized.

Financing

1. The main source of funds for promotional as well as operational TCDC activities is UNDP. Indicative Planning Figures (IPFs) at the country, intercountry and interregional levels and Special Programme Resources (SPR) funds.

(a) The potential for implementation of IPF-financed projects through TCDC should be fully exploited;

(b) The existing procedures and instructions in the UNDP programme and projects manual should be reviewed and expanded for this purpose. The utilization of country IPFs for TCDC through TCDC umbrella projects or the use of the TCDC modality should be encouraged;

(c) Greater complementarity between UNDP and agency resources should be further strengthened;

(d) The utilization of TCDC in regular programmes and projects for which financing is available should be given priority.

2. Organizations in the United Nations development system have been able to utilize other sources of financing for their TCDC activities.

(a) Greater efforts should be made to mobilize additional financial resources for TCDC;

(b) Each organization should endeavour to provide a core budget for its TCDC activities from its regular programme budget resources. This core

budget should cover: TCDC focal point, catalytic or promotional funds and some funds for operational activities;

(c) Organizations should actively promote and facilitate the establishment of "national currency funds" especially for institutional networking;

(d) Trust funds and bilateral sources should be pursued, where possible, for institutional development, networking and twinning arrangements among developing country institutions.

Focal points

1. Organizations have adopted varying internal mechanisms, mainly through the agency TCDC focal point mechanism, for promoting their TCDC activities. There are differences in level, authority and size of TCDC units or focal points. It is important to assign the focal points clear terms of reference, and if possible, to standardize core functions. It is equally important that they have access to the organization's senior decision makers.

The focal point as a rule should:

- (a) Assist in the formulation of TCDC policy, strategy and programme;
- (b) Coordinate the promotion, monitoring and reporting on the organization's TCDC activities;
- (c) Liaise with and assist other operational or technical units as well as field offices to provide advice and information;
- (d) Manage the organization's earmarked "TCDC promotional funds", especially in their seed money role, and perform a supportive role in the case of other funds;
- (e) Identify, design and disseminate innovative TCDC approaches for promotional as well as operational activities;
- (f) Organize training on the TCDC modality;
- (g) Analyse and monitor TCDC activities and prepare progress reports;
- (h) Liaise with UNDP and other organizations on TCDC and perform representational functions in inter-agency and intergovernmental TCDC meetings.

2. UNDP should promote:

- (a) Regular coordination and consultation among United Nations development system TCDC focal points;
- (b) Organize annual meetings of United Nations development system TCDC focal points;

(c) Promote coordination among United Nations development system TCDC focal points and national and sectoral focal points.

Data and information

Large numbers of TCDC information systems and data banks have been established by different organizations. Inventories and directories of institutions and facilities have been compiled and country compendia prepared.

(a) Arrangements should be made for improving, expanding and updating existing information on capacities, including inventories and directories of institutions on a systematic and continuing basis;

(b) Arrangements should be made for periodic assessment of the relevance and effectiveness of the information for promotional or operational TCDC activities.

Networking

A good deal of networking of institutions has been taking place among institutions in developing countries, both at the initiative of the countries themselves and also due to the promotional efforts of the organizations in the United Nations development system. This type of TCDC arrangement offers opportunities for innovative activities for applying TCDC, especially in implementing long-term development programmes and projects. Every effort should be made to transfer full management and financial responsibility of networks to member institutions. Network arrangements should provide for cost recovery and continuing institutional development without external assistance.

Procedures

In most case, procedures are related to the organization's specific role, the type of intervention and the source of funds. There are no separate procedures specific to TCDC in any organization. While UNDP has laid down guidelines and criteria for the use of IPF and SPR funds, these are meant mainly for developing countries and for UNDP's internal use.

Some new instructions and procedures will, however, be required for the United Nations development system (a) to treat TCDC as an alternative in project identification and formulation; (b) to make TCDC a modality for the implementation of programmes and projects by ensuring, as required by the General Assembly, that the modality is given first consideration by member countries and organizations of the United Nations development system; (c) to promote networking and twinning of institutions of developing countries; and (d) to strengthen the role of UNDP field offices in assisting Governments in adopting and using the TCDC modality in all programmes and projects.

It will be useful to articulate the utilization of regular programme budget funds in the context of TCDC activities with clear criteria and guidelines on the type of interventions to be financed, formats for

proposals, processing and approval authority. These should be reflected in new instructions to be issued by each organization as proposed in paragraph 19 of the Guidelines for the Review of Policies and Procedures concerning TCDC. In addition, the programme and project manuals will need to be modified in the light of UNDP instructions, and United Nations development system procedures relating to regular programme budget funds.

Point for decision

The guidelines contained in paragraphs 20 to 23 of the Guidelines should be approved.

IV. Intergovernmental programming exercise for technical cooperation among developing countries

Introduction

14. At its seventh session the High-level Committee, in its decision 7/2 on intergovernmental programming exercises for TCDC, requested the Administrator of UNDP to report to the Committee at its eighth session on the implementation of the decision with particular emphasis on the outcome of the evaluation of the exercises. The following paragraphs constitute the report submitted in this connection.

Evaluation of the TCDC programming exercises

15. The evaluation found that the programming exercises have proven to be useful and recommended that they should be continued. The positive results and benefits accruing from the exercises contribute to the promotion of TCDC by sponsoring mutually beneficial activities resulting in transfers of technology, strengthening of developing country capacities, and improvement of systems and procedures for technical cooperation.

16. Principal recommendations for improvement of the programming exercises include modifications in the following areas:

(a) Methodology

- (i) The exercises should focus on one sector or a limited number of related sectors to improve the technical quality of activities and strengthen the linkages between cooperating agencies of developing countries. The programming exercises should be closely linked to the developing countries' ongoing technical cooperation programmes, especially their bilateral TCDC programmes. In addition, more attention needs to be given to matching of capacities and needs and the formulation of activity proposals; the compendia which are prepared listing countries' capacities and needs should be balanced in so far as being supply-and-demand-driven. This should lead to programming exercises where countries' offers and requests are more balanced.

- (ii) With regard to the preparation of the compendia, care should be taken in compiling the participating countries' capacities and needs. They should be prepared by people possessing in-depth knowledge of the country's institutions. The use of missions from host country to participating countries and assistance in project formulation should be selectively provided. Distribution of the compendium and collection of project proposals should be handled through one channel, the Special Unit for TCDC. There should also be greater interaction between TCDC-INRES (Information Referral System) and the national compendium preparation.
 - (iii) Procedural details should be further developed, e.g., project/activity pro forma should contain cost estimates, indicate a time schedule and the parties responsible for implementation. Steps in the programming exercise process should be clearly delineated to avoid overlap, and questionnaires should be clearly formatted and worded.
- (b) Implementation and monitoring of agreed activities

The programming exercise mechanism needs to provide a framework for implementation of activities generated by the consultation meetings. Support for implementation should be improved, and evaluations of the results of completed exercises should be carried out within three years of the consultation meeting. Monitoring of the exercises should be the responsibility of UNDP field offices in consultation with Governments. The financial implications of activities should be identified as early as possible in the programming exercises process and financing sources should be fixed as soon as possible. TCDC umbrella projects for catalytic financing of activities generated by an exercise should be encouraged. During both formulation and implementation of activities, opportunities should be explored for twinning of institutions, setting up networks and developing larger projects which may be financed from IPFs or other resources. TCDC programming exercises should be nationally executed. Contact between TCDC national focal points should be promoted for the dual purpose of strengthening the TCDC focal point mechanisms and facilitating implementation of activities generated by the programming exercises.

17. Since completion of the evaluation in May 1991, the recommendations are being implemented through follow-up action and consultation with participating Governments, UNDP field offices, and United Nations development system agencies. This has resulted in improved implementation for programming exercises which have been carried out, and better preparation for those in the planning stages. Particular attention has been paid to greater efforts for early mobilization of financing for the agreed activities, to exercises with a more specific sectoral focus, and to more emphasis on supply-based programming exercises. Positive results have been seen in higher implementation rates for the programming exercises' agreed activities. For instance, the Indonesia programming exercise, carried out in July/August 1990 has realized an activity implementation rate of nearly 100 per cent.

Notes

1/ See Official Records of the General Assembly, Forty-sixth Session, Supplement No. 39 (A/46/39), annex I.

2/ Report of the United Nations Conference on Technical Cooperation among Developing Countries, Buenos Aires, 30 August-12 September 1978 (United Nations publication, Sales No. E.78.II.A.11 and corrigendum), chap. I.

3/ The Challenge to the South: The Report of the South Commission (New York, Oxford University Press, 1990).
