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Item 13 of the provisional agenda  
(GC(XXXIII)/871)

## THE FINANCING OF TECHNICAL ASSISTANCE

### Report by the Board of Governors

1. In 1988, the General Conference, by resolution GC(XXXII)/RES/499, requested the Board of Governors to report annually to it on the actions taken with regard to the implementation of its resolution GC(XXV)/RES/388, by which the Conference in 1981 requested the Board to:

- (a) take the necessary measures so that technical assistance is funded through the Regular Budget of the Agency or through other comparably predictable and assured resources,
- (b) take appropriate steps so that technical assistance funds are increased in order to respond adequately to meet increasing financial requirements for the maximum possible number of technically sound projects and to enable progress in technical assistance to keep pace with the progress in other main activities of the Agency, and

(c) report to the General Conference at its twenty-sixth regular session and annually thereafter on the actions taken with regard to the implementation of these requests and on the actions proposed for the following years.

2. At the meeting of the Board on 26 September 1988, following the close of the General Conference's thirty-second regular session, it was agreed that, since the subject of financing technical assistance had been extensively discussed over the preceding seven years, the Chairman of the Board should hold consultations on the matter and place it on the agenda for the Board's meetings at a suitable time in 1989.

3. An item entitled "The financing of technical assistance" was placed on the agenda for the Board's session in June 1989, when the Chairman of the Board reported on the consultations which he had held since the 1988 regular session of the General Conference.

4. The Chairman reported that, since agreement had been reached last year on Indicative Planning Figures to serve as a basis for fixing targets of voluntary contributions to the Technical Assistance and Co-operation Fund for the years 1990, 1991 and 1992, the focus of his consultations this year had been on the wider aspect of the terms of General Conference resolution GC(XXV)/RES/388.

5. The Chairman stated that his consultations had revealed no significant change in the positions held by delegations as reported to the Conference last year. There were still those members who believed that the Agency's technical assistance and co-operation programme should be financed from the Regular Budget and those who were of the view that voluntary contributions should continue to be the basis for the programme. Also, the desirability of assured long-term financing for technical co-operation had continued to be stressed.

It continued to be felt that more time was needed in order to arrive at a long-term and generally agreed consensus. The Board's discussion confirmed the picture given by the Chairman in his report.

6. The Board agreed to continue its efforts directed towards the implementation of General Conference resolution GC(XXV)/RES/388.

7. The summary record of the Board's discussion in June 1989 on the matter of technical assistance financing is reproduced in the Annex.



A N N E X

Summary record of the discussion on the item  
"The financing of technical assistance"  
at meetings of the Board of Governors  
held in June 1989

RECORD OF THE 714th MEETING (held on 15 June 1989)

THE FINANCING OF TECHNICAL ASSISTANCE (GC(XXXII)/RES/499, GOV/INF/566)

111. The CHAIRMAN said that the item was on the agenda pursuant to General Conference resolution GC(XXXII)/RES/499, in which the Board was requested to report to the General Conference on the action taken to implement General Conference resolution GC(XXV)/RES/388 adopted in 1981.

112. It had been agreed at the Board's post-General Conference meetings in 1988 that since the subject had been discussed extensively over a number of years, the Chairman of the Board should hold consultations on it and place it on the Board's agenda at a suitable time in 1989.[1] He had accordingly held consultations on the subject, focusing on the wider aspects of resolution GC(XXV)/RES/388 since agreement had already been reached on the Indicative Planning Figures to serve as a basis for the Technical Assistance and Co-operation Fund targets for 1990, 1991 and 1992.

113. The results of his consultations were summarized in paragraph 5 of the draft text which he had circulated informally and which might serve as a basis for the Board's report to the General Conference.

114. He also drew attention to document GOV/INF/566, issued at the request of the General Conference[2], which had asked for the summary record of the discussion of the item in the Committee of the Whole to be transmitted to the Board.

115. Mr. RODRIGUEZ VARGAS (Colombia) said he agreed with the Chairman's conclusion that there had been no changes in Members' positions since the

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[1] See document GOV/OR.703, para. 84.

[2] See document GC(XXXII)/OR.311, para. 9.

General Conference in 1988. He reminded Governors that earlier in the present session, during their discussion on the financing of safeguards, they had decided that the safeguards budget for 1990 should be approximately US \$54.2 million, whereas the Indicative Planning Figure for the same year for technical assistance was only US \$45.5 million. Along with a number of other Governors, he would find it difficult to accept an increase in the safeguards budget without a similar increase in technical co-operation resources. However, an increase in the safeguards component of the Regular Budget might lead Governments to reconsider the policy of zero budgetary growth, and possibly to agree to the incorporation of at least part of the technical assistance programme in the Regular Budget.

116. Mr. de KLERK (Netherlands) also agreed with the draft report circulated by the Chairman. While he was satisfied with the present arrangement for financing technical assistance from the extrabudgetary Technical Assistance and Co-operation Fund, he would have no overriding objection to the Fund being incorporated in the Regular Budget if that were the wish of a majority of Member States. His country would not, however, change its policy of aiming at zero real growth in the Regular Budget.

117. If the Technical Assistance and Co-operation Fund was to remain a separate fund with an annual increase of US \$3.5 million for the coming three years, the Board would in due course have to give some thought to the financial relationship between the Fund and the Regular Budget. That relationship differed widely among international organizations, but in most cases some form of overhead costs was charged to the technical assistance funds. In that connection, he drew attention to a report (PBC 5/16) on the operational budget written by four independent experts for the United Nations Industrial Development Organization (UNIDO) and to another report by four experts, due to appear in 1990, examining new arrangements for agency support costs in the context of the relationship between the United Nations Development Programme, Governments and executing agencies, pursuant to United Nations General Assembly resolution 42/196. As his delegation had proposed in the Administrative and Budgetary Committee, a solution would be for a percentage of the future growth of the Technical Assistance and Co-operation

Fund to be channelled direct to the Department of Technical Co-operation, by way of support costs, to enable the Department to cope with the increasing workload resulting from the Fund's growth.

118. Mr. AHAFIA (Ghana) said he was disappointed that, while all Governors recognized the desirability of assured long-term financing for technical assistance, they were not all as yet prepared to translate desire into decision. In his opinion, technical co-operation would not achieve the intended impact if the Board continued to hesitate over taking the necessary measures to ensure that technical assistance was funded through the Regular Budget or through other comparably predictable and assured resources.

119. While he would not stand in the way of a consensus on the present issue, he urged members who had been preventing progress on it to reconsider their position.

120. Mr. KENNEDY (United States of America) considered that the current system for providing technical assistance funds worked exceptionally well. The increase in funding for technical assistance projects in the past few years had far exceeded that of the assessed budget, which had remained essentially at zero real growth. The Indicative Planning Figures system had enabled the Secretariat to plan its technical co-operation programmes confident that the necessary resources would be forthcoming when needed. With the preceding year's agreement on the figures for the current triennium, he was sure that the Agency would continue to find available the resources necessary to implement its technical co-operation programmes.

121. He would be pleased to join in a consensus to forward the report circulated by the Chairman to the General Conference.

122. The CHAIRMAN said he took it that the discussion had confirmed what was stated in the draft report he had circulated and that the Board wished to continue its efforts towards implementation of General Conference resolution GC(XXV)/RES/388. He assumed that the Board wished to submit to the General Conference, as its report pursuant to resolution GC(XXXII)/RES/499, the draft text which had been circulated, together with the summary record of the present discussion.

123. It was so decided.

