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THE FINANCING OF TECHNICAL ASSISTANCE

Report by the Board of Governors

1. In 1987, the General Conference, by resolution GC(XXXI)/RES/481, 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

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- (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. In the light of General Conference resolution GC(XXXI)/RES/481, an item entitled "The financing of technical assistance" was placed on the agenda for the Board's session held in February 1988.
3. The Chairman of the Board, reporting to the Board in February 1988 on the consultations which he had held since the 1987 regular session of the General Conference stated that, given the indicative planning figures (IPFs) for 1987, 1988 and 1989 agreed upon by the Board in 1985, he had included in his consultations the question of IPFs for the period after 1989. It was agreed that the Chairman would continue his consultations, with a view to reaching a consensus on IPFs before the meetings of the Administrative and Budgetary Committee in May or, at the latest, the meetings of the Board in June.
4. Part of the summing-up by the Chairman during the February session of the Board is reproduced below:

"....the matter [of IPFs] had assumed importance in the light of the Board's decision that the programming of Technical Co-operation projects should be carried out on a two-year basis. The consultations, which at the present stage were of a preliminary nature, had been held in a constructive, realistic and open-minded atmosphere. Although it was too early to hope for a consensus during the current round of discussions, he nevertheless hoped that, through continuing his consultations, it would be possible to come to an agreement on IPFs in time for the meetings of the Administrative and Budgetary Committee the following May or, at the latest, at the Board's June series of meetings.

"Although the principal focus of his consultations had been on IPFs for the forthcoming cycle, he had also included the wider aspect of the terms of resolution GC(XXV)/RES/388. With regard to the general aspect of technical assistance financing, the divergences of view reported to the Board by his predecessors in previous years still persisted. He intended to include the wider aspects of financing in his continuing consultations, and hoped to be able to report on all the matters covered and to make known the results to the June Board, which could then consider the nature of its report to the General Conference, pursuant to resolution GC(XXXI)/RES/481."

5. The Board resumed its consideration of the matter of technical assistance financing in June 1988, when the Chairman reported to it on the consultations held since the Board's February session.

6. The Chairman reported that, on the wider aspects of technical assistance financing, no significant change in the positions held by delegations on the implementation of resolution GC(XXV)/RES/388 had occurred. 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 was 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.

7. With regard to Indicative Planning Figures (IPFs) to serve as a basis for fixing targets for voluntary contributions to the Technical Assistance and Co-operation Fund for the period after 1989, the Board agreed on IPFs of US\$ 45.5 million for 1990, US\$ 49 million for 1991 and US\$ 52.5 million for 1992.

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

9. The summary record of the Board's discussion in June 1988 on the matter of technical assistance financing is reproduced in the Annex.

Summary record of the discussion on
"The financing of technical assistance"
in the Board of Governors in June 1988

PROVISIONAL RECORD OF THE 697th MEETING (held on 9 June 1988)

THE FINANCING OF TECHNICAL ASSISTANCE (GC(XXXI)/RES/481)

103. The CHAIRMAN recalled that the financing of technical assistance had been on the Board's agenda in February, pursuant to General Conference resolution GC(XXXI)/RES/481, in which the Conference had requested the Board to report annually to it on actions taken with regard to the implementation of resolution GC(XXV)/RES/388 adopted in 1981. In February, too, he had reported to the Board on the informal consultations he had been holding, mainly with a view to paving the way for a consensus on indicative planning figures (IPFs) for the period after 1989. He had expressed the hope then that further consultations, covering both IPFs and the wider aspects of technical assistance financing, would lead to some agreement.

104. Further consultations had been held, and all representatives had once again displayed a constructive attitude. Consensus had in fact been achieved on the IPFs for the years 1990 to 1992.

105. On the wider aspects of technical assistance financing, consultations had not brought to light any significant changes in the positions held by delegations on the implementation of resolution GC(XXV)/RES/388. Some members still believed that the Agency's technical assistance and co-operation programme should be financed from the Regular Budget while others considered that voluntary contributions should continue to be the basis for the programme. The desirability of assured long-term financing for technical co-operation had again been stressed. However, it was felt that more time would be required to reach a long-term consensus on the implementation of resolution GC(XXV)/RES/388.

106. He had circulated informally a draft text which might serve as a basis for the Board's report to the General Conference, possibly after appropriate amendments had been made in the light of discussion.

107. Mr. TILEMANN (Australia) said that the Australian Government was unable to give its full support to the proposal on IPFs, and he requested that its reservations be recorded and transmitted with the consensus to the General Conference.

108. The CHAIRMAN, summing up, said that from the consultations which he had had and from the Board's discussion it was clear that almost all Member States - both developed and developing - were very conscious of the national budgetary constraints which they would probably continue to face in the next decade.

109. In that connection, he pointed out that, although the annual total of voluntary contributions for technical assistance had risen considerably (even in constant dollar terms) between 1982 and 1986, the percentage fulfilment of the growing target had declined - and as of 1 June 1988 only 77.83% of the current year's target of \$38 million had been pledged. To him, that suggested that, while Member States undoubtedly wished to contribute more towards technical assistance, they were having ever greater difficulty in paying their share of the growing target. Also, Governors from some donor countries had made statements to the effect that they could not - at present - guarantee their governments' ability to contribute at the calculated rates towards substantially increased targets.

110. Having said that, he assumed that the Board had reached a consensus on Indicative Planning Figures of US \$45.5, 49 and 52.5 million for the years 1990, 1991 and 1992 respectively, and he hoped that, in due time, the pledges - and payments - towards the targets for those years would reach, despite all budgetary difficulties which one or the other country might face, the high levels achieved during the first half of the decade.

111. On the wider aspects of technical assistance financing, he referred the Board to what he had said when introducing the agenda item and said he assumed that the Board wished to continue its efforts directed towards the implementation of General Conference resolution GC(XXV)/RES/388.

112. In conclusion, he took it that the Board wished to submit to the General Conference, as its report pursuant to resolution GC(XXXI)/RES/481, the draft text which had been circulated to Board members, together with the summary record of the Board's discussion.

113. The Chairman's summing-up was accepted.