

CHAPTER III

THE COMMONWEALTH AND MULTILATERAL ASSISTANCE

General

The major Commonwealth donor countries continue to supply most of their assistance through bilateral programmes but they place strong, and increasing, emphasis on multilateral programmes. On the other hand, the developing countries of the Commonwealth, which require most of their domestic resources for their own development but do provide small amounts of assistance to other developing countries, place more emphasis on multilateral than on bilateral assistance. Commonwealth countries contribute to a number of specific Commonwealth programmes such as Commonwealth Education Co-operation schemes and the Commonwealth Fund for Technical Co-operation, which is described in a later section of this chapter.

According to figures compiled by DAC, which cover three of the four major Commonwealth donors, the share of flows to multilateral agencies in total gross official development assistance in 1970 ranged from 6 per cent for Australia, to 9 per cent for Britain, and to 23 per cent for Canada. The proportion for Britain reached 11 per cent in 1971. Canada has indicated that it reached its target of allocating 25 per cent of its aid appropriations through multilateral channels in 1971. While the proportions may appear low in some cases, the four major Commonwealth donors had by 30 June 1971 subscribed some \$US4,000 million to the World Bank and \$US602 million to IDA. Equally, they have supported UNDP. Their pledges for 1971 totalled almost \$US33 million and this figure was raised to over \$US40 million for 1972.

As mentioned above, the developing countries of the Commonwealth place considerable emphasis on multilateral assistance. Up to 30 June 1971 they had subscribed some \$US1,988 million out of the Commonwealth total of \$US6,679 million to the IBRD and IDA. Their pledges to UNDP which totalled a little under \$US5 million for 1971, increased to \$US5.3 million for 1972.

Apart from the financial contributions to the technical assistance activities of the UN, many Commonwealth nationals, many of whom come from developing countries, work under its programmes. The Commonwealth supplied almost 3,300 experts who were working in the field under UNDP and the UN Regular Programme out of a total for all nationalities of about 12,100 in 1971, i.e. some 27 per cent. Developing Commonwealth countries accounted for over 710, the greater part coming from India but 20 other countries also provided experts. In 1971 the UNDP and the UN Regular Programme awarded over 16,200 fellowships and for about 3,900 the host country of study was a Commonwealth country.

On the receiving side, multilateral assistance is very important to developing Commonwealth countries. Up to the end of June 1971 nearly four-fifths, or some \$US1,560 million, of the development credits disbursed by IDA and a quarter, or \$US1,707 million, of the loan disbursements by the World Bank went to Commonwealth countries. Similarly, a large proportion of the experts employed under UNDP and the UN Regular Programme serve in Commonwealth countries.

The Commonwealth Fund for Technical Co-operation (CFTC)

The Commonwealth Fund for Technical Co-operation was formally established on 1 April 1971, when a majority of Commonwealth governments had agreed to participate, and when financial contributions amounting to £250,000 had been pledged. The concept of the Fund and the conditions leading to its establishment, which had been worked out by senior officials at a meeting in Cyprus in 1970, were approved by Commonwealth Heads of Governments at Singapore in January 1971. The creation of the Fund represented a further development of the role of the Commonwealth Secretariat in the field of technical assistance envisaged when it was set up in 1965. It also took account of the experience gained in the Secretariat from the operation during the period 1967-71 of a small Commonwealth Programme for Technical Co-operation which depended largely on technical assistance grants being met through bilateral aid programmes.

The CFTC is a development fund administered by the Commonwealth Secretariat, and financed by voluntary contributions from Commonwealth governments. It is intended to assist the developing countries of the Commonwealth by complementing the many bilateral aid programmes which operate within the Commonwealth and by responding to technical assistance needs which are not at present being met by existing multilateral or bilateral arrangements. It is a co-operative Commonwealth undertaking in which this international body of nations helps its individual members. Its three programmes, which cover general technical assistance, education and training, and, since September 1971, export market development, are designed to meet developmental priorities of governments in developing Commonwealth countries. Through the Fund technical assistance is provided for projects concerned with the broad and inter-related fields of economic and social development. The Fund's operations are also aimed at improving the developmental foundations of Commonwealth developing countries and meeting their physical and social needs within the framework of their resources and potentials, and the resources available through other channels.

The Fund is truly multilateral in character with, in the first year of operations, a total of thirty two governments participating in its operations. Assistance from the Fund is available to any member of the Commonwealth, and any Commonwealth inter-governmental organization or agency. While the majority of requests for assistance arise from individual governments, some have arisen from discussions at international gatherings of Commonwealth nations, and others from the activities of inter-Commonwealth organizations and regional Commonwealth groupings.

A Board of Representatives, consisting of one representative of each participating country, formulates the general policies of the Fund. Between Board meetings, policy guidance is given by a Committee of Management of ten representatives, with the Commonwealth Secretary-General serving as chairman.

The Secretary-General is responsible for the overall policy direction and operation of the Fund in accordance with guidelines laid down by the Board of Representatives and the Committee of Management. The day-to-day management and operation of the Fund is carried out by a Managing Director. Under him are directors of the CFTC's five divisions, concerned with: technical assistance (Africa); technical assistance (Asia, Caribbean and Pacific); education and training; export market development; and project co-ordination and execution; together with supporting staff.

During its first year of operations the Fund experienced a very active growth, with rapid expansion in the number, type and geographic range

of assignments undertaken. The bulk of the Fund's activities, however, fell within the General Technical Assistance programme, which provides assistance primarily in the following fields:

- (a) planning (including manpower and educational planning and sectoral analysis) and plan implementation;
- (b) the preparation, appraisal, execution and evaluation of developmental projects;
- (c) statistics, finance, tourism, transport, and public administration;
- (d) the taxation and development of resource-based industries;
- (e) regional and sub-regional co-operation in a variety of fields; and
- (f) activities related to the foregoing.

A particularly noteworthy feature of the Fund's operations under this programme, is its ability to respond promptly and effectively to urgent requests for short-term assistance through the use of experts maintained on the headquarters staff. Experts experienced in legal and taxation matters, particularly in relation to the development of resources, and in statistics have been available to undertake such technical assistance missions.

The activities carried out directly by this Technical Assistance Group have included advice in the negotiation of agreements, the drafting of legislation relating to the exploitation of off-shore areas, and in re-structuring of primary resources industries, such as sugar and phosphate. Team members have also assisted individually in many areas relating to their particular fields of competence, including fiscal reviews, double taxation agreements, the pricing of certain mineral exports, civil aviation policies, the negotiation of financing agreements with international lending institutions, as well as the integration of such agreements in the legal structure of those countries. The team is being increased in size and scope, and more widely engaged as a "fire brigade unit" in order to meet the increasing number of requests from governments for urgent short-term technical assistance assignments under the General Technical Assistance programmes.

The majority of projects under the General Technical Assistance programme, however, were carried out by specially recruited experts, advisers, and consultants engaged under contract to the CFTC for short or long term periods as required. Among the projects covered in the first year of activities have been the following:

- (a) the provision of consultants for the preparation of national development plans, e.g. relating to tourism, transport systems and fiscal reviews;
- (b) advice on such varied subjects as the introduction of the metric system; the drawing up of architectural standards; the co-ordination of transport services; agricultural research; bridges and highway designing; ports development and national accounts;

- (c) advice on the development of resources, e.g. hydro-power and diamonds;
- (d) advice on the setting up of new industries;
- (e) assistance with the development of national statistical services;
- (f) the provision of expertise in various disciplines of public administration;
- (g) reports on reform requirements of local government and civil service.

Advisers and consultants employed by the CFTC are, of course, drawn from Commonwealth countries and increasing attention has been given to the recruitment of these experts from as wide a number of countries as possible. A roster of available experts is gradually being built up, and Commonwealth governments are being asked to release qualified personnel from time to time and to help in identifying the expertise required.

Special mention should be made of the Fund's activities in Bangladesh. Following the visit to the newly created nation by the Secretary-General, who was accompanied by the CFTC's Managing Director, requests were received from the Bangladesh Government for assistance under the General Technical Assistance and the Export Market Development programmes. In the legal field, transport programming, socio-economic fields and manpower re-training, several projects were quickly initiated in answer to these requests. Bangladesh is expected to become an even more important recipient of Fund assistance in the second financial year.

Another important development in this early period stemmed from the Commonwealth Medical Conference held in Mauritius during 1971. This was the decision to assist in the organisation and establishment of a Regional Health Secretariat in West Africa. Under the General Technical Assistance programme, the Fund also helps towards the financing of certain regional meetings, such as the Regional Planners' Conference for Central and Southern Africa, held in Swaziland in 1971, which discussed planning activities in the fields of tourism, transport, communications, and trade, as well as vocational and technical education and training.

The field of education and training is another new field of Fund activities which extends the scope of technical assistance that can be offered. A special Education and Training programme is concerned with - to quote from the Memorandum of Understanding which established the Fund - the "education and training of personnel from one developing Commonwealth country in another developing Commonwealth country". This programme was launched in the spring of 1972 following consideration of the policies under which it would function as well as the administrative arrangements for its modus operandi by the Committee of Management and the Board of Representatives. While it is still in its infancy, it is expected to develop into an important medium for third country training within the Commonwealth, and will enable the developing countries more easily to share their education and training facilities and thus to assist in each others' development. It is aimed at supplementing existing Commonwealth schemes of co-operation in education and training in the following professional, vocational and technical fields:

- i. Agricultural development including forestry and fisheries.
- ii. Education: teacher training, teaching/learning techniques, educational planning and administration.
- iii. Industrial development: including the construction industry and small scale industries.
- iv. Monetary and fiscal development.
- v. Natural resources: exploitation and assessment.
- vi. Public and business administration.
- vii. Social development: health and social welfare.
- viii. Trade development.
- ix. Transport and communications.
- x. Youth services and activities.
- xi. Others: development planning, statistics.

Preference is given to proposals for non-institutional forms of training, particularly where these are designed to provide essential manpower skills or to assist in reducing unemployment. In-service or upgrading training may take a variety of forms and may include experience-exchange visits and temporary attachments, both in the public and private sectors, designed to enable trainees to familiarise themselves with valuable innovations, research and experience in other developing countries. Particularly favourable attention is directed to education or training proposals which have a built-in multiplier effect (for example, the training of trainers).

Assistance is also extended to certain types of seminars/workshops in developing countries where the programme includes a substantial training element which is highly likely to enhance the professional competence or technical skills of the participants, and where the seminar is so designed as to lead directly to increased and practical Commonwealth co-operation in education and training fields. Such assistance can be given in co-operation with various Commonwealth organisations as has already been the case with the Commonwealth Broadcasting Secretariat.

Education and training projects already entered into, sometimes on a regional basis, including training in adult education, national statistics, public administration, librarianship, customs and excise, orthopaedic technology, fiscal fields, broadcasting techniques and agricultural research management.

As early as 1965 Commonwealth Heads of Government had agreed on the desirability of exploring means of encouraging and expanding Commonwealth trade. Then in 1967 Senior Planning Officials recommended that this question should be studied in depth. A Study Team, composed of experts provided by several Commonwealth governments, prepared the groundwork for the subsequent Report of the Secretary-General in 1970, entitled "Study on Commonwealth Export Market Development".

This Study was discussed at the Heads of Government Meeting in Singapore at the beginning of 1971 and agreement reached that the major proposals put forward in it for the establishment of a Commonwealth Market Development Fund, an Export-Import Bank and an Export Development Corporation should be considered at a meeting of Trade and Finance Officials. These Officials met in London in June 1971. As a result of their examination of the proposal for a Commonwealth Market Development Fund they recommended the inclusion of an Export Market Development programme within the CFTC. They further recommended that in view of the wider functions of the CFTC its financial resources should be suitably enlarged. The proposals made at both the Singapore and London meetings envisaged an eventual Fund of £2 million annually.

The CFTC's Board of Representatives meeting in Nassau in September 1971 agreed that the scope of the Fund should be expanded to include the wide field of technical assistance and market research aspects of export market development. The question of including other aspects of export market development, such as financial assistance, recommended by the London meeting of Officials was left open for subsequent review at a future date in the light of experience gained by the CFTC in operating in the export market development field and the extent of resources available.

The Fund's entry into the export market development field is a response to the recognition of the importance that trade plays in national development and the widespread feeling that the need for export promotion is particularly relevant in the light of the new challenges Commonwealth developing countries face in their commercial relations on the accession of Britain to the European Economic Community. Advice could also assist Commonwealth developing countries to the advantage of the new opportunities which would arise under the Generalized Preference scheme. It also reflects an appreciation that trade between developing countries had been hitherto thought of chiefly in regional terms, and that the opportunities for inter-regional trade between developing countries had not been sufficiently recognised.

Although at the end of the first year of CFTC operations, the Export Market Development programme was still in its early stages, and had not been fully staffed at Headquarters, a number of important projects had already been undertaken or were being planned under this programme. These included several important country studies designed to examine the implications for individual Commonwealth "associable" members of the enlargement of the E.E.C. Other projects included a projected trade promotion seminar in the Commonwealth Caribbean, and a series of studies of Bangladesh's export market requirements. It is envisaged that the Export Market Development programme will rapidly develop into an extremely active and important part of the Fund's activities.

During the first year of CFTC operations, over £400,000 was pledged to the Fund, while for the second financial year, this amount is expected to be in excess of £1 million. The eventual target, as envisaged at the Commonwealth Heads of Government Meeting in Singapore in 1971, is £2 million annually. The bulk of the finance for the Fund comes from the pledges of the British and Canadian Governments, the conditional and multiplier nature of which provides up to 70 per cent of the total resources. The next largest contributor is now Australia. All developing countries of the Commonwealth also contribute to the Fund. Contributions to the Fund are voluntary, and are made in convertible and/or non-convertible currency.

At the end of the first year of its existence, the Fund was engaged in, or examining requests for, over 100 projects, dispersed throughout Africa, Asia, the Caribbean and the South Pacific. Thus, a promising start has been made in this co-operative Commonwealth endeavour in development assistance, and this is very largely due to the encouraging degree of support received from Commonwealth governments and organizations. The value to Commonwealth developing countries of this multilateral Fund with its wide-ranging programmes, should become increasingly evident during the second year of operations as all the programmes are fully activated.