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DAC - 1970 - General




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## OFFICE MEMORANDUM

*Matt  
sent in  
his copy  
with  
comment*

TO: Mr. Robert S. McNamara

DATE: December 1 1970

FROM: M.P. Benjenk *MB*SUBJECT: Moroccan Consultative Group Meeting

The Consultative Group for Morocco met in Paris on November 17 and 18 with myself in the chair. The meeting itself was preceded by a lunch and a dinner the previous day during which my colleagues and I discussed, with the Moroccan delegation first and the group of donor delegations subsequently, the items to be formally discussed on the agenda at the full meeting.

We introduced an innovation in the work of this particular Group inasmuch as we had, after the meeting ended, individual meetings with the principal donor delegations to discuss their aid policies toward Morocco and possible joint or parallel activities between them and the Bank. The delegations seemed quite pleased with this procedure. Please find attached my closing statement which, in accordance with current practice, summarizes the two days' discussions.

In addition to the general discussions on the economy which are reflected in this summary, three points are worth noting:

1. Additional aid for Morocco

(a) the United Kingdom delegation announced that the U.K. would, for the first time, begin an aid program in Morocco next year. While not large, this would be a flexible program with a possible element of program aid included.

(b) the Canadian delegation informed the Group that they wished to lend additional amounts to Morocco and that they were in search of projects for this purpose and therefore welcomed the project list which was circulated to members of the Group. (A meeting subsequently took place between the Moroccans, the Canadians and the Bank staff to discuss possible projects or programs which Canada might finance in Morocco.)

(c) the French announced that their next year's aid program would be at least equal to this year's.

(d) both Belgium and Germany informed the group of the imminent despatch of two project selection missions for their next year's aid program.

2. Family planning

You will remember the reaction of the King of Morocco last year when you discussed with him the need for an active family planning program in Morocco. I had raised the matter again with the Moroccan Prime Minister when I visited Morocco two months ago and tried to impress upon him its importance and mentioned some ways in which the Bank might help. The Prime Minister had then replied, referring to last year's conversation with the

December 1 1970

King, that there were psychological difficulties in the way of making progress. I was happy to hear, therefore, from the Finance Minister in Paris that as a result of my conversation with the Prime Minister this matter had once again been raised with the King. The latter had now given the green light to a new campaign to be organized by the Government, although the King himself, as a religious leader, would not be directly involved. The Minister of Finance informed the Consultative Group of his government's renewed emphasis on family planning.

### 3. The role of the Consultative Group and local aid coordination

There was an interesting debate at the end of the meeting on the future role of the Group. The United Kingdom delegate stated, as he has done on previous occasions, that there should be fewer items on the agenda of Consultative Group meetings, but that these should be gone into at greater depth and in the presence of experts. He felt that our present agendas were overloaded and that there was too much to discuss in the time allocated to the meeting. The U.K. delegate was obviously in the minority because other delegates felt that the Consultative Group should be used for the maximum possible exchange of information and therefore a heavy agenda, going through all the various aspects of a country's economic situation, was better than a "seminar type" meeting with only a few topics being discussed.

The U.K. delegate also revived a proposal which he made last year, at the instigation of the Moroccan delegation, that the Bank should organize sub-committee meetings of the Moroccan Consultative Group which might discuss specific topics, such as agriculture or tourism. In view of the preparation and staff time required for even a single Consultative Group meeting a year, I have always felt that so-called sub-committee meetings would impose a burden on the Bank which would not be commensurate with the advantages to be derived from it, unless the topics to be discussed are very specific and can lead to concrete decisions on the part of donors. However, such meetings may be very useful if held locally under the patronage of the government and with the participation of the local representatives of donors whenever the government feels that a specific matter needs to be discussed which interests more than one donor country or agency. It was therefore agreed that the Moroccan Government would, if it felt this would be useful, call some meetings under its own chairmanship with the UNDP Resident Representative acting as secretary to such a meeting. I promised that the Bank would participate in such meetings as appropriate. I feel that this is a good way of achieving local aid coordination, as desired by many members of the DAC, but it does it by placing responsibility on the government, where it belongs, and without the formality and heavy staff work involved in a Bank sponsored Consultative Group sub-committee meeting. We and the UNDP will, of course, help as much as we can.

Att:

cc: Mr. Knapp  
Mr. Demuth ✓  
Mr. Chenery  
Mr. Hoffman  
Mr. Chadenet  
Mr. Bart  
Mr. Thompson

(not for public use)

INTERNATIONAL BANK FOR RECONSTRUCTION AND DEVELOPMENT

**DECLASSIFIED**

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**FEB 14 2023**

November 18, 1970

**WBG ARCHIVES**

MEETING OF THE CONSULTATIVE GROUP FOR MOROCCO

Paris, Tuesday and Wednesday, November 17 and 18, 1970

CONCLUDING STATEMENT BY THE CHAIRMAN

MR. MUNIR P. BENJENK

During the last two days we have been discussing Morocco's economic situation and development program and the ways in which the various members of this Group are contributing to it, as well as their plans and expectations for the future. The Moroccan Delegation has explained in depth their general development priorities as well as their objectives and policies in specific sectors, their achievements in the current Plan period and their ideas concerning orientation of the next Development Plan.

The Group noted the major economic developments of the last year: GNP was close to the record high level of 1968; even though agricultural production decreased, this was offset by increases in other sectors. The exceptional harvests of the previous year made possible a reduction by more than half of the deficit on current account, which, however, was likely to rise again in 1970. Increased production in 1968 and 1969 had made possible rapid increases in both public and private consumption, as well as investment. Savings remained constant. During the year Morocco maintained budgetary stability and was able, as it has increasingly since 1967, to finance a significant portion of the development budget from current surpluses. The public investment targets for the first two years of the Plan had been largely achieved, and have been increased by 25 percent for the remaining three years of the Plan.

From the wealth of information and views expressed in our meetings, I would like to summarize some of those which I believe to be of particular interest to us all in shaping our future thinking about Moroccan development.

In the field of agriculture, the Moroccan delegation noted its concern over the slow rate of growth in the past, particularly in terms of food deficits and the consequent food import requirements. The priorities in agriculture were explained, and while they received general agreement, several delegations asked questions on institutional changes needed to increase agricultural production. Particular reference was also made to the Agricultural Investment Code. In this

context the Moroccan Delegation reported that preparatory studies and steps needed for regroupment and resettlement were under way. The Group noted with interest that the Government's policy is to distribute land in viable lots to the greatest possible number of farmers, in order to increase agricultural production, to provide additional employment and to discourage the rural exodus to the cities.

It was noted that even after all potential irrigation development had been completed, a majority of the agricultural population would still be living in rainfed areas and the size of the average family holding in those areas would substantially be reduced.

The importance of investment in the rainfed sector was stressed, and Morocco was encouraged to increase its efforts in fertilizer distribution, in crop diversification into such crops as oil seeds, in livestock production, and in seed improvement. The Moroccan Delegation agreed with these aims but noted that the structure of traditional Moroccan agriculture was difficult to change, and required expanded agricultural extension efforts and technical assistance.

Questions were raised on the high level of price support for sugar beets. It was explained by the Moroccan representatives that this was necessary to attract farmers into expanding cultivation of this new crop and that sugar beets also formed the basis for a new sugar refining industry with by-products useable in livestock production. It was also noted that while some revenues were sacrificed, considerable balance of payments advantages accrued from replacing part of Morocco's sizeable sugar imports. The Group was informed that industrial investment, while now becoming a focus of interest in Morocco's development, had not been a priority sector in the present Development Plan. In view of the smallness of the domestic market and the scarcity of experienced industrial managers, heavy industry was not emphasized in the Plan. Nevertheless, the Government had established a number of incentives to create an attractive climate for industrial investment. Foreign and Moroccan investors received equal treatment under the Investment Code, which also provided for repatriation of earnings as well as capital investment of foreign investors. The Moroccan representatives noted that to date, however, these incentives had not attracted the hoped-for level of private investment in industry, whether national or foreign.

Various possibilities were advanced to explain this hesitancy, including limited entrepreneurial experience and initiative, scarcity of well worked out industrial projects under conditions of a narrow market, some remaining administrative discouragements, and the competing attraction of land speculation, construction and commerce. Notwithstanding these constraints, considerable effort was now being devoted to promoting industrial development, with particular emphasis to be given to the expansion of industrial exports. A higher priority will be given to industry in the new Plan.

Several delegations suggested new approaches to industrial cooperation with Morocco being considered by their countries. One delegation reported the formation of a joint economic committee to promote joint investments with Moroccan interests. This arrangement would also provide for technical assistance. The need for industrial studies was cited and these are to be prepared by a new office being established in the Ministry of Industry. It was suggested that Morocco might be able to expand exports to other African countries. The Group noted that financing for industry has been available from BNDE, which, with expanding industrial investment, has a growing demand for funds. The possibilities opened by Morocco's association with the EEC were cited, particularly in the area of exports of labor-intensive products and of goods manufactured under sub-contracting arrangements.

It was noted that mining production had suffered from particular problems. Although phosphate production had increased somewhat, competition in the world market had increased considerably. Other minerals had suffered from exhaustion of reserves. The need for new explorations was stressed and mention was made of an impending UNDP mineral survey in the Eastern and Central Anti-Atlas Mountains. BRPM has encouraged private prospectors to join it in mineral exploration and exploitation. Joint enterprises were being worked out with other Maghreb countries.

There was considerable discussion on the importance of subsidies and incentives as stimulants to investment in industry and mining. All agreed with the Moroccan Delegation that these incentives should be used only when it could be demonstrated that the benefits from such incentives would be commensurate with the costs to be incurred.

The Group noted with satisfaction that progress and prospects in tourism, the second priority sector, were encouraging. Numbers of visitors were increasing rapidly and with them foreign exchange earnings, as well as the secondary benefits being spread throughout the economy. The Government was continuing its activities in hotel construction as well as in other aspects of tourism. An enlarged publicity campaign was being undertaken, financial incentives to hotel investors were continuing (including credit available from CIH), and a new hotel code to establish prices related to levels of accommodation was being worked out. Infrastructure in priority zones were being built and three hotel training schools were now operating. Foreign investors interested in hotel investment could now address themselves to a technical committee, in which were gathered all the Government services which a prospective investor needed to contact, thereby greatly easing negotiation procedures. Some delegates questioned whether sufficient resources were going to construction of moderate priced hotels, as opposed to those in the luxury category. While Morocco has had a tradition as a luxury tourist area, and private investors had in the past preferred to invest in de-luxe hotels, the Group noted that the Government planned to make a particular effort to encourage investment in moderate priced hotels, which might possibly be accomplished through differentiation of incentives. Some concern was expressed that prices and services should be controlled effectively.

Many members of the Group expressed concern about Morocco's economic and social need to cope with its employment problem. It was observed that rapid population growth had led to a fast increase in the labor force, and that the relatively slower growth of employment opportunities was resulting in increasing unemployment and underemployment. The Group discussed various ways of coping with the problem, including measures of immediate consequence such as new applications of Promotion Nationale programs, greater concentration on labor intensive projects and programs, acceleration of land reform and steps to promote emigration. In the longer-term perspective, the need was recognized for more and better directed education and manpower training programs, and for greater efforts in family planning. The view was expressed that the Government education and training programs should bear more relation to the economy's labor needs and availabilities. The completion of the next census was emphasized as a prerequisite for improved manpower planning.

The Moroccan Delegation informed the Group of the substantial employment effects of past and present Promotion Nationale programs, and it noted that steps were being taken to encourage emigration. It also reported that new trends in the Government's training programs could be foreseen as a result of comprehensive studies being made of the country's educational goals. The Moroccan Delegation also pointed to the need for greater local currency financing implied by a greater emphasis on labor intensive projects and programs, and it informed the Group of the Government's plan to strengthen its family planning activities, which the Group noted with interest.

#### Financing Gap

A number of questions were raised about the feasibility and means of raising domestic savings and about the prospects for Morocco acquiring sufficient external financing in the future to fill the projected resource gap. Several delegations expressed their view that domestic savings efforts (both public and private) could be intensified. One delegation questioned whether the projected public capital inflows could be realized, noting that greater private foreign investment as well as greater local savings were means of reducing the financing gap. Specific possible measures such as tax incentives and interest rate adjustments were cited in this context.

The Group welcomed the announcement by one delegation of its country's intention to formulate a new capital assistance program for Morocco in which it was possible that there might be an element of program aid. One delegation noted its country's aim to maintain at least its current aid level, with a distribution among grants, balance of payments support, and project loans, including local currency financing. Another member indicated the high priority which Morocco maintained in its aid program, citing both Morocco's need and its efficient use of past aid as criteria for giving Morocco this priority. It was noted that a part of the hoped for increase in financial inflows



would come from the disbursements from World Bank commitments in Morocco. The Moroccan representatives remarked that if sufficient aid were not forthcoming, Morocco would either have to cut its presently modest development program or resort to unorthodox financing means. The Moroccan delegation also observed that the limit of available domestic savings had nearly been reached, and it noted the Government's aim to provide 60 per cent of the financing of the investment budget. The Government's policies aimed at stimulating private vis-a-vis public savings and investment were described by the Moroccan Delegation as intended to pursue a middle ground between liberalism and dirigism, the latter only becoming necessary when private initiative was not forthcoming.

#### External Debt

The members of the Group noted the rise in Morocco's external debt and debt service obligations both in the past and as projected into the future. It was observed that while Morocco's present debt service burden was not heavy, the prospect was for this burden to become increasingly more severe. One delegation, citing the need to act now in order to avert future debt servicing problems, announced that it would try to ensure a softening of its terms of lending to Morocco. Another delegation mentioned the dangers of excessive reliance on export credits and called for a greater emphasis on projects promising rapid growth of export earnings.

The Moroccan representatives gave assurance to the Group that the Government was continuing to give careful attention to the external debt situation in order that the country's future growth be not endangered by either a dangerous reduction in its investment program or an excessively large debt servicing burden.

The Moroccan representatives outlined for the Group some of the procedures being employed in preparation of the 1973-1977 Plan, and the main outlines of the forthcoming Plan were sketched. It was stated that this Plan would retain the priorities of the present 1968-1972 Plan, namely agriculture, tourism and training, but that considerably more emphasis would be placed both on processing industries (especially those oriented to production for export) and on family planning efforts. The regionalization aspects of the next Plan were to be pursued more intensively, while additional legislative and institutional reforms were seen as necessary to achievement of that Plan's targets. [ In response to questions posed by other delegations, the Moroccan representatives noted that the administrative reforms which would be required to facilitate coordination and avoid duplication between sectoral and regional planning efforts were under study. In response to a question concerning planning methods, it was stated that steps were being taken to improve the budgetary process as well as project selection procedures and criteria.]

The Moroccan delegation also indicated that a fundamental reconversion of Morocco's educational system was underway, with a new stress to be placed on making this system more responsive to the country's technical and economic needs.

Concern was expressed by one delegation about whether greater benefits might not be realised from existing investments, and greater efforts were urged in the rural areas to generate employment not only in agriculture but also in social amenities, including housing. Another delegation urged that improved general procedures be formulated for programming external assistance, noting its own movement in the direction of taking a program rather than a project approach. The need to maintain some flexibility in the next Plan was urged by one delegation which noted the potentially significant impact on Morocco which may occur from a widening of the EEC community. Finally, the Group was asked to pursue their own forward planning in preparing their own cooperation efforts.

Delegations welcomed the preparation of the two project lists, one for development projects and the other for studies. It was generally felt that these lists were of assistance to donor countries and agencies in identifying projects suitable for their aid programs. Several delegates noted that it would be useful if priorities were indicated on the lists. One delegation said that the list was particularly welcome, since the country it represented was at this time looking for projects it could finance in Morocco. Arrangements were made for meetings with the Moroccan Delegation to discuss a tentative selection of projects. Two other delegates announced that they were sending missions to Morocco for selection of projects which could be financed under their aid programs. Another delegation, while noting that it would continue its traditional patterns of program aid, pointed out that there were new possibilities for financial aid through other channels.

I would now like to sum up what I believe emerges clearly from our two days of discussion, namely that Morocco's overall economic policies continue to provide a satisfactory basis for technical and financial assistance by members of this Group. As far as both the bilateral and multilateral donors are concerned, this judgement is clearly reflected in their own substantial lending programs. It was felt that this assistance should be provided on terms which would enable the Moroccan Government to maintain its external debt within manageable limits.

Let me thank all the members of the Group once again for their open and constructive contribution to our discussions, which have made this meeting very useful. I am especially grateful to His Excellency Mr. Lazrak and to the Moroccan Delegation for attending our meeting at a time when the Government is busy with the preparation of the Budget.

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December 2, 1970  
RHDemuth:lpl

Notes on DAC Meeting on Local Aid Coordination - December 3, 1970

1. Welcome DAC interest in this matter, which is of real and substantial concern to IBRD. *We believe time has come to take steps to improve coordination* (1)
2. As Chairman has emphasized, *Plan* (2) approach must be pragmatic and flexible. Situations in different countries vary greatly - should not have rigid formula for application in all cases.
3. Several principles, however, would seem of general applicability:
  - (a) Wherever the government is able and willing to do so, it would be desirable for the local coordination machinery to be organized and led by the government of the host country itself - aided, if and to the extent necessary, by the UNDP Resident Representative, the IBRD or the appropriate regional bank, or in some cases by the principal bilateral donor.
  - (b) Whenever there is a formal coordinating group in existence for the country - whether a consortium or a consultative group - the local coordinating exercise should be conducted under the general umbrella of the formal coordinating group. This means, I would suppose, reaching an understanding as to the respective functions of the local group and the overall group - and the presentation of an annual report on the activities of

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the local group for consideration by the overall group.

- (c) In almost every case, coordination of technical assistance is likely to be a major subject for consideration by the local coordinating group. But I believe it will frequently - perhaps usually - be desirable for the local group to go beyond technical assistance to coordination of project financing - not only when there is no overall ~~coordinating mechanism~~, <sup>consultative group</sup>, but also when, as is very often the case, the deliberations of the consultative group concentrate on economic performance and policies and financial requirements - in short, on the macroeconomic aspects - and do not treat with - or do not effectively treat with - coordination of project financing.

4. The IBRD is taking action to encourage the creation - or strengthening - of local coordinating groups in a number of cases:

- (a) Where a Bank-sponsored coordinating group exists, we are endeavouring <sup>whenever the circumstances appear favorable,</sup> to get the government to agree to some <sup>local</sup> kind of coordination exercise, <sup>when this does not already exist</sup> ~~This has already been~~ <sup>discussed with the governments of Morocco and Tunisia</sup> ~~discussed~~ and in the recent C.G. meeting for Morocco, <sup>the government</sup> ~~in both~~ <sup>countries,</sup> ~~we expect affirmative action.~~ This matter will also be discussed with the Government of Ghana and in the Consultative Group for that country.

Said it was ready to take the initiative in organizing local consultations on specific topics. This was strongly endorsed by the CG members as well as by the Bank & UNDP.

completing form.

Go to (d) - then (b) & (c) ./.

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and to create some link between the local ~~coordination~~ and over-all coordinating exercises.

(b) In a number of other ~~DAG~~ <sup>Coordinating group</sup> countries, no new action <sup>to us to be</sup> seems necessary, except perhaps to regularize existing arrangements. This is true of India and Pakistan, which both have strong coordinating Ministries and where local meetings of donors are held. It is also true of Thailand, where the DAG Group <sup>purpose to</sup> meet regularly - and of Colombia, where the Planning Ministry is reasonably effective and local coordinating meetings are held, although perhaps not frequently enough. In Korea, <sup>too,</sup> the Government is doing an effective coordinating job, and there is a reasonably small number of donors.

(c) There is probably a case for new local machinery in Malaysia and Nigeria - but the Malaysian government has thus far expressed unwillingness to agree to such machinery, ~~and~~ <sup>somewhat</sup> a similar reluctance has also been expressed by Nigeria, where the whole future of the Consultative Group is as yet unclear. I believe that Turkey is another case where a local coordinating committee would be useful, but where the government <sup>probably</sup> seems to be unwilling to cooperate.

(d) The Congo K and Ethiopia seem to be countries where new local coordination machinery may also be appropriate <sup>and in these cases, if and when a Consultative Group is</sup>

~~formed, the Bank would expect to take an initiative to~~ <sup>Local coordination would be on its agenda. In the meantime, UNDP is holding informal donor meetings attended by the local Bank representatives.</sup> see what can be done.

prefer to deal bilaterally and

The Bank has just installed a resident representative in the Congo and the problem of local coordination will probably be discussed in the first meeting of the CG early in 1971

early in 1971

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(e) As for the Latin American countries, we in the IBRD have been working closely with representatives of CIAP and the IDB to see if we can make the annual CIAP country reviews a more effective mechanism for aid coordination than they have been in the past - and I believe we are making ~~some~~ encouraging progress. In our discussions with CIAP the question of local coordination machinery, particularly for coordination of technical assistance, has been considered - and we have received assurance from the Executive Secretary of CIAP that CIAP will cooperate fully in the effort to establish effective local committees in the Latin American countries. This will be done by seeking to obtain an agreed recommendation on this matter in the course of the CIAP country reviews.

5. IBRD economic missions - with participation of UNDP Resident Representatives - should facilitate technical assistance coordination at the local level.

6. I have noted the interesting paper, dated November 25, 1970, in which an attempt is made to classify countries in accordance with the nature of the problem. In footnote (1) of that paper, it is stated that export credits were not taken into account in making the classification. This raises a point on which I would very much welcome the views of the members of the Committee - namely, the extent to which the need for local coordination, other than for

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technical assistance, arises from export credit financing rather than long-term development financing - and whether it is feasible for local coordinating committees to deal with the project aspects of export credit financing. The answer to that question would, I believe, significantly affect the country classifications set forth in the paper which has been circulated.

7. Finally, let me say a word as to the way in which DAC might effectively encourage local coordination, assuming the Committee decides that this is desirable. I believe it would be helpful if by a resolution of DAC - or by some other kind of agreement among its members - the local representatives of donor countries could be informed that efforts on their part to encourage the government to organize - or cooperate in, local coordination machinery would be welcomed - and that <sup>or</sup> they themselves were expected to cooperate fully in any such machinery that was established. I believe the DAC 1966 Guidelines for Coordination of Technical Assistance are a very useful precedent in this respect - perhaps a reaffirmation of those guidelines, suitably expanded in the light of today's discussion, <sup>might</sup> ~~should~~ be considered as one way of expressing concretely the importance which the <sup>member countries of DAC</sup> ~~Committee attaches~~ to this subject.

*I believe also that it might be useful for DAC to encourage its member governments to bring problems of local coordination in individual countries to the attention of the UNDP and/or the Bank, as appropriate, in order that they may endeavour to take remedial action.*

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25th November, 1970

LOCAL CO-ORDINATION OF ASSISTANCE:

Tentative Country Classification by Nature of Problem(1)

1. Countries in which local co-ordination of project financing and technical assistance seems not to be an issue because they receive little official development assistance from members of the D.A.C. or from multilateral sources:

(Algeria; Burma; Lebanon; most of the Middle East; Greece, Portugal, Spain, Yugoslavia).

2. Countries in which a co-ordination problem may exist but where further initiatives to encourage co-ordination do not appear feasible in present conditions:

(Argentina\*; Brazil\*; Ecuador\*; Guinea, Malawi; Mexico\*, Peru\*; Sudan\*; U.A.R.).

3. Countries in which there is some problem of co-ordination, but where no new machinery seems to be called for because:

A. Only a few donors are involved and the problem is therefore not complex enough to warrant formal local machinery:

(Many Latin American countries; most Caribbean countries; most of Africa south of the Sahara).

Co-ordination among the principal donor agencies, bilateral and multilateral, is going on but can be improved.

B. The host government plays a role as local co-ordinator of assistance, either (i) in collaboration with a local donor group:

(Colombia\*; Guyana\*; Honduras\*; Jordan; Thailand).

or (ii) on its own:

(Ceylon\*; China; Cyprus; India\*; Korea\*; Liberia; Nigeria\*; Singapore).

In India, representatives of the I.B.R.D. Consortium members meet privately, and there is a good exchange of information and plans among them; in Nigeria, the government has expressed its desire to take the lead.

(1) Export credits are not taken into account: they might change the classification of certain countries.

\* Country for which an aid co-ordination group (or regular C.I.A.P. review) exists or is planned.



C. Either the I.B.R.D. or the U.N.D.P. is already carrying out a local co-ordination effort, with the co-operation, or at least the tacit approval, of the host government.

(I.B.R.D.: East African Community, Kenya\*, Uganda\*;

U.N.D.P.: Bolivia\*; Cambodia; Iran; Jamaica; East African Community\*, Ethiopia\*, Kenya\*, Uganda\*).

4. Countries in which a co-ordination problem exists and where some new initiative (for instance, by the I.B.R.D. or U.N.D.P.) may be appropriate to institute or improve local co-ordination (either through the host government or among donors, depending on the situation):

(Burundi, Congo-Kinshasa\*, Ethiopia\*, ~~Ghana(?)~~, Ivory Coast, Rwanda, Somalia, Swaziland, Tanzania\*, Zambia; Morocco\*, Tunisia\*; Iraq, Iran; Afghanistan, Cambodia, Ceylon\*, Indonesia\*, Nepal, Malaysia\*, Pakistan\*, Philippines\*; Bolivia\*, Chile\*, Colombia\*, El Salvador\*, Guatemala\*, Paraguay\*, Uruguay\*).

*Why is this in list in view of what we have said about coord. in W. Afr. countries?*

*Left:  
Zambia (?)  
Iran (?)  
Afghanistan (?)  
Nepal (?)*

It will be noted that Ceylon and Colombia are in both 3B and 4, and Ethiopia and Cambodia in both 3C and 4, as although no new machinery seems called for, further effort is required to make the existing machinery work effectively.

*Ed Martin suggests removal from 4:*

- ① ~~Remove~~ Latin American countries - CIAP intends to merge
- ② Swaziland too small
- ③ Morocco & Tunisia being taken care of in C. A.
- ④ Indonesia - IBRD handling
- ⑤ Philippines, Ethiopia, Congo K - for time being Bank is trying to analyze C. E.
- ⑥ Cambodia - time not ripe.
- ⑦ Iraq - receiving very small amounts of aid (\$200,000)
- ⑧ Nepal, Afghanistan & Somalia - Soviet or Chinese aid very important
- ⑨ Iran - prosperous country doing well + DAC members should concentrate efforts elsewhere - as in Mexico, Germany questions.

(1) (Sector meetings on agriculture, at least initially.)

Paris, 3rd December, 1970

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**FEB 14 2023**

DEVELOPMENT ASSISTANCE COMMITTEE

**WBG ARCHIVES**

154th Session

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Miss WOLFSON

R. H. P.

# 1. Need for improved coordination at local level

a) C. G.'s, Consortium, CIAP country reviews - appropriate for over-all policies, performance and prospects - and to attempt to achieve agreement on dev. strategy + on ext. capital requirements.

b) Not good for dealing with mts and bolts of project financing and T. A. That must be done in recipient country, with participation of the various technical ministries concerned. Some countries (Colombia,

~~Indonesia~~ Korea, Thailand, Ceylon) already have reasonably effective local coordinating bodies.

But in others, where none exists or where machinery is not effective, we intend to try to encourage action - provided Gov't is receptive and circumstances are propitious

## c) Principles

i) If possible, Gov't should be chairman

ii) External aid agencies should assist. Lead might



Meeting

Not such a success story as believed  
Unnecessary industries  
Not much social progress  
Feudal development - unwillingness to  
tax sufficiently  
Edeas - debt surrounded by a  
sea of quality

a) Review by Members =  
Budgetary control by Members

d) IBRD

Nobody ever mentioned DDR - Exclusion  
concern of Por Offices

Nobody had good word to say for Vocational  
training schists as now conducted.  
[In-training science schools better regarded]

In Indonesia - Chinese & foreigners ruin industry  
Politically explosive, Very few  
engineering or scientific graduates even  
geologists.

Asian Institute of Technology - [Bangkok]  
training in engineering - good show -  
deserves more support.

Vietnam - there has come for some dev. expenditures  
- but few projects. Penet now of project  
preparation & feasibility studies.

McMahon's strong argument for bilateral  
aid on political grounds.

Hannah: Nixon message. Refers to  
Reagan & Peterson

- ① Ec dev, to be separated from military assistance
- ② More emphasis on int'l agencies
- ③ Reshaping US Aid
- ④ Coordinating Trade & other policies with  
Aid to secure rounded response to dev. needs.
- ⑤ US to seek coord, whenever possible  
under leadership of E.C.O. & Consortium esp. by  
int'l orgs.
- ⑥ U.S. Dev. Institute - Texas A.M. (Science  
& Technology)  
Take finance on permanent basis  
Math Science Foundation  
V.S. Dev Corp - Leading Agency - reporting to W.H.

⑧ Un-Tying, Unilateral action to  
underpin LDC's  
⑨ Multi-year financing for  
both Corp. & Institute.

NINTH ANNUAL HIGH-LEVEL MEETING, OECD DEVELOPMENT ASSISTANCE COMMITTEE  
SEPTEMBER 14-15, 1970 TOKYO

c) Arrangements ~~has~~ with CIA P + ID B

d) Arrangement with UMDT

e) End objective of this collaboration:

i.) Everyone has up-to-date socio-economic info + analysis

ii) All aspects of development - growth, employment, income distribution, etc. - looked at together, not one at time. Ultimate choice govt's - but we can help illuminate choices.

~~iii) Avoid over-burdening~~  
iii) Avoid inconsistent approaches by different aid agencies - or recipient playing off one vs. the other aid agency  
iv) Avoid over-burdening govt's with missions.

f) Will never be a neat, tidy package - but can everyone walking toward a rational & realistic development strategy for each dev. country.





in some cases be taken by IBRD, in  
some cases by a regional organization  
(IDB, ADB, CIAP), in some cases by UNDP.  
Pragmatic approach both to sponsorship  
and as to which aid agency should play  
the leading role.

iii) Local body should operate  
under umbrella of main coordinating group.  
Report, etc.

2. More generally on coordination:

a) Pearson & Jackson made clear not  
enough being done. We agree.  
IBRD therefore doing all it can  
to encourage more integrated  
approach by all dev. ass. agencies

b) Econ Mission Program - one instrument -  
gaining momentum. Participation  
of other int'l agencies and, in  
some cases of reg. banks being  
arranged. Schedule being  
coordinated with IMF.

November 24, 1970

DAC Meeting on Local Coordination, December 3, 1970

Notes for Mr. Demuth

(1)

1. The Bank shares the view of the Chairman and most members of DAC that the time has come to improve the coordination among recipient governments, donors, and international agencies in the capitals of those less developed countries receiving significant amounts of financial and technical assistance from several sources. In his recent <sup>report</sup> ~~speech~~ to the Economic and Social Council, Mr. McNamara said that the Bank intended to encourage the creation or strengthening of such groups where they are needed. He also expressed the view that local coordination exercises should preferably be carried out under the chairmanship of the host government.

2. This is obviously one of those problems of development assistance that must be approached not by attempting to establish general rules, but in the context of the situations prevailing in specific developing countries. One can identify a variety of situations in between two extremes. On the one hand, some countries have strong coordinating ministries which keep donors and international agencies both fully informed of priority needs and operational requirements, and reasonably well in line with each other in providing assistance to meet the needs. At the other extreme, in some countries there is no ministry with anything like a complete picture of all the projects and technical assistance activities going on in the country,

much less with the capacity to keep donor agencies reasonably well in line. Using another standard, recipient governments vary all the way from those interested and willing to cooperate in coordination exercises and those which refuse to have anything to do with donors as a group.

3. The Bank is concerned mainly, but not exclusively, with countries for which an aid coordination group exists or is in the process of formation. Where there is a case for coordination exercises at the level of officials from the capitals of donor countries concerned with performance and external resource needs, there is a prima facie case, it seems to us, for some kind of continuing ~~contact~~ <sup>regular and consultations</sup> between <sup>government</sup> the active aid givers and the related international agencies in the recipient country. There are all sorts of problems that arise from day to day in the implementation of almost any capital or technical assistance project or program which may affect either directly, or by implication, the interest of donor agencies other than the one or ones involved in financing or assisting the project in question. At the very best the embassies of DAC member governments in such countries ought to be authorized and encouraged to keep each other informed of significant developments, good or bad, in their relationships with the ministries responsible for various development sectors. But in a good many cases some kind of more systematic arrangement for consultation between donors and with ministries seems called for. Where an ACG exists the results of these local exercises should be reported to the ACG in some form -- possibly by the recipient government or by a principal donor.

2

And we think this will be found helpful in a number of other countries, too, for which no such aid coordination mechanism has been established.

4. It is difficult to get hard facts about the position with respect to local coordination in various countries. For one thing, the attitude of the recipient government may vary from time to time and other circumstances can change rather quickly. We are trying to get our Area Departments to report on local situations but it will take time to build up anything like a complete picture. We have also consulted some of the bilateral agencies and the reports of UNDP resident representatives. But none of this information is fully up to date. The present situation in ACG and potential ACG countries, according to our best information, is briefly as follows (see Annex I for fuller statements):

- Ceylon - Competent government coordination through Ministry of Planning until change in regime; future government attitude uncertain; UNDP resident representative sparks good interchange of information with local donor representatives.
- Colombia - Limited problem -- IDB, Bank Group, USAID providing 85% external assistance. Strong Planning Office and local representatives these agencies plus UNDP meet frequently. No further machinery needed.
- Congo (K) - Weak government machinery; UNDP trying to help strengthen it. Bank has just installed resident representative; problem needs discussion in first meeting of consultative group early 1971.
- East Africa - Local meetings on Uganda, Community and Kenya under Bank or UNDP sponsorship, depending on subject matter. Tanzania uncooperative though

local coordination badly needed. Bank is continuing to explore possibilities but needs donor support.

- Ethiopia - UNDP holds informal donor meetings attended by Bank representative. Government split on whole question of cooperation with coordinating exercises local or otherwise. If consultative group finally formed, local coordination should be on agenda.
- Ghana - UNDP has chaired some local meetings without government participation but government and donors consider arrangements inadequate. Subject is on agenda for December meeting of consultative group but government faces many more urgent problems.
- India - Regular informal meetings of local donor representatives largely for private discussion of government policies. Operational coordination handled effectively by Government of India.
- Indonesia - Bank has large mission in touch with all ministries and donor agencies. A little IGGI under Indonesian chairmanship is functioning with strong support from Bank mission.

- Korea - Few donors; good government coordination and adequate exchange of information through UNDP.
- Malaysia - Unfilled coordination gap in technical assistance especially financing preinvestment studies but government unwilling to cooperate with local efforts to coordinate.
- Morocco - UNDP has had informal meetings without Moroccan participation. At recent consultative group government said it was ready to take initiative in organizing consultation on specific topics; this strongly endorsed by Bank, UNDP and consultative group members.
- Nigeria - Problem exists; Bank trying to reactivate consultative group for which prospects brightening; Bank resident representative is acting informally; needed local coordination requires support of consultative group. Nigerians highly sensitive but should be able to lead local coordination effort.
- Pakistan - Deputy Chairman of Planning Commission plays effective coordinating role among consortium members. However, special efforts needed in East Pakistan where Bank heavily involved and will assume major coordinating role.
- Thailand - Development Assistance Group under Thai chairmanship and UNDP resident representative as Deputy Chairman well established.
- Tunisia - Poor local government organization and no formal arrangements; Bank actively discussing problem with Tunisian officials and UNDP resident representative; expect early progress.

Turkey - No adequate machinery; local representatives of consortium have been reluctant to exchange information; government prefers dealing bilaterally.



5. Other countries

(a) CIAP/Bank/IDB arrangements

(b) Small Francophone sub-Sahara countries where a principal donor, FED, the Bank Group, and the UNDP are the only agencies significantly involved. The problem is generally not complex enough to warrant local machinery but we have a regular system of clearing operational project and technical assistance problems with the principal donors, FED, and the UNDP through the resident representative, which seems to be working well. If the African Development Bank becomes really active in those countries, it will have to be brought into this coordination work in some fashion.

(c) Other countries where a problem seems to exist:

Afghanistan - Difficult because of heavy Eastern Bloc involvement and government incompetence. Bank has a resident representative and may be able eventually to get some local consultation started.

Nepal - Bank is sending a resident representative. Part of his job will be to help government establish priorities.

Iran - UNDP resident representative has been active, in cooperation with government.

6. The Bank can be most helpful in supporting and cooperating with local coordination exercises in countries where we have resident missions.

As a matter of information there are now (or soon will be) Bank representatives in the following less developed member countries: Afghanistan, Kenya (Eastern Africa), Ivory Coast (Western Africa), Colombia, Congo (K),

Ethiopia, India, Indonesia, (Nepal), Nigeria, Pakistan - Center and East Pakistan, Thailand. These do not all now have local coordination as part of their terms of reference.

7. What DAC could do:

- (a) Agree that DAC members should be prepared to examine needs for local coordination exercises in meetings of aid coordination groups, to participate in local groups where they exist or are established and to encourage recipient governments to take the lead in making local coordination effective.
- (b) Adopt a recommendation that DAC member governments should issue appropriate instructions on local level cooperation to their missions in countries where they have significant financial and/or technical assistance programs. Possibly a revision of the guidelines of 31 March 1966 (DAC(65)13).
- (c) Encourage DAC member governments to bring problems of local coordination in individual countries to the attention of the UNDP and/or the Bank, as appropriate, in order that they may endeavour to take remedial action.

LOCAL COORDINATION IN AID COORDINATION GROUP COUNTRIES

Ceylon

In Ceylon foreign exchange budgeting, development planning and aid administration are centered in the Ministry of Planning. Until the recent elections the Government was able to ensure a fair degree of coordination through that ministry. While the new government has not yet completely determined the direction it wishes to pursue in respect of foreign assistance, if it desires to ensure local coordination, it will be in a position to do so. Local representatives of the aid coordination group occasionally meet informally, and there are informal arrangements for the exchange of information between the UNDP Resident Representative and heads of other development assistance programs.

The Bank has taken no action at present to improve local coordination in Ceylon, but the next meeting of the aid coordination group may be used as an occasion for review of the situation within the Bank and, as necessary, with members of the aid group and the Ceylonese Government.

Colombia

In Colombia the planning office does a fairly effective job of local coordination, working closely with representatives of the three agencies (IDB/IBRD/AID) providing 85% of Colombia's external capital assistance. Each of these three agencies is represented in Bogota, and no formalization of the existing arrangements seems to be necessary.

As far as technical assistance is concerned, the UNDP Resident Representative is encouraging the planning office to take the initiative of calling periodic meetings, perhaps twice a year, as a complement to the work of the IBRD consultative group. AID has asked the Bank, and the Bank has agreed, to

take a more active role in local coordination, particularly by calling sectoral meetings of the consultative group. The Seers report for ILO on Colombia might also lead to improved local coordination among UN agencies; a meeting of their representatives, to be chaired by the UNDP Resident Representative, will be held beginning December 5, to consider the Seers report with Colombian Government officials. The CIAP country review, to be followed by the IBRD consultative group meeting, both in February 1971, may lead to further action.

#### Congo-Kinshasa

In Congo-K the existence of UNDP and IBRD representatives (the latter arrived only in July, 1970) constitutes a good basis for local coordination. President Mobutu has been compensating for the weakness of certain ministries by assuming more and more functions in the presidency. Technical assistance remains by and large the responsibility of the International Cooperation Department in the Foreign Ministry. While this department has UN technical assistance, its staff is exceedingly weak. The director has informally proposed that the UNDP Resident Representative help the department in achieving improved coordination of technical assistance, but no official steps have been taken by the Ministry. In view of the history of the UN involvement in the Congo, the UNDP Resident Representative has been reluctant to take an initiative without official government endorsement.

Bank staff have in mind suggesting that the problem of local coordination be considered at a meeting of the consultative group for Congo-K, the first meeting of which is expected to be held in late February or early March 1971.

#### East Africa

The East African Consultative Group has from the outset attached considerable importance to aid coordination at the local level. At the first meeting

of the Group held in April 1968, the three recipient countries were asked to indicate whether they would be willing to undertake - with the assistance of PMEA - the preparation of lists of projects for which external financing was required, for consideration by local representatives of the aid-givers. The responses of Uganda and the East African Community were positive. Kenya and Tanzania intimated that they were actively engaged in preparing their next development plans, and that they would prefer to have these local meetings after the project contents of the new plans were known. It was our impression then that Kenya might agree to local meetings at a later date although it did not expect much from them, but that Tanzania had reservations concerning even the desirability of these meetings. This impression has since been confirmed.

Due to our persistent urging and the active interest shown by (with the governments' knowledge but without their participation) PMEA, several meetings have been held locally to review requirements of financial and technical assistance for specific projects. The score to date is as follows:

Uganda - 3 meetings (the last one in May 1970)

EAC - 2 meetings (the last one in February 1970)

Kenya - 1 meeting (August 1969)

The meetings on Uganda and the East African Community appear to have settled down to a routine, but the Kenya meeting has not been repeated. The principal reason for this appears to be that Kenya has plenty of aid in the pipeline and the Kenyans do not find it necessary to expend any energies in selling their projects to aid-givers. If PMEA or others press for additional meetings, the Kenyans will agree. There is an informal arrangement between the IBRD and UNDP representatives under which the latter takes the chair for discussion of technical assistance and the former in respect of capital assistance.

At the April 1970 meeting of the Consultative Group, meeting on Tanzania,

the chairman informally raised the question of local meetings with the head of the Tanzanian delegation. Since he did not meet with a positive response, he did not raise the matter in the formal sessions. The principal Western donors and the UNDP all agree that local coordination requires improvement in Tanzania. There has been a manpower shortage in the government, with frequent changes in personnel and some confusion in the responsibilities of various government agencies. One particular problem in ensuring local coordination is the diversity in the political orientation of Tanzania's principal donors.

### Ethiopia

The UNDP holds informal meetings with representatives of the major bilateral donors in Addis Ababa. The IBRD Resident Representative attends these meetings and considers them useful. In addition to general meetings, there have been sector meetings on agriculture and education. Despite these sessions there is no coordinated dialogue between the donors and the government, which so far has wished to deal with them at arm's length. One particular difficulty lies in the organization of the Ethiopian Government, where institutional confusion and personal rivalry cause problems.

As soon as the Bank's representative is well enough established in Addis Ababa to do so, he will encourage more systematic meetings of donors, initially among themselves and then, when and if it is prepared to participate, with the Ethiopian Government. The first session of the proposed consultative group for Ethiopia, early in 1971, will afford an occasion for Bank headquarters staff to discuss the problem informally with donors and Ethiopian officials.

### Ghana

According to the US and UK (as reported by the OECD) regular meetings of donors have been held in Ghana without the participation of the government. They are chaired by the UNDP but not considered by the Bank's area department to be particularly useful. The UNDP has also reportedly received the govern-

ment's agreement for informal sector meetings.

No matter what the situation is now, there is general agreement among the members of the Consultative Group that improved local coordination is required. At the July 1970 meeting the Minister of Finance and Economic Planning recognized himself that local coordination of technical assistance was inadequate. Mr. Chaufournier thinks an adequate job of local coordination could only be done if the Bank stationed a representative in Accra.

Local coordination is on the agenda for the December 1970 meeting of the consultative group. The Bank's recent dialogue with the government was focused so heavily on issues on economic policy and performance that we have not had as much occasion as we would like to review the local coordination problem with government officials.

#### India

In New Delhi there are meetings of local representatives of the donor agencies to which Indian Government Officials are not invited, because of the informal nature of these sessions and the donors' desire to discuss Indian Government policies. Even if the meetings were formalized with Indian participation, which does not seem to be necessary, the donors would want to meet privately among themselves. The Bank is confident of the Indian Government's ability to coordinate aid effectively at the local level with the present institutional structure.

#### Indonesia

Formal coordinating arrangements, for discussion of both capital and financial assistance, have been set up by the Indonesian Government, who provide the chairman and the secretariat for local meetings. The "little IGGI" meets quite frequently. In addition to these meetings, there are less formal sessions of the donors without the Indonesians which are chaired by the chief of the IBRD mission. The Bank mission assists the Indonesians in

preparing capital and technical assistance project lists, which are discussed by the IGGI each December.

Korea

The only sources of substantial technical assistance are the Bank Group, the US, Japan and the UNDP. With the exception of UNDP, they are also the major sources of capital assistance. The UNDP has had informal contacts with local representatives of other donor agencies. The Bank considers the government competent to handle any local coordination required, but the matter may be reviewed internally for the next meeting of the consultative group in fall 1971.

Malaysia

No formal arrangements for local coordination exist, but there are informal contacts by the UNDP with other donors. There does, nevertheless, appear to be an unfilled coordination gap in technical assistance, especially in arranging the financing of preinvestment studies. The government has undertaken to set up a system of project data collection which would help to deal with this problem.

Mr. Gilmartin reviewed local coordination on the occasion of his recent economic mission. He found the government reluctant to accept a strengthened arrangement, a report which is confirmed by the UK.



Morocco

The UNDP reports regular informal meetings with donors to coordinate UNDP and bilateral aid. No Moroccans have so far been associated with these meetings. Bank staff consider the government competent to chair any local groups that might be established.

Local coordination was discussed at the meeting of the consultative group for Morocco in November 1970. The government said it is prepared to take the initiative and will take steps to organize consultations on specific topics in the near future. This may take the form first of concentrating attention on multi-sector problems arising in some of the big regional development schemes.

Nigeria

Effectively, there was no real coordination in Nigeria until the end of the civil war. At that time the Bank encouraged the government to send information on aid requirements to all aid agencies in Lagos. At the headquarters level, the Bank also sponsored a meeting with the U.K., Canada and the U.S., to assist in the coordination process.

The Nigerian Government has proved very sensitive on the matter of aid coordination and made clear its desire to take the lead. The Ministry of Economic Development has not encouraged joint meetings of bilateral and multi-lateral representatives and has not welcomed any initiative in this direction on the part of UNDP.

The Bank has recently had a series of meetings with Nigerian officials on their new development plan and aid coordination matters. As a result, prospects for the resumption of Consultative Group meetings are brightening, and a session may be held in spring 1971. While the Bank's Resident Representative is active in encouraging informal local coordination, re-activating the CG has higher priority than the establishment of a formal

local coordinating group. The evolution of local coordinating arrangements will thus depend on the future of the CG, as well as the role, still to be determined, of other donors in financing projects in the new development plan.

#### Pakistan

The Deputy Chairman of the Planning Commission has performed an effective role as local coordinator of assistance, holding meetings with representatives of the principal donor agencies every two months. This is expected to continue and to provide adequate local coordination for West Pakistan. The situation is different in East Pakistan, where Bank officials are less certain that the Government is sufficiently competent. There the Bank will be heavily involved. As a result of discussion by the Consortium of the Bank's proposals for the Action Program for East Pakistan Water and Agricultural Development, it was agreed that the IBRD would assume a major local coordinating role, through its representative in Dacca, in respect of both capital and technical assistance. The recent disaster will undoubtedly increase the importance of the Bank's role.

#### Philippines

There is an informal donor club organized in 1966 by the UNDP, but group meetings are sporadic. There is no institutionalized clearing house arrangement, and donors deal with a multiplicity of government agencies without central coordination.

If the Bank's proposal to establish a Consultative Group for the Philippines is accepted, this forum might be used to encourage the establishment of more frequent informal consultations at the local level.

### Thailand

The Development Assistance Group, consisting of DAC member countries, the UNDP and Thai Government representatives, meets regularly to exchange information on assistance programs. The group used to have a rotating chairmanship. In the future it is expected that the Thai Government will be chairman at the ambassadorial level and the UNDP Resident Representative deputy chairman at the working level.

The need for better coordination of technical assistance was discussed at the October 1970 meeting of the Consultative Group. It was not considered necessary to establish a formal link between the DAG and the Consultative Group. The chairman said that if the Bank were invited to join DAG it would respond positively, designating its local representative primarily responsible for Mekong activities. No invitation has yet been received.

### Tunisia

The inadequate organization of the Tunisian Government has led to local coordination problems. There are no formal arrangements for coordination among donors with the recipient government.

Bank staff have discussed the problem with Tunisian officials and the UNDP Resident Representative, presenting a proposal for the establishment of a local committee chaired by a Tunisian official with a secretariat provided by UNDP. Progress is being made.

### Turkey

The UNDP Resident Representative is hampered in playing a major role, since he must deal with the Foreign Ministry rather than the State Planning Organization. In any case, Bank officials consider the Turkish Government competent to organize regular meetings with donors. However, at present the Government prefers to have all aid dealings on a bilateral basis. Members

of the Consortium are reluctant to divulge information on their own plans. The situation might be improved if an IBRD representative were appointed, but the Government's first reaction to this idea has not been enthusiastic.

ORGANISATION FOR ECONOMIC  
CO-OPERATION AND DEVELOPMENT

RESTRICTED TO PARTICIPANTS

Paris, 14th August, 1970

DAC(70)50

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DEVELOPMENT ASSISTANCE COMMITTEE

LOCAL CO-ORDINATION OF ASSISTANCE

(Note by the Secretariat)

The attached paper has been prepared by the Secretariat to assist in the informal discussions which are intended to take place in Tokyo on 15th September, 1970 on the occasion of the D.A.C. High-Level Meeting.

LOCAL CO-ORDINATION OF ASSISTANCE

At an informal meeting on 30th July, 1970, the D.A.C. discussed measures to promote a more effective co-ordination of aid at the country level. The meeting had been organised as a follow-up to the debate at the International Meeting on Development Policy held at Heidelberg on 18th June. At the D.A.C. meeting, it was agreed that the subject be taken up again informally on the occasion of the High-Level Meeting at Tokyo and, as may be appropriate, in further regular meetings of the D.A.C., before the end of the year.

In summing up, the Chairman, Ambassador Martin, made the following main points which may provide a convenient basis for resuming discussions in Tokyo.

- (i) D.A.C. Members should be prepared to offer their full co-operation to formal or informal groups which may exist or be set up in recipient countries for the purpose of exchanging information on capital projects and technical assistance programmes in operation or proposed by donors or recipients, and should instruct their local representatives accordingly.
- (ii) It is suggested that, for the time being, priority in seeing that effective groups of this character are functioning should be accorded to the more populous developing countries, receiving concessional aid in substantial volume from a considerable number of donors.
- (iii) Recipients should be invited to initiate or at least to participate in such a meeting, and in any case, groups should not be organised without recipient knowledge and approval.
- (iv) The I.B.R.D. and the U.N.D.P. are invited to take the initiative in implementing these proposals, acting in co-operation with recipient countries as seems most appropriate, either directly or in association with consortia, consultative groups or regional organisations. Bilateral donors who are encountering particular difficulties of co-ordination in specific countries might wish to so inform the I.B.R.D. or U.N.D.P. authorities or to raise the matter in the D.A.C.
- (v) The I.B.R.D. and U.N.D.P. are invited, in collaboration, as appropriate, with other elements of the U.N. system and regional development bodies, to determine which among the more populous developing countries who are important aid recipients do not have readily available full information on past, present and contemplated aid activities or on development plans, priorities or projects. For such countries D.A.C. Members will be prepared to co-operate with multilateral donors in

*French say it is not appropriate for DAC to invite int'l orgs. to do anything - that is a matter for their own gov. organs.*

considering sympathetically requests from the recipient country concerned for the technical assistance needed to fill this gap.

Some background to the discussions at Tokyo is given in the following attachments:

- Annex I - Summary of previous discussions.
- Annex II - Country by country situation regarding local co-ordination arrangements.
- Annex III - List of Consortia and Consultative Groups.
- Annex IV - Extract from the D.A.C. Guidelines for the Co-ordination of Technical Assistance.

March 1966

ANNEX I

SUMMARY OF PREVIOUS DISCUSSIONS ON LOCAL CO-ORDINATION

1. The need for closer co-ordination of the aid activities of donor countries and agencies operating side-by-side in particular developing countries has long been a concern of the D.A.C. In respect of capital assistance, some measure of co-ordination has been provided in a number of developing countries through the aid consortia and the consultative groups organised under the auspices of the I.B.R.D. and the O.E.C.D. As no similar arrangements were set up for technical assistance, in March 1966, the D.A.C. prepared Guidelines for the Co-ordination of Technical Assistance(1) for Members to circulate to their representatives in developing countries.
2. The whole question of aid co-ordination at the country level was recently the subject of serious consideration at the International Meeting on Development Policy held at Heidelberg on 18th and 19th June, 1970, where programme co-ordination within the framework of a country-oriented development policy was one of the two items on the agenda.
3. Summing up the debate on the topic held at the Heidelberg Conference, the Conference Chairman, Ambassador Martin, emphasized that in view of the different situations of individual countries, approaches would have to be flexible and the improvement of performance of developing countries in these matters would be a difficult process and one which would only be achieved by stages. In spite of this, all efforts should be made to improve, to the maximum extent possible, the ability of developing countries to play a larger role. Such an objective would necessitate the establishment of a good overall plan of development policies and substantial information on individual projects proposed within the plan, as well as on aid projects in operation or under discussion. On the part of donor countries, there was need for joint dialogue with recipient governments on overall development policy (as was already done by C.I.A.P. and the consortia), and on either sectors or projects (e.g., the sector of education). Donors should also exchange information on their facilities, plans and projections (primarily until recipient countries could themselves perform this role). These suggestions would apply to both multilateral as well as bilateral aid and would, as in the past, be conducted as appropriate under the auspices of consultative groups, the World Bank, the U.N.D.P. or recipient governments, or within the D.A.C. For these purposes, it would be necessary to review the situation in each country in order to determine which countries most urgently need initiatives of these kinds and what would be the best tactics to achieve these selected objectives.

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(1) DAC(65)13(Final), extracts of which are given in Annex IV.



4. This summary by the Chairman was supplemented by a working paper submitted by the German Delegation as background to the D.A.C. discussion to take place on 30th July. This proposed a strategy for country level co-ordination to be based on two essential functions - centralisation of information and programme co-ordination. The information which would be necessary for effective co-ordination of programmes would include basic data about the country, its investments, projects, and overall and sectoral development plans, and exchange of information between donors on new projects. The second function would cover the elaboration of a framework for the use of aid funds, giving equal consideration to economic and social factors and harmonizing donors' aims with those of the recipient. It would be based on a development plan (indicating sectoral and regional priorities and pinpointing the bottlenecks to development), which would be reviewed by the donors. Finally, there would be a concerted dialogue on the spot in order to decide which donors should implement the various measures, and the donor in each case would then work out the details of his particular project.

5. The informal meeting of the D.A.C. which discussed these papers on 30th June, also had before it as background information a Note by the Secretariat(1) based on Members' replies to a questionnaire intended to find out what the experience had been in using the D.A.C. Guidelines for the Co-ordination of Technical Assistance. Although the response to the questionnaire had been far from complete, the findings nonetheless indicated, as the Chairman pointed out, that there seemed to be some kind of co-ordination activity in a number of countries, but that the arrangements differed greatly and were for the most part informal in nature and irregular(2).

6. The meeting of the 30th July was attended by representatives of the I.B.R.D., the U.N.D.P. and the U.N. Secretariat who reported on the activities of their respective international organisations to further the co-ordination of aid. The I.B.R.D. representative commented that when the Bank began the experiment of setting up consultative groups, it was expected that these would discuss projects, but in fact this did not happen. It was now apparent that consultative groups, being attended by government and finance officers were not suitable for discussing individual projects. This should probably best be done by people actually working in the country. Apart from the consultative groups, the Bank had now established a pattern of frequent

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(1) DD-172, dated 29th July, 1970.

(2) Annex II gives a country-by-country summary of the situation based on the replies to the questionnaire.

consultations with other major donors in areas of common interest, notably with the F.E.D. and the F.A.C., so as to avoid duplication or conflicting approaches in Africa. They had already made arrangements for developing effective co-ordination with the C.I.A.P. and the I.D.B. based on the Bank's economic review missions in Latin America. A major difficulty, however, with regard to the Bank's review missions in most parts of the world was the inadequacy of basic statistical data and any assistance that the Members of the D.A.C. could give to developing countries in this field would be enormously helpful. With regard to the co-ordination of technical assistance, the Bank looked largely to the U.N.D.P., but hoped that they would be able to include in their economic reports, a forward view of technical assistance requirements for pre-investment surveys and feasibility studies.

7. The representative of the U.N.D.P. said that their experience varied greatly according to the particular country. Co-ordination should normally be the responsibility of the recipient. This took a long time to achieve but one helpful trend was the transfer of the formal co-ordinating responsibility from the Ministry of Foreign Affairs, where it usually began in the early days of aid history, to the planning body which was in a position to exercise some substantive co-ordination. However, it had to be recognised that sometimes recipient governments liked negotiating separately with individual donors and thus made no move to arrange co-ordination meetings among its various donors. In such cases, the U.N., through its Resident Representative, was the most appropriate body to take the initiative, but it was important that there be some suitable already-existing legal or institutional framework in the country on which to base such a move.

8. The representative of the U.N. explained that they were just initiating a programme of resident multi-disciplinary teams who would assist the smaller developing countries strengthen their development planning. The teams would each cover a group of countries and it was hoped that their work would contribute to co-ordinate the requests for technical assistance now made to several U.N. Agencies separately. Such teams had already been requested in a number of areas.

9. The Australian Delegation circulated to the meeting, for information, a paper(1) on the Role and Future Operations of the Development Assistance Group for Thailand which summarized a longer paper prepared by the Chairman of the Group. Although Thailand was officially the subject of an I.B.R.D. Consultative Group, this had in fact only met once. The local co-ordinating group, which was composed of people at operational as well as at ambassadorial level, was concerned with the co-ordination of projects. It had now been decided that the Group should meet under the Chairmanship of the Thai Representative and its Working Committee under the Resident Representative of the U.N.

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(1) DD-173, dated 30th July, 1970.

10. From the ensuing discussion, it appeared that opinion was unanimous that co-ordination on the local level was and must always be to the maximum extent feasible the responsibility of the recipient country itself. Ideally, the recipient country's own aid co-ordination machinery should provide the basis for the desired co-ordination among donors. It was particularly important that donors should not take any action in this direction that might be interpreted as having a donor-bias. However, it was generally agreed that in countries where there were at present no co-ordination arrangements, the international organisations should take the initiative in getting something started, taking care to secure the active approval and, if possible, the participation of the country concerned. Such arrangements must always be highly flexible and should be adapted to the circumstances of the particular country. Individual donors could assist, if so requested by the recipient country, by providing help to strengthen the country's own aid co-ordination machinery or to improve the quality and flow of basic statistical data. Most people were further agreed that the bilateral donors and international agencies had themselves a responsibility to maintain a full and free exchange of information on past, present and contemplated aid activities.

11. It was generally accepted that the starting point of any effective co-ordination must be an analysis of the situation of the country concerned and a resultant set of priorities on which both donors and recipients were agreed. The I.B.R.D. had a dominant role to play in this. The scope of the Bank's Economic Missions would now be widened, as Mr. McNamara indicated, to cover not just financial aid, but all relevant aspects of economic and social development. The role of the Bank must not, however, be exclusive. Regional bodies, in particular, had an important contribution to make. With respect to the co-ordination of technical assistance activity, it seemed to be recognised that much of this would need to be done outside of the consultative group mechanism, most likely through closer exchange of information between the U.N.D.P. and bilateral donors.

12. There was considerable support for the idea that co-ordination should be essentially a two-tier process. The consultative groups would provide the overall framework of co-ordination at the government level. They would meet only occasionally, say once a year, or in the case of some countries where developments were relatively stable, possibly even less. They would be supported, however, by local co-ordination which would take place regularly, probably once a month, and be composed of people at the working level, competent to discuss co-ordination on a project basis. The members of this local co-ordinating group would need to be empowered by their respective governments to co-ordinate with the representatives of other donors. It maintains contact with the consultative group, who would periodically review its activities. It seemed, further, to be fairly generally accepted that for co-ordination to be really effective, donors would need to indicate an order of magnitude of their future aid to the country for several

years ahead. It was also recognised that untying of aid may be an essential condition of satisfactory co-ordination, which cannot be fully effective while aid is influenced by commercial considerations.

13. Opinions differed somewhat as to how new candidates for co-ordination arrangements might be selected. Most people thought that the I.B.R.D. criterion of selecting countries on a basis of population (e.g., over 10 million) was over-simple and that other factors should be taken into account. It was agreed that where co-ordination arrangements seemed especially indicated because of the size of the country and the size and variety of the aid programme, international or regional organisations should take the lead in helping to establish them.

14. It was recalled that the O.E.C.D. Development Centre, as part of its work in connection with the procedural obstacles to aid management, was proposing to undertake a study on the aid co-ordinating machinery of developing countries(1). This should in due course contribute useful material in support of local co-ordination activities.

15. It was, of course, understood, that the D.A.C. would not itself sponsor or operate co-ordination arrangements. It could, however, give the necessary impulse for further co-ordination at country level and provide a forum for individual donor countries to exchange experiences and raise any special problems. The D.A.C. had held a meeting in May 1969 to discuss consortia and consultative groups. Meetings for consultation and for periodic review of country-level co-ordination arrangements could similarly make a useful contribution.

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(1) DAC(70)36, paragraph 19.

ANNEX II

COUNTRIES IN WHICH D.A.C. MEMBERS HAVE  
REPORTED SIGNIFICANT DONOR CO-ORDINATION ARRANGEMENTS  
AT THE LOCAL LEVEL (1)

Note: The list below excludes countries which have consultative groups or consortia but no country-level co-ordination arrangements, countries with only one or two major donors and countries where local contacts are purely informal and ad hoc.

Algeria

The U.K. report that although there is no formal consultation, informal discussion of aid matters is co-ordinated by the U.N. Resident Representative.

Bolivia

The U.S. reports monthly meetings of donors in accordance with the D.A.C. guidelines.

Burma

The U.K. reports that it is proposed to arrange monthly meetings of D.A.C. country representatives in Rangoon. There are no formal co-ordinating arrangements but Belgium reports a satisfactory exchange of information under the chairmanship of the U.N.D.P. Representative.

East African Community

Regular informal meetings are chaired by the Representative of the U.N.D.P. in Nairobi.

Ecuador

Germany reports monthly meetings of representatives of European donors.

Ethiopia

There are regular informal meetings between representatives of the U.K., U.S., Germany, Sweden and the U.N.D.P. There is no chairman. The U.S. had asked the I.B.R.D. to assume leadership. Sweden reports that the group had suggested informal discussions with the Ethiopian Government Planning Commission, so far without success (June 1969). There are also special (informal) meetings to discuss education assistance, under rotating chairmanship.

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(1) The information contained in this list is taken from the replies received to questionnaire HF-653 on the follow-up to the D.A.C. Guidelines for the Co-ordination of Technical Assistance.

Ghana

Regular monthly meetings have been held for three years. The chairmanship rotates among the donors. The U.K. reports that the Ghana Government does not participate, though it is proposed to have informal meetings with them to discuss specific sectors.

Guyana

Formal meetings of donors are held annually, chaired by the Prime Minister. The Guyana Government has now suggested quarterly informal meetings. [The U.S., U.K. and Canada had earlier taken the lead in arranging periodic meetings, starting February 1967 (reported by the U.S.)].

Honduras

The U.S. took the initiative to create an unofficial co-ordinating committee with bi-weekly meetings. The U.K. and U.S. report that the Honduran Government is now seeking to promote formal co-ordinating arrangements.

India

Canada and Germany report regular informal meetings, attended by economic and aid officers from diplomatic missions and from the I.B.R.D. office. Similarly, an agricultural discussion group has been meeting monthly since 1969 (at the initiative of the Agricultural Attaché of the U.S. Embassy), which is attended by representatives of the diplomatic missions, Ford and Rockefeller Foundations, U.N.D.P., I.B.R.D., etc. and also (regularly) by the Agricultural Attaché of the Russian Embassy. In addition there have been a number of meetings on an ad hoc basis on family planning.

Indonesia

Japan, the Netherlands, the U.K. and the U.S. all report on their good co-operation with representatives of other donors. The U.K. report that recently formal co-ordinating arrangements have been set up by the Indonesian Government who provide the Chairman and Secretariat.

Jamaica

Regular monthly meetings of aid donors are held under the direction of the U.N.D.P. Resident Representative. The recipient government does not participate, but does not object.

Jordan

The U.K. reports that a first formal meeting of donors took place early in 1970 under the chairmanship of the Jordanian Vice-President. Future meetings are to be held regularly.

Kenya

The U.N.D.P. Resident Representative holds monthly informal meetings of all donors and information is freely exchanged.

Laos

Australia and the U.S. mention their participation in the F.E.O.F. Stabilisation Consultative Committee. The U.K. also mention their participation in informal consultations, but add that these tend to be somewhat erratic.

Liberia

Informal half-yearly meetings of the "D.A.C. Group" are held under the chairmanship of the U.S.-A.I.D. Director. Germany reports that representatives of the Liberian Government are occasionally present.

Morocco

Germany reports monthly informal meetings of the representatives of the principal donor countries and U.N.D.P.

Nicaragua

The U.K. report that a first meeting of donors (D.A.C. countries, Spain, I.B.R.D. and F.A.O.) was held at the end of 1969 under the chairmanship of U.S. A.I.D. It is hoped to hold such meetings quarterly.

Nigeria

There have been a number of informal meetings between representatives of the U.K., U.S. and U.N.D.P. The U.K. report that local co-ordination between donors has not been favourably viewed by the Federal Military Government.

Pakistan

The U.K. report that in 1968, the Pakistan Government invited the main D.A.C. donors to a formal meeting to discuss procedures for evaluation of technical assistance. U.N.D.P. and Ford Foundation representatives also attended. The Chairman and Secretariat were provided by the Pakistan Government. It was intended to hold similar meetings at regular intervals but these were suspended after the resignation of President Ayut Khan. Signs for a resumption of local co-ordinating arrangements appear favourable.

Paraguay

The U.S. and U.K. report monthly meetings of all donors. Lesser donors are invited to attend every other month.

Peru

The U.K. reports that monthly meetings of donors are held on an informal basis. The U.N.D.P. representative, on behalf of donors, has had contacts with the Peruvian Government on future co-ordination.

Philippines

Belgium, the U.K. and the U.S. report that a "donor club" was organised in 1966 under U.N.D.P. presidency. It is rather inactive but attempts have been made recently to inject new life into it. The U.N. Resident Representative presently acts as a clearing house.

Rwanda

Belgium reports that the principle of instituting regular meetings has recently been accepted. Up till now there has been no formal arrangements for co-ordination among donors.

Tanzania

Canada and Germany report that informal meetings are held regularly. The U.S. report that co-ordination is difficult due to the attitude of the Tanzanian Government.

Thailand

Australia, Austria, Belgium, Japan, the Netherlands and the U.S. mention their participation in the D.A.C. Co-ordinating Group.

Tunisia

Belgium and the U.S. stress the good contacts among donors. Sweden mentions them too, but finds them difficult and laborious. Germany reports the situation improved since the arrival of the U.N. Resident Representative.

Uganda

An informal meeting initiated by the U.S. consists of the principal donors, i.e. Germany, the U.K., the U.S., and the U.N. and is held in Kampala about every six months.



Venezuela

The U.S. report that the small amount of bilateral aid does not warrant regular co-ordination arrangements. Germany, however, reports on meetings to exchange information to which representatives of the Venezuela Government are occasionally invited.

Vietnam

Canada reports that an informal group has convened to discuss in a very preliminary way the co-ordination of aid, particularly in the context of post-war reconstruction.

Zambia

U.S. reports that donors often meet informally to discuss technical assistance co-ordination.

ANNEX III

LIST OF CONSORTIA AND CONSULTATIVE GROUPS

Meetings of Principal Aid Co-ordination Groups  
and of CIAP for Country Reviews

<u>Sponsored by the IBRD</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Ceylon	May	Apr	Mar	Mar	Feb
Colombia	-	-	Mar/Apr	-	Mar
Ghana	-	Apr	Feb	May	July
India	Nov	Apr	Mar	May	May
Kenya	-	-	Mar	-	Feb
Korea	May	-	Apr	Apr	Apr
Malaysia	May	-	-	-	-
Morocco	-	Apr	-	Oct	-
Nigeria	Feb	-	-	-	-
Pakistan	July	May	Mar	May	Feb., July
Peru	July	-	-	-	-
Sudan(1)	-	-	-	-	-
Tanzania	-	-	Mar	-	Apr
Thailand	May	-	-	-	-
Tunisia	-	Mar	Feb	Oct	June
Uganda	-	-	Mar	July	-
East African Community	-	-	Apr Dec	-	-
<u>Sponsored by the OECD</u>					
Turkey	Feb	Jan	Jan	Apr	Mar
<u>Sponsored by CIAP</u>					
Argentina	-	Jan	Apr	Feb	Feb
Barbados	-	-	-	May	-
Bolivia	Dec	Oct	-	Jan	May
Brazil	Oct	Nov	Nov	-	May
Chile	Oct	Nov	Nov	-	Jan
Colombia	-	-	Mar/Apr	-	Mar
Dominican Rep.	-	Dec	-	Feb	Feb
Ecuador	-	Jan	Jan/Feb	-	June
El Salvador	Sep	Dec	Dec	-	May
Guatemala	Nov	-	Feb	Feb	-
Haiti	Dec	-	Feb	Mar	June
Honduras	Nov	Sep	Oct	-	May
Jamaica	-	-	-	-	May
Morocco	-	Apr	-	Oct	-
Nicaragua	Oct	-	Jan	Mar	May
Panama	Aug/Sep	Nov	-	Feb	Mar/Apr
Paraguay	Sep	Sep	Sep	Oct	-
Peru	Sep	-	Apr	June	May
Trinidad & Tobago	-	Sep	Sep	-	-
Uruguay	Aug	-	Feb	Apr	June
Venezuela	Oct	Nov	-	June	June

(1) Only 1 meeting held, April 1964.

<u>Sponsored by the Netherlands</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Indonesia	-	Feb-June Sep-Nov	April July Oct	Feb Apr Dec	Apr

Sponsored by the Recipient  
Government

Guyana	-	Nov	Sep	Sep	
Honduras	Nov	Sep	Oct	-	May

ANNEX IV

EXTRACT FROM THE D.A.C. GUIDELINES FOR CO-ORDINATION  
OF TECHNICAL ASSISTANCE

"..... appropriate solutions may be sought by them.

Co-ordination Machinery in the Beneficiary Country

8. The co-ordination of external technical assistance must be carried out "on-the-spot" and is ultimately a matter for the authorities of the beneficiary countries themselves. For this to be effective it is very desirable that there should be a central office in each developing country's administration not simply acting as a channel for requests from the various beneficiary departments and agencies, but also possessing sufficient authority to ensure a balanced and well-oriented programme. Aid-providing countries and agencies should, in the first instance, give maximum attention to the creation of, and support for, a central office of this kind.

9. The precise nature and functions of such a central office will vary according to local needs, but some general desiderata may be set down. Where there is an effective development plan, the office should be closely related to (if not actually attached to) the national planning body. Its work should preferably include some estimation of probable priority needs over a period of some years for various types of foreign skills within the framework of the plan; and it should be in close touch with those departments - notably Education and Labour - concerned with domestic human resource development. Even where there is no development plan, it is desirable that the office should not confine itself to collating and transmitting requests but should actively participate in the fixing of priorities for external technical assistance. In either case, the office has an important part to play in the administrative processing of requests for assistance, in directing them in the right form to the appropriate external source of aid, in helping the progress and execution of particular programmes and projects, and in maintaining adequate central records.

10. There are several steps which it is possible for D.A.C. countries to take under their respective bilateral programmes which would support such developments:

- (i) where there already exists a central office for technical assistance in a beneficiary country, to use it to the full; while direct contacts with requesting departments and agencies will no doubt be necessary on day-to-day questions, they should be effected so as to support and strengthen the planning and co-ordinating rôle of the central office;

- (ii) to encourage and facilitate the building up, within the central office, of as complete technical assistance documentation as possible, including copies of experts' reports and of background material on the economic and social development of the country; consideration should be given, in agreement with the beneficiary country, to derestricting certain reports which may be of interest to other donors;
- (iii) where there is no mechanism of this kind or where it is weak, to give sympathetic consideration to the provision of assistance in setting up or strengthening it, at the request of the beneficiary government;
- (iv) to give attention to activities (e.g. in the analysis of educational and manpower needs) which may help the beneficiary country to plan the development of its own human resources more effectively and hence to assess more precisely its needs for external technical assistance.

#### Informational Exchanges on Technical Assistance Activities

11. The basis of any effort at co-ordination must be an adequate knowledge by each donor of the activities by other donors in fields in which they may have a common interest. The beneficiary will itself need to have a comprehensive and up-to-date record of all activities as an essential element in its own planning.

12. As a general principle, it is agreed that the most economical use of resources will be achieved only when there is a full and prompt exchange of information among prospective donors on the spot. If there is an effective central agency in the beneficiary country or if there are very few sources of external aid, informal contacts among donors may suffice. But in many cases these conditions do not apply. In such instances, one possibility is that field representatives of D.A.C. Members in countries where they are providing technical assistance should consult together with other donors as to ways and means of improving the situation. In some cases, other solutions could be sought by common consent.

#### Further Consultation

13. The Members of the D.A.C. also believe that it may be useful for their local representatives to consult together from time to time on a range of problems arising in the selection, execution and follow-up of technical assistance projects. Consultation of this type has taken place - and should continue to take place - on an informal basis, particularly where it may concern an individual project or field of activity. It is, of course, not proposed that there be set up any elaborate systems of consultation which might have the effect of delaying implementation of projects and imposing a heavy administrative burden on the participants. When appropriate, representatives of the beneficiary country might be invited to such consultations. The

participation of non-D.A.C. countries providing technical assistance may in some cases be desirable and feasible.

14. Issues which might be appropriate for discussion on the spot might include, for example:

- questions of procedure (e.g. streamlining of administrative procedures for defining, transmitting and implementing assistance requests, selection of students, briefing of experts, working conditions of experts, etc.); and
- questions of substance (e.g. the priorities accorded to particular projects or sectors, possible joint evaluations of certain activities, multinational co-operation on particular projects, technical assistance support for capital projects, etc.).

15. In each case where it was felt that further joint discussions on these lines would be desirable, the procedure and agenda should be worked out locally. The initiative for such discussions would normally be taken by the beneficiary country or by another donor with a special interest in some issue to be discussed. The contribution of the United Nations Resident Representative to discussions of this kind should also be carefully considered."

WED

CONFIDENTIAL

Local Coordination of Assistance:

Tentative Country Classification by Nature of Problem<sup>1/</sup>

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**WBG ARCHIVES**

1. Countries in which local coordination of project financing and technical assistance seems not to be an issue because:
  - A. The countries receive little official development assistance from members of DAC or multilateral sources (Algeria, Lebanon, most of the Middle East; Greece, Portugal, Spain, Yugoslavia; Burma).
  - B. A coordination problem may exist, but no further Bank or UNDP initiative to encourage multilateral coordination seems to be feasible because the government would refuse to cooperate (Argentina\*, Brazil\*, Ecuador\*, Mexico\*; Turkey\*) or because of the sources of assistance, or the political situation. (Guinea; Malawi, Sudan\*; Peru\*; UAR).
  
2. Countries in which a continuing problem exists but in which no new local machinery seems to be called for because:
  - A. Only two, three or four governments or agencies are involved, and the local problem is not complex enough to warrant local machinery (many Latin American\* and most other Caribbean countries; Madagascar, Sierra Leone; most of Sub-Saharan Francophone Africa). Coordination among the agencies and principal donors (IBRD, IDA, IDB, AfDB, AsDB, ODM, CIAP, USAID, FED, FAC) is going on but can be improved, and the Bank is stepping up efforts in this direction.

<sup>1/</sup> Export credits are not taken into account; they might change the classification of certain countries.

B. The government plays a role as local coordinator of assistance, either in collaboration with a local donors group (Jordan; Pakistan\*; Thailand\* (T/A); Colombia\*; Guyana\*; Honduras\*) or on its own (Cyprus; Ceylon\*, India\*; China, Korea\*, Singapore; Liberia, Nigeria\*), In India\* representatives of Consortium members meet privately, and there is a good exchange of information and plans among them; in Nigeria\* the government has expressed its desire to take the lead.

*Existing*

C. The Bank (Indonesia\*; East African Community\*, Kenya\*, Uganda\*) or UNDP (Cambodia; East African Community\*, Ethiopia\*, Kenya\*, Uganda\*; Bolivia\*; Iran; Jamaica), as appropriate to the nature of the assistance and the recipient country, is already carrying out a local coordination effort with the cooperation, or at least the tacit approval, of the government.

*Existing*

3. Countries in which a problem exists and in which some Bank initiative, (through the host government or with donors, depending on the situation) to institute or improve local coordination may be appropriate (Ghana\* (sector meetings on agriculture, at least initially), Ivory Coast, Congo-K\*, Togo, Upper Volta; Ethiopia\*, Somalia, Tanzania\*; Iraq, Morocco\*, Tunisia\*; Afghanistan, Ceylon\*, Nepal; Cambodia, Indonesia\*, Malaysia\*, Philippines\*, Thailand\*; Bolivia\*, Chile\*, Colombia\* (including, in particular, sector meetings, as suggested by AID)), or in which the Bank should urge UNDP to take the lead, preferably through encouragement and assistance to the host government (El Salvador\*, Guatemala\*; Paraguay\*; Uruguay\*; Burundi,

*Has been discussed with Govt. will come up in C.B.*

*Govt Not Interested*

*CIAP + OAS*

*Discussed in C.B.*

*Tough case - donor pressure needed*



Rwanda, Swaziland, Zambia; Iran). Note that Ceylon\*, Colombia\* and Thailand\* are in both 2B and 3, and Ethiopia\* and Cambodia in both 2C and 3, as no new machinery seems called for but the Bank should play a more active role in making the machinery work effectively.

\* Country for which an aid coordination group (or regular CIAP review) exists or is proposed.

Paris, 31st March, 1966

DAO(65)13(Final text)

**DECLASSIFIED**

**FEB 14 2023**

**WBG ARCHIVES**

RESEARCH FILES

IBRD.

DEVELOPMENT ASSISTANCE COMMITTEE

GUIDELINES FOR CO-ORDINATION OF  
TECHNICAL ASSISTANCE

(Note by the Secretariat)

1. The final text of the attached Guidelines was APPROVED by the Development Assistance Committee on 23rd February, 1966. The Delegate for France abstained and stated that, in communicating this document to representatives in developing countries, his authorities would ask them not to participate in co-ordination meetings organised under the procedures envisaged in the text.
2. In view of the unavoidable delay in circulating this document, it is proposed that Members should endeavour to communicate its contents to their representatives not later than the end of May 1966.

GUIDELINES FOR CO-ORDINATION OF  
TECHNICAL ASSISTANCE

The Need for Co-ordination

1. The member countries of the D.A.C. attach great importance to the part which technical assistance can play in accelerating the development of the less developed countries and in improving their ability to make use of available resources, including external capital aid. At the same time, they note that technical assistance is concerned with the use of skilled human resources which are scarce both in developed and developing countries. It is thus essential that these resources should be used to the best advantage and that, in particular, arrangements should be made for co-ordinating the activities of aid-providing countries and agencies operating side-by-side in particular developing countries.
2. In the absence of adequate co-ordination, there is a risk of duplication of efforts as well as of undue administrative burdens both on the countries providing aid and on the developing countries themselves. Even more seriously, "co-ordination" implies a systematic effort to relate the total flow of technical assistance as closely as possible to the priority development needs of the beneficiaries. This means that efforts should be made to avoid using resources for piecemeal or marginal activities and that aid-providing countries and individual beneficiaries should work together on a continuing basis to plan their activities as a whole within the framework of clearly defined objectives and programmes.
3. There are already for some developing countries arrangements for aid consortia and consultative groups under the auspices of international organisations (I.B.R.D. and O.E.C.D.). These arrangements are, however, for the most part concerned with capital assistance. It could prove very desirable for the countries and organisations participating in them to turn their attention also to the problem of ensuring that their combined technical assistance efforts are making an adequate and effective contribution to the economic and social development of the respective beneficiaries.
4. In view of the size and geographical extent of United Nations programmes of technical assistance, D.A.C. Members recognize fully the need to achieve maximum co-ordination between those programmes and their own bilateral activities. In some instances, the U.N. Resident Representatives may be in a position to make useful contacts or to participate in exchanges of information or experience on some types of projects which may be of interest to a number of aid-providing countries. In this field, too, meetings of the D.A.C. can play a part. Certain regional organisations or groupings may also have an important function in collating data on technical assistance activities and problems, although not substituting for "on-the-spot" co-ordination

in individual developing countries in the regions concerned.

5. The need for a fresh review of co-ordination is underlined by the large number of aid-providing countries and organisations and the increasing geographical dispersion of many of their programmes. At the same time, technical assistance activities are by their nature somewhat fragmentary, involving a large number of separate administrative decisions and actions. D.A.C. Members recognize that it is particularly necessary that they should help to minimize the difficulties arising in this respect by taking into account, before embarking on new activities, their capacity to make a special contribution on a sustained basis.

6. The wide diversity in the character of the relationships between individual D.A.C. member countries and individual developing countries and in the internal organisation of the developing countries themselves, make it impossible to recommend any uniform method for the co-ordination of technical assistance. In each instance, it will be necessary to adapt the method used to local conditions, to the nature of the problems to be tackled and to available administrative resources.

7. Nevertheless, D.A.C. Members believe that a special effort is now required of them to attempt to improve the co-ordination of their activities in this field and that this effort will be greatly assisted by the adoption of certain common guidelines, as set out below. They are prepared to communicate the substance of these guidelines to their representatives in developing countries, where better co-ordination appears feasible and necessary, so that appropriate solutions may be sought by them.

#### Co-ordination Machinery in the Beneficiary Country

8. The co-ordination of external technical assistance must be carried out "on-the-spot" and is ultimately a matter for the authorities of the beneficiary countries themselves. For this to be effective it is very desirable that there should be a central office in each developing country's administration not simply acting as a channel for requests from the various beneficiary departments and agencies, but also possessing sufficient authority to ensure a balanced and well-oriented programme. Aid-providing countries and agencies should, in the first instance, give maximum attention to the creation of, and support for, a central office of this kind.

9. The precise nature and functions of such a central office will vary according to local needs, but some general desiderata may be set down. Where there is an effective development plan, the office should be closely related to (if not actually attached to) the national planning body. Its work should preferably include some estimation of probable priority needs over a period of some years for various types of foreign skills within the framework of the plan; and it should be in close touch with those departments - notably Education and Labour - concerned with domestic human resource development. Even where there is no development plan, it is desirable that the office should not

confine itself to collating and transmitting requests but should actively participate in the fixing of priorities for external technical assistance. In either case, the office has an important part to play in the administrative processing of requests for assistance, in directing them in the right form to the appropriate external source of aid, in helping to progress the execution of particular programmes and projects, and in maintaining adequate central records.

10. There are several steps which it is possible for D.A.C. countries to take under their respective bilateral programmes which would support such developments:

- (i) where there already exists a central office for technical assistance in a beneficiary country, to use it to the full; while direct contacts with requesting departments and agencies will no doubt be necessary on day-to-day questions, they should be effected so as to support and strengthen the planning and co-ordinating rôle of the central office;
- (ii) to encourage and facilitate the building up, within the central office, of as complete technical assistance documentation as possible, including copies of experts' reports and of background material on the economic and social development of the country; consideration should be given, in agreement with the beneficiary country, to derestricting certain reports which may be of interest to other donors;
- (iii) where there is no mechanism of this kind or where it is weak, to give sympathetic consideration to the provision of assistance in setting up or strengthening it, at the request of the beneficiary government;
- (iv) to give attention to activities (e.g. in the analysis of educational and manpower needs) which may help the beneficiary country to plan the development of its own human resources more effectively and hence to assess more precisely its needs for external technical assistance.

#### Informational Exchanges on Technical Assistance Activities

11. The basis of any effort at co-ordination must be an adequate knowledge by each donor of the activities by other donors in fields in which they may have a common interest. The beneficiary will itself need to have a comprehensive and up-to-date record of all activities as an essential element in its own planning.

12. As a general principle, it is agreed that the most economical use of resources will be achieved only when there is a full and prompt exchange of information among prospective donors

on the spot. If there is an effective central agency in the beneficiary country or if there are very few sources of external aid, informal contacts among donors may suffice. But in many cases these conditions do not apply. In such instances, one possibility is that field representatives of D.A.C. Members in countries where they are providing technical assistance should consult together with other donors as to ways and means of improving the situation. In some cases, other solutions could be sought by common consent.

#### Further Consultation

13. The Members of the D.A.C. also believe that it may be useful for their local representatives to consult together from time to time on a range of problems arising in the selection, execution and follow-up of technical assistance projects. Consultation of this type has taken place - and should continue to take place - on an informal basis, particularly where it may concern an individual project or field of activity. It is, of course, not proposed that there be set up any elaborate systems of consultation which might have the effect of delaying implementation of projects and imposing a heavy administrative burden on the participants. When appropriate, representatives of the beneficiary country might be invited to such consultations. The participation of non-D.A.C. countries providing technical assistance may in some cases be desirable and feasible.

14. Issues which might be appropriate for discussion on the spot might include, for example:

- questions of procedure (e.g. streamlining of administrative procedures for defining, transmitting and implementing assistance requests, selection of students, briefing of experts, working conditions of experts, etc.); and
- questions of substance (e.g. the priorities accorded to particular projects or sectors, possible joint evaluations of certain activities, multinational co-operation on particular projects, technical assistance support for capital projects, etc.).

15. In each case where it was felt that further joint discussions on these lines would be desirable, the procedure and agenda should be worked out locally. The initiative for such discussions would normally be taken by the donor country or agency with the largest single programme; it might, however - depending on local circumstances - be taken by the beneficiary country or by another donor with a special interest in some issue to be discussed. The contribution of the United Nations Resident Representative to discussions of this kind should also be carefully considered.



Paris, le 24 novembre 1970

DAC/A(70)18

DECLASSIFIED |

JUN 22 2023

COMITE D'AIDE AU DEVELOPPEMENT

WBG ARCHIVES

154ème Réunion

qui se tiendra le jeudi 3 décembre  
à 10h30 au Château de la Muette, Paris

PROJET D'ORDRE DU JOUR

1. Adoption de l'Ordre du Jour
2. Approbation des Procès-Verbaux des 144ème, 147ème et 148ème Réunions  
DAC/M(70)6(Prov.)  
DAC/M(70)7(Prov.) et  
DAC/M(70)8(Prov.)
3. La coordination de l'aide au niveau des pays  
DAC(70)50  
  
Les membres voudraient éventuellement se référer aux documents préparés en vue de la réunion officieuse du 30 juillet  
AV-226  
DD-172 (notamment la partie ii)  
DD-173
4. Autres Questions



*Chono*

ORGANISATION FOR ECONOMIC  
CO-OPERATION AND DEVELOPMENT

RESTRICTED TO PARTICIPANTS

Paris, 14th August, 1970

DAC(70)50



**DECLASSIFIED**

**FEB 14 2023**

**WBG ARCHIVES**

RECEIVED  
14 AUGUST 1970

DEVELOPMENT ASSISTANCE COMMITTEE

LOCAL CO-ORDINATION OF ASSISTANCE

(Note by the Secretariat)

The attached paper has been prepared by the Secretariat to assist in the informal discussions which are intended to take place in Tokyo on 15th September, 1970 on the occasion of the D.A.C. High-Level Meeting.

LOCAL CO-ORDINATION OF ASSISTANCE

At an informal meeting on 30th July, 1970, the D.A.C. discussed measures to promote a more effective co-ordination of aid at the country level. The meeting had been organised as a follow-up to the debate at the International Meeting on Development Policy held at Heidelberg on 18th June. At the D.A.C. meeting, it was agreed that the subject be taken up again informally on the occasion of the High-Level Meeting at Tokyo and, as may be appropriate, in further regular meetings of the D.A.C., before the end of the year.

In summing up, the Chairman, Ambassador Martin, made the following main points which may provide a convenient basis for resuming discussions in Tokyo.

- (i) D.A.C. Members should be prepared to offer their full co-operation to formal or informal groups which may exist or be set up in recipient countries for the purpose of exchanging information on capital projects and technical assistance programmes in operation or proposed by donors or recipients, and should instruct their local representatives accordingly. ✓
- (ii) It is suggested that, for the time being, priority in seeing that effective groups of this character are functioning should be accorded to the more populous developing countries, receiving concessional aid in substantial volume from a considerable number of donors. ✓
- (iii) Recipients should be invited to initiate or at least to participate in such a meeting, and in any case, groups should not be organised without recipient knowledge and approval. ✓
- (iv) The I.B.R.D. and the U.N.D.P. are invited to take the initiative in implementing these proposals, acting in co-operation with recipient countries as seems most appropriate, either directly or in association with consortia, consultative groups or regional organisations. Bilateral donors who are encountering particular difficulties of co-ordination in specific countries might wish to so inform the I.B.R.D. or U.N.D.P. authorities or to raise the matter in the D.A.C. ✓
- (v) The I.B.R.D. and U.N.D.P. are invited, in collaboration, as appropriate, with other elements of the U.N. system and regional development bodies, to determine which among the more populous developing countries who are important aid recipients do not have readily available full information on past, present and contemplated aid activities or on development plans, priorities or projects. For such countries D.A.C. Members will be prepared to co-operate with multilateral donors in

considering sympathetically requests from the recipient country concerned for the technical assistance needed to fill this gap.

Some background to the discussions at Tokyo is given in the following attachments:

- Annex I - Summary of previous discussions.
- Annex II - Country by country situation regarding local co-ordination arrangements.
- Annex III - List of Consortia and Consultative Groups.
- Annex IV - Extract from the D.A.C. Guidelines for the Co-ordination of Technical Assistance. 1)  
[March 1966]

(ii)

(iii)

(vi)

(v)

ANNEX I

SUMMARY OF PREVIOUS DISCUSSIONS ON LOCAL CO-ORDINATION

1. The need for closer co-ordination of the aid activities of donor countries and agencies operating side-by-side in particular developing countries has long been a concern of the D.A.C. In respect of capital assistance, some measure of co-ordination has been provided in a number of developing countries through the aid consortia and the consultative groups organised under the auspices of the I.B.R.D. and the O.E.C.D. As no similar arrangements were set up for technical assistance, in March 1966, the D.A.C. prepared Guidelines for the Co-ordination of Technical Assistance(1) for Members to circulate to their representatives in developing countries.
2. The whole question of aid co-ordination at the country level was recently the subject of serious consideration at the International Meeting on Development Policy held at Heidelberg on 18th and 19th June, 1970, where programme co-ordination within the framework of a country-oriented development policy was one of the two items on the agenda.
3. Summing up the debate on the topic held at the Heidelberg Conference, the Conference Chairman, Ambassador Martin, emphasized that in view of the different situations of individual countries, approaches would have to be flexible and the improvement of performance of developing countries in these matters would be a difficult process and one which would only be achieved by stages. In spite of this, all efforts should be made to improve, to the maximum extent possible, the ability of developing countries to play a larger role. Such an objective would necessitate the establishment of a good overall plan of development policies and substantial information on individual projects proposed within the plan, as well as on aid projects in operation or under discussion. On the part of donor countries, there was need for joint dialogue with recipient governments on overall development policy (as was already done by C.I.A.P. and the consortia), and on either sectors or projects (e.g., the sector of education). Donors should also exchange information on their facilities, plans and projections (primarily until recipient countries could themselves perform this role). These suggestions would apply to both multilateral as well as bilateral aid and would, as in the past, be conducted as appropriate under the auspices of consultative groups, the World Bank, the U.N.D.P. or recipient governments, or within the D.A.C. For these purposes, it would be necessary to review the situation in each country in order to determine which countries most urgently need initiatives of these kinds and what would be the best tactics to achieve these selected objectives.

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(1) DAC(65)13(Final), extracts of which are given in Annex IV.

4. This summary by the Chairman was supplemented by a working paper submitted by the German Delegation as background to the D.A.C. discussion to take place on 30th July. This proposed a strategy for country level co-ordination to be based on two essential functions - centralisation of information and programme co-ordination. The information which would be necessary for effective co-ordination of programmes would include basic data about the country, its investments, projects, and overall and sectoral development plans, and exchange of information between donors on new projects. The second function would cover the elaboration of a framework for the use of aid funds, giving equal consideration to economic and social factors and harmonizing donors' aims with those of the recipient. It would be based on a development plan (indicating sectoral and regional priorities and pinpointing the bottlenecks to development), which would be reviewed by the donors. Finally, there would be a concerted dialogue on the spot in order to decide which donors should implement the various measures, and the donor in each case would then work out the details of his particular project.

5. The informal meeting of the D.A.C. which discussed these papers on 30th June, also had before it as background information a Note by the Secretariat(1) based on Members' replies to a questionnaire intended to find out what the experience had been in using the D.A.C. Guidelines for the Co-ordination of Technical Assistance. Although the response to the questionnaire had been far from complete, the findings nonetheless indicated, as the Chairman pointed out, that there seemed to be some kind of co-ordination activity in a number of countries, but that the arrangements differed greatly and were for the most part informal in nature and irregular(2).

6. The meeting of the 30th July was attended by representatives of the I.B.R.D., the U.N.D.P. and the U.N. Secretariat who reported on the activities of their respective international organisations to further the co-ordination of aid. The I.B.R.D. representative commented that when the Bank began the experiment of setting up consultative groups, it was expected that these would discuss projects, but in fact this did not happen. It was now apparent that consultative groups, being attended by government and finance officers were not suitable for discussing individual projects. This should probably best be done by people actually working in the country. Apart from the consultative groups, the Bank had now established a pattern of frequent

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(1) DD-172, dated 29th July, 1970.

(2) Annex II gives a country-by-country summary of the situation based on the replies to the questionnaire.

consultations with other major donors in areas of common interest, notably with the F.E.D. and the F.A.C., so as to avoid duplication or conflicting approaches in Africa. They had already made arrangements for developing effective co-ordination with the C.I.A.P. and the I.D.B. based on the Bank's economic review missions in Latin America. A major difficulty, however, with regard to the Bank's review missions in most parts of the world was the inadequacy of basic statistical data and any assistance that the Members of the D.A.C. could give to developing countries in this field would be enormously helpful. With regard to the co-ordination of technical assistance, the Bank looked largely to the U.N.D.P., but hoped that they would be able to include in their economic reports, a forward view of technical assistance requirements for pre-investment surveys and feasibility studies.

7. The representative of the U.N.D.P. said that their experience varied greatly according to the particular country. Co-ordination should normally be the responsibility of the recipient. This took a long time to achieve but one helpful trend was the transfer of the formal co-ordinating responsibility from the Ministry of Foreign Affairs, where it usually began in the early days of aid history, to the planning body which was in a position to exercise some substantive co-ordination. However, it had to be recognised that sometimes recipient governments liked negotiating separately with individual donors and thus made no move to arrange co-ordination meetings among its various donors. In such cases, the U.N., through its Resident Representative, was the most appropriate body to take the initiative, but it was important that there be some suitable already-existing legal or institutional framework in the country on which to base such a move.

8. The representative of the U.N. explained that they were just initiating a programme of resident multi-disciplinary teams who would assist the smaller developing countries strengthen their development planning. The teams would each cover a group of countries and it was hoped that their work would contribute to co-ordinate the requests for technical assistance now made to several U.N. Agencies separately. Such teams had already been requested in a number of areas.

9. The Australian Delegation circulated to the meeting, for information, a paper(1) on the Role and Future Operations of the Development Assistance Group for Thailand which summarized a longer paper prepared by the Chairman of the Group. Although Thailand was officially the subject of an I.B.R.D. Consultative Group, this had in fact only met once. The local co-ordinating group, which was composed of people at operational as well as at ambassadorial level, was concerned with the co-ordination of projects. It had now been decided that the Group should meet under the Chairmanship of the Thai Representative and its Working Committee under the Resident Representative of the U.N.

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(1) DD-173, dated 30th July, 1970.

10. From the ensuing discussion, it appeared that opinion was unanimous that co-ordination on the local level was and must always be to the maximum extent feasible the responsibility of the recipient country itself. Ideally, the recipient country's own aid co-ordination machinery should provide the basis for the desired co-ordination among donors. It was particularly important that donors should not take any action in this direction that might be interpreted as having a donor-bias. However, it was generally agreed that in countries where there were at present no co-ordination arrangements, the international organisations should take the initiative in getting something started, taking care to secure the active approval and, if possible, the participation of the country concerned. Such arrangements must always be highly flexible and should be adapted to the circumstances of the particular country. Individual donors could assist, if so requested by the recipient country, by providing help to strengthen the country's own aid co-ordination machinery or to improve the quality and flow of basic statistical data. Most people were further agreed that the bilateral donors and international agencies had themselves a responsibility to maintain a full and free exchange of information on past, present and contemplated aid activities.

11. It was generally accepted that the starting point of any effective co-ordination must be an analysis of the situation of the country concerned and a resultant set of priorities on which both donors and recipients were agreed. The I.B.R.D. had a dominant role to play in this. The scope of the Bank's Economic Missions would now be widened, as Mr. McNamara indicated, to cover not just financial aid, but all relevant aspects of economic and social development. The role of the Bank must not, however, be exclusive. Regional bodies, in particular, had an important contribution to make. With respect to the co-ordination of technical assistance activity, it seemed to be recognised that much of this would need to be done outside of the consultative group mechanism, most likely through closer exchange of information between the U.N.D.P. and bilateral donors.

12. There was considerable support for the idea that co-ordination should be essentially a two-tier process. The consultative groups would provide the overall framework of co-ordination at the government level. They would meet only occasionally, say once a year, or in the case of some countries where developments were relatively stable, possibly even less. They would be supported, however, by local co-ordination which would take place regularly, probably once a month, and be composed of people at the working level, competent to discuss co-ordination on a project basis. The members of this local co-ordinating group would need to be empowered by their respective governments to co-ordinate with the representatives of other donors. It maintains contact with the consultative group, who would periodically review its activities. It seemed, further, to be fairly generally accepted that for co-ordination to be really effective, donors would need to indicate an order of magnitude of their future aid to the country for several

years ahead. It was also recognised that untying of aid may be an essential condition of satisfactory co-ordination, which cannot be fully effective while aid is influenced by commercial considerations.

13. Opinions differed somewhat as to how new candidates for co-ordination arrangements might be selected. Most people thought that the I.B.R.D. criterion of selecting countries on a basis of population (e.g., over 10 million) was over-simple and that other factors should be taken into account. It was agreed that where co-ordination arrangements seemed especially indicated because of the size of the country and the size and variety of the aid programme, international or regional organisations should take the lead in helping to establish them.

14. It was recalled that the O.E.C.D. Development Centre, as part of its work in connection with the procedural obstacles to aid management, was proposing to undertake a study on the aid co-ordinating machinery of developing countries(1). This should in due course contribute useful material in support of local co-ordination activities.

15. It was, of course, understood, that the D.A.C. would not itself sponsor or operate co-ordination arrangements. It could, however, give the necessary impulse for further co-ordination at country level and provide a forum for individual donor countries to exchange experiences and raise any special problems. The D.A.C. had held a meeting in May 1969 to discuss consortia and consultative groups. Meetings for consultation and for periodic review of country-level co-ordination arrangements could similarly make a useful contribution.

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(1) DAC(70)36, paragraph 19.



ANNEX II

COUNTRIES IN WHICH D.A.C. MEMBERS HAVE  
REPORTED SIGNIFICANT DONOR CO-ORDINATION ARRANGEMENTS  
AT THE LOCAL LEVEL (1)

Note: The list below excludes countries which have consultative groups or consortia but no country-level co-ordination arrangements, countries with only one or two major donors and countries where local contacts are purely informal and ad hoc.

Algeria

The U.K. report that although there is no formal consultation, informal discussion of aid matters is co-ordinated by the U.N. Resident Representative.

Bolivia

The U.S. reports monthly meetings of donors in accordance with the D.A.C. guidelines.

Burma

The U.K. reports that it is proposed to arrange monthly meetings of D.A.C. country representatives in Rangoon. There are no formal co-ordinating arrangements but Belgium reports a satisfactory exchange of information under the chairmanship of the U.N.D.P. Representative.

East African Community

Regular informal meetings are chaired by the Representative of the U.N.D.P. in Nairobi.

Ecuador

Germany reports monthly meetings of representatives of European donors.

Ethiopia

There are regular informal meetings between representatives of the U.K., U.S., Germany, Sweden and the U.N.D.P. There is no chairman. The U.S. had asked the I.B.R.D. to assume leadership. Sweden reports that the group had suggested informal discussions with the Ethiopian Government Planning Commission, so far without success (June 1969). There are also special (informal) meetings to discuss education assistance, under rotating chairmanship.

(1) The information contained in this list is taken from the replies received to questionnaire HF-653 on the follow-up to the D.A.C. Guidelines for the Co-ordination of Technical Assistance.

Ghana

Regular monthly meetings have been held for three years. The chairmanship rotates among the donors. The U.K. reports that the Ghana Government does not participate, though it is proposed to have informal meetings with them to discuss specific sectors.

Guyana

Formal meetings of donors are held annually, chaired by the Prime Minister. The Guyana Government has now suggested quarterly informal meetings. [The U.S., U.K. and Canada had earlier taken the lead in arranging periodic meetings, starting February 1967 (reported by the U.S.)].

Honduras

The U.S. took the initiative to create an unofficial co-ordinating committee with bi-weekly meetings. The U.K. and U.S. report that the Honduran Government is now seeking to promote formal co-ordinating arrangements.

India

Canada and Germany report regular informal meetings, attended by economic and aid officers from diplomatic missions and from the I.B.R.D. office. Similarly, an agricultural discussion group has been meeting monthly since 1969 (at the initiative of the Agricultural Attaché of the U.S. Embassy), which is attended by representatives of the diplomatic missions. Ford and Rockefeller Foundations, U.N.D.P., I.B.R.D., etc. and also (regularly) by the Agricultural Attaché of the Russian Embassy. In addition there have been a number of meetings on an ad hoc basis on family planning.

Indonesia

Japan, the Netherlands, the U.K. and the U.S. all report on their good co-operation with representatives of other donors. The U.K. report that recently formal co-ordinating arrangements have been set up by the Indonesian Government who provide the Chairman and Secretariat.

Jamaica

Regular monthly meetings of aid donors are held under the direction of the U.N.D.P. Resident Representative. The recipient government does not participate, but does not object.

Jordan

The U.K. reports that a first formal meeting of donors took place early in 1970 under the chairmanship of the Jordanian Vice-President. Future meetings are to be held regularly.

Kenya

The U.N.D.P. Resident Representative holds monthly informal meetings of all donors and information is freely exchanged.

Laos

Australia and the U.S. mention their participation in the F.E.O.F. Stabilisation Consultative Committee. The U.K. also mention their participation in informal consultations, but add that these tend to be somewhat erratic.

Liberia

Informal half-yearly meetings of the "D.A.C. Group" are held under the chairmanship of the U.S.-A.I.D. Director. Germany reports that representatives of the Liberian Government are occasionally present.

Morocco

Germany reports monthly informal meetings of the representatives of the principal donor countries and U.N.D.P.

Nicaragua

The U.K. report that a first meeting of donors (D.A.C. countries, Spain, I.B.R.D. and F.A.O.) was held at the end of 1969 under the chairmanship of U.S. A.I.D. It is hoped to hold such meetings quarterly.

Nigeria

There have been a number of informal meetings between representatives of the U.K., U.S. and U.N.D.P. The U.K. report that local co-ordination between donors has not been favourably viewed by the Federal Military Government.

Pakistan

The U.K. report that in 1968, the Pakistan Government invited the main D.A.C. donors to a formal meeting to discuss procedures for evaluation of technical assistance. U.N.D.P. and Ford Foundation representatives also attended. The Chairman and Secretariat were provided by the Pakistan Government. It was intended to hold similar meetings at regular intervals but these were suspended after the resignation of President Ayub Khan. Signs for a resumption of local co-ordinating arrangements appear favourable.

Paraguay

The U.S. and U.K. report monthly meetings of all donors. Lesser donors are invited to attend every other month.

Peru

The U.K. reports that monthly meetings of donors are held on an informal basis. The U.N.D.P. representative, on behalf of donors, has had contacts with the Peruvian Government on future co-ordination.

Philippines

Belgium, the U.K. and the U.S. report that a "donor club" was organised in 1966 under U.N.D.P. presidency. It is rather inactive but attempts have been made recently to inject new life into it. The U.N. Resident Representative presently acts as a clearing house.

Rwanda

Belgium reports that the principle of instituting regular meetings has recently been accepted. Up till now there has been no formal arrangements for co-ordination among donors.

Tanzania

Canada and Germany report that informal meetings are held regularly. The U.S. report that co-ordination is difficult due to the attitude of the Tanzanian Government.

Thailand

Australia, Austria, Belgium, Japan, the Netherlands and the U.S. mention their participation in the D.A.C. Co-ordinating Group.

Tunisia

Belgium and the U.S. stress the good contacts among donors. Sweden mentions them too, but finds them difficult and laborious. Germany reports the situation improved since the arrival of the U.N. Resident Representative.

Uganda

An informal meeting initiated by the U.S. consists of the principal donors, i.e. Germany, the U.K., the U.S., and the U.N. and is held in Kampala about every six months.

Venezuela

The U.S. report that the small amount of bilateral aid does not warrant regular co-ordination arrangements. Germany, however, reports on meetings to exchange information to which representatives of the Venezuela Government are occasionally invited.

Vietnam

Canada reports that an informal group has convened to discuss in a very preliminary way the co-ordination of aid, particularly in the context of post-war reconstruction.

Zambia

U.S. reports that donors often meet informally to discuss technical assistance co-ordination.

ANNEX III

LIST OF CONSORTIA AND CONSULTATIVE GROUPS

Meetings of Principal Aid Co-ordination Groups  
and of CIAP for Country Reviews

<u>Sponsored by the IBRD</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Ceylon	May	Apr	Mar	Mar	Feb
Colombia	-	-	Mar/Apr	-	Mar
Ghana	-	Apr	Feb	May	July
India	Nov	Apr	Mar	May	May
Kenya	-	-	Mar	-	Feb
Korea	May	-	Apr	Apr	Apr
Malaysia	May	-	-	-	-
Morocco	-	Apr	-	Oct	-
Nigeria	Feb	-	-	-	-
Pakistan	July	May	Mar	May	Feb., July
Peru	July	-	-	-	-
Sudan(1)	-	-	-	-	-
Tanzania	-	-	Mar	-	Apr
Thailand	May	-	-	-	-
Tunisia	-	Mar	Feb	Oct	June
Uganda	-	-	Mar	July	-
East African Community	-	-	Apr	-	-
			Dec		
<u>Sponsored by the OECD</u>					
Turkey	Feb	Jan	Jan	Apr	Mar
<u>Sponsored by CIAP</u>					
Argentina	-	Jan	Apr	Feb	Feb
Barbados	-	-	-	May	-
Bolivia	Dec	Oct	-	Jan	May
Brazil	Oct	Nov	Nov	-	May
Chile	Oct	Nov	Nov	-	Jan
Colombia	-	-	Mar/Apr	-	Mar
Dominican Rep.	-	Dec	-	Feb	Feb
Ecuador	-	Jan	Jan/Feb	-	June
El Salvador	Sep	Dec	Dec	-	May
Guatemala	Nov	-	Feb	Feb	-
Haiti	Dec	-	Feb	Mar	June
Honduras	Nov	Sep	Oct	-	May
Jamaica	-	-	-	-	May
Morocco	-	Apr	-	Oct	-
Nicaragua	Oct	-	Jan	Mar	May
Panama	Aug/Sep	Nov	-	Feb	Mar/Apr
Paraguay	Sep	Sep	Sep	Oct	-
Peru	Sep	-	Apr	June	May
Trinidad & Tobago	-	Sep	Sep	-	-
Uruguay	Aug	-	Feb	Apr	June
Venezuela	Oct	Nov	-	June	June

(1) Only 1 meeting held, April 1964.

<u>Sponsored by the Netherlands</u>	<u>1966</u>	<u>1967</u>	<u>1968</u>	<u>1969</u>	<u>1970</u>
Indonesia	-	Feb-June Sep-Nov	April July Oct	Feb Apr Dec	Apr

Sponsored by the Recipient  
Government

Guyana	-	Nov	Sep	Sep	
Honduras	Nov	Sep	Oct	-	May

ANNEX IV

EXTRACT FROM THE D.A.C. GUIDELINES FOR CO-ORDINATION  
OF TECHNICAL ASSISTANCE

"..... appropriate solutions may be sought by them.

Co-ordination Machinery in the Beneficiary Country

8. The co-ordination of external technical assistance must be carried out "on-the-spot" and is ultimately a matter for the authorities of the beneficiary countries themselves. For this to be effective it is very desirable that there should be a central office in each developing country's administration not simply acting as a channel for requests from the various beneficiary departments and agencies, but also possessing sufficient authority to ensure a balanced and well-oriented programme. Aid-providing countries and agencies should, in the first instance, give maximum attention to the creation of, and support for, a central office of this kind.

9. The precise nature and functions of such a central office will vary according to local needs, but some general desiderata may set down. Where there is an effective development plan, the office should be closely related to (if not actually attached to) the national planning body. Its work should preferably include some estimation of probable priority needs over a period of some years for various types of foreign skills within the framework of the plan; and it should be in close touch with those departments - notably Education and Labour - concerned with domestic human resource development. Even where there is no development plan, it is desirable that the office should not confine itself to collating and transmitting requests but should actively participate in the fixing of priorities for external technical assistance. In either case, the office has an important part to play in the administrative processing of requests for assistance, in directing them in the right form to the appropriate external source of aid, in helping the progress and execution of particular programmes and projects, and in maintaining adequate central records.

10. There are several steps which it is possible for D.A.C. countries to take under their respective bilateral programmes which would support such developments:

- (i) where there already exists a central office for technical assistance in a beneficiary country, to use it to the full; while direct contacts with requesting departments and agencies will no doubt be necessary on day-to-day questions, they should be effected so as to support and strengthen the planning and co-ordinating rôle of the central office;



- (ii) to encourage and facilitate the building up, within the central office, of as complete technical assistance documentation as possible, including copies of experts' reports and of background material on the economic and social development of the country; consideration should be given, in agreement with the beneficiary country, to derestricting certain reports which may be of interest to other donors;
- (iii) where there is no mechanism of this kind or where it is weak, to give sympathetic consideration to the provision of assistance in setting up or strengthening it, at the request of the beneficiary government;
- (iv) to give attention to activities (e.g. in the analysis of educational and manpower needs) which may help the beneficiary country to plan the development of its own human resources more effectively and hence to assess more precisely its needs for external technical assistance.

#### Informational Exchanges on Technical Assistance Activities

11. The basis of any effort at co-ordination must be an adequate knowledge by each donor of the activities by other donors in fields in which they may have a common interest. The beneficiary will itself need to have a comprehensive and up-to-date record of all activities as an essential element in its own planning.

12. As a general principle, it is agreed that the most economical use of resources will be achieved only when there is a full and prompt exchange of information among prospective donors on the spot. If there is an effective central agency in the beneficiary country or if there are very few sources of external aid, informal contacts among donors may suffice. But in many cases these conditions do not apply. In such instances, one possibility is that field representatives of D.A.C. Members in countries where they are providing technical assistance should consult together with other donors as to ways and means of improving the situation. In some cases, other solutions could be sought by common consent.

#### Further Consultation

13. The Members of the D.A.C. also believe that it may be useful for their local representatives to consult together from time to time on a range of problems arising in the selection, execution and follow-up of technical assistance projects. Consultation of this type has taken place - and should continue to take place - on an informal basis, particularly where it may concern an individual project or field of activity. It is, of course, not proposed that there be set up any elaborate systems of consultation which might have the effect of delaying implementation of projects and imposing a heavy administrative burden on the participants. When appropriate, representatives of the beneficiary country might be invited to such consultations. The

participation of non-D.A.C. countries providing technical assistance may in some cases be desirable and feasible.

14. Issues which might be appropriate for discussion on the spot might include, for example:

- questions of procedure (e.g. streamlining of administrative procedures for defining, transmitting and implementing assistance requests, selection of students, briefing of experts, working conditions of experts, etc.); and
- questions of substance (e.g. the priorities accorded to particular projects or sectors, possible joint evaluations of certain activities, multinational co-operation on particular projects, technical assistance support for capital projects, etc.).

15. In each case where it was felt that further joint discussions on these lines would be desirable, the procedure and agenda should be worked out locally. The initiative for such discussions would normally be taken by the beneficiary country or by another donor with a special interest in some issue to be discussed. The contribution of the United Nations Resident Representative to discussions of this kind should also be carefully considered."

*Mr. Stentor* *WSP*

ORGANISATION FOR ECONOMIC  
CO-OPERATION AND DEVELOPMENT

RESTRICTED TO PARTICIPANTS

Paris, 30th July 1970

Working Document

Development Assistance  
Directorate

English text only

DD-173



**DECLASSIFIED**

**FEB 14 2023**

**WBG ARCHIVES**

THE ROLE AND FUTURE OPERATIONS OF THE DEVELOPMENT  
ASSISTANCE GROUP FOR THAILAND

The attached paper is circulated by the Australian Delegation (Australia is currently chairman of the Development Assistance Group). It is the summary of a longer paper prepared by the Chairman of the Development Assistance Group as part of a continuing examination by Members in Bangkok of the future operations of the Group.

It is being circulated in connection with the informal meeting to be held on 30th July.

E39.404

1.

THE ROLE AND FUTURE OPERATIONS OF THE DEVELOPMENT  
ASSISTANCE GROUP FOR THAILAND

As directed by the DAC Coordinating Group, Thailand, at its Ambassadorial Level meeting on 4 September, 1969 the Group met at Working Level on 8th and 24th April, 1970 to consider questions relating to its role and future operations. The Group discussed and agreed to a paper on the subject containing recommendations on its role, activities, name, membership and organisation. Copies of the paper are attached. The recommendations agreed to are summarised in paragraph 67 of that paper. For convenience they are repeated hereunder in the form of a series of propositions about the Group.

1. At the present time the Group still has a potentially valuable role to play in relation to the coordination of development assistance to Thailand and it should continue in existence. ✓
2. This role centres on the exchange of information among Members - information from the Thai side about the economy of Thailand, Thai Government economic planning and foreign assistance requirements and from donor Members about current and proposed aid programmes. ✓
3. Such exchanges are valuable to the Thai Government in that they assist it to assess donor interest in projects and to determine best directions in which to channel requests. The exchanges are valuable also to donor Members in that their formulation of specific programmes of aid to Thailand is facilitated by regular joint briefing on the state of the Thai economy and on the programmes and experiences of fellow donors. ✓
4. The coordination of aid to Thailand in order to channel assistance into priority sectors and to avoid overlap is essentially the responsibility of the Thai Government. However, by bringing together Thai Government representatives and donor countries periodically to exchange information in the way indicated, the Group is or can be a useful auxiliary.
5. As a forum in which donors and Thailand are able regularly to get together to exchange information and discuss particular questions, the Group provides the machinery with which its Members may jointly focus their attention on particular regional or sectoral problems. It is not considered that the Group as such should have any operational role in such problems. It is considered, however, that joint and continuing discussion of such problems does offer an opportunity effectively to coordinate development aid arrangements in particular sectors or regions.
6. In order to fulfil the functions set out above, the Group should meet regularly in order to:
  - (a) hear presentations on Thailand's economic development and planning and on its foreign assistance requirements; ✓
  - (b) exchange information about donor Member aid programmes; ✓
  - (c) exchange documents, or information about documents, relevant to (b);
  - (d) arrange seminars with the object of bringing together experts in related fields;
  - (e) pursue particular sectoral or regional studies such as that under way in regard to South Thailand;

- (f) pursue whatever other activities might from time to time be relevant to economic development and aid coordination in Thailand. ?
7. The Group should continue to prepare and publish an annual Compendium of Technical Assistance to Thailand, subject to further study by a sub-committee of the Group of the practical difficulties involved and subsequent reconsideration of the question by the Group. ✓
  8. The Group should not consider itself bound to the consideration of questions relating to "technical assistance" alone. It has an interest in all aspects of foreign assistance to Thailand.
  9. The relationship of the Group to the IBRD Consultative Group on Thailand should be determined in due course if and when the latter is re-established. // ✓
  10. The role and operations of the Group should be re-examined in due course when consideration of the Jackson Report on the UNDP has been completed.
  11. The Group should cooperate with the DAC (Paris) in whatever ways might appear from time to time to be mutually advantageous. The Group is not, however, an organ of the DAC, its Members being responsible only to their Governments or other parent organisations.
  12. The Group should henceforth adopt the name:  
Development Assistance Group (DAG), Thailand
  13. The Group should meet at Ambassadorial Level two to three times per year, and at Working Level every two months.
  14. Minutes of meetings should be circulated as soon as possible after every meeting.
  15. Membership of the Group other than that of Thailand should be based principally on donor status, as regards States, international organisations and private foundations. The Group should keep its Membership continually under review.
  16. In connection with 15 above:
    - (i) representatives of UN organisations in Bangkok should be invited to meetings on an ad hoc basis, in accordance with subjects under discussion; ✓
    - (ii) representatives in Bangkok of the Ford, Asia and Rockefeller Foundations should be invited to attend meetings of the Group on a regular basis; ✓
    - (iii) the IBRD Representative in Bangkok, if and when appointed, should be invited to join the group. ✓
  17. The Chairmanship of the Group at Ambassadorial Level should rotate on an alphabetical basis amongst donor Members. The period for which each Member will hold the Chair should be determined by the Group at Ambassadorial Level.
  18. The Chairmanship of the Group at Working Level should be held permanently by the UNDP Representative in Bangkok. ✓
  19. Secretarial facilities for the Group should be provided by the UNDP Office, Bangkok.

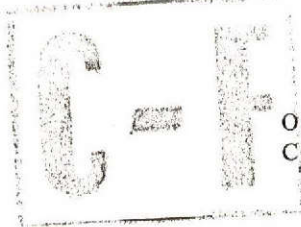
It is recommended that the Group at Ambassadorial Level accept the attached paper and agree to the recommendations contained therein and outlined in the above propositions.

\* \* \* \*

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RECEIVED 16 JUL 1970

Development Assistance Directorate

AV-226

Paris, 10th July 1970

To the Heads of Delegations represented  
on the Development Assistance Committee

Sir,

There will be an informal D.A.C. meeting on July 30th 1970 at 10.30 a.m. to consider steps which might be taken at the recipient country level to improve the effectiveness of assistance activities of multilateral and bilateral donors. In addition to those D.A.C. countries which wish to participate, invitations are being extended to the I.B.R.D. and the U.N. A proposed Draft Agenda for this meeting is being circulated DD-1677 July 9, 1970

There is circulated with this note a summary of an informal discussion held June 19 at Heidelberg, dealing in part with this subject. Additional background documents may be circulated in advance of the meeting.

Accept Sir, the assurance of my highest consideration.

  
A. Vincent  
Director

INTERNATIONAL MEETING ON DEVELOPMENT POLICY

Heidelberg, 18 - 19 June 1970

S U M M A R Y

Part I: . Review and Appraisal

Part II: Country Level Approach



Summary of the Chairman on the first part  
of the debate on the 19th June 1970

There has been general consent on the following points:

1. Minister Dr. Eppler stated that there is a large degree of unanimity from the part of the participants on the following six points:
  - (a) Any institution or institutions within the review and appraisal machinery will take into consideration facts of the past and of the future.
  - (b) This implies that re-appraisal will have a larger importance than appraisal itself.
  - (c) Review and appraisal should be implemented with a minimum of new machinery.
  - (d) Review and appraisal should have a maximum of political impact on both developing and developed countries.
  - (e) Review and appraisal at the global level should take place within the U.N. framework.
  - (f) There should be a broad interpretation of the wording of the decision of the Sixth Session of the U.N. Preparatory Committee on paragraph 78 (global review and appraisal).
2. Within the six points presented by Minister Dr. Eppler, there has also been agreement that further development of the role, composition and mode of operation of the C.D.P., through the mandate given by the Preparatory Committee, should be explored. The Secretary-General being involved, for his part, in the global review and appraisal machinery, his prestige will also prove to be beneficial in calling particular attention to major issues requiring action.
3. The representatives of several international agencies present at the meeting, such as the Secretary-General of the O.E.C.D., the President of the World Bank and the Secretary-General of UNCTAD declared themselves ready to support to U.N.-centered global review and appraisal machinery by submitting information from their various sectors. It would be desirable if they put at the disposal of the global machinery not only information, but also judgments and expertise.
4. A prerequisite for the effectiveness of the global review and appraisal machinery will be that its reports are not issued too frequently.

/...

5. Duplication within the review and appraisal system should be avoided.
6. In view of the individual differences of each developing country, it is necessary to have an adequate basis of appraisal at the country level.

Summary of the Chairman on the second part  
of the debate on the 19th June 1970

- I. The Conference Chairman, Ambassador Martin, summarised the results of the second part of the discussions held by the participants of the Heidelberg Conference as follows:
1. There was in general a need for a distinction in this discussion between financial aid and technical assistance.
  2. In view of the different situations of individual countries, approaches have to be flexible. ✓
  3. Improving the level of performance of developing countries in these matters is a difficult process: this objective, therefore, can only be achieved by stages.
  4. In spite of this, all efforts should be made to improve, to the maximum extent possible, the ability of developing countries to play a larger role. Such an objective necessitates:
    - (a) the establishment of a good overall plan of development policies;
    - (b) substantial information on individual projects proposed within the plan;
    - (c) substantial information on aid projects in operation or under discussion.
  5. On the part of donor countries, there is need for
    - (a) joint dialogue with recipient governments on overall development policy (as it is already done by C.I.A.P. and consortia), ✓
    - (b) joint dialogue with recipient governments on either sectors or projects (e.g. the sector of education), ✓
    - (c) exchange of information on the various donors' facilities, plans and projections (primarily until recipient countries can perform this role as called for in 4.c) above). ✓
    - (d) This applies to both multilateral as well as bilateral aid and will, as in the past, be conducted under the auspices, as appropriate of:
      - da) consultative groups,
      - db) within the D.A.C.,
      - dc) the World Bank,
      - dd) U.N.D.P.,
      - de) recipient governments.

/...

6. For these purposes it is necessary to review the present situation in each country to determine what countries most urgently need initiatives with respect to one or more of the activities listed in 4 - 5 above, and what will be the best tactics to achieve these selected objectives. ✓

II. Minister Dr. Eppler added the following interpretations to the Chairman's summary:

1. The exchange of information should be done as extensively as possible.
2. Efforts should be made to concentrate information on one centre in each country.
3. Governments of developing countries should be encouraged to invite bilateral and multilateral donors to do this exchange of information at the spot.
4. U.N.D.P. will play an important role in this concept, especially after the reforms discussed in the Governing Council. ✓
5. The dialogue envisaged would be more attractive to developing countries if it also included project requests. ✓
6. This dialogue can only be fruitful if the donors are prepared to take over more responsibility. ?
7. This dialogue would emphasize the tendency from project to programme aid.

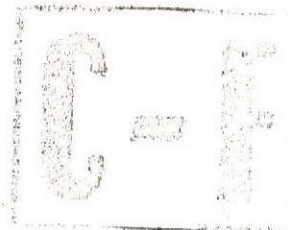
III. It has been decided that on the basis of Ambassador Martin's summary and Minister Dr. Eppler's interpretations

1. a more detailed summary and
2. a paper containing some conclusions to be drawn from the discussion and further operational proposals in this connection will be elaborated by the organizer of the Heidelberg meeting.
3. The more detailed summary as well as the supplementary paper will be sent to the participants of the Heidelberg meeting and those D.A.C. countries that were not represented at that meeting.
4. The D.A.C. will invite its members, the I.B.R.D. and the institutions concerned within the U.N. system for an informal meeting in Paris in order to discuss the above-mentioned papers. This small group meeting will mainly try to find solutions or procedures for reaching solutions on the operational side of the innovations proposed within the framework, especially of paragraph I 6. ✓

July 30, 1967

5. The results of this informal meeting will be discussed informally during the High-Level Meeting to be held in Tokyo in September 1970. ) 13-6-07(70)
6. During this High-Level Meeting, a decision will be taken - as far as the D.A.C. countries are concerned - on the need for another meeting of governments and international agencies present at the Heidelberg meeting and, if needed, the date and place. ) III

IV. It is recommended that the summary on the first part of the Heidelberg meeting (discussion on the global review and appraisal machinery) serve as basis to the governments concerned for the final reading of paragraph 78 of the strategy document for the United Nations Second Development Decade.



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**WBG ARCHIVES**

ARRANGEMENTS FOR LOCAL CO-ORDINATION  
OF ASSISTANCE

(Note by the Secretariat)

Attached are: (i) a list of developing countries where D.A.C. Members in their replies to HF-653 have reported active co-ordinating arrangements; (ii) extracts from the replies to the questions asking for their views on existing arrangements or for their suggestions for additional ones.

They are circulated herewith as background to the informal D.A.C. discussion on 30th July.

LIST OF DEVELOPING COUNTRIES IN WHICH D.A.C. MEMBERS  
HAVE REPORTED SIGNIFICANT CO-ORDINATING ARRANGEMENTS

(based on answers to questionnaire HF-653)

Note: The list below excludes consultative groups, purely informal local contacts, countries with only one or two major donors and countries for which arrangements had been instituted but have now lapsed.

Bolivia

The U.S. and U.K. report that donors have been meeting periodically for some time, in a manner in accord with the D.A.C. guidelines.

Congo (Kinshasa)

Belgium reports a very satisfactory exchange of information under the presidency of the permanent representative of the United Nations.

East African Community

Regular informal meetings are chaired by the representative of the U.N.D.P. | ?

Ethiopia

Sweden and the United States report regular informal meetings with Germany and the United Kingdom and U.N.D.P. representatives. The United States had asked the I.B.R.D. to assume leadership. Sweden reports that the group had suggested informal discussions with the Ethiopian Government Planning Commission, so far without success (June 1969).

Ghana

The United States report that regular monthly meetings have been held for three years. The U.K. reports that the Ghana Government does not participate, though it is proposed to have informal meetings with them to discuss specific sectors.

Guyana

Formal meetings of donors are held annually, chaired by the Prime Minister. The Guyana Government has now suggested quarterly informal meetings. [The U.S., U.K. and Canada had earlier taken the lead in arranging periodic meetings, starting February 1967 (reported by United States).]

Honduras

The United States took the initiative to create an "unofficial" co-ordinating committee with bi-weekly meetings.

India

Canada reports that informal meetings of economists are held regularly, attended by economic and aid officers from diplomatic missions and from the I.B.R.D. office. Similarly, an agricultural discussion group has been meeting monthly since 1969 (at the initiative of the Agricultural Attaché of the U.S. Embassy), which is attended by representatives of the diplomatic missions, Ford and Rockefeller Foundations, U.N.D.P., I.B.R.D., etc. and also (regularly) by the Agricultural Attaché of the Russian Embassy. In addition there have been a number of meetings on an ad hoc basis on family planning.

Indonesia

Japan, the Netherlands, the U.K. and the U.S. reported on their co-operation with other donors in Indonesia. The U.N. and I.B.R.D. declined leadership. The possibility of re-establishing the "Junior Donor Club" of pre-revolution days was under consideration, if the Indonesian Government did not oppose it.

Jordan

The U.K. reports that a first formal meeting of donors took place early in 1970 under the chairmanship of the Jordanian Vice-President. Future meetings are to be held regularly.

Kenya

The U.N.D.P. Resident Representative holds monthly informal meetings of all donors and information is freely exchanged.

Laos

Australia and the United States mention their participation in the F.E.O.F. Stabilisation Consultative Committee.

Liberia

Informal half-yearly meetings of the "D.A.C. Group" are held under the chairmanship of the U.S.-A.I.D. Director.



Paraguay

The U.S. and U.K. report monthly meetings of all donors.

Peru

Monthly meetings of donors are held on an informal basis. The U.N.D.P. representative, on behalf of donors, has had contacts with the Peruvian Government on future co-ordination.

Philippines

Belgium, the United Kingdom and the United States report that a "donor club" was organized in 1966 under U.N.D.P. presidency. It is rather inactive but attempts have been made recently to inject new life into it. The U.N. Resident Representative presently acts as a clearing house.

Rwanda

Belgium reports good understanding among donors. The principle of instituting regular meetings was recently accepted.

Senegal

On an ad hoc basis the U.N. Resident Representative has good relations with all bilateral donors.

Tanzania

Canada reports that informal meetings are held regularly.

Thailand

Australia, Austria, Belgium, Japan, the Netherlands and the United States mention their participation in the D.A.C. Co-ordinating Group.

Tunisia

Belgium and the United States both stress the excellent contacts among donors. Sweden mentions them too, but finds them difficult and laborious.

Uganda

An informal quarterly meeting initiated by the United States consists of the principal donors, i.e. Germany, the United Kingdom, the United States and the United Nations. Israel was to be invited.

Vietnam

Canada reports that an informal group has convened to discuss in a very preliminary way the co-ordination of aid, particularly in the context of post-war reconstruction.

VIEWS ON EXISTING ARRANGEMENTS

HF-653

Question 4

Have you any comments to make on the functioning of the existing arrangements?

Question 5

Have you any suggestions for expanding the number or scope of the new arrangements?

AUSTRALIA

Question 4

The success of such arrangements depends on the circumstances leading to their creation and the extent to which those involved, particularly the convenor, are prepared to participate vigorously in them. The Australian Authorities, in other words, would be less concerned with the form the arrangements took than with the applicability of co-ordination activities to the situation in the recipient country and the practical results achieved. The D.A.C. Group on Thailand, for example, would seem quite adequate in concept: what seems important is the extent to which both donors and the recipient country authorities are prepared (or feel it necessary) to make effective use of it. One general suggestion the Australian Authorities would, nonetheless, put forward is the possibility of greater involvement by co-ordination groups in the process of project formulation.

Question 5

The Australian Authorities agree with the view put forward by the I.B.R.D. in DAC(69)17 for an ad hoc approach to the creation of any form of co-ordination machinery. For the present it is not felt that there is a strong need for further formal arrangements for the co-ordination of technical assistance activities in countries in which Australia has aid programmes.

BELGIUM

Questions 4 and 5

In general the Belgian Authorities are of the opinion that the best solution for co-ordination in the field lies with the administration of the recipient country itself. If that is not possible, then donor countries should come together to co-ordinate their activities, preferably under U.N. presidency, wherever that is possible.

CANADAQuestions 4 and 5

It is evident that the majority of aid co-ordinating groups are not highly structured. Some have met regularly, whereas others have become dormant. In general, we approve of a greater degree of co-ordination among donors and consider the country or local level to be a logical and practical starting place. At the same time, we recognise that co-ordinating arrangements cannot be fitted into a rigid or uniform pattern. Their creation must grow out of an obvious need for co-ordination on the part of donors and a willingness to make them work effectively. Arrangements should be made on a flexible basis to reflect the circumstances of individual developing countries and their relationships with groups of donors as well as the preoccupations of the donors involved. While the I.B.R.D. and the O.E.C.D. in particular have played an important and useful role in the creation and operation of aid co-ordination groups, there should not, in our opinion, be any hard and fast rules as to who should foster, sponsor or chair such groups. This question should, we believe, depend upon the degree to which individual institutions or countries are involved in development assistance efforts in a particular developing country. For this reason the logical sponsor may, for example, be the I.B.R.D. in some cases or the U.N.D.P. Resident Representative or a "dominant donor" in others.

In the creation and operation of any co-ordinating arrangement it is essential to take into account the sensitivities of the developing country involved. Highly institutionalised arrangements and too frequent meetings may arouse a recipient country's sensitivities, particularly if it itself is not a party to the arrangement. On the other hand, the inclusion of recipient countries in highly structured and formal meetings may foster a feeling on their part that their performance is under too close and constant scrutiny. Obviously a balance must be struck to avoid such sensitivities insofar as possible.

JAPANQuestion 5

We consider that the primary responsibility for the co-ordination of technical assistance lies with the recipient country. However, in cases where technical assistance is related to a large project or covers an entire country or region, or where more than one donor may be involved, co-ordination of aid policies and exchange of information among donors will be of great importance.

UNITED KINGDOM

Question 4

With the exception of one or two countries in South and East Asia and the Middle East, it appears that the Caribbean is the one area which enjoys formal local co-ordination between donors supported by recipient governments. The presence of good quality U.N.D.P. Representatives, the willingness of aid donors to pass on information and the competence of the recipients' planning organisations seem to be prerequisites to the success of such formal local co-ordination arrangements.

The first essential for any formal and effective system of country co-ordination is that it should have the full co-operation of the recipient government. At present this co-operation varies from active participation in meetings to mere acceptance of the fact that co-ordination arrangements between donors exist. It is worth noting, however, that those governments which have effective administrations and internal aid co-ordinating machinery also tend to initiate or play an active role (such as that of chairmanship and providing the Secretariat) at formal meetings between donors. If such governments do not actually participate in formal co-ordination they usually give their support to the arrangements made by the existing donors.

Despite the willingness of many donors to engage in local co-ordination, it has been found that many recipients are sensitive about any form of local co-ordination. Naturally, donors are reluctant to undertake local co-ordination where such activity incurs the displeasure of the recipient government. Where these situations exist, donor co-ordination is very informal and usually extends only to the normal diplomatic consultations between friendly countries.

In the absence of formal co-ordination arrangements fully supported by the recipient government, the only alternative is informal co-operation among the existing donors. Such co-operation can only take place if the donors are fully prepared to pass on information to each other and to participate in a way which creates effective co-ordination. It is well known that in the past not all donors have been ready to do this. Where this happens local co-ordination is far from effective. Generally, however, informal co-ordination is effective; regular and useful meetings are held, sometimes with recipient participation or at least awareness of what is going on. Where there is a good-quality U.N.D.P. Representative local co-ordination between donors tends to be particularly effective: the U.N.D.P. offices often

initiate meetings of donors and take the chair. In addition there appear to be moves in many countries towards (a) more formal donor co-operation where some arrangements exist at present, and (b) an attempt to create donor co-operation, though this may be on an informal basis, where no such arrangements exist at present. These moves usually require the approval of the recipient government and it has been found that the U.N.D.P. Representative is usually best placed to seek such approval on behalf of the existing donors who wish to be associated with local co-ordination.

The subject covered by formal and informal donor meetings do not vary considerably. In some cases all subjects of interest to donors are discussed but the tendency is increasing for discussions on financial aid and technical assistance to be taken together at meetings of donors. This reinforces the desirability of aid-giving institutions such as the I.B.R.D. and the regional development banks taking part in co-ordination, especially where they are considering projects creating technical aid needs or bearing on human resource development (e.g. education and training). The frequency of meetings, both formal and informal, vary from monthly to annual meetings. There is, however, an indication that meetings are being held more often and approaches to recipient governments to achieve these are being made in some countries, usually by the U.N.D.P. Representative.

#### Question 5

Recipient countries must have an effective central machinery for co-ordinating financial aid and technical assistance requests, and we hope that donors will continue to attach importance to this aspect of their programmes. One of the obstacles to effective co-ordination is recipient sensitivity to what they consider as donors "ganging-up" to exert pressure. It has been found that where an effective central co-ordinating office exists the recipient is less wary of local co-ordination between donors; there are exceptions however where very effective and strong recipient planning offices discourage any form of donor co-ordination.

The full co-operation of recipient governments is essential for a proper system of country co-ordination, and we should hope to see such co-operation being given where this is inadequate or does not exist at present. In general U.N.D.P. Representatives are well placed to make approaches to recipient governments on behalf of donor countries in respect of local co-ordination matters, and where the U.N.D.P. Representative is of adequate calibre we should hope to see technical assistance and pre-investment aid co-ordinated under his auspices.

Where a recipient government initiates either formal or informal local co-ordination arrangements, donors are usually prepared to co-operate fully by passing on information about their activities. If donors are unwilling to make available such information, this is a serious obstacle to effective co-ordination, and we would hope to see in the future a frank exchange of views and information between donors.

Although it seems that at local co-ordination meetings both financial aid and technical assistance are discussed together, there must be some proper relationship between arrangements for co-ordinating technical assistance on the one hand and those for co-ordinating financial assistance on the other. We would hope that the U.N.D.P. Representative, where appropriate, the recipient's own co-ordinating organisation, and the donors (including the I.B.R.D.) would all be able to ensure that this relationship is established and satisfactorily maintained. This may involve looking again at the role of the various Consultative Groups and Consortia, existing under different auspices, which have been created for several countries.

#### UNITED STATES

#### Questions 4 and 5

It is clear that neither the letter nor the spirit of the D.A.C. Guidelines for Co-ordination of Technical Assistance /DAC(65)13/ are yet being applied in most beneficiary countries. In many cases missions report further co-ordination is unnecessary because existing programmes are small enough to allow for co-ordination on an informal, inter-donor basis. However, this violates paragraph 8 of the Guidelines, which states: "The co-ordination of external technical assistance ... is ultimately a matter for the authorities of the beneficiary countries themselves." The need for a central agency which channels requests according to plan and priorities is emphasised.

The absence of this "ideal" situation points out the need for public administration expertise which it would behoove donors to impart to the beneficiary governments. The existence of a viable institutional mechanism, able to integrate both agencies' requests and donors' available services in accordance with a comprehensive, realistic development plan would result in extensive benefits for both donors and beneficiary. In this way the total flow of technical assistance could be related to the priority development needs of the beneficiaries.

Failing this, the donors should take steps to ensure that adequate communication will occur among themselves so that at least the total flow of technical assistance in one direction may be managed and allocated as effectively as possible. The dissemination of this collected data to all aid-giving missions is advisable.

D.A.C.'s role in this follow-up process can and should be significant. The Committee may analyse the reports and determine which beneficiaries most need assistance in establishing a centralised mechanism for co-ordination. Most important, this process needs to be carried over into action. The purpose of the D.A.C. is to expand the aggregate volume of resources available to the developing nations and improve the effectiveness of their application. It is highly relevant, then, that the D.A.C. take action on the needs revealed by present co-ordination gaps.