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D.H. trips 1956 June/July

Aide Memoire on USSR Participation in the Expanded
Programme of Technical Assistance

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At the summer session of the ECOSOC in Geneva in July 1953, the Delegate of the USSR announced that his Government had decided to participate in the Expanded Programme of Technical Assistance and to contribute rubles 4 millions (\$1 million) for 1953. The formal notification of the Government of the USSR, however, stated that the funds "must be utilized directly through the United Nations and only for technical assistance granted by the Soviet Union." ECOSOC Resolution 222 A(ix) provides that contributions for the Expanded Programme shall be made without limitation as to use by a specific agency, or in a specific country, or for a specific project. Negotiations were, therefore, undertaken with the Government of the USSR for a clarification of its stipulation. Mr. Keenleyside, accompanied by Mr. Barrett, visited Moscow for this purpose in January 1954. Mr. Vyshinsky informed the Secretary-General by letter dated 23 February 1954 that (a) the Government of the USSR agreed that its contributions could be expended also through the specialized agencies, and (b) it was prepared to offer a measure of convertibility of rubles to cover the foreign currency expenditure for Russian experts assigned to less-developed countries, and for transport of Soviet equipment and supplies. This clarification brought the USSR contribution on a par with other pledges and, in fact, contained certain concessions such as the convertibility provisions which were not offered by many other Governments. The Government of the USSR has contributed the same amount, namely, rubles 4 millions each for 1954 and 1955 respectively, and has pledged the same amount for 1956. Other Eastern European countries now contributing are as follows:

<u>Country</u>	<u>Year of first contribution</u>	<u>Amount</u>	<u>Dollar Equivalent</u>
Poland	1953	300,000 zlotys	75,000
Czechoslovakia	1954	500,000 crowns	69,444
Byelorussian SSR	1954	200,000 rubles	50,000
Ukrainian SSR	1954	500,000 rubles	125,000
Bulgaria	1956	100,000 leva	14,706
Romania	1956	100,000 lei	16,667

Some inquiries have been made by Hungary suggesting the possibility of a contribution, but no pledge has been received.

2. The Delegates of the USSR, Poland and Czechoslovakia complained about the non-utilization of their contributions at different sessions

of the ECOSOC and TAC in 1954 and 1955, and further complaints will continue to arise. To a certain extent, the difficulties of the utilization of these funds arose from the lack of information or the absence of adequate contacts between the eight participating organizations and the appropriate authorities in Moscow. To a large extent, they resulted from the unwillingness of the recipient countries to accept Russian nationals as experts, partly due to language difficulties, and partly to political considerations.

3. Some of these problems were by no means new. The governing Resolution (ECOSOC IX 222) states that

"The Special Account may include an evaluation of services or materials on the basis of credits in domestic currencies which governments are prepared to make available."

Thus, the Special Account has always been made up of a large number of local currencies (of which only a few have been fully convertible and most have been wholly inconvertible), and a valuation of certain contributions made in the form of services (e.g. Brazilian fellowships, Danish training facilities). In the case of the great majority of contributions, it has been found possible (with inter-agency planning and currency clearing arrangements) to solve the problem of their use without serious difficulty. Moreover, the need to do so has been an important stimulus to the wide international recruitment of experts, arrangement of training facilities, and procurement of supplies, which characterizes the Programme. There has always been, however, a short list of "difficult" currencies which have called for exceptional measures. Thus, in the early days the Australian contribution (usable only in Australia) proved very difficult to dispose of. It was not until a special mission was sent to Canberra to arrange for the suitable channels for recruitment, fellowship placement, and procurement (including the establishment of a TAB office in Sydney) that full use was made of this contribution (which has been greatly increased in consequence). The Argentinian and New Zealand contributions presented similar problems, now satisfactorily solved. The Soviet and Polish contributions, together with the Turkish contribution and part of the Brazilian and Danish contributions still call for exceptional measures. The Czechoslovakian contribution has been in this group, but is to be removed from it for 1957.

4. With earlier experience with other "difficult" currencies in mind, TAB decided at its meeting in March 1954, that the contributions of the USSR, Ukraine and Byelorussian SSR would be allocated on a "bonus" basis in 1954, and efforts were begun to put the contributions to use. Mr. Barrett returned to Moscow in July 1954 on a UNTAA recruitment mission, also presenting a list of equipment needs. UNTAA

and other agencies began corresponding on the requirements for a number of projects - discussions on the Indian Statistical Institute, for example, started in July 1954, the mining experts' study tour at about the same time, and the Bombay Technological Institute later in the year.

5. At the time of the ECOSOC meeting in Geneva in 1955, the Executive Chairman discussed possibilities of improving administrative procedures with A. Lavrishev, Head of the Department for Scientific and Technical Cooperation of the USSR Ministry of Trade. It was arranged that all communications to the USSR would be channelled through Mr. Lavrishev. In September 1955, the Executive Chairman assigned one of his officers (Mr. Barger) to assist participating organizations in making use of the USSR, Czechoslovak and Polish contributions. Mr. Barger went to Moscow in November 1955 and again in December 1955 - January 1956. During the latter period, a purchasing mission of WHO officials also went to Moscow, followed by a similar FAO group. In February 1956 UNTAA sent a small mission to discuss the purchase of equipment for Yugoslavia. In May Mr. Adiseshiah (UNESCO) visited Moscow in connection with the Bombay Technological Institute.

6. The attached statement indicates the position of the USSR, Czechoslovak and Polish contributions as of 31 December 1955. Of USSR funds, only \$204,000 had been "obligated" (goods supplied or services rendered to 31 December). However, there were contractual commitments of \$1,137,000, largely for UNTAA, one fourth of which has since been delivered. WHO has now placed equipment orders of \$70,000 and expects to increase this to \$300,000 during 1956. FAO has placed orders of \$65,000, and expects to increase this amount to \$800,000 for equipment, plus \$114,000 for two study tours. UNESCO is proceeding with equipment and staff for the Bombay Technological Institute and other projects, and UNTAA expects to continue with procurement at a high rate.

7. Use of USSR contributions so far has been largely for equipment. Two UNTAA study tours were held in 1955, and FAO plans two such projects in 1956. Only one fellowship holder (a Chilean) has travelled to the USSR. Two Soviet experts have already completed their tour of duty (in Burma). At present three Soviet experts are employed (one for WHO, and two for UNTAA). UNESCO expects to employ 15 USSR experts for the Bombay project, and FAO has some recruitment actions pending. The Soviet authorities have complained particularly about the small number of experts employed.

8. Difficulties which have hampered the utilization of the Russian contribution are principally:

- a) Lack of information on the part of the participating organizations of goods and services available and the

procedures to be followed to secure them. This difficulty is being overcome in part by sending procurement missions, as noted above.

- b) Lack of familiarity in the USSR with the requirements and procedures of the Expanded Programme, and incomplete appreciation of the international character of the Programme (see below).
- c) Reluctance of some recipient governments to accept goods of USSR origin, and unwillingness on the part of even more recipient governments to accept Russian experts because of language difficulties, or for political reasons. Countries willing to have Russian experts are limited to Afghanistan, Burma, India, and possibly Indonesia. Several additional countries are willing to have Russian equipment, including Bolivia, Brazil, Ceylon, Chile, Egypt, Israel, Pakistan, Paraguay, Syria and Turkey.

9. In some cases, the Government of the USSR has invited the representative of the recipient country and of the organizations concerned for a tripartite discussion in Moscow about the implementation of specific projects. The UNESCO projects in Afghanistan and Syria are two instances of this kind. In other cases, notably the UNESCO project for the Western Technological Institute in India, the Government of the USSR has issued public announcements stating that a substantial part of the assistance in terms of equipment to this project has been granted by the Government of the USSR to the Government of India. Such actions have a bilateral aspect and are becoming a subject of criticism by other governments participating in the Programme.

10. The TAB recognizes the implications of the utilization of the USSR contribution in the political field. It has therefore been at pains to implement the approved programme in conformity with the basic principles of the Programme. Practical considerations have, however, called for some special measures to ensure the utilization of the Eastern European currencies as in the case of other temporarily "difficult" contributions. The Board has taken the view that, so long as utilization is handled in accordance with the principles of the Programme, it must continue to discharge its rather difficult task despite criticism from both sides. At the 35th Session of the Board, held in New York between 15 and 23 March 1956, the Board drew the attention of the organizations to the following principles which should govern the planning and the implementation of projects for utilization of all contributions to the Expanded Programme.

- a) Once a donor country announces its contribution and pays it into the Special Account, the funds are at the disposal

of the United Nations for financing the approved Expanded Programme activities. The donor government ceases to have any further responsibility for the disposal of these funds,

- b) To maintain the multilateral character of the Programme, participating organizations should ensure adequate participation by other agencies or by experts of different nationalities in the implementation of large-scale approved projects,
- c) Tripartite negotiations for the planning or the implementation of particular projects, at the initiative of the donor government, are contrary to the governing principles of the Programme. This will not exclude triangular discussions between the organization, and the representatives of the donor and recipient governments for implementation of the details of a project, provided such discussions are held at the initiative of the administering organization.

More recently, the Government of the USSR communicated to the Board through UNESCO that it was prepared to offer rubles 10 million worth of equipment for the Western Technological Institute project in India. As this offer was clearly barred by the limitations on the use of contributions specified in the Resolution, the Board informed UNESCO that it had no option but to treat this offer as invalid in terms of the Resolution 222 A (ix) 8(a). The Soviet authorities at first reacted strongly against this decision, but appear to have accepted it.

11. A good deal of attention has been drawn to the Western Technological Institute at Bombay. This project was originally conceived by India in 1945 as part of its general plan to establish four higher Institutes of Technology in different parts of India. UNESCO found it possible to utilize the special funds available in terms of the USSR contribution to facilitate the implementation of this project. At the same time, the procedures followed by the Governments of the USSR and India, and also by UNESCO, lend themselves to criticism that a bilateral scheme is being implemented under a multilateral Programme. It will be necessary to ensure that all future actions concerning this project are fully consistent with the principles of the EPTA. UNESCO is now very much alive to this necessity: but they find it difficult to keep up with the activities of Soviet public relations people in India who continue to embarrass them by public announcements about the Centre.

12. Another problem which has arisen in regard to the utilization of the USSR contribution is the provision of interpreters. In the case of the UNTAA statistical project in India, the Government of India advised UNTAA that it will not be prepared to accept USSR interpreters as "independent individuals" accompanying the experts, but will accept

interpreters provided they come into the country under the auspices of the United Nations. After negotiations, the USSR has indicated that, wherever necessary, it will be prepared to pay the full cost of the interpreters from additional funds. It is being emphasized that, as far as possible, Russian experts with the facility of an international language should be offered. If, however, interpreters must be used, a satisfactory basis would seem to be: (a) the Government of the USSR to bear the full cost of the interpreters, and (b) the interpreters to be seconded to the agency concerned and sent subject to the procedures applying to all other staff. It is scarcely likely that many interpreters will be used under these conditions. In any case, UNTAA is the only agency which believes that it might be able to justify their use in connexion with any projects now under consideration.

13. The TAB has at all times taken Governments into its confidence with regard to the measures used to deal with the problems of currency utilization, and they appear to have commanded general acceptance. With the emergence of "cold war" considerations, however, the application of any special measures to the Eastern European contributions began to be questioned both by the United States and the Eastern European countries themselves. (The latter took the view that special arrangements for their contributions implied some invidious distinction and should therefore be avoided)

14. In an attempt to find a practical solution, TAC at its November 1955 Session, requested TAB to report "on the problems involved with suggestions for changes in procedure designed to eliminate as far as possible distinctions with regard to contributions in the planning and presentation of the annual programme." Following a discussion in the TAB and the ACC in May 1956, a deliberately 'general' paper has been presented to TAC for discussion in Geneva in July. It envisages a transitional year 1957, with complete elimination of any distinction in 1958. It is most desirable that this transition to uniform procedures should be made, but practical difficulties involved are likely to prove formidable.

15. The U.S. Delegation believe that the transition can be speeded up by insisting on the convertibility of all contributions into 'usable' currencies. They propose to submit a draft resolution to this end.

EPTA

Estimated 1956 Position of Eastern European Contributions

Contribution	Cumulative Total of Pledges Thru 1955	Legal Obligations Thru 1955	Unobligated Funds at 31 Dec. 1955	Forward Contractual Commitments at 31 Dec. 1955	Net Availability at 1 Jan. '56	1956 Pledges	Total Availability for 1956	Approved 1956 Category I Programme	Surplus or (Deficit)
U.S.S.R.) Ukraine) Byelorussia)	3,350,000	204,184	3,145,816	1,137,046	2,008,770	1,175,000	3,183,770	2,997,000	186,770
Czechoslovakia	138,888	69,259	69,629	86,715	(17,086)	69,444	52,358	108,000	(55,642)
Poland	225,000	19,955	205,045	220,275	(15,230)	75,000	59,770	148,500	(88,730)

Valuation of 47
 Growth of small population
 "expansion for the whole"
 Students: Costa Rica
 Not enough data to be a shift
 from by the
 from pattern expansion
 Water

ALPHABETIC	ALPHABETIC	ALPHABETIC	ALPHABETIC	ALPHABETIC	ALPHABETIC	ALPHABETIC	ALPHABETIC	ALPHABETIC	ALPHABETIC
(1967, 88)	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
(1968, 89)	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
(1969, 90)	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
(1970, 91)	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
(1971, 92)	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
(1972, 93)	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
(1973, 94)	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
(1974, 95)	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
(1975, 96)	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
(1976, 97)	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
(1977, 98)	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000
(1978, 99)	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000	000,000

> Peruvian (big bank officials)
 > collection - investment
 > temporary - force
 > water

Water

Water

Water

Water