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ORIGINAL: ENGLISH

REPORTS OF THE JOINT INSPECTION UNIT

United Nations activities and operations in Nepal
(JIU/REP/70/4)

Addendum

OBSERVATIONS OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE
AND BUDGETARY QUESTIONS

1. In accordance with the procedures described in the seventh report of the Advisory Committee on Administrative and Budgetary Questions to the General Assembly at its twenty-fourth session (A/7738), the Advisory Committee has requested the Secretary-General to transmit to the Economic and Social Council an inspection report by Mr. C.S. Jha entitled "United Nations activities and operations in Nepal" (JIU/REP/70/4) and the related comments of the Secretary-General and the Administrator of UNDP. The former, which is dated June 1970, was received by the Advisory Committee in July 1970 and the latter in January 1971.

2. The inspection report contains observations on a number of United Nations-system projects in Nepal and also comments of general applicability. The Secretary-General and the Administrator of UNDP consider that the observations made by the Inspector are valid and useful; the Advisory Committee has taken note of their comments on individual points raised by the Inspector. Some other points, such as making better use of available fellowships, the problems of land acquisition, and questions of better co-ordination between Government departments, call for action by the Government of the recipient country rather than by the United Nations system.

3. The Advisory Committee was glad to note that the Inspector found that there was very good co-operation and rapport both between the Government and representatives of the United Nations system and among the latter; it notes with interest his suggestion for closer relations between the personnel servicing multilateral and bilateral projects in Nepal.

4. As for the Inspector's observations of more general applicability, the Advisory Committee is glad to see that the UNDP and the executing agencies have under active review the questions of improving and expediting equipment-

procurement arrangements (paragraphs 33 et seq. of the Inspector's report) and of personnel administration, including rotation between Headquarters and the field (paragraphs 44 et seq.).

5. In paragraph 30, Mr. Jha reports that many technical assistance projects in Nepal have been in existence for an unusually long time - some over a decade, having undergone several extensions. In the Advisory Committee's opinion, projects which fail to attain the specified objectives by the target dates or after a reasonable extension should not be extended without close scrutiny by the competent authority to determine whether they should be continued or terminated.



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REPORTS OF THE JOINT INSPECTION UNIT
United Nations activities and operations in Nepal
COMMENTS OF THE SPECIALIZED AGENCIES
Addendum

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I. UNITED NATIONS EDUCATIONAL, SCIENTIFIC AND CULTURAL ORGANIZATION

A. Preliminary observations of the Director-General

1. The Director-General notes the general nature of the Inspector's observations on the activities of the United Nations family in Nepal. There are three issues on which it is possible to comment from UNESCO's viewpoint.
2. On the subject of fellowships (paragraph 31), UNESCO's experience in recruiting qualified candidates has been relatively good. The Secretariat has administered twenty-two fellowships in Nepal since 1968 without undue difficulty.
3. With regard to procurement of equipment (paragraphs 33-35), the Director-General notes that UNESCO's expenditures for Nepal have not been large. No particular problems were encountered in placing the purchase orders and the recipients of the equipment were satisfied in regard to quality and timely arrival on site.
4. In paragraphs 44-49, the Inspector recommends that a system of rotation of experts in the field be established. Such a system has been in effect in UNESCO for several years, but, as the Inspector points out, there are problems. The Secretariat is studying various measures to help ensure that the services of competent experts can be retained and to encourage the exchange of personnel between Headquarters and the field, taking into account the need to obtain an equitable geographical distribution of staff.
5. With regard to point 46 (b), the Director-General would welcome the creation of such a cadre of experts.

B. Action taken by the Executive Board

Item 3.1 - Reports of the United Nations Joint Inspection Unit
(85 EX/2 Parts I, II and III and 85 EX/31)

I

The Executive Board,

1. Having received the reports of the United Nations Joint Inspection Unit and the observations of the Director-General contained in document 85 EX/2, Parts I, II and III,
2. Taking note of resolution 1554 (XLIX) of the Economic and Social Council concerning the reports of the Joint Inspection Unit,
3. Expresses its full appreciation of the work accomplished by the United Nations Joint Inspection Unit;

4. Approves the comments formulated by the Director-General in respect of these reports, as well as the steps he has taken to give effect to them;
5. Invites the Member States concerned, moreover, to be represented by their permanent Delegate or any other qualified person when the reports of the Joint Inspection Unit which concern them directly are examined.

II

The Executive Board,

1. Recalling its decisions concerning the terms of reference of the Special Committee (77 EX/Decision 3.1, III paragraph 6.b.1. and 82 EX/Decision 3.1, paragraph 4 (iii)),
2. Invites the Special Committee when set up for the next biennium to arrange its programme of work so as to undertake, for the purposes of the Executive Board, a preliminary examination of the reports of the Joint Inspection Unit concerning the activities of UNESCO in the Member States including document 85 EX/2, Parts II, III and IV.

(85 EX/SR.19)

II. INTERNATIONAL CIVIL AVIATION ORGANIZATION

A. Comments of the Secretary-General

1. The factors listed on page 2 of the report as being of decisive influence on the success of the multilateral assistance to a country are very relevant, particularly those mentioned in (a), (b) and (c). The changes of institutional arrangements mentioned in paragraph 8 have produced notable results.

2. The conclusions of the inspection (paragraphs 23 to 49) are mostly directed to particular projects with which ICAO is not associated. Nevertheless a few conclusions are of a general character and are commented upon hereunder.

(a) In paragraph 30, the "principle" of replacing the expert by a qualified national counterpart, as soon as practicable, is emphasized. However, in nations like Nepal, assistance may run for four or more years without having the benefit of qualified counterparts to work side by side with the various experts. The principle is followed by ICAO but the requirement of having a qualified and steady counterpart for each expert is not always fulfilled.

(b) The question of better selection of projects (paragraph 32) is often raised by the Inspectors in terms which run counter to the basic principle of United Nations assistance; that of giving assistance "as requested by the Government". The effort of influencing Governments toward concentrating requests on the priority fields for the countries' development is a commendable one. Governments, however, face a multiplicity of needs and it is up to them to decide which of those should be attended first, through the facilities of international assistance.

(c) The often repeated suggestions of granting freedom to field projects for limited purchases and of centralizing large procurements in UNDP appear in paragraphs 35, 36 and 37. We firmly oppose the creation of a centralized procurement agency; but we agree that limited purchases could be carried out by the project if the items procured exist in the local market and the prices are reasonably competitive with the international market.

(d) We are pleased to see the suggestion in paragraphs 44 and 45 for establishing "rotation" between professional staff at Headquarters and in the field. In technical assistance activities, the long-term permanence at Headquarters leads to a loss of understanding of field situations; on the other hand, a long-term permanence in the field leads to lack of contact with the latest advancement of the technology. It is considered that "rotation" is a good way to correct the two-sided weakness of professional staff with long-term appointments in ICAO technical assistance. However, frequent rotation presents difficulties in practice. The more detailed procedures for encouraging rotation, as per paragraphs 47 and 48, are questionable, at least in so far as ICAO is concerned. Rotation should be planned but it should not be linked to age, nor to compulsory action.

(e) The suggestion of creating a cadre of permanent or quasi-permanent experts (paragraphs 46 (b), 48 and 49) has been voiced in other reports. It assumes that the contributions made by Governments to provide assistance to developing countries can be utilized to pay cadres of reserve personnel that will not be actually engaged in assistance work. On this ground, we see no merit in this suggestion, but we see merit in granting "sabbatical leave" to experts that are constantly engaged in field work to refresh their knowledge through short-term courses, or visits to technologically advanced services, with all expenditures paid by the international organizations

B. Action taken by the Council

The Council considered the Report of the Joint Inspection Unit on United Nations Activities and Operations in Nepal and its attached note and found that they contain a number of useful recommendations and observations. It noted and agreed with the comments made by the Secretary-General except for those referring to the centralized procurement agency and sabbatical leave, on which it preferred to take no position at this time.

III. WORLD METEOROLOGICAL ORGANIZATION

A. Comments of the Secretary-General

The Secretary-General's comments on this report were as follows:

Of the project requests referred to in paragraph 15 of the report the one relating to the development of meteorological services is now receiving the full attention of WMO. The senior WMO expert in Nepal and the Secretariat have each prepared outlines of different sections of a draft project request and these have been discussed in Nepal during a recent visit of a Secretariat officer to the country. It is expected that a project which will be a combination of those for the development of meteorological services and water resources inventory will be developed and it is hoped that this project will become operational in the course of 1972.

In paragraph 31 of his report, Inspector Jha draws attention to difficulties experienced as regards fellowships granted to Nepalese nationals. In particular he notes that many fellowships components of projects have not been granted, that some fellows did not complete their course and that others returned prematurely. These remarks do not apply to WMO fellowships. Of the seven fellowships awarded to Nepalese since 1966, four have been successfully completed and two are currently being implemented without difficulty. Only one was prematurely concluded by the early return of the fellow to Nepal due to unexpected circumstances, but the fellow had, however, completed the major and most important part of his training programme. In addition it could be said that the fellowships provided for in WMO projects have all been granted, with the exception of one fellowship due to start in 1970 for which candidates are still under consideration.

With regard to the comments in paragraph 33 on the procurement of equipment WMO has encountered delays in delivery but these have been due mainly to circumstances outside the control of the agency. In one case, equipment sent from Japan remained in Calcutta for six months and in another, equipment lay unnoticed with the Customs in Kathmandu for nearly a year. In addition, several letters between WMO experts and headquarters have never arrived at their destination.

From the WMO point of view, it seems doubtful whether either of the suggestions made in paragraph 35, i.e. increasing the project manager's responsibility or establishing a central procurement organization attached to UNDP would help to solve the problem of delays in delivery. Indeed, the establishment of a procurement organization would call for prior consultation and correspondence between the organization and the agency concerned and would thus further delay procurement.

~~The views expressed in paragraph 39~~ regarding co-operation between United Nations agencies and agencies providing bilateral aid, are fully endorsed. Excellent co-operation has, in fact, been already established between WMO and one country contemplating aid to Nepal in the field of meteorology. In another case the aid was channelled through the WMO Voluntary Assistance Programme.

The question of rotation of field and headquarters staff, dealt with in paragraphs 45 to 49, is interesting but for a small agency such as WMO it is not very practical. For instance, in an operational section of the WMO secretariat, the professional staff normally comprises one chief and one technical officer only. If, from time to time, one were to be exchanged against an expert from the field, this would inevitably lead to an interruption of headquarters work. In a large agency which has a great number of headquarters staff, this difficulty might not be so serious. WMO has, however, in a number of cases, transferred on request headquarters staff to the field and vice versa. According to the experience of WMO the Inspector is quite right in saying that not too many officers from headquarters are keen to go to the field and vice versa. Probably the number of experts who are interested in a headquarters post is slightly greater than the number of headquarters officers who wish to go to the field. In view of the reasons given above a compulsory rotation system does not recommend itself to WMO. Officers will, however, continue to be transferred from headquarters to the field and vice versa when suitable occasions arise as in the past.

B. Action taken by the Executive Committee

See document E/4957.

IV. INTER-GOVERNMENTAL MARITIME CONSULTATIVE ORGANIZATION

A. Comments of the Secretary-General

IMCO was not directly involved in United Nations activities in Nepal at the time of Mr. C.S. Jha's visit, although it does now have an expert working in the field on the organization of a maritime service for ships' registration.

Nevertheless, this useful report has been of great interest for the Organization and all the observations and suggestions of the Inspector have been carefully noted to be used when and as necessary.

B. Action taken by the Council

The Council of IMCO, which met from 3 to 6 November 1970, approved the comments of the Secretary-General of IMCO.

V. INTERNATIONAL LABOUR ORGANISATION

Comments of the Director-General

1. The report which is appended to the present paper was prepared by Mr. C.S. Jha of the Joint Inspection Unit and contains recommendations of a general nature of concern to some or all of the organizations in the United Nations system with activities in Nepal. No notes on individual ILO projects in Nepal have been received by the Director-General nor is the ILO mentioned specifically in Inspector Jha's recommendations.
2. The Director-General believes that Inspector Jha has prepared a most interesting and useful report on the special problems in Nepal and the measures being taken by the Government to resolve them. In the absence of any comment on ILO activities in the report and as many of the recommendations raised by Mr. Jha have been discussed before in the Director-General's observations on other JIU reports, the comments below are limited to a few salient and new observations on recommendations of concern to the ILO.
3. Inspector Jha suggests in paragraph 26 that executing agencies should maintain rosters of private contracting firms in order to facilitate and expedite selection of such firms for Special Fund project operations. The Director-General is pleased to state that the ILO does have such a roster maintained in headquarters which is up-dated periodically.
4. In paragraph 27 Inspector Jha expresses concern regarding the late receipt by the Governments of final reports prepared on completion of the project, and suggests that provisional or preliminary final reports should be sent in soon after completion of a project, should the final report be delayed. The Director-General would observe that the new reporting procedures for Special Fund projects introduced on 1 October 1969 after consultation between UNDP and the executing agencies are designed to eliminate delays in the submission of terminal reports. They provide for the submission of a draft terminal report by the executing agency to UNDP headquarters four months prior to completion of field work. A time-control system is maintained to ensure close adherence to reporting schedules.
5. With regard to paragraph 28 on the question of multi-disciplinary projects, the Director-General would agree with Inspector Jha that based on ILO experience a well-designed project aimed at a well-defined target makes a better impact than multi-disciplinary projects, especially if the latter projects raise problems of co-ordination at national level which may in turn give rise to difficulties at the level of the agencies. However, all efforts will continue to be devoted to concerted action, whenever this is appropriate.
6. Paragraphs 33-36 in the report are devoted to the question of procurement of equipment and the Director-General would agree in particular to Inspector Jha's statement that a more rational and effective system of procurement needs to be devised. The ILO supports fully the purchase of as much equipment locally as possible and is ready to consider changes in the method of procuring equipment

in the interest of speedier implementation; such changes have regularly been introduced in the past. There is also a procedure for delegation of purchasing authority to project managers. Requests submitted to the project manager could be met through a purchase order to the Resident Representative who could either buy equipment locally or pay the bills for items already ordered by the project manager. The question of central procurement was raised in the Capacity Study with the suggestion that an inter-agency meeting be called to examine this question. The ILO would co-operate in any meeting that might be called by UNDP to further explore the matter.

7. In paragraphs 37 and 38, Inspector Jha suggests that a contingency or revolving fund be established to meet expenditures not foreseen in the budgets of projects financed by trust funds, pending the financing of these expenditures by the donor Government or institution.

8. The Director-General is of the opinion that while such an arrangement would have the advantage of allowing projects to be pursued pending the receipt of additional funds, it would also have certain drawbacks. In the ILO all trust fund projects are carried out on the basis of financial plans approved by the parties concerned and the funds required must be paid in advance. Similarly, amendments to the financial plans which involve new commitments also require the agreement of the parties concerned. Incurring new expenditures without prior agreement would have the effect of either committing the donor Government or institution to cover the unforeseen costs or, if it declined to endorse such a commitment, of creating a charge to the ILO regular budget. Establishment of a contingency or revolving fund would not materially change this position, since the replenishment of the fund would have to come from one or the other of the same two sources. It would appear preferable therefore:

(a) to make every effort to ensure that all necessary items are covered in project budgets;

(b) if unforeseen items should arise, to attempt to secure prompt agreement and payment from the donor;

(c) if such agreement and financing are not forthcoming, to re-examine the items in the light of other priorities and, if they are clearly indispensable, to consider financing them through flexibility in the use of technical co-operation credits provided in the regular budget.

9. Inspector Jha's observations concerning co-ordination between the United Nations and bilateral agencies (paragraphs 39-41) have the support of the Director-General. Any initiative in this direction lies primarily with the Government, particularly while preparing the country programme. In general the ILO has maintained excellent co-operation with other agencies, both United Nations and bilateral.

10. Inspector Jha has drawn attention to "some problems of personnel" in paragraphs 44-49. The Director-General feels that it would be unnecessary to go into details on these questions as they are under review following discussions in the Governing Council of the UNDP and ECOSOC on the capacity of the United Nations development system. However, subject to the propositions that will eventually emerge from these discussions, he would like to mention the following points:

(a) Quality of experts

It is suggested by Inspector Jha that the agencies tap the growing expertise in developing or semi-developed countries, as high quality experts seem to be increasingly unavailable in the developed countries. The ILO offices in the field have standing instructions to bring ILO field project vacancies to the attention of any potential sources of expertise and an increasing number of ILO experts are now being recruited from the developing countries. Moreover, the aim of technical assistance is to train nationals and the ILO whenever possible does recruit these nationals as ILO experts to other developing countries.

(b) Rotation of staff

Inspector Jha's views on the rotation of staff are fully shared by the Director-General. The importance of avoiding undue concentration of professional staff at headquarters has been fully recognized by the ILO. A growing number of specialists are being decentralized and this trend continues. Furthermore, whenever possible professional staff working at headquarters are being given the opportunity of assignment to technical co-operation projects.

A poll, along the lines suggested by Inspector Jha in paragraph 47 of his report, actually took place more than a year ago and a roster of officials interested in field assignments is being kept up to date.

(c) Creation of a cadre of permanent experts

As regards Inspector Jha's proposal of creating a cadre of experts or quasi-experts, our experience shows that the type of expertise called for varies in time. Hence, the specialist in a given field who was in great demand several years ago may no longer be needed in the present or anticipated technical co-operation projects.

Inspector Jha's suggestion concerning "sabbatical leave" is well taken. However, experts are not always willing to spend a prolonged period without an income. Difficulties have been experienced with some experts in the past to whom a period of updating their skills was suggested but who found this impossible for financial reasons. ~~So far no funds exist that permit a period of study at the expense of the agency or UNDP, but the need is fully realized and accepted by the ILO.~~ Any move therefore in this direction would call for a financial flexibility which at present executing agencies do not have.

Although a "cadre of experts" does not exist on a formal basis, in fact there are a large number of experts who can be regarded as a permanent cadre as they have been working with the ILO on successive contracts non-stop for over ten years or so. As to Inspector Jha's statement that many experts are delegated to the field to spend their working lives in different countries without contact with headquarters, it should be noted that experts to be reassigned normally return to Geneva for a few weeks for briefing and short periods of training permitting them to keep abreast of the latest developments and trends in technical co-operation.

11. As a point of detail with reference to paragraph 14, the project referred to as "Vocational Training for Middle-Level Engineering Supervisors, NEP-17" has in fact been re-named "Training of Supervisors and Skilled Personnel for Public Works", with the symbol NEP-19, and was approved by the UNDP Governing Council at its tenth session (June 1970).

12. Submitted for information and observations.

VI. FOOD AND AGRICULTURE ORGANIZATION OF THE
UNITED NATIONS

Comments of the Director-General

The Director-General complements Dr. Jha on his interesting and useful report. The Inspector has provided a comprehensive appraisal of the special problems confronting Nepal and of the positive measures being taken by the Government to resolve them. Of particular interest and relevance is his analysis, in paragraph 5, of the basic factors determining success of United Nations assistance to developing countries.

The Director-General has taken note of the Inspector's many valuable suggestions, specifically under "Conclusions" in paragraphs 23 through 49. Finding himself in general agreement with most of these and intending to take appropriate action with respect to those of concern to FAO, the Director-General feels that it is unnecessary for him to comment at length upon them here. However, he does wish to offer additional information and clarification on the following points raised by the Inspector.

In paragraph 11, the Inspector reports that WHO is the only specialized agency which has a permanent representative in Nepal. Subsequent to his visit in March 1970 FAO has appointed a full-time Senior Agricultural Adviser/Country Representative who serves in close consultation with the Resident Representative. We are confident that the harmonious and effective relations prevailing between the Resident Representative and all members of the United Nations team will be maintained and indeed strengthened by this appointment.

In paragraph 26 the Inspector suggests that executing agencies maintain an up-to-date roster of firms and organizations to be used for sub-contracting in connexion with Special Fund projects. FAO does maintain such an active roster for this purpose.

Paragraphs 37 and 38 refer to a FAO project on which fuller comments are offered separately. Here the Director-General takes note of the Inspector's suggestion that FAO make on-account payments against anticipated revenue from extra-budgetary sources in order to avoid serious consequences of delayed implementation. At the same time he wishes to report that the Freedom from Hunger Campaign does attempt to maintain a revolving fund for contingency purposes; this is relatively small, however, as most donors prefer to contribute to specific projects.

The Director-General agrees with the Inspector about the need for improvement in procedures for the procurement of equipment. As the Inspector himself has noted in paragraph 35, FAO has taken the first step towards delegation of fuller authority to project managers and it is our hope that with experience it will be possible to raise the limit on the value of equipment procured in the field. It might be added that in all aspects of project implementation FAO is following a policy of maximum decentralization to regional offices, country representatives and project officers.

The Director-General has taken particular note of paragraphs 44-49 in which the Inspector offers suggestions on problems related to personnel. This is one of the several subjects currently being examined by a special FAO committee on management/staff relations and a working party of this committee dealing exclusively with problems of field staff will shortly submit its recommendations.

No reference is made in the report to FAO activities in the field of wildlife and the Director-General considers it important to record that a wildlife expert has been serving in Nepal since the beginning of April. His Majesty the King has expressed personal interest in the wildlife resources of the country, the development of which could significantly enhance the possibilities in tourism.

In response to the Government's formal request for assistance, FAO despatched a short-term consultant in May 1970 to consult with the government officials on the implementation of his recommendations made during an earlier mission in 1968-1969, and to advise on other matters relating to the development of the wildlife and national parks. The consultant also briefed the above-mentioned wildlife expert who is serving a two-year assignment to ensure the continuity of FAO efforts in wildlife and national park development. Specifically, the expert is conducting wildlife surveys as well as developing plans for the management of wildlife populations and their habitat with special reference to threatened species and will also assist the Government in preparing plans for the development of the tourist industry.

Confirmation of Government support of the project is clearly evident in their provision of counterparts; a two-year fellowship has already been granted for study in wildlife management in Scotland and other fellowships will be awarded shortly for training of Nepalese in Tanzania.

VII. UNIVERSAL POSTAL UNION

Preliminary comments of the Director-General

General remarks

On the whole the Universal Postal Union endorses the Inspector's comments and suggestions, which are for the most part similar to those which could be made about technical co-operation activities undertaken in practically all the countries benefiting from the the work of the United Nations agencies.

In the particular case of Nepal, the various points raised in report JIU/REP/70/4 call for the following comments, which concern the time taken to prepare and implement projects, the use of fellowships and Fellows, vocational training, purchase of equipment, co-operation with bilateral technical assistance agencies, the quality of experts and the problem of their rotation.

Time taken to prepare and implement technical assistance projects (paragraphs 25, 26, 27 and 29)

Although considerable delays sometimes occur in the preparation and execution of projects for Nepal, the UPU is satisfied with the progress made with the current project (UPU/NEP/68/17).

Use of fellowships and Fellows (paragraph 32)

To date, all fellowships requested have been granted by the UPU and utilized, in spite of delays - sometimes considerable - in the selection of candidates. The expert carrying out the mission has always tried to secure a counterpart; in the present case it is the Director of the Postal Services Department, a former UPU Fellow.

~~As regards the inadequate use or non-utilization of Fellows on completion of~~ their courses, the UPU tries to obtain information on how ex-fellowship holders acquit themselves of their new duties. For priority sectors such as the training of future national instructors, it is of the utmost importance that the Fellow should be compelled to work within his speciality for a certain time. Only on this condition can the cost-effectiveness of the training dispensed be guaranteed.

Vocational training (paragraph 32)

The UPU also shares the Inspector's views on the priority to be given to "human investment" (rather than to infrastructure or technical equipment). For the rest, vocational training is an essential component of the Union's technical co-operation activities.

With regard to Nepal's participation in the training activities available in neighbouring countries, it should be mentioned that when the project for setting up the Bangkok Regional Postal School was being prepared, the UPU sent the expert in charge of this mission to Nepal as well as to all the other countries of the region.

Nepal is not yet taking part in this project, but it is at liberty to do so at any time, as provided for in the preamble to the Plan of Operations. The International Bureau intends to remind the postal administration of Nepal about this possibility and to encourage it to train its staff in Bangkok.

Purchase of equipment (paragraph 35)

The proposed delegation to the project manager of authority to purchase equipment is a measure likely to speed up the execution of projects, especially as regards equipment which can be procured on the spot. The UPU has adopted this formula for the execution of its current project in Nepal.

On the other hand, the UPU does not feel the need for the creation of a central procurement organization attached to UNDP, in view of the specialized nature of the bulk of the equipment it supplies.

Co-operation with bilateral technical assistance agencies (paragraphs 39-41)

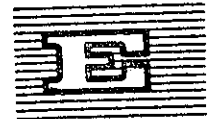
As the Inspector points out, it is highly desirable that there should be active co-operation between the United Nations agencies and bilateral agencies.

In the matter of arranging periodic meetings at national level, the initiative should be taken by the Resident Representative, who would ensure that the operations of the various multinational technical co-operation sectors were co-ordinated with bilateral agencies' programmes.

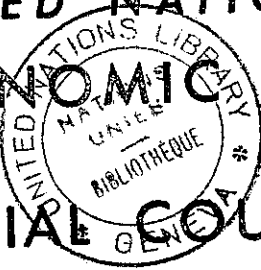
Experts: recruitment and rotation (paragraph 44)

The problem of quality in the recruitment of experts is less acute in the UPU because the postal administrations that provide such experts ensure that they are highly qualified officials with up-to-date knowledge of recent developments in their field. In addition, the UPU employs its own postal development specialists who undertake short-term missions in specified countries. The job of these specialists is to help administrations to identify their development problems and set up or improve postal and financial services and vocational training centres.

As for the creation of a cadre of permanent or semi-permanent experts, this would not appear to be of much practical utility for the UPU in view of the method of recruitment described above. However, the International Bureau tries as far as possible to secure the services of experts who have already carried out one or more missions on the Union's behalf.



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Addendum

COMMENTS OF THE DIRECTOR GENERAL OF UPU
AND ACTION TAKEN BY THE COUNCIL

A. Comments of the Director General

The International Bureau's provisional comments on the report as a whole are concerned with the time taken to prepare and execute technical assistance projects, the utilization of fellowships and Fellows, vocational training, procurement of equipment, co-operation with bilateral technical assistance agencies, the quality of experts and the problem of their rotation.

Time taken to prepare and execute technical assistance projects

Although considerable delays sometimes occur in the preparation and implementation of projects for Nepal, the UPU is satisfied with the progress made with the current project (UPU/NEP/68/17).

Utilization of fellowships and Fellows

So far, the UPU has been able to grant all the fellowships that have been requested, and they have all been utilized, despite occasionally long delays in the selection of candidates. The expert on mission has always endeavoured to get a counterpart official put at his disposal; currently, this function is being performed by the Director of the Department of Postal Services, a former UPU Fellow.

Regarding the inappropriate use or non-utilization of Fellows who have completed their courses, the UPU endeavours to obtain information on how ex-fellowship holders acquit themselves of their new duties. For priority sectors such as the training of future national instructors, it is of the utmost importance that the Fellow should be obliged to work within his speciality for a certain time. Only on this condition can an economic return on the training given be ensured.

Vocational training

The UPU shares the Inspector's views on the priority that should be given to "human investment" (rather than to infrastructures or technical equipment). For the rest, vocational training is an essential component of the Union's technical co-operation activities.

/...

As for the creation of a cadre of permanent or quasi-permanent experts, a system of this kind would not appear to be of much practical utility for the UPU in view of the recruiting method described above. The International Bureau does, however, try as far as possible to obtain the services of experts who have already carried out one or more missions on the Union's behalf.

B. Action taken by the Council

The comments were approved by the Council.

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COMMENTS OF THE SECRETARY-GENERAL AND THE
ADMINISTRATOR OF UNDP

1. The report prepared by Mr. C.S. Jha of the Joint Inspection Unit entitled "United Nations Activities and Operations in Nepal" covers a wide range of subjects. On the whole, the observations made by the Inspector are considered valid and useful, particularly in the context of the new directions which the UNDP is taking.
2. Regarding the question of maintaining a roster of reputed engineering firms for sub-contract work as referred to in paragraph 26 of the report, it should be noted that the United Nations already maintains an up-to-date list of competent engineering firms. In fact, as soon as a specification for sub-contract is prepared, the first source of available sub-contractors is this roster. The question of interagency co-operation and format of subcontracting arrangements is also currently under review.
3. In paragraph 27, reference has been made by the Inspector to the long delay in the submission of the final report of the Karnali project. This was due mainly to the desire of the Government of Nepal to obtain a second opinion on Nippyn Koei's report. This involved engagement of the firm, preparation of their report, study of the report by United Nations Headquarters and exchange of views with Nippyn Koei.
4. In paragraph 27 of the Inspector's report, the question has also been raised regarding the investment follow-up on Special Fund projects. It may be noted that the Prime Minister of India and later the Finance Minister of India, during their visits to Nepal, had made reference to the possibility of developing the Karnali project in joint co-operation. Discussions were also held by senior officials of the United Nations with the Minister of Irrigation and Power of the Government of India on this joint venture between India and Nepal. The Government of Nepal is also in touch with the International Bank for Reconstruction and Development for investment possibilities. It may be noted in this connexion that the

United Nations Office of Technical Co-operation has recently sent out additional material on financial follow up to Project Managers of Special Fund projects in the field of Natural Resources and Transport; and in Housing, Building and Planning.

5. In paragraph 29, reference has been made to land acquisition. As a rule such items are normally included in the draft Plan of Operation under prior obligation if it is considered necessary and to be in the best interest of the project, subject of course to the concurrence of the Government.

6. The officials concerned have noted the reference in paragraph 31 to the assistance of UNESCO/UNICEF which the Inspector feels is likely to help in the solution of a problem, namely the scarcity of persons with the good basic education needed for technical training at the middle and lower levels. This accords with the views UNICEF has had for some time. In this connexion, it may be relevant to add that the UNICEF Executive Board, at its last session in April 1970, approved a commitment of \$1,164,000 for continued UNICEF assistance to Nepal over approximately the next three years in the fields of health, education and activities for the benefit of pre-school children.

7. The broader "random ideas" stated by the Inspector, such as the role of the Resident Representative, purchase of equipment and rotation of staff, are currently under active review by the United Nations; UNDP and the specialized agencies concerned. The views expressed by the Inspector, therefore, are extremely timely.

Comments of the Administrator of UNDP

8. The Administrator welcomes this report on United Nations family activities and operations in Nepal and finds it to be a thoughtfully prepared study. In so far as UNDP activities are concerned, he has taken note of the wide range of comments made by the Inspector and finds many of them to be particularly significant in the context of the new directions UNDP is taking.

9. The observations made by the Inspector relating to Government planning and co-ordination of development assistance are of special interest because of their bearing on the new emphasis on country programming of United Nations system inputs and more effective project implementation. With respect to comments made on delays in the signature of Plans of Operation and submission of final reports, the Administrator shares the concern expressed by the Inspector. Such delays are under continuing review by the UNDP secretariat as well as by the agencies. The observations made on land acquisition procedures with a view to accelerating implementation of projects are well taken, and special note has been taken of the suggestion made in the report.

10. For many years the Administrator has recognized the need to recruit and retain experts of the highest calibre and has made repeated efforts in co-operation with the executing agencies of UNDP, to have steps taken to improve the quality of expertise made available to the developing countries. The comments and suggestions made by the Inspector are, therefore, most useful and it is clear that all concerned must continue to make efforts to tackle this problem.

11. Lastly, the Administrator has noted the suggestion that in terms of quantity and character the development assistance provided by the United Nations family to Nepal should be kept in step with bilateral aid. Any substantial increase in the quantum of assistance can only be achieved if the resources available to UNDP are significantly expanded. While this is the goal set by the Administrator, it might also be considered that within a country's over-all development plan, assistance provided by UNDP is complementary to bilateral aid to that country. In connexion with quantum of assistance, ~~some of the data provided in the report~~ can now be updated as follows:

Paragraph 13: A second UNDP/SF completed project may be added under (1) - Feasibility Study of Irrigation Development in the Terai Plain.

Paragraph 17: The ~~TA target has been~~ further increased from \$US650,000 to \$US700,000.

Paragraph 20: There are considerably more TA projects than indicated in this paragraph. The current distribution and number of such projects are:

UN	..	10
FAO	..	10
WHO	..	2
UNESCO	..	2 (plus one request)

and one each by ILO, ICAO, IMCP, UNCTAD, UNIDO, UPU, ITU and WMO.