



REPORTS OF THE JOINT INSPECTION UNIT

Some technical co-operation activities of UNIDO
in Algeria and Tunisia
(JIU/REP/71/11)

Addendum

COMMENTS OF THE SECRETARY-GENERAL AND THE ADMINISTRATOR OF UNDP
AND PRELIMINARY COMMENTS OF THE DIRECTOR-GENERAL OF THE ILO

Comments of the Secretary-General

1. The United Nations Industrial Development Organization has found this report to be a useful assessment of some of its technical co-operation activities in Algeria and Tunisia. It has, however, some reservations concerning the validity of describing the activities of the UNIDO and ILO projects in these countries as running on "close and parallel lines" (para. 2).
2. In Algeria, both the UNIDO and the ILO projects are attached to the National Institute of Productivity and Industrial Development (INPED), and the INPED authorities are in a position to exploit to the maximum the complementarity which may exist between the two projects. From the example quoted it appears that ALG-7 is taking on functions which should properly belong to ALG-18. The solution appears to be not so much in a merger but that each project should operate within its terms of reference. The actual work of both projects will be kept under close review.
3. In Tunisia, an examination of the terms of reference of the UNIDO and ILO Centres reveals that, in fact, there is no duplication in their work. This is still more evident when the actual work programmes are examined. The author reflects the situation accurately when he states that "the work of UNIDO is basically the study of industrial projects with a view to investment, while that of the ILO consists of training and case studies in existing enterprises".
4. It should be mentioned here that in Tunisia the two Centres exist as separate national institutions and that their merger would have to be decided upon by the Government. The Government has no such plans. The merger of the two projects to the extent that it can be ascertained is technically possible only if the two national institutions merged as well. The question of effecting economies will

always remain the important consideration in the management of field programmes. However, each case should be judged on concrete evidence. While a multipurpose advisory body in a small country may result in economy and concentration of efforts, both Algeria and Tunisia have reached such a stage in the development of their machinery for industrial development that specialization in functions brings about advantages (more consistent and integrated activities, better training, team work etc.).

5. Concerning the Tooling Centre, Sousse (point 6), from the technical standpoint, the statements made by the author are factual. There are, no doubt, delays in equipment purchasing due to the established procedures. However, most of the equipment ordered will have been delivered by the end of the first semester of this year. The remaining machines will reach the project site by 31 July and 31 August 1972.

6. As regards the references to the SIS programme (para. 6), it can be stated that UNIDO had a very active and fruitful programme in Algeria and indications are that the Government appreciates the results achieved under this programme. UNIDO and UNDP are now discussing ways and means of simplifying the procedures of operation of the SIS programme.

7. Regarding recruitment, delays in some cases have occurred in finding suitable project personnel. This problem faces the United Nations system as a whole and it is particularly acute in some branches of industry. The author himself admits this fact in saying; "I do not propose to belabour this well-flogged subject, which is one of the main areas of complaint which recipient Governments have against United Nations aid in general."

Comments of the Administrator of the United Nations Development Programme

8. UNDP concurs in the principle contained in the recommendation made in the report on "Some technical co-operation activities of UNIDO in Algeria and Tunisia" by Sir Leonard Scopes concerning the desirability of merging the UNIDO and ILO projects in Algeria and Tunisia on Industrial Studies and Productivity and Management, respectively. It is to be noted, however, that when the projects were formulated they were justifiably considered as having separate entities and their field of action was clearly delineated into techno-economic studies in one case and training of personnel in modern methods of management in the other. While this continues to remain valid in the case of the Tunisian projects, in Algeria the conceptual differences included in the plans of operation became rather blurred in practice because of some of the circumstances mentioned by Sir Leonard.

9. The practical possibility of merging the projects has, however, to be considered on a case-by-case basis. While it would be possible and convenient in Algeria, where the Government has been considering it for some time and where a merger could be implemented without major problems when the second phases of the projects are launched in the second half of 1972, it would not be realistic to do so in the case of the Tunisian projects for practical reasons. Apart from the fact

that the objectives of the projects are sufficiently different to justify the two separate project activities referred to above, the UNIDO-executed project, CNEI, is scheduled to terminate by the end of 1972. The second phase of the ILO-assisted project of the National Productivity Institute is due to start soon (the first phase came to an end in December 1971) and is scheduled to last five years. Consequently, it does not seem that a merger would result in any tangible improvement in the few months remaining.

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10. The recommendation that suggestions concerning minor, unprogrammed aid activities should be channelled informally through resident representatives is perfectly acceptable to UNDP. However, it does not seem entirely applicable to SIS due to the modality of these projects, at least in the case of Algeria and Tunisia. Undoubtedly, some encouragement could be given by UNIDO to the interested Ministries. It is, nevertheless, the Institute of Productivity and Industrial Development (INPED), in the case of Algeria, which clears SIS requests before submitting them to the UNDP office. In the case of Tunisia, the Tunisian Embassy at Vienna deals with UNIDO for SIS on the basis of instructions transmitted to it by the Government.

11. UNDP entirely supports the recommendation of Sir Leonard that continuing efforts should be made to shorten delays in recruitment and the purchase and despatch of equipment. Presentations to this effect have repeatedly been made to the agencies in the past, and will continue to be made until tangible results are achieved.

Preliminary comments by the Director-General of the International Labour Office (ILO)

12. The essential common element in Sir Leonard's recommendations with respect to both Algeria and Tunisia is the question of amalgamation of the ILO's projects with UNIDO's. In the case of Algeria, I understand a decision has already been taken by the Government that the two projects, ALG-7 and ALG-18, be merged in the second phase of the technical assistance provided to INPED. Final decisions on the form of merger and subsequent method of operation will depend greatly on the Government's views on the subject.

13. In the case of Tunisia, I note Sir Leonard is aware of the need to secure the Government's views with respect to the question of amalgamation of the two projects as he indicates (para. 9) that any decisions should be "subject, of course, to the agreement of the Tunisian Government".

14. I would agree that in many cases of mergers there are obvious and real benefits to be obtained. However, I would also observe that often the obvious advantages of joint projects are offset by the difficulties encountered concerning the division of responsibilities of the various agencies as well as government institutions. These difficulties can be compounded when a mid-project merger takes place.

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15. To conclude, the principle of amalgamation of projects is looked upon favourably by us in the ILO provided the Governments give their consent and all the different steps towards merger are carefully examined and properly implemented. As mentioned earlier, those comments are tentative and further detailed comments will follow later.

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Note by the Secretary-General

Addendum

OBSERVATIONS OF THE ADVISORY COMMITTEE ON
ADMINISTRATIVE AND BUDGETARY QUESTIONS

1. The Advisory Committee on Administrative and Budgetary Questions submits herewith its observations on the report by Sir Leonard Scopes of the Joint Inspection Unit entitled "Some technical co-operation activities of UNIDO in Algeria and Tunisia" (JIU/REP/71/11). The Committee has taken into account the related comments of the Secretary-General and of the Administrator of the United Nations Development Programme (UNDP), and the preliminary comments of the Director-General of the International Labour Office (the ILO). The report is dated December 1971; the Advisory Committee received it in March 1972 and, in accordance with established procedure, is transmitting it and the accompanying comments to the Economic and Social Council.
2. The report is a short one devoted to three UNDP projects executed by UNIDO in Algeria and Tunisia. The Inspector's first recommendation is specifically addressed to two of the projects (and to two others executed by the ILO), while the others deal with more general matters.
3. Recommendation 1 is that thought should be given to merging, on the one hand, two projects in Algeria related to industrial studies and productivity and, on the other, two projects in Tunisia related to management. The Advisory Committee notes that whereas the Secretary-General clearly does not favour a merger of the projects in Algeria, the Administrator of UNDP regards it as "possible and convenient"; the Director-General of the ILO states his understanding that the Government of Algeria has in fact decided to merge the projects concerned, one of which is executed by UNIDO and the other by the ILO. In these circumstances the Advisory Committee fails to see what impediments exist to the adoption of the Inspector's recommendation.

4. The situation in Tunisia is somewhat analogous to that in Algeria, one of the projects concerned being executed by UNIDO and the other by the ILO. However, the Advisory Committee is not convinced that the objectives of the two projects are as similar as the Inspector suggests, and it sees some merit in the arguments of the Secretary-General and the Administrator of UNDP, both of whom appear not to favour the proposed merger. The Inspector's proposal seems to stem from his concern lest the UNIDO project in Tunisia be "squeezed" out of existence by the need to clarify priorities in the light of the Indicative Planning Figure which has been set for that country; the Government concerned will no doubt bear this aspect in mind when it considers the future of the two projects.

5. The Inspector's recommendation 2 is that proposals for minor, unprogrammed aid activities - examples of which are the Special Industrial Services of UNIDO - be channelled informally through UNDP resident representatives. The Advisory Committee wonders whether his proposal and the comments on it sufficiently recognize the essential role of Governments in formulating proposals for multilateral aid. Indeed, one of the criticisms levelled at the United Nations development system both in A Study of the Capacity of the United Nations Development System (DP/5) 1/ and by the Commission on International Development 2/ was that there was too much "salesmanship" by the organizations of projects which they believed should be carried out. While the Committee does not believe that the organizations should in all cases remain silent when they consider that they can contribute to the development of a given country, it suggests that the initiative should normally come from the Government concerned; in such cases, it would appear to be logical for any request to be directed, in the first instance, through the office of the resident representative as the focal point for aid inputs of the United Nations family.

6. The Inspector's recommendation 3 is that continuing efforts be made to shorten delays in recruitment and the purchase and despatch of equipment. Both the Secretary-General and the Administrator recognize that this is a long-standing defect of United Nations assistance activities, and the Administrator appears to hold the view that the main responsibility lies with the executing agencies. This may be so, although the example cited by the Inspector in the matter of recruitment suggests that other parties are also involved. It appears to the Advisory Committee that if - as suggested by the Secretary-General - the existing procedures are causing undue delays in the provision of equipment and personnel, those procedures should be changed.

1/ United Nations publication, Sales No.: E.70.I.10, vol. I, para. 23.

2/ See International Bank for Reconstruction and Development, Partners in Development: Report of the Commission on International Development (New York; Praeger, 1969), p. 216.