

CHAPTER IV

THE COMMONWEALTH FUND FOR TECHNICAL CO-OPERATION (CFTC)

The Commonwealth Fund for Technical Co-operation was established as a multilateral development fund administered by the Commonwealth Secretariat. The Fund is an undertaking in mutual self help designed to meet the technical assistance needs of developing member countries, associated states, dependent territories and Commonwealth inter-governmental organisations and agencies. Its establishment, organisation and machinery were described in the reports for 1971 and 1972.

The Fund provides assistance through three programmes. The General Technical Assistance Programme identifies and recruits within the Commonwealth technical and managerial expertise required by developing member countries to meet specific manpower needs. The Education and Training Programme provides for the training of people from Commonwealth developing countries in other developing member countries. The Export Market Development Programme covers market studies and other technical assistance towards the expansion of exports. The Fund also includes a small Technical Assistance Group which provides expertise for short term assignments and has been particularly active in the natural resources area.

The Fund recruits its expertise for technical assistance assignments from all Commonwealth countries, and approximately half of the long term experts provided by the Fund now come from developing countries.

Resources

Resources of CFTC have grown from £400,000 in 1971/72 to £4 million in 1974/75, when planned expenditure was £3.5 million compared with £1,425,000 for the previous year. Expenditure of £5.5 million was approved for the financial year beginning 1 July 1975, and resources are anticipated to be in the region of £6 million. Both developed and developing countries contribute to the resources of the CFTC.

At the 1973 Heads' of Government Meeting in Ottawa, the Canadian Government announced that it would contribute \$2 for every \$1 (or equivalent) pledged by the developing member countries, up to an annual ceiling of C\$3 million. This ceiling was subsequently raised to \$4 million at the 1975 Heads of Government Meeting in Kingston.

Britain pledged to meet 30 per cent of the Fund's total expenditure up to a determined ceiling. In 1974/75 this ceiling was £700,000. For 1975/76 this ceiling has been increased to £1.65 million.

At the 1974 Finance Ministers' Meeting in Ottawa, the Nigerian Government announced its decision to contribute Naira 2 million (about £1.38 million) to the CFTC in equal instalments over 3 years. The Fund is therefore unique in that as long as the developing countries require it and are prepared to pledge support, it is assured of a substantial sum which will be spent entirely for the benefit of the developing countries. So far all Commonwealth countries have supported the Fund and in 1974 initial pledges were received from Solomon Islands, Hong Kong, Papua New Guinea and St. Vincent. Many developing countries also increased their pledges in 1974/75

including Bangladesh, Barbados, Botswana, The Gambia, India, Lesotho, Malta, Tonga and Western Samoa.

Extension of Terms of Reference

In Dar-es-Salaam in September 1973 the Board of Representatives approved a proposal that the Fund should provide operational as well as advisory experts. Several Commonwealth governments had already asked for operational personnel, and the service subsequently provided has been increasingly used by governments. In 1974 the CFTC approved requests for 55 operational experts. Preference is given to filling new positions or, where existing posts are concerned, those of managerial or organisational responsibility. The training of counterpart staff is an important element in the operational experts scheme. In order to make the scheme as nearly as possible financially self-supporting, the recipient government pays to the Fund an additional contribution equivalent to the local salary for the position in question. The CFTC meets the salary and allowances of the experts in full, together with travel costs and other agreed items of expenditure, in the same way as it does for advisers and consultants. As with advisory experts, the scope and expertise provided has been wide and has included experts in the field of statistics, taxation, banking, metrication, insurance, technical education, management, public administration, accountancy, telecommunications, rural health and engineering.

The 1973 Board Meeting also agreed that the Fund should be able to provide equipment of up to £2,000 in value to support a technical assistance project. The effectiveness of many projects has been enhanced by this provision, particularly when the equipment is not easily obtainable in the country where the project is being undertaken.

It was also decided in Dar-es-Salaam that the Fund should finance studies relating to development assistance which are of general interest to Commonwealth governments. It was agreed that a small proportion of CFTC programme expenditure should be used for this purpose. A number of studies have since being undertaken, both on a regional and on a Commonwealth-wide basis, in response to requests from governments. Studies carried out include an investigation of ways to improve the maintenance and repair of electro-medical equipment, a mineral survey comparing legislative and concessionary agreements, and a study of legislative drafting techniques.

Programmes

The Fund's total expenditure for the financial year ending 30 June 1974 was £1,358,000. Of this expenditure, £694,000 was on general technical assistance, £302,000 on education and training, £125,000 on export market development, and £59,000 for the Technical Assistance Group of experts. It is expected that expenditure for 1974/75 will be in the region of £2,870,000, of which £2,568,000 - more than double the 1973/74 figure - will be accounted for by programme activities.

General Technical Assistance (GTA)

The wide scope of the technical assistance potential is demonstrated by the General Technical Assistance Programme which operates in many areas of economic and social development.

In Bangladesh, the GTA initiated major studies relating to exploration and exploitation of two of the country's limited mineral resources, and the results could have a considerable impact on the development of the economy. In view of the worldwide energy situation, and the shortage of foreign exchange for importing energy requirements, the study of deep coal mining, which is expected to lead to the tapping of known resources of 700 million tons for industrial use and for power generation, becomes crucial. Hardrock, the subject of the other study, is vital to the development of the construction industry and particularly to that of road infrastructure. At present Bangladesh imports this basic material, although it has substantial resources of its own.

Agriculture has featured importantly in one of the projects the programme initiated in Western Samoa. A three man advisory team has assisted with the development of the Government owned Trust Estates Corporation, which is the country's sole or major producer of a number of crops. By virtue of its position, the Corporation is in a position to increase production for export and to lead the way in promoting and improving agriculture in the country as a whole. The Fund also provided two experts to advise on the efficient management of the Electric Power Corporation, as well as experts to advise on the public administration aspects and organisation of a national government scheme of insurance.

A major programme of technical assistance to Papua New Guinea was initiated in recognition of that country's needs as it approached independence. Key technical personnel were provided; advice was given on matters as diverse as national policy, national accounting, constitutional arrangements, public administration, manpower planning, forestry policy and animal husbandry. A feasibility study of the value of establishing a drydock repair yard and bulk shipping was also carried out, and a Supreme Court Judge was provided under the Operational Experts Scheme.

Maritime matters form a connecting thread for a number of GTA projects in Malta. The CFTC provided a principal and a lecturer for the newly established nautical school, where it is anticipated that many crew members of the country's new shipping line will be trained; a ship designer and a production engineer to advise on and assist with the building of new ships, as an extension to the existing ship repairing industry in Malta; and civil engineers to advise on the building of a new dry docks complex.

In the Caribbean, some of the more important GTA projects have been in the field of education. A team was provided to advise on the development of the education system in the Bahamas, and as a result of its report, the Fund has received a number of requests including one for 6 specialist operational experts to advise and assist in the teaching of science-based subjects, including agriculture and marine biology, at secondary level. These subjects are particularly important in the Bahama economy since the Bahamas is aiming to correct the imbalance in its economy by stressing agriculture and fisheries as main activity areas. The Fund's assistance to Jamaica in teacher recruitment has resulted in over 100 teachers being offered appointments by the government.

Technical Assistance Group (TAG)

An economist, a lawyer, a fiscal specialist and scientific adviser compose the headquarters technical assistance group which continued to advise

governments on request, on matters of high priority. Some of these have concerned oil and other arrangements between governments and multinational corporations, and the drafting of related legislation and legal instruments. This type of assistance invariably requires the combined expertise which a multidisciplinary team of advisers can provide, and the group has therefore often operated as a resources team, augmented when necessary by outside experts.

The group provided assistance for the successful re-negotiation by Papua New Guinea of arrangements relating to a copper mine which, although the most profitable in the region, was providing the Government with inadequate returns. Also in that country, TAG assisted in selecting consultants to supervise an agreed drilling programme and in setting out the course of action to be followed if further exploration activity is successful.

The first draft of a survey analysing mining legislation and concessionary agreements in Commonwealth countries in Africa, was completed and is in the process of being revised in the light of comments made by member governments. It has been decided to expand the scope of the survey to other mineral export countries in the developing Commonwealth and it is intended that this service should provide a continuing source of up-dated information on the latest developments in this field.

Territories approaching self government and independence have received assistance from members of the group. For example, both the Solomon Islands and the Seychelles have requested assistance on constitutional and general developmental issues, and on other matters ranging from the provision of technical assistance personnel to the legislation and measures appropriate for the development of mineral resources.

Export Market Development Programme (EMD)

The EMD programme, under which the CFTC assists Commonwealth developing countries to increase their export trade, has steadily increased its contribution in 1974. The technical assistance provided has included market studies in particular products, help with the development of the infrastructure for exporting and with promotional activities, and advice on how the qualities of certain export products can be improved. Most of this work has been done through the provision of advisory and operational experts and through consultancies.

Assistance with the organisation of the infrastructure necessary for the promotion of exports has an important place in the programme's activities. British expertise has been employed to help Cyprus to set up an export credit and insurance organisation, and an Indian expert was assigned to Trinidad and Tobago to advise on the establishment of an Export Insurance Corporation.

Other assistance for the development of exports has taken a variety of forms. In the Caribbean, a study of the USA and Canadian markets for Jamaican furniture and garments identified some opportunities as well as some problems on the production side: CFTC is now to supply production experts to help solve these problems. Also in the Caribbean, a handicraft expert is establishing employment creating and foreign exchange earning craft industries in Barbados. The Bahamas has been provided with advice on industrial development based on local natural resources and on the production of goods for export, and

3 experts have been engaged for a regional project in the Caribbean aimed at improving the qualities of bananas exported from the Windward Islands.

The programme's activities in the Commonwealth Caribbean have been increased since its first regional seminar on export market development, which was held in Barbados in May 1973. A second regional seminar was held in May 1974 in Kenya for Commonwealth African countries. Both seminars were concerned with various aspects of trade policy, and with practical ways of promoting exports.

October 1974 saw a trade fair organised in London by the Government of India's Trade Development Authority as the culmination of an integrated programme of assistance from the CFTC. Despite the unfavourable economic climate, this was a substantial success and generated £400,000 worth of firm orders for Indian exporters. Further orders worth £340,000 were expected to materialise by the end of 1975. In view of this success, a second trade fair was planned for New York in January 1976.

In December 1974 the CFTC organised a Symposium on Tea Market Expansion in co-operation with two other international agencies - the GATT/UNCTAD International Trade Centre (ITC) and the FAO. It brought together representatives of major tea exporting countries, and of the tea councils and tea trade in consuming countries, as well as specialists in marketing and publicity. This Symposium recommended the formation of a central body for the generic promotion of tea, and preparatory work is being undertaken by the CFTC and the ITC on proposals for the constitution, functions etc. of this body.

Mentioned in the last report was the appointment of a Trade Adviser based in Geneva to advise and assist Commonwealth developing countries on the multilateral trade negotiations. He informs and helps member countries on request, and his duties have also included the provision of technical assistance on trade matters. Since his appointment, the Trade Adviser has participated in seminars on matters of interest to Commonwealth countries, and in 1974 participated in a seminar at Addis Ababa at which a number of African member countries were represented.

Education and Training Programme (E & T)

The E & T programme provides support for the training in Commonwealth developing countries of personnel from other Commonwealth developing countries, often for training which is not readily available under other aid programmes. The programme is used to promote new schemes of cooperation, and to expand existing programmes, both in formal education and in the extensive area of non-institutional training. Its activities have covered a wide range of fields relating to development, and reflect the ability to respond, often at short notice, to the needs of Commonwealth developing countries.

It is an indication of the increasing priority that governments are giving to rural development that by far the largest number of requests received have been in the fields of agriculture and natural resources development. 130 CFTC awards were made in 1974/75 in support of students taking courses at various levels, or serving training attachments, in agriculture, forestry, veterinary science, farm management, artificial insemination, and storage of crops. Third country training, which is the

basis of the E & T programme, enables developing countries to share the expertise and resources that have been developed in the institutions of countries with comparable conditions and similar cultural, social and economic backgrounds, either in the same region or elsewhere in the Commonwealth. Cyprus, India, Jamaica, Kenya, Nigeria, Papua New Guinea, Sierra Leone, Swaziland, Trinidad and Tobago, Uganda and Zambia were among the countries that provided training for CFTC funded students in agriculture and allied studies.

Priority continued to be given to the training of technicians. For example, through E & T awards a mining engineer from Lesotho received practical training in Zambia in mining safety and exploration, and a harbour master from the Solomon Islands received practical training in pilotage and harbour procedures in Fiji and Singapore. At the National Small Industries Corporation in New Delhi, 24 technicians from Tanzania have been provided with a tailor-made course that will prepare them, on their return home, to foster small industry development in the Ujamaa villages that are a central feature of Tanzania's rural development programme.

Awards have also been made for study visits. These allow personnel to familiarise themselves with developments and innovations in other countries which may be of practical application in their own. Preference has been given to visits with a clearly defined practical orientation. An estate manager from Dominica, for instance, spent a month in Cyprus studying the processing of citrus fruits; two labour officers from Ghana visited Trinidad and Tobago to observe industrial relations procedures, and a commercial officer from Swaziland went to West Africa to study small-scale retailing. Another project enabled senior officials from Papua New Guinea to spend a month at the National Institute of Public Administration, Kuala Lumpur, studying Malaysia's system of governmental decentralisation.

Study visits by university staff have been facilitated through the establishment of the Academics Exchanges Programme, organised in collaboration with the Association of Commonwealth Universities. This programme is financed by the Fund's E & T programme and is jointly administered by the Fund and the ACU. It has enabled a dozen or so members of university staff in the developing countries to make short study visits, with specific developmental objectives, to sister universities. The Fund and the ACU are also co-operating in the preparation of a Register of Research Strengths in Universities in the Developing Countries of the Commonwealth. This publication, which resulted from the 1974 Commonwealth Education Conference, is expected to lead to a greater exchange of students among the developing countries under the Commonwealth Scholarship and Fellowship Plan.

Financial assistance from the E & T programme has also been provided to support the training activities of a number of Commonwealth or regional organisations and professional associations. For example, a close working relationship between the Fund and the Commonwealth Broadcasting Association has led to several training programmes being mounted both in Africa and the Caribbean. The Commonwealth Telecommunications Bureau, the Commonwealth Geographical Association, and the African Association for Public Administration and Management have been able to run training seminars and courses in various developing countries with CFTC support.

The Directory of Education and Training Resources in the Developing Countries of the Commonwealth, sponsored and financed under the E & T programme and edited by the Association of Commonwealth Universities, was published in February 1974. It lists 120 Universities and 185 technical colleges and training institutions in 31 Commonwealth countries, and its publication has been welcomed by member governments.

Special Commonwealth Programme for Rhodesians

Commonwealth governments have continued to provide assistance for suitably qualified Rhodesians who have left their country for political reasons, or in order to seek opportunities for education and training and employment which are not available to them in Rhodesia. By the end of 1974, more than 1,200 Rhodesians had been offered study places, scholarships and opportunities for employment as a result of offers made by 25 Commonwealth countries under the Special Commonwealth Programme. The Secretariat co-ordinates the operation of the scheme and acts as a clearing house, in liaison with the Organisation of African Unity, appropriate UN agencies, a number of voluntary bodies which assist Rhodesian students, and the Commonwealth governments which are giving assistance.

The Secretariat also administers the Commonwealth Rhodesia Scholarship Programme, under which Canada has pledged up to C\$75,000 annually for Rhodesians resident outside their country who have been accepted as students at institutions in the Commonwealth developing countries. In 1974 Australia decided to contribute A\$45,000 to this programme to enable Rhodesians to take courses in Commonwealth developing countries or in Australia; and New Zealand pledged NZ\$10,000 for the scholarship programme and NZ\$10,000 to provide students in Rhodesia with correspondence education.