

CHAPTER IV

COMMONWEALTH FUND FOR TECHNICAL CO-OPERATION

The Commonwealth Fund for Technical Cooperation, the multilateral development fund administered by the Commonwealth Secretariat, remains modest in comparison with other international aid organisations. All Commonwealth member countries make contributions to the Fund on a voluntary basis. In general, the developed countries continue to make the largest contributions, but most developing member countries have consistently increased their contributions. Major contributing countries to the Fund in 1975/76 were Canada, Britain, Nigeria, Australia, New Zealand, Tanzania, India and Jamaica.

At the 1975 meeting of Heads of Government in Jamaica, the Canadian Government, which contributes two dollars for every one dollar (or equivalent) pledged by the developing member countries, increased its annual ceiling to C\$4 million; the British Government also announced a doubling of the ceiling on its contribution, pledging 30 per cent of net expenditure up to a ceiling of £1.65 million. Since its establishment in 1971, actual expenditure has been:

<u>Year</u>	<u>Actual Expenditure</u> (£ m)
1971/72	0.22
1972/73	0.62
1973/74	1.36
1974/75	2.89
1975/76	5.00

The growth in expenditure has reflected the increasing flow of requests from Commonwealth developing countries under the Fund's programmes of General Technical Assistance (GTA), Export Market Development (EMD), and Education and Training (E&T); and for the specialised advisory services provided by the Technical Assistance Group (TAG).

The activities of the General Technical Assistance (GTA) Programme, which provides advisory and operational experts for short or long term assignments at the request of Commonwealth developing countries, cover a wide range of areas of importance to the development efforts of the Commonwealth developing countries, as is illustrated hereunder.

During the year under review, the Fund received a number of requests in the field of finance. In Fiji, the CFTC financed the services of financial controllers for the Ports Authority and a sugar industry development project being financed by a World Bank loan as well as experts in exchange control, insurance control, industrial loans for development, and as senior tax assessors. The Government of Papua New Guinea was provided with four senior finance officials, two auditors, and an expert in budgetary analysis; and since 1974 the Fund has assisted the Kenyan Income Tax Department by providing a number of taxation experts to strengthen the staff of the Department and to train local officers in tax assessment work. In Tanzania, the Fund provided chief auditors for the Audit Corporation and lecturers in accountancy and related subjects for the Institute of Finance Management and the School of Accountancy.

An important area where the CFTC broke new ground was in collaboration with the International Finance Corporation, to promote small and medium scale industrial projects in Kenya. Under the programme, the IFC provided a \$2 million credit to the Commercial Bank of Kenya to enable it to provide finance and advisory services, particularly in financial management, to relatively small private firms for projects in the manufacturing, agro-industry, construction and service sectors. The CFTC provided two specialist bankers to help the Bank operate the programme and to offer advisory services in business management and credit evaluation to the Bank's staff as well as its clients.

In the countries of Southern Africa, a significant number of CFTC projects were concerned with developing middle level technical skills. In Lesotho, five experts were provided to assist the Posts and Telecommunications Department with postal and engineering work; and in Malawi, a number of experts were provided for the building trades.

In air transport specialist assistance was provided to Bangladesh in short and long term planning, and maintenance facilities at Kurmitola Airport. For the Bahamas, a CFTC consultant provided advice on air service agreements, including the negotiation of such agreements.

The Technical Assistance Group (TAG) with its inter-disciplinary team approach, continued to provide short term consulting services in response to particular requests from Commonwealth Governments, sometimes at very short notice. A team (economist/lawyer/fiscal analyst) was provided to the Government of the Cook Islands to help in developing an appropriate regime for the exploitation of off-shore minerals. This capability has also proved useful in enabling the Group to respond to requests from the Solomon Islands and Papua New Guinea for assistance in formulating appropriate legal and fiscal measures for the exploitation of petroleum.

The Export Market Development (EMD) programme, through which the CFTC assists Commonwealth developing countries to develop and increase their export trade, continued to expand in 1975. One of the activities of the programme is in providing assistance to assess the market potential for exports of specific products from Commonwealth developing countries. In 1975, studies were commissioned on the export potential of soda ash, soda sulphate and potash from the Sua Pan deposits in Botswana; on the market potential for marine products from India; on the marketing prospects for limes, avocados, mangoes, pineapples and vegetables from Montserrat; on the export potential of urena lubata fibre and sacking from Sierra Leone; and on the market potential in the Japanese and Philippine markets for tea from Sri Lanka.

Assistance was also provided on the development and adaptation of products to meet the requirements of export markets, on the establishment of marketing organisations, and on packaging and labelling for sale abroad.

To increase the effectiveness of the participation of member countries of the Caribbean in the Multilateral Trade Negotiations, a seminar on the MTN was held in Georgetown, Guyana in June 1975, jointly organised by the CFTC and the Caricom Secretariat with the assistance of UNCTAD and GATT.

The Education and Training (E&T) programme has continued to assist Governments in meeting priority manpower development requirements through the provision of support for the training in Commonwealth developing countries of personnel from other Commonwealth developing countries. During the financial year 1975/76, 47 countries, including several dependencies, made use of the Programme. A total of 505 projects, of which 335 were new, were supported. These covered institutional forms of training, study visits, training attachments, and training seminars oriented towards development.

The main thrust of the Programme continued to be directed towards the training of technicians and other middle level personnel in government, industry and commerce. Students from Botswana, for example, followed technician courses in mechanical, electrical and automobile engineering at the College of Technology in Swaziland; trainees from several Caribbean countries took courses at the Hotel Training College in the Bahamas; Malawians studied telecommunications in Malaysia; students from the Solomon Islands underwent practical training in agriculture in Papua New Guinea.

The Fund encourages its field experts to utilise the E & T Programme in the training of counterparts. In response to requests initiated by CFTC experts, Western Samoans undertook a study visit to West Africa in the production, processing and marketing of cocoa and other tropical products, while four handicraft instructors from Swaziland studied aspects of small industry development in India.