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Country cooperation frameworks and related matters

**Second country cooperation framework for the Democratic
People's Republic of Korea
(2001-2003)**

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I. Development situation

A. Development goals and priorities

1. The Democratic People's Republic of Korea is a country in a special development situation: it is still technically at war, and a significant portion of its limited resources are allocated for defense to cope with the ever-present anxiety of a perceived threat to its human and national security. The country has also suffered from the imposition of economic, diplomatic and other sanctions. These adverse conditions continue to dictate national policies and actions, leading the country to continue its own unique development policy "with Korean characteristics" as a means of responding to the hardships experienced since the beginning of the economic difficulties in the 1990s. In spite of these challenges, the Democratic People's Republic of Korea has achieved remarkably high levels of human development.

2. The achievements that the country has made in human development have, however, been sharply challenged by rapid changes in its external circumstances – a loss of its traditional partnerships with Socialist countries since the late 1980s – and a series of severe natural disasters throughout the second part of the 1990s. The Government's current development policies, therefore, focus on the restoration of the previous quality of life as well as making improvements to sustain and further enhance human development. Such improvements in the quality of life are to be achieved through increased production and better distribution and management in industry, agriculture and the provision of basic services. This would be designed to increase cereal production and electricity supplies and to provide more efficient transport services and improved health and education facilities.

3. A government statement, "Direction and Task", issued on 1 January 2000, reaffirmed the country's goal of self-reliance and social solidarity as well as economic efficiency. Central to the Government's development policy is the concept of *juche* or "self-reliance", which stresses the rights and responsibilities of the people and the Government to engage in self-directed national development, in line with the late President Kim Il Sung's "guidance", emphasizing that:

We must manage anything through our efforts, not relying on the strength of others. We have received aid from the peoples of the fraternal countries, but this is only one of the conditions for accelerating our development. Self-reliance does not mean refusing to use machinery made by others. Nor does it mean opposition from learning from others, nor total rejection of foreign aid. The point is that self-reliance should be the basic principle guiding our activities.... (Extract from "On Further Developing the Taen Work System", 9 November 1962)

4. The Government's development goals and priorities cover a wide spectrum, from dealing with short-term emergency conditions to the aim of achieving long-term economic modernization and development. Sub-goals include responding to food shortages so as to prevent malnutrition and hunger, notably by producing 6 million tons of cereals or equivalents by 2003, and revitalizing the national economy to meet the goal of improving the quality of life of the population.

B. Current problems and challenges

5. The population of the Democratic People's Republic of Korea has suffered from food shortages and a decline in general health and welfare standards in the 1990s. A series of natural disasters in the second half of the 1990s coupled with difficulties in adjusting to new patterns of international trade based on market mechanisms have contributed to severe economic deterioration to the extent that food shortages have emerged, leading to extensive malnutrition, most visibly in children: under-5 mortality has reportedly doubled between 1993 and 1999. A 1998 joint government and international survey found that 16 per cent of children under seven were "wasted" (suffering from low weight for height). A 50 per cent drop in the gross domestic product (GDP)

between 1992 and 1998 – to just over \$10 billion – also illustrates the extent of the country's economic difficulties.

6. The Government has strategically and creatively harnessed domestic and international resources to launch and implement relief, rehabilitation and recovery programmes, and since 1998 has succeeded in stemming the decline in economic performance. The key development goal remains attaining food security, which is why continued rehabilitation and modernization of the agricultural sector remain a priority. The country also continues its integrated efforts to reinvigorate its economy so as to obtain export earnings to purchase food from abroad. In order to help provide a sustainable basis for recovery of the entire economic infrastructure, the two remaining priorities are the energy sector, including the recuperation of the coal-mining sub-sector, and transport, focusing mainly on regeneration and improvement of the railway sub-sector. These are key parts of the economy since their rehabilitation and modernization are essential to the goal of restoring agricultural production and providing the necessary infrastructure for the export sector, which helps to secure foreign exchange and thereby to sustain food security. The country's goals of promoting rapid recovery are greatly enhanced by its continuing ability for social mobilization nationwide, at a highly organized and effective level. This capacity has helped the Government to redirect resources to priority areas in terms of relief, rehabilitation and development.

7. The contribution of UNDP to addressing the current problems and challenges to sustainable human development in the Democratic People's Republic of Korea are focused in four areas: providing an enabling environment for improving the quality of life, protecting the vulnerable, protecting and restoring the environment, and addressing gender concerns.

Enabling environment for improving the quality of life

8. The Government has historically attempted to reconcile macroeconomic with redistributive policies to produce the optimal results for national security as well as to promote equity and growth. Today, it continues these efforts at a time when population growth has slowed significantly and the external trading environment has changed adversely. Overall trade volumes have fallen significantly since the late 1980s, reportedly by 80 per cent. Per capita GDP also declined by about 80 per cent between the late 1980s and the mid-1990s, although the Government has lately been successful at stemming the declining trends, with per capita GDP remaining stable at \$467 and \$460 in 1997 and 1998, respectively. In addition to a general drop in income and resources, the population has also suffered from continuing fuel shortages. Lack of indigenous oil supplies, combined with a weak capacity to purchase from abroad, has contributed to difficulties in both industry and agriculture. The national capacity to generate electricity from hydroelectric and domestically produced coal continues to be threatened by drought conditions, tropical storm damage and related economic difficulties. Major investments in the energy, telecommunications, transport and social infrastructure, including health and education, are needed if the country is to rebuild its capacity for sustainable development and improve the quality of life of its people.

Protecting the vulnerable

9. The distinct nature of the Democratic People's Republic of Korea as a country in a special development situation is also indicated by the fact that even with the difficult economic conditions of today, in some respects it continues to display indicators more normally associated with a country with high levels of human development. Education, including for girls, at primary and secondary levels is compulsory and free, with continued high attendance rates in schools. Literacy rates, including that of girls, are close to 100 per cent. Life expectancy at birth, though reduced by six years since 1993, remains relatively high at 67 years. The Government has attempted to ensure a fair allocation of food, clothing, shelter, education, health care and other basic needs throughout the country. It has continued to ensure that certain minimum standards of service provision prevail, although economic difficulties have provided a major challenge to its ability to maintain basic living standards for the entire population.

Environment

10. The control of industrial pollution and the prevention of environmentally harmful practices within the agricultural sector have been part of the Government's strategy to rehabilitate and modernize the economy.

Programmes of cooperation, for instance in the agricultural recovery programme that has formed the centrepiece of UNDP activities in the country since 1998, have stressed that environmental protection is a key component for food security. *The Government continues its activities to prevent further deforestation and soil erosion.* Deforestation, however, remains a major concern as the population seeks to obtain wood for heating during the harsh winters where temperatures routinely reach minus 20° centigrade. Deforestation and soil erosion have also contributed to increasing the vulnerability of the population to harmful effects from severe weather conditions. While some attempts have been made to develop pilot projects to protect the ozone layer and the country's biodiversity, further assistance is needed to promote a comprehensive environmental protection action plan in line with international standards.

Gender

11. Women achieved formal legal equality with men in the Democratic People's Republic of Korea in 1948. They are employed outside the home in such great numbers that the country has the world's highest level of participation by women in the workforce. The 1993 population census indicated that 89 per cent of working age women (16-54) were employed as compared to 94 per cent men of working age (16-59). Their participation in the workplace is facilitated by nationwide provision of nursery and childcare facilities, and they continue to have access to education on an equal basis with men. Although women with three or more children are paid for eight hours for a six-hour work day, the economic difficulties of the 1990s have placed considerable strain on them as they are generally the primary caretakers in families as well as active members of the workforce, often undertaking onerous physical work in agriculture and other sectors of the economy. The Government is, however, committed to ensuring that the needs of women are incorporated into development programmes. Further support for innovative projects in favour of women could provide possibilities of increased incomes as well provide ways to support women's decision-making capacities in the rehabilitation and recovery of the economy.

II. Results and lessons of past cooperation

12. UNDP works in close coordination with other United Nations agencies in the Democratic People's Republic of Korea and has contributed to the joint United Nations country strategy that was presented in February 1999. The strategy supports continued humanitarian assistance, the Agricultural Rehabilitation and Environment Protection (AREP) plan as an exit strategy for humanitarian assistance and as a bridge to sustainable development and encourages a concentration on local capacity building. The first country cooperation framework for the Democratic People's Republic of Korea covered the period 1997-2000. This period included a one-year extension, which provided additional time for the completion of initiatives and allowed for an independent review in July 2000. In line with the Government's development priorities, the first country cooperation framework focused on three thematic areas: agricultural rehabilitation and food security, economic cooperation and foreign trade, and environment and natural resources management.

A. Results of past cooperation

Agricultural rehabilitation and food security

13. The greatest success in the area of agricultural rehabilitation and food security, and the least costly, has been the support of UNDP to the AREP process, which has succeeded in establishing a programme approach to country assistance. It has also succeeded in obtaining the Government's participation and commitment to the series of round-table meetings coordinated by UNDP to formulate a support strategy. *This approach can now serve as a model as well as a reference point for future programming for the country.* Most importantly, the thematic sector review has become a resource for all agricultural assistance and a reference point for other donor assistance as well.

14. Individual projects under AREP have successfully rehabilitated dikes, dams and arable land and have substantially raised crop production through double cropping in line with available inputs in the form of

equipment, seeds and fertilizer. The programme has strengthened the Government's capacity to communicate with the international community in emergency situations through round-table meetings and other coordinating and programming devices. There is agreement that the emphasis of AREP needs to shift to development assistance since rehabilitation alone would not be sufficient for the agricultural sector to return to its pre-emergency output levels of 8 million tons of cereals, given the deterioration of the agriculture infrastructure and of the industry and energy sectors in recent years.

Economic cooperation and foreign trade

15. In the early 1990s, the need for increased foreign exchange earnings led to decisions to encourage exports and to attract foreign investors. The Government established the Rajin free economic and trade zone and sought to establish capacity to deal with international trade. The International Economic Cooperation Programme supported investment promotion, and the free economic and trade zone established the Rajin Business Institute and set up two pilot garment factories and the Institute of Garment Technology. It also helped build the capacity of the Research Institute for External Economies. The International Economic Cooperation Programme has had some degree of success and contributed to investments, but the national capacity for investment promotion still remains limited. Greater emphasis is needed on dialogue, innovation and the creation of an enabling environment, which are considered the key ingredients for institutional success. To this end, long-term training of the faculty of the Rajin Business Institute and several study tours organized for their benefit have been essential. The teachers, who are conversant in market economics, are a unique resource for the country. The country's garment export sector has to have a more flexible export strategy in order to expand existing markets and remove bottlenecks. Most of the programme outputs in this sector continue to have relevance.

Environment and natural resources management

16. Initiatives in the area of the environment and natural resources management consist of energy projects carried over from the early 1990s, wastewater treatment, air pollution, and global environmental concerns related to biodiversity and climate change, all funded by the Global Environment Fund (GEF) and UNDP. The biodiversity project has been particularly successful. After completing a national strategy and action plan, it has generated two further initiatives, one on biodiversity conservation at Mount Myohyang and another in wetlands on the west coast. Most projects include large subcontract components, which have helped to build capacity. Significant capacity building has been achieved in areas required by the counterpart institutions, but a more comprehensive approach to capacity building needs to be followed in the future.

B. Major lessons learned

17. The lessons learned from the implementation of the first CCF and the country review are mainly concerned with programme implementation covering most steps in the programme/project cycle, including implementation, monitoring and evaluation. The following are key areas for the future:

- (a) Synergies among the priority sectors should be kept continuously in view.
- (b) A flexible approach should be adopted to enable modifications to be made in the light of experience gained and changing circumstances.
- (c) Capacity-building components should benefit from continuous advice through multiple and regular international exchanges.
- (d) Equipment lists should be implemented after a thorough assessment on completion of each milestone as defined by the work plan and must be tailored to the overall capacity-building objective.

- (e) Gender indicators, such as women's representation among beneficiaries, must be kept on a regular basis.
- (f) Participatory workshops should be held at the commencement of each programme involving counterpart institutions and other organizations whose active cooperation would be essential for the success of the work plan.
- (g) Government policies and positions should be clearly and continuously taken into account throughout the process of implementation.
- (h) Capacity-building strategies should be based upon a full upfront appraisal of the concerned institutions to ensure the relevance of the problems to be addressed.
- (i) Indigenous technical capacity for maintenance and repair of equipment will be enhanced, and the cost of keeping spare parts lowered, if equipment is purchased from a small menu of supplies without departing from established procurement procedures.
- (j) Purchase of equipment should be accompanied by a funding plan for its maintenance and eventual replacement.

Country office operations

18. The Pyongyang country office needs to be rationalized in terms of numbers of staff, workload and functions for maximum efficiency. UNDP office operations should be separated from project operations with regards to functions, staff and finance. UNDP office services can, however, be offered to projects or executing agencies for a fee. Given the high staff turnover and limited hiring control, greater use should be made of available training resources and innovative means of on-the-job training such as twinning, mentoring and the use of staff from other UNDP offices as trainers.

III. Objectives, programme areas and expected results

19. On the basis of priorities identified by the Democratic People's Republic of Korea, the three areas of concentration proposed for the second CCF are agriculture, energy and transport. These areas will be promoted in respect to their direct contribution to improving the quality of life for the people of the Democratic People's Republic of Korea, for instance in the provision of such basic services as food and heating, with emphasis on the most disadvantaged. These areas will also be promoted in terms of how they contribute to sustainable human development. Support for food production, for example, would be advocated in the context of a commitment by the Government to increasing food security. Food security in turn will depend upon the long-term sustainable reconstruction of the energy and transport sectors, which will support the development of export sectors and encourage foreign investment. At the same time, UNDP will support the agriculture, energy and transport sectors in terms of their relevance to improving the quality of life for the most disadvantaged.

20. A flexible approach will be adopted in both programming and implementation that will take into account the evolving global context, enhanced security and cooperation on the Korean peninsula, and greater participation by the Government and a growing number of potential partners in the revival of the economy.

21. UNDP will build upon the experience gained since 1998 to support the formulation and implementation of the AREP framework. Similar frameworks will be developed in the areas of energy and transport, taking a comprehensive approach and highlighting the synergistic capabilities among the three areas of concentration as well as their respective impacts on the wider macroeconomic context. The new frameworks, together with AREP will enrich and deepen the dialogue between the Democratic People's Republic of Korea and its present and potential partners. They will aim at furthering international support for the country in meeting the challenges i

faces in a rapidly changing situation in and around the Korean peninsula. The new frameworks will also provide for monitoring and evaluation of individual project results.

22. In each of the three areas of concentration – agriculture, energy and transport – three multisectoral themes will be pursued to ensure success: promoting economic efficiency, protecting the environment and improving the quality of life.

23. The main role for UNDP is in promoting dialogue and cooperation that will provide development choices for equitable growth and poverty alleviation, focusing on strengthening the capacity of key government institutions, promoting social cohesion and improving the efficiency and accountability of the public sector. In this regard, UNDP supports the principles underlying the Government's "Directions and Tasks", which include economic efficiency in management and administrative performance at all levels (central, provincial and county) and generation of profits by productive entities. These goals could be achieved through a wider use of prices as the main indicators for allocating scarce resources, combined with stricter accountability over costs. Achieving the goals will require more familiarity with economics and standard international practices. Finally, wider application of computer-based information technology could be encouraged in relevant institutions and enterprises, aimed especially at: (a) systematic maintenance of equipment in energy and transport; (b) facilitating research in the area of biotechnology to develop improved seed varieties; and (c) improved operations and signalling in the country's railways. The promotion of information technology will contribute to capacity building in the sectors in which UNDP is focusing its support and in the economy as a whole. It will also assist in the sharing of information and good practices – thus furthering the potential for effective partnerships as well as contributing to increased economic efficiency.

24. From the perspective of UNDP, environmental considerations should focus on the contribution of environmentally sustainable development to reducing poverty and improving the well-being and security of the poor. In this regard, UNDP favours completing a comprehensive environmental protection action plan in cooperation with the United Nations Environment Programme (UNEP), emphasizing activities in the three areas of concentration. These could include implementation of the national Agenda 21, meeting the country's obligations under the conventions of climate change and biodiversity as well as the Montreal Protocol. Issues to be addressed will include water pollution in rivers, atmospheric pollution, solid waste management, energy conservation, sustainable agricultural practices, watershed management and reforestation, with special emphasis on environmental monitoring and impact assessment on the quality of life of the most vulnerable regions and people.

25. Ever since the early 1990s, UNDP has been advocating for the sustainable human development paradigm, differentiating the aim (human development) from the means, such as economic growth and provision of social services. Improvements in the quality of life could be based on the Programme of Action of the World Summit of Social Development and its five-year review. This would emphasize higher production and incomes in rural areas through, among other things, expanded microcredits, targeting populations in mountainous areas, and rehabilitation and modernization programmes in basic health and education. More importantly, until living standards have recovered to their past levels, safety nets should be put in place to benefit the most disadvantaged people among the 8 million people currently receiving humanitarian assistance provided by the international community. In addition to increased incomes and social protection in vulnerable regions, gender equity aimed at enhancing the role of women in development would be pursued through the full implementation of the Platform of Action of the Fourth World Conference on Women and its five-year review.

26. The following sections describe the strategic areas that will be supported by UNDP during the second CCF and the national-level outcomes that are expected to be achieved through strategic partnerships with the Government and other concerned partners.

A. Enabling environment for improving the quality of life

Aid coordination and management

27. The expected results in the area of aid coordination and management are:

- (a) Effective government ownership of the mobilization and management of all external resources.
- (b) All external assistance incorporated within the framework of national development priorities and programmes.
- (c) Mechanisms in place for organization of roundtable and technical meetings and the compilation of the requisite reports, data and information; as well as for regular follow-ups of decisions, proposals and resource commitments.
- (d) More efficient use of expected international resources and support.
- (e) Increased capacity in data analysis and scenario planning.
- (f) Regular communications to concerned partners on the progress of the various development frameworks through newsletters, publications and utilization of information communication technologies.

Capacity building for economic efficiency

28. The expected results are:

- (a) Increased understanding and application of international business standards and practices.
- (b) Demonstrable cost control through selected practical applications.
- (c) Extended use of economic concepts and analyses in all sectoral programme frameworks (agriculture, environment, energy and transport).

B. Sectoral policies and strategies to reduce vulnerability

Agricultural development and food security

29. The expected results are:

- (a) Regular updates of the Government's AREP.
- (b) Additional international resources in support of agricultural recovery. (Note that \$110 million was mobilized through the first AREP.)
- (c) Exit strategy for humanitarian assistance through higher yields, efficient domestic food production and increased food security.

(d) A safety net, combined with better and more balanced nutritional levels, for the most disadvantaged people among the 8 million people currently benefiting from humanitarian assistance, especially the elderly, children, pregnant and nursing women in mountainous regions.

(e) A comprehensive agricultural development framework to include: (i) the goal of meeting the immediate requirements of 1,600 calories from cereals every day by all the people of the Democratic People's Republic of Korea; (ii) a longer-term strategy to ensure a sustained supply of agricultural inputs through increased availability of foreign exchange to meet any shortfalls and the economic rehabilitation of existing fertilizer plants or the building of new plants with foreign cooperation; (iii) increased economic efficiency; (iv) rehabilitation of irrigation systems; (v) increased capacity for agricultural research on crops, seed improvement, irrigation, farming techniques, post-harvest losses and the diversification of food production; (vi) reduction of women's physical work burden; and (vii) provision of microcredits.

Expanded and protected asset base (human, physical and financial) of the poor

30. The expected results are:

(a) Higher production, incomes, assets and quality of life in rural areas through a replicable area development programme supported by the United Nations system and interested partners. This will benefit vulnerable people in the selected area through: (i) higher and more balanced nutritional levels; (ii) sustainable farming techniques; (iii) reduced post-harvest losses; (iv) seed improvement including through breeding, biotechnology and tissue cultures; (v) diversification of food production aimed at a more balanced diet and with surplus produce for sale, including through improved breeding of poultry and small grass-fed animals and development of aquaculture; (vi) reduction of women's physical work burden; (vii) provision of microcredits; (ix) development of small enterprises, including food processing; (x) modernization of marketing techniques; (xi) improved basic services, including health, water and sanitation; (xii) safety nets benefiting the most disadvantaged people; (xiii) vocational training; and (xiv) training of involved staff from line ministries, agencies and other development partners, including on gender issues. This initiative will build upon successful in-country pilot and experimental activities based upon a multisectoral approach.

(b) Development of aquaculture in order to diversify food production and to promote investment and exports in cooperation with relevant partners. This would include the expansion of fishponds, support for the acquisition of boats and fishing gear, improved storage and processing facilities, and increased capacity building of fishing cooperatives. Aquaculture development could include the introduction of model shrimp farming using advanced and environmentally safe technology.

(c) Development and implementation of sustainable multi-modal transport, including creation of a management framework, initially for railways.

(d) More reliable rail transport for both passengers and freight.

(e) A reliable transport system for the movement of both passengers and freight, particularly of vulnerable groups in remote regions, and for the delivery of food and other basic goods to vulnerable regions and small mining towns in order to facilitate the access of those people to basic services and to promote economic efficiency.

(f) Saving of 10 day's time on freight to Western Europe compared to the current multi-modal transport.

C. Advancement of women through implementation of global commitments

31. The expected results are:

- (a) Women's concerns and quality of life issues incorporated and monitored within the framework of national development priorities and programmes and into external assistance programmes.
- (b) Line ministries and other development partners trained to incorporate gender issues in their work.

D. Sustainable environmental management and energy development to improve the livelihoods and security of the vulnerable

32. The expected results are:

- (a) A sustainable energy development, implementation and management framework. The framework would encompass reliability of supply, energy efficiency, reduced source and transmission losses, practical pricing, improved maintenance and operations, peak load management, better distribution, improved use of existing capacity, rehabilitation of supply sources, development of new capacity, improved links among power grids, funding of fuel imports, funding of capital improvements, capacity building, management and development of incentives. Alternative energy systems would be considered, including generation from hydro/coal thermal, renewable and other sources.
- (b) Increased energy production, laying the ground for overall economic recovery, including for higher food production, by enabling a larger domestic supply of fertilizer and irrigated water, which would help to improve nutritional levels and reduce the need for agricultural imports.
- (c) Reliable and sustainable energy supply, especially to remote rural areas.
- (d) Increased capacity in data collection, analysis and management in energy-related institutions.
- (e) Securing of donor, international multilateral and investment financing for the energy sector.
- (f) Development of an environmental protection action plan. This could include implementation of the national Agenda 21, meeting the country's obligations under the conventions of climate change and biodiversity and of the Montreal Protocol. Issues to be addressed would include water pollution in rivers; atmospheric pollution; solid waste management; energy conservation; watershed management; reforestation; rehabilitation of tree nurseries and improved nursery management; processing of surplus production for export through joint ventures; forest resources management; and human resources development. The plan would emphasize environmental monitoring and impact assessment.
- (g) Integrated approaches that focus on the ways that environment protection, natural resources conservation and sustainable energy development contribute to poverty reduction and human development.
- (h) Reduced fuelwood needs and improved chances for reforestation programmes to succeed.
- (i) Reporting on the initiatives of the Democratic People's Republic of Korea to reduce climate change, slow global warming, eliminate chlorofluorocarbon gases and protect biodiversity.

E. Accelerated progress on the global agenda for development (including follow-up to global conferences)

33. The expected results are:

- (a) Systematic monitoring of progress towards national targets for the achievement of global goals.
- (b) Preparing a United Nations Development Assistance Framework (UNDAF) building upon the 1999 United Nations country strategy. Using UNDAF to facilitate the national response to global development goals, adopting a common United Nations in-country position on development issues, and achieving concrete development outcomes, such as an integrated area development programme benefiting vulnerable people in a selected area.
- (c) Increased awareness of and support for the global agenda for development.
- (d) Thematic United Nations groups set up and actively used for joint substantive analysis, advocacy, planning and programming.

VI. Management arrangements

A. Management of the country cooperation framework

34. Decisions on national, agency or direct UNDP execution for programme initiatives should be made only after careful consideration of the existing capacities in the Government and the UNDP country office in order to ensure the accountability of the Administrator in the use of UNDP funds. National execution is one option for programme implementation along with agency execution. The National Coordinating Committees for UNDP remain the main counterpart for policy and coordination. The Ministry of Foreign Assistance assumes the secretariat tasks of the National Coordinating Committees. The line ministries should be the main implementing agencies. The UNDP country office will continue to support project/programme execution through project staff. Where appropriate, technical cooperation among developing countries (TCDC) mechanisms would be utilized since capacity is still in the process of development. UNDP will further facilitate the development of national execution through capacity building, with support, where appropriate, from TCDC mechanisms. The programme approach will be consolidated and improved. Projects will pay increased attention to institutional capacity building and to replicability and sustainability concerns. Capacity-building projects will include a preparatory project phase, with the participation of all stakeholders, to establish baseline information. Project clusters will be designed with a long-term international adviser to provide critical analysis, particularly in evaluations preceding crucial stages of the decision-making process.

B. Linkages with intercountry programmes

35. The Democratic People's Republic of Korea has been participating in a number of regional projects including the Tumen River Area Development Programme, the PARAGON regional governance programme, the Asia Least Cost Greenhouse Gas Abatement Strategy project, the Building Partnerships for Environmental Protection and Management of the East Asian Seas project and the Energy, Coal Combustion and Atmospheric Pollution in North East Asia project. During the second CCF, linkages between its associated programmes and policy initiatives and intercountry programmes will be promoted further. This will include regional initiatives in biodiversity, the urban governance initiative and increased networking through the subregional resource facility (SURF) on urban governance.

C. Monitoring, review and evaluation

36. Meetings will be held at the inception of projects and will be managed through a steering committee that will meet at least twice a year. Annual tripartite review meetings will also be organized. These monitoring meetings will be used to review project design and increase project effectiveness. Monitoring, review and evaluation will all be results-oriented. Participation in these committees will contribute to capacity building. Evaluations will be carried out by independent teams of experts who will collect data through field visits, surveys and interviews with intended beneficiaries. Evaluation findings will be reported to UNDP and the Government and findings and/or recommendations will be incorporated into the annual reviews as well as the mid-term evaluation of the CCF. A flexible approach in implementation should be adopted to accommodate any necessary modifications to the CCF. The scope and timing of the programme design shall be subject to the Government's final decision.

D. Resource mobilization strategy and targets

37. Until 1995, UNDP was the only United Nations agency with a permanent presence in the Democratic People's Republic of Korea. During 1995 and 1996, WFP and UNICEF established offices in the country to provide humanitarian assistance and WHO established an emergency and humanitarian action office while the latter part of 1997 and 1998 saw the arrival of a small number of NGOs active in humanitarian programmes. As the UNDP Resident Representative is also United Nations Resident and Humanitarian Coordinator as well as being the WFP Representative, there is a clear and structured linkage between the humanitarian and recovery programmes. The former is coordinated through the United Nations consolidated appeal process and the latter through the round-table meetings and their follow-up. Interagency meetings of United Nations system agencies, NGOs and representatives of donors and officers of the European Union and the *European Commission Humanitarian Office* are held weekly and are chaired by the United Nations Resident and Humanitarian Coordinator. Subgroups covering agriculture, health, water and sanitation, and food aid meet fortnightly.

38. As mentioned earlier, all United Nations agencies with programmes in the Democratic People's Republic of Korea endorsed a United Nations strategy paper developed by the United Nations country team in February 1999, outlining a three-track plan for humanitarian recovery and development assistance. To date, donors have been relatively generous with humanitarian aid, which is often provided without many preconditions. However, aid for recovery and development has been limited. There is only a limited presence in the Democratic People's Republic of Korea of traditional donor countries. Resource mobilization for recovery programmes has been pursued through round-table meetings, the first of which was held in Geneva in May 1998 and which was followed later that year by a technical meeting. The second round-table took place in Geneva in June 2000 during which it was agreed that a follow-up round-table or technical session would be held, at which time consideration would be given to other important sectors of the economy, such as energy and transport. It was noted that these sectors were also important for the success of agricultural recovery. UNDP will continue to act as a conduit for resource mobilization, using its extensive experience at the policy and project level in the Democratic People's Republic of Korea to make effective and efficient use of resources drawn from its diverse partnerships.

39. The CCF is broad in its coverage, but the role of UNDP will be strategic, i.e., to support the development of programme frameworks and to promote resource mobilization in the targeted sectors, not to directly fund activities. UNDP will co-fund demonstration projects aimed at national mainstreaming of innovative initiatives in such areas as vulnerability reduction, gender and environmental protection.

40. The aid coordination programme could support the Government in better coordination of international assistance, particularly with respect to the collection of relevant data. The programme would include a component that would actively promote liaison with donors between round-table meetings and follow-up on concrete proposals and commitments made for more comprehensive future discussions on such sectors as agriculture, energy and transport, together with the environment and related issues. Preparation of sector cooperation strategies and programme frameworks will be supported by UNDP in conjunction with donor

specialists in these fields. A media outreach programme will be initiated, including public information messages and brochures.

V. Sequence of action and implementation modalities

41. Support to the formulation of programme frameworks in the three areas of concentration will facilitate the dialogue by the Democratic People's Republic of Korea with the international community on technical and development cooperation. With assistance from UNDP, the Government could organize more thematic consultations within the next 18 months, building firmer consensus on rehabilitation and modernization activities and attracting appropriate funding from development partners into areas considered by the Government to be *the most critical in this phase of recovery*.

42. Towards the end of the programming period, the Democratic People's Republic of Korea would have built sufficient capacity for formulating additional sectoral frameworks, notably a flagship programme or project to celebrate the 2002 year of ecotourism. In addition, the Democratic People's Republic of Korea will have considered increasing its capacity further to formulate an even more comprehensive programme aimed at improving the quality of life of its people. Such a programme would consider options to combine the three conditions for sustainable human development, i.e., a stable macroeconomic framework, social cohesion and environmental sustainability. In other words, UNDP, in collaboration with other partners, will have built the capacity and confidence required for dialogue at the macroeconomic level, at a later stage. Considering the evolving nature of the Democratic People's Republic of Korea's dialogue with key countries, the second CCF will, however, be subjected to annual review, using a three-year rolling programme approach. Findings and recommendations from the annual reviews will be fed back through the tripartite review meetings and the steering committees. The proposed concentration on upstream, policy-level activities away from micro-level projects would make the best use of the limited resources of UNDP over the programming period.

43. UNDP, as a first priority, will design an aid coordination programme aimed at building capacity for information data collection and analysis, data bank management and risk analysis and scenario planning in each of the three areas of concentration, as well as in environmental protection. As detailed above and in collaboration with selected donors, the programme will provide sectoral experts in agriculture, environment, energy and transport as well as consultants in information technology and quality of life issues, including gender.

Annex

Resource mobilization target table for [name of country] (programming period)

<i>Source</i>	<i>Amount</i> <i>(In thousands of United States dollars)</i>	<i>Comments</i>
UNDP regular resources		
Estimated carry-over	2 263	Indicate carry-over of TRAC 1, TRAC 2 and the earlier AOS allocations.
TRAC 1.1.1	1 674	Assigned immediately to country.
TRAC 1.1.2	0 to 66.7 per cent of TRAC 1.1.1	This range of percentages is presented for initial planning purposes only. The actual assignment will depend on the availability of high-quality programmes. Any increase in the range of percentages would also be subject to availability of resources.
SPPD/STS	546	
Subtotal	4 483*	
UNDP other resources		
Government cost-sharing	300	
Third party cost-sharing	3 000	
Funds, trust funds and other	12 000	
	of which:	
GEF	2 000	
Trust funds	10 000	North East Asia Forest Forum, SIDA, Norway
Subtotal	15 300	
Grand total	19 783*	

* Not inclusive of TRAC 1.1.2, which is allocated regionally for subsequent country application.
Abbreviations: AOS = administrative and operational services; GEF = Global Environment Facility; SIDA = Swedish International Development Agency; SPPD = support for policy and programme development; STS = support for technical services; TRAC = target for resource assignment from the core.

