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ANNUAL REPORT OF THE ADMINISTRATOR FOR 1979

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Note: Data for this Report were largely drawn from the following statistical compilations for 1979:

- Basic Programme Data (DP/461)
- Supplementary Programme Data (DP/462)
- Subcontracts Awarded and Major Equipment Ordered (DP/463)

EXECUTING AGENCIES OF UNDP IN 1979

United Nations Department of Technical Co-operation for Development (UNDTCD)  
International Labour Organisation (ILO)  
Food and Agriculture Organization of the United Nations (FAO)  
United Nations Educational, Scientific and Cultural Organization (UNESCO)  
World Health Organization (WHO)  
International Civil Aviation Organization (ICAO)  
World Meteorological Organization (WMO)  
Inter-Governmental Maritime Consultative Organization (IMCO)  
International Telecommunication Union (ITU)  
International Atomic Energy Agency (IAEA)  
United Nations Industrial Development Organization (UNIDO)  
United Nations Conference on Trade and Development (UNCTAD)  
Universal Postal Union (UPU)  
World Bank  
Inter-American Development Bank (IDB)  
African Development Bank (AFDB)  
Asian Development Bank (ASDB)  
Arab Fund for Economic and Social Development (AFESD)  
United Nations Environment Programme (UNEP)  
World Tourism Organization (WTO)  
World Intellectual Property Organization (WIPO)  
United Nations Centre for Human Settlements (HABITAT)  
United Nations Centre on Transnational Corporations (UNCTC)  
Economic Commission for Africa (ECA)  
Economic Commission for Western Asia (ECWA)  
Economic and Social Commission for Asia and the Pacific (ESCAP)  
Economic Commission for Latin America (ECLA)  
Economic Commission for Europe (ECE)

OTHER PARTICIPATING ORGANIZATIONS

United Nations Fund for Population Activities (UNFPA)  
United Nations Children's Fund (UNICEF)  
World Food Programme (WFP)  
United Nations High Commissioner for Refugees (UNHCR)  
International Fund for Agricultural Development (IFAD)  
Office of the United Nations Disaster Relief Co-ordinator (UNDRO)  
United Nations Fund for Drug Abuse Control (UNFDAC)

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 UNDP AT A GLANCE  
 PROGRAMME FINANCING: 1972-1979  
 (\$ million)

	First Programming Cycle					Second Cycle		
	1972	1973	1974	1975	1976	1977	1978	1979*
<b>RESOURCES</b>								
<u>Total</u>	<u>300.5</u>	<u>356.0</u>	<u>384.3</u>	<u>459.0</u>	<u>553.0</u>	<u>612.0</u>	<u>705.6</u>	<u>809.5</u>
Voluntary contributions pledged	268.4	307.6	337.5	406.0	466.2	524.3	597.1	691.6
Programme cost contributions	12.6	14.8	14.8	14.5	18.7	***	***	***
Other income	13.6	19.4	10.0	7.6	4.4	25.8	49.5	61.1
Other contributions**	5.9	14.2	22.0	30.9	63.7	61.9	59.0	56.8
<b>EXPENDITURES</b>								
<u>Total</u>	<u>344.1</u>	<u>343.5</u>	<u>378.3</u>	<u>525.3</u>	<u>485.6</u>	<u>442.9</u>	<u>557.2</u>	<u>698.0</u>
Field programme activities	277.2	273.0	290.5	415.1	373.1	337.9	435.6	546.6
Agency overhead costs	33.9	34.1	44.0	57.7	55.3	45.5	58.0	75.3
UNDP Administrative/support costs	33.0	36.4	43.8	52.5	57.2	59.5	63.6	76.1

\* Provisional

\*\* Including contributions for Special Measures for Least Developed Countries, Government cost sharing and Government cash counterpart

\*\*\* Programme cost contributions included in voluntary contributions pledged

PROJECT EXPENDITURES: 1972-1979  
 (\$ million)

	1972	1973	1974	1975	1976	1977	1978	1979*
UNDTCD	45.9	44.2	44.9	62.7	56.0	51.0	63.5	65.0
ILO	30.3	27.2	27.5	37.1	30.3	25.8	37.9	46.0
FAO	85.1	78.6	76.8	117.2	105.4	88.4	111.1	132.0
UNESCO	41.4	36.5	33.9	43.5	35.1	29.5	33.2	45.8
WHO	13.6	14.1	15.9	22.6	20.0	14.9	14.3	16.2
ICAO	5.9	7.0	9.7	15.9	17.3	15.1	26.3	29.5
WMO	6.0	5.3	5.6	6.8	6.5	6.6	7.8	8.2
IAEA	2.2	2.0	3.1	3.9	2.9	2.8	3.2	6.0
IMCO	0.7	1.4	1.5	2.5	2.4	2.1	2.0	2.6
ITU	8.2	10.0	11.1	16.2	14.9	12.5	16.2	20.5
UNDP	1.8	3.7	13.9	25.9	19.2	25.0	35.6	45.2
UNIDO	17.0	16.1	19.1	30.2	30.5	33.7	42.4	51.5
UNCTAD	2.9	3.9	4.3	7.7	8.1	8.1	9.5	13.2
UPU	1.1	1.4	1.7	2.2	1.4	0.6	1.5	2.1
World Bank	11.2	15.1	13.6	12.1	13.4	11.4	16.1	26.5
IDB	0.6	0.4	0.2	1.2	1.6	0.3	0.5	0.4
ASDB	-	0.8	0.9	1.3	1.4	0.4	0.9	1.5
AFESD	-	-	-	-	-	0.9	0.6	0.3
ECA	-	-	-	-	-	0.9	2.4	4.4
ECWA	-	-	-	-	-	0.1	0.3	0.3
ESCAP	-	-	-	-	-	1.8	2.2	3.8
ECLA	-	-	-	-	-	-	1.1	1.6
Governments	-	-	-	-	-	0.2	0.6	6.5
HABITAT	-	-	-	-	-	-	-	12.3
WIPO	-	-	-	-	-	-	-	0.2
WTO	-	-	-	-	-	-	-	0.4
<u>Sub-total**</u>	<u>273.9</u>	<u>267.7</u>	<u>283.7</u>	<u>409.0</u>	<u>366.4</u>	<u>332.1</u>	<u>429.2</u>	<u>542.0</u>
Government cash counterpart expenditures	3.3	5.3	6.8	6.1	6.7	5.8	6.4	4.6
<u>Total</u>	<u>227.2</u>	<u>273.0</u>	<u>290.5</u>	<u>415.1</u>	<u>373.1</u>	<u>337.9</u>	<u>435.6</u>	<u>546.6</u>

\* Provisional

\*\* Data cover expenditures financed under UNDP IPF, Programme Reserve, Special Measures Fund for Least Developed Countries and Special Industrial (SIS) and cost sharing (the latter included in sub-total only for 1972-1976).

PROGRAMME IMPLEMENTATION: 1979  
 Field delivery, 1979, by region and category of input\* (\$ million)

	Expert Assignments		Fellowships		Equipment	Subcontracts
	No.	Value**	No.	Value**	Value**	Value**
<u>Total, all regions</u>	<u>8445</u>	<u>272.0</u>	<u>6568</u>	<u>51.6</u>	<u>129.9</u>	<u>71.6</u>
Africa	2541	81.6	1870	14.8	35.4	12.7
Asia/Pacific	1964	63.4	2156	16.8	24.0	11.5
Latin America	2113	68.0	838	6.6	52.8	25.8
Europe	462	14.9	938	7.4	6.6	1.0
Arab States	1255	40.5	766	6.0	10.5	6.1
Interregional/Global	110	3.6	-	-	0.6	14.5

\* Data cover expenditures financed under UNDP IPF, Programme Reserve, Special Measures Fund for Least Developed Countries and Special Industrial Services (SIS)

\*\* Preliminary estimates



## INTRODUCTION BY THE ADMINISTRATOR

1. Despite severe inroads by inflation, continued real growth marked the operations of the United Nations Development Programme (UNDP) in 1979. Field programme expenditures rose by 25.5 per cent to a new high in current dollars of \$546.6 million. Net project approvals also rose to a record level of \$701 million. In the thirtieth year of United Nations system technical co-operation activities, the Programme supplied a steadily rising volume of specialized knowledge and know-how, equipment and training to more countries, in greater variety, and with more coherent impact, than ever before in its history.

2. At the same time, UNDP witnessed vigorous expansion in other directions. During the year, as detailed in the pages that follow, the Programme:

- Assumed administrative responsibility for the new Interim Fund for Science and Technology for Development, with potential resources of some \$250 million for project commitments in 1980 and 1981.
- Launched operational activities under the United Nations Special Fund for Land-Locked Developing Countries, despite the very low level of resources available for programming activities.
- Opened field offices in four additional developing countries -- Bhutan, Djibouti, the People's Republic of China and Samoa -- bringing the world's largest development assistance field network to a total of 111 country offices.
- Further expanded the Programme's network of 35 participating and/or executing agencies. During the year both the United Nations Centre on Transnational Corporations and the United Nations Centre for Human Settlements (HABITAT) attained the status of executing agencies under the Programme.
- Assumed basic administrative and co-ordinating functions at the field level on behalf of the United Nations Fund for Drug Abuse Control, and revised and updated the responsibilities of Resident Representatives with regard to their continued representation of the Office of the United Nations Disaster Relief Co-ordinator (UNDRO).
- Assumed the Chairmanship of three important international steering committees -- one for co-operative action on drinking water supply and sanitation measures in developing countries another on technical assistance measures for the group of Caribbean nations and a third involving the internationalization of the Cholera Research Laboratory in Dacca into an internationally-supported Centre for Diarrhoeal Disease Research.
- Carried out, with agency collaboration, several major evaluation studies, including an action-oriented assessment of rural women's participation in development, a detailed study of UNDP pre-investment and investment follow-up activities and an overall re-examination of the UNDP country programming experience in preparation for the third development co-operation cycle beginning in 1982.

- In addition to its own record expenditures, supervised the implementation of another \$10.8 million in third party cost sharing expenditures (funds contributed by bilateral or other multilateral donors for management by UNDP) and an additional \$31.1 million in developing country cost sharing projects (projects financed by governments in excess of their UNDP programme allocations), bringing total expenditures overseen by UNDP in 1979, including government contributions in cash or in kind to UNDP-supported projects, to more than \$1.3 billion.

3. As Administrator, I am proud of this dynamic record of Programme performance during the year. But I am also very much aware that UNDP tends ultimately to be judged by other, more fundamental aspects of its work. Here I wish, as always, to be candid. The Programme remains far too modest in far too many of the countries it assists -- countries whose needs for technical co-operation are far in excess of resources available to meet them. Its accomplishments in pre-investment and investment follow-up activities have been less successful than I should like them to have been, although new arrangements are being devised to improve this important aspect of UNDP's operational activities. Despite many efforts at Headquarters and in the field, the Programme and its partner agencies have been too slow in implementing the New Dimensions decision of the Governing Council in 1975. Some of our policies and procedures remain too cumbersome and inflexible -- for the developing countries themselves, for our agency partners and for our own field network. We have some distance yet to travel in marshalling all the institutional resources of UNDP -- the Capital Development Fund, the Revolving Fund for Natural Resources Exploration, the United Nations Volunteers and other related United Nations system operational activities -- into a coherent, effective, inter-disciplinary package at the field level. Combined UNDP and agency overhead costs remain highly vulnerable to the rising inroads of inflation. And we continue to miss opportunities to bring the kind of critical mass of technical co-operation to bear on developing country problems which would make a significant, long-term difference in the progress of those countries.

#### Stress on Operational Improvements

4. A number of these shortcomings can be traced to the limited, thinly-spread resources available for the indicative planning of UNDP-supported technical co-operation. But others are attributable to problems inherent in UNDP programming and performances at the operational level. During 1979, therefore, the Programme continued to focus concerted attention on issues of effective implementation, improved procedures and streamlined organizational arrangements.

5. At the organizational level, UNDP undertook a major staffing review of Headquarters functions, designed to assess existing staff workloads, to review the distribution of tasks between Headquarters and the field and, based on the findings, to remedy instances of overlap, to eliminate redundant, outmoded or low priority activities and to bolster, as necessary, areas of under-strength. At the same time, substantial progress was recorded with respect to the Integrated Systems Improvement Project, under which most of the Programme's new financial and management data systems are scheduled to come into operation during 1980. Among the many improvements foreseen are a reduction of turn-around time in the production of output reports, including project budgets; computerization of country

programme management plans; uniformity in the format and content of agency expenditure reports; cost savings related to manual processing and duplicate record-keeping; creation of a computerized institutional memory base of completed projects; other improvements in the flow, range and regularity of financial data. Other organizational reforms were reflected in the establishment of a Management Review and Analysis Section within the Division for Administrative and Management Services and in the elimination of UNDP's Division of Legal Services, with future legal service to be provided by the United Nations Office of Legal Affairs.

6. Over the last few years, financial resources devoted to UNDP-supported pre-investment work have been declining. The Administrator has therefore taken certain steps to stimulate pre-investment activities and follow-up investment related thereto. One such step was the establishment of an Investment Development Office at Headquarters in January 1979. Its tasks include initiating or strengthening collaboration with such sources of finance as the International Fund for Agricultural Development, the regional development banks, and the World Bank through "special interest" arrangements, and the establishment of stronger linkages between pre-investment and investment follow-up activities, particularly during the project design phase. One of the first steps taken by this office was to implement an experimental co-operative agreement with FAO, under which multidisciplinary expertise from the FAO Investment Centre is used to improve the investment potential of selected agricultural projects. Similar co-operative arrangements with several other agencies are being actively pursued.

7. Similarly, at the request of the Governing Council, the Programme undertook detailed appraisals of both its programme and project evaluation measures, of the system of tripartite monitoring reviews in effect since 1974, of project design policies and procedures and the format of project documents, and of related feedback mechanisms -- all directed toward improving programme quality as described in DP/448. Significant progress in the implementation of New Dimensions can be expected as a result of the adoption of new guidelines regarding increased reliance on national human resources in project implementation in August. An extensive analysis of UNDP-supported technical co-operation was carried out in 1979, as detailed in Examination of the Experience with Country Programming (DP/454), undertaken in preparation for the third programming cycle. This study, done in close collaboration with the Inter-Agency Task Force, stressed the need to improve and make more systematic the programming process by adopting elements of continuous programming through, for example, more effective periodic reviews. The study also suggested ways to attain a more articulated and sustained role in UNDP programming for the agencies, and for making continuous programming a basis for the improved co-ordination of operational activities called for in General Assembly resolution 32/197 on restructuring. Following review and approval by the Governing Council, these and other aspects of the study's findings can be expected to be reflected in a more effective process of country programming, generally, and in a more coherent framework for the operational activities of the United Nations system as a whole.

8. UNDP's concern with the improvement of its operational effectiveness during 1979 reached beyond the confines of its own experiences to touch the development process at large. At the request of the Governing Council, the Programme undertook a survey through its field offices to determine the extent to which varied development procedures practised by different donor organizations might constitute a burden on the administrative capacities of developing countries and to ascertain the advisability of a more uniform or standard approach to development



implementation. One conclusion of the study<sup>1/</sup> was that UNDP itself should lay still greater stress on the strengthening of the administrative, financial and technical skills required to manage external assistance, particularly among the least developed and low-income countries.

#### Measuring UNDP's Operational Effectiveness

9. In all these efforts, 1979 represented for UNDP a fitting climax to a decade of improvement and re-examination stretching back to the Consensus of 1970 -- a decade which saw the introduction of country programming and of the indicative planning figure system for the allocation of Programme resources; the progressive decentralization of UNDP's operations to the field; the introduction of country programme management plans and the system of tripartite reviews; the output-oriented thrust of New Dimensions; the adoption of a systematic policies and procedures manual; the creation of the Inter-Agency Task Force and the joint Agency-UNDP evaluation programme; the establishment of the Inter-Agency Procurement Services Unit; the negotiation of a new Standard Basic Agreement with the agencies; and the implementation of new financial and programme data systems. The Programme has conscientiously sought to modernize, to streamline and to stay abreast of important development assistance trends and needs.

10. From my viewpoint, the results of these cumulative efforts are now reflected in the strength and responsiveness of UNDP's current operational capabilities. A comparison between our own operational methods and those recommended for adoption by all development assistance organizations under the new set of guidelines for aid implementation issued in November 1979 by the Development Assistance Committee of the Organization for Economic Co-operation and Development (OECD) shows numerous and striking parallels between OECD's model practices and those already in effect in UNDP.

- OECD strongly recommends a greater degree of delegation of responsibilities to competent donor field representation and to recipient countries. Through its field network and aspects of New Dimensions, UNDP has both decentralized its operations and is in the process of delegating increased responsibility for project execution to participating governments.
- OECD urges long-term arrangements for informing recipients of the probable volume and type of aid resources to be expended over time. UNDP, through its IPF system and in collaboration with its agency partners, makes such forward programming an integral part of each of its development co-operation cycles.
- OECD recommends periodic review and, as necessary, revision of programming as a means toward greater flexibility in aid management. UNDP's system of periodic country programme reviews and tripartite project reviews were designed to accomplish precisely that purpose.

<sup>1/</sup> See DP/478, Consultations on More Uniform or Standard Procedures to Facilitate the Administration of Development Co-operation.

- OECD recommends closer collaboration among donor organizations as another means of improving aid implementation. At both the field and Headquarters levels, UNDP has taken numerous initiatives over the past decade to strengthen collaboration, not only with its agency partners but with other public and private sources of development co-operation. The issue of more uniform procedural and documentation requirements is even now before our inter-agency consultative machinery for action.
- OECD urges more assistance -- particularly technical co-operation -- in strengthening the administrative capacities of developing countries to manage external development resources. I have repeatedly cited UNDP's own efforts in this regard.

11. In other respects, also, the OECD guidelines are clearly in line with UNDP's recent endeavours -- measures to maximize the efficiency of project implementation, for example, to improve donor organizational structures, or to bring more variety and flexibility into aid delivery mechanisms. These new OECD guidelines were based on extensive consultations with both developing country officials and donor representatives, and on a careful review of existing donor procedures and practices. They show UNDP and its Governing Council to be pioneers of progressive, effective operational policies, responsive to developing country needs and to the changing organizational requirements necessary to meet them.

#### Untapped Potentials

12. Against this background, it is clear to me that the international community has available to it in UNDP an enormous untapped potential for effective service in the cause of development. UNDP is operationally flexible, decentralized to a carefully balanced level and comparatively advanced in its policies and practices -- all in terms of standards laid down by the world's leading donor organization, the Development Assistance Committee of OECD. It is therefore puzzling to me that resources voluntarily pledged to UNDP for 1980 fell drastically short of the Governing Council's target of a 14 per cent increase annually. I realize that part of this shortfall can be attributed to the current wave of austerity-mindedness that affects the budgeting process of almost every government. But given all that we have learned about the value of technical co-operation over the past decade, all that has been said of the urgent need to correct imbalances and inequities in the world economy, and all that UNDP has itself done, together with governments and its agency partners, to make its operations more effective and infuse them with greater impact, it is nothing short of tragic that such potential should not be brought fully to bear upon the massive and severe problems facing developing countries today.

13. I have previously noted that in too many countries our programme is marginal in terms of resources. But because of the highly catalytic role played by technical co-operation, even marginal resources can have a critical development impact. The programme has taken numerous steps in recent years to stretch its limited resource base through various measures of additionality -- third party and government cost sharing, the organization of donor consortia, ancillary fund-raising for such UNDP-supported undertakings as the Consultative Group on International Agricultural Research and the Tropical Diseases Programme, and regular appeals on behalf of those UNDP-administered funds of a special character, such as the Capital Development Fund, the United Nations Volunteers, the Revolving

Fund for Natural Resources Exploration, the Landlocked Fund and the new Interim Fund for Science and Technology for Development. Through the central management of these activities by UNDP, the Programme has been able to attract substantial funds in additional bilateral and multilateral project expenditures.

14. All these measures of additionality constitute an important source of Programme growth and dynamism. As a centrepiece for international technical co-operation, UNDP has a high obligation to respond to the various special needs and particular appeals of governments facing overwhelming difficulties in their development efforts. That is why the Programme has been quick to respond, through the services of its unparalleled field network, in support of the efforts of so many multilateral and bilateral development programmes at the country level, including the expanding activities of such organizations as UNFPA, WFP and UNDTCD, which UNDP represents on a country basis. Part of the uniqueness of the Programme -- and part of our service to the development community at large -- stems from this special capacity to accommodate development needs and endeavours of all kinds as they arise.

15. But it is vitally important to remember that the pillar on which all of these activities of an ancillary nature now rest is the main programme of technical co-operation financed by UNDP itself. Our calculations show that almost a quarter of UNDP's annual administrative and programme support costs are currently attributable to the workload borne by field offices in the administration of non-UNDP financed activities. With the rapid expansion of these activities in recent years, it is clearly urgent that the volume of UNDP's own central resources continue to gain the substantially increased support and attention required from all governments.

16. The pages that follow provide a brief summary of all these activities in 1979, together with an analysis of the Programme's general performance during the year. The record substantiates in greater detail the points I have tried to make in this brief introduction. It shows, in my view, a UNDP prepared for a new decade of great challenges, and equipped as never before to help meet them.



Bradford Morse  
Administrator

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## II. THE MAIN PROGRAMME RECORD IN 1979

17. Among the multitude of statistical measures of Programme performance in 1979, a few stand out as particularly revealing of over-all trends and directions in UNDP technical co-operation during the year. At the macro level, for example, field expenditures continued to rise dramatically (up 25.5 per cent from 1978) while the value of net project approvals, which increased sharply by 127 per cent in 1977 and by another 73 per cent in 1978, levelled off to \$701 million in 1979 (up only 2 per cent compared to the previous year). Thus, at mid-point in its second five-year programming cycle, UNDP's Administration was continuing its vigorous efforts to mobilize resources so as to ensure with careful monitoring that both on-going and projected expenditures for the cycle will approximate the target of \$2.46 billion in total IPF expenditures by the end of 1981.

18. At less aggregate levels, smaller figures are also revealing:

- Expenditure on projects implemented by direct government execution during the year rose more than 10-fold compared to 1978 - to the still modest level of \$6.5 million in 1979 compared to \$0.6 million in the previous year - indicating that this important aspect of New Dimensions was beginning to take hold.
- Additional progress in both the implementation of New Dimensions was also reflected in other data for 1979. The number of experts from developing countries serving on UNDP-financed projects rose to 2,506, a 28 per cent gain compared to 1978; the dollar value of subcontracts awarded to firms or institutions in developing countries also rose by 61 per cent, while the number of training fellowships provided by developing country institutions increased by 27 per cent over the previous year.
- The world's most populous nation, the People's Republic of China, extended its programme participation with the opening of a UNDP field office in Beijing in August and the allocation of a \$15 million IPF to China for the remainder of the second cycle. The Beijing field office brought to 111 the total number of UNDP field missions in developing countries around the world and raised to 152 the total number of developing countries and territories served by the Programme - making UNDP the world's most universal development co-operation organization
- Despite substantial Programme growth in terms of both expenditures and new activities, the total number of professional and higher category staff charged to UNDP's administrative and programme support budget actually declined from 585 at the end of 1978 to 576 at the end of 1979. Total main Programme staff rose slightly during the year from 3,749 to 3,785, an increase mainly attributable to additional hiring of locally recruited field staff.

Project Approvals and Expenditures

19. In aggregate terms, the value of new project approvals, together with net additions to on-going projects advanced moderately in 1979 to \$701 million. Of this amount, the overwhelming proportion - \$668.3 million - affected projects costing \$150,000 or more. The remaining \$32.7 million in net approval actions related to projects amount to less than \$150,000. The following table compares approval actions for 1978 and 1979 by region:

Net approval actions, 1978 and 1979  
(\$1 million)

Region	1978	1979
Africa	232.6	195.0
Asia and Pacific	160.6	183.6
Arab States	67.5	67.5
Latin America	90.0	100.3
Europe	32.4	14.2
Regional Projects	77.9	103.5
Interregional	6.6	8.1
Global	19.9	28.8
Total	687.5	701.0

20. Project expenditures for the year totalled \$546.6 million, of which \$532.2 million was expended under country and inter-country IPFs and cost sharing arrangements, \$2.8 million under the Programme Reserve, \$4.7 million under Special Industrial Services, \$11.3 million under the Special Measures Fund for Least Developed Countries and \$4.6 million in government cash counterpart expenditures. On a regional basis, Programme field expenditures, exclusive of government cash counterpart, were as follows: \$139.4 million for country projects in Africa (25.5 per cent); \$135.7 million for country projects in Asia and the Pacific (24.8 per cent); \$84.4 million for country projects in Latin America (15.4 per cent); \$62.2 million for country projects in the Arab States (11.4 per cent); and \$21.4 million for country project in Europe (3.9 per cent). Intercountry projects accounted for the remaining \$86.5 million (or 15.8 per cent of expenditures, including \$68.5 million (12.5 per cent) for regional projects, \$8 million (1.5 per cent) for interregional projects and \$10 million (1.8 per cent) for global projects.

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The following table compares expenditure by component for 1978 and 1979:

Expenditure by component, 1978 and 1979  
(\$ million)

Component	1978	1979	% Decrease (-) or increase
Experts	218.9	272.0	24.3
Equipment	105.9	129.9	22.7
Subcontracts	53.2	71.6	34.6
Training	40.5	51.6	27.4
Miscellaneous	10.7	16.9	57.9
Sub-total	429.2	542.0	26.3
Government cash counterpart expenditure	6.4	4.6	-28.1
Total	435.6	546.6	25.5

Field Delivery in 1979

21. Field delivery during the year saw a substantial increase in both the number and value of experts recruited for field service by the Programme's 27 executing agencies, together with governments and UNDP's Office of Projects Execution. Some 8,445 experts were fielded under 4,943 operationally-active projects in 1979, compared to 7,022 in 1978. Equipment delivered to projects in 1979 constituted 24 per cent of total field expenditures compared to 24.7 per cent in 1978. The value of the subcontracts and training fellowships delivered also advanced during the year, with subcontracts accounting for 13 per cent of project expenditures and fellowships for 9.5 per cent. More than 6,500 developing country nationals received training under UNDP-financed projects in 1979.

22. As the following table indicates, the value of Programme components obtained from developing country firms or suppliers also rose substantially during 1979. Developing countries provided 26 per cent of experts for projects, 12.5 per cent of equipment ordered, 27.5 per cent of the value of new subcontracts awarded, and hosted 31.2 per cent of training fellowship awards during the year.

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Share of Programme Components Awarded to Developing Countries  
1978-1979 compared

Component		1978	1979	%Increase
No. of Experts	Developing countries	1,961	2,506	+26
	Total all countries	6,706	7,980	+17.5
Value of Equip. Ordered (\$million)	Developing countries	\$15,873	\$15,928	+1
	Total all countries	\$94,210	\$127,557	+35
Value of Sub-contracts Awarded (\$million)	Developing countries	\$12,125	\$19,806	+63
	Total all countries	\$49,822	\$71,989	+44.5
No. of Fellowship Awards	Developing countries	2,386	3,036	+27
	Total all countries	7,184	9,718	+35.3

23. The following table records the number of large-scale projects completed or cancelled, by region, during 1979:

Large-Scale Projects on which Field Work Was Completed in 1979

Regions		Number of Completed Projects	Number of Cancelled Projects
Africa	Country projects	42	
	Regional projects	<u>0</u>	4
Asia and Pacific	Country projects	35	
	Regional projects	<u>0</u>	2
Arab States	Country projects	10	
	Regional projects	<u>3</u>	0
Latin America	Country projects	43	
	Regional projects	<u>11</u>	1
Europe	Country projects	4	
	Regional projects	<u>1</u>	0
Interregional:		3	
Global:		<u>3</u>	0
<b>TOTAL:</b> .....		155	7

### Investment Follow-up

24. As noted earlier, vastly intensified efforts are necessary in the area of UNDP's investment activities. The value of investment follow-up commitments generated as a result of UNDP pre-investment and investment-support work provide another measure of main programme performance during the year. As reported in DP/462 -- Supplementary Programme Data -- total investment commitments declined slightly to \$4.589 billion in 1979 as against \$4.853 billion in 1978. On a sectoral basis, the main volume of investment follow-up continued to be concentrated in three areas: transport and communications (\$1.3 billion); agriculture, forestry and fisheries (\$1.1 billion); and industry (\$1 billion). In line with the Programme's new emphasis on assistance to developing country administrative capacities, however, some \$161.8 million in investment follow-up was for the first time committed in the sector of general development issues, policy and planning.

25. In terms of source of financing, most follow-up commitments reported were supplied by multilateral development organizations (\$2 billion), with the World Bank alone accounting for \$1.1 billion. Developing countries provided more than \$1.7 billion of the commitments recorded, the great bulk of this (\$1.56 billion) coming from the public sources. Bilateral investment follow-up from bilateral sources in 1979 accounted for \$787 million in commitments.

26. Roughly 10 per cent of UNDP's annual field expenditures are devoted to pre-investment studies involving the identification and/or assessment of follow-up investment opportunities. The Investment Development Office established in 1979 took prompt initiative to extend this potential. Early in the year it entered into a co-operative agreement with FAO, under which eleven projects considered to have investment potential were visited by experts from the FAO Investment Centre. Six of these were reoriented to meet more fully the investment requirements of development finance sources. It is estimated that these missions alone will result in some \$200 million in additional investment follow-up stemming from UNDP/FAO-supported projects. At the same time the new Investment Office has been active in negotiating similar co-operative arrangements with other executing agencies while initiating and strengthening "special interest" arrangements with the World Bank, IFAD and the regional development banks.

### Programme Financing

27. Voluntary contributions paid by governments in 1979 in support of UNDP's activities totalled \$691.6 million, including \$11.3 million in voluntary contributions by developing countries to cover programme costs. Miscellaneous income for the year amounted to \$61.1 million, traceable in part to a new income and cash management system inaugurated by UNDP's Treasury Section. Resources for supplementary programmes -- Special Measures Fund for Least Developed Countries, cost sharing and government cash counterpart contributions -- totalled \$56.8 million. Of this amount \$41.9 million was received as cost sharing contributions. Six governments and four international organizations provided \$10.8 million in the form of third party cost sharing on projects financed under UNDP auspices in five developing countries and five regions. Developing countries themselves contributed



the balance of \$31.1 million, \$10.1 million of which was provided to supplement UNDP-supported programmes in the countries concerned and \$21 million of which went to support specific projects. Total resources from all sources during the year amounted to \$809.5 million, while UNDP's total recorded income stood at \$797.6 million.

28. On a provisional basis, field expenditures recorded against this income in 1979 amounted to \$546.6 million, some \$111 million more than in 1978. Administrative and Programme support costs incurred by UNDP during the year totalled \$76.1 million, a 19.6 per cent increase over the \$63.6 million in such costs during 1978. In line with the 25.5 per cent increase in field expenditures during the year, Agency overhead costs reflected a parallel increase, from \$58 million in 1978 to \$73.3 million in 1979. Total Programme expenditures for all purposes amounted to \$698 million. Both income and expenditures during 1979 were within 2.5 per cent of the Programme's own projections for the year, indicating that careful financial monitoring was guiding the steadily ascending growth curve required to meet planned targets for the second programming cycle as a whole.

29. During 1979, also, the Programme's Operational Reserve became fully funded to the level of \$150 million approved by the Governing Council -- a \$50 million increase over the level attained by the end of 1978. A further \$25 million was added to the Operational Reserve in the first months of 1980, so that as at 31 March 1980 the total amount approved by the Governing Council -- \$175 million -- was fully funded.

30. Further progress was also made in the utilization of accumulating non-convertible currencies. During 1978 the Programme had reached agreement with the Soviet Union to exchange some five million roubles, equivalent to 7.5 million U.S. dollars, for certain developing-country currencies which UNDP would normally purchase for operational purposes. Some 1.1 million roubles were exchanged under this agreement in 1978, with a further 2 million roubles exchanged in 1979. This left a balance of 1.9 million roubles for exchange in 1980.

31. As a result of the second joint pledging conference for operational activities in the United Nations system, held at the invitation of the Secretary-General on 6 November 1979, total voluntary contributions pledged to UNDP's main programme amounted to \$719.1 million, including \$8.1 million in voluntary programme costs paid by developing countries. An additional \$11.6 million was pledged to the Special Measures Fund for Least Developed Countries. Including pledges anticipated but not announced as of 21 March 1980, main programme pledges for 1980 amounted to only a 4 per cent increase over contributions for 1979, a considerable shortfall from the Governing Council's planning target of a 14 per cent annual increase.

32. The need for more stable, continuous and predictable financing of the Programme was a priority concern of both the Governing Council and the UNDP administration in 1979. At its twenty-sixth session, the Council decided to convene an open-ended intergovernmental study group to consider, in particular, issues related to multi-year pledging and a more equitable basis for sharing support of the Programme. Earlier in the year, the Administrator had established a new Resources Office under the Assistant Administrator for Finance and Administration, with the task of providing substantive support for the Council's deliberations and otherwise helping to plan for and assure the Programme's future

resource needs. At the 6 November Pledging Conference, the Administrator had himself stressed the "significant impact" of inflation and foreign exchange fluctuations on UNDP's resource situation and had noted that "No matter what the level of voluntary contributions to the central resources of UNDP for 1980 in monetary terms, the level in real terms will be considerably lower." "I would be less than candid," he added, "if I failed to record my concern -- my profound anxiety -- with the trend which has been revealed today with respect to the central resources of UNDP."

### III. SUBSTANTIVE TRENDS IN PROGRAMMING

33. During 1979 the Governing Council approved 19 new country programmes, while another 11 were under preparation for submission to the Council in 1980. The extensive Examination of the Experience with Country Programming carried out in 1979 noted that, despite the recommendation of the Consensus of 1970, too few of the country programmes studied actually coincided either with the national development plan of the country or, in the absence of such a plan, with the IPF period. Five of the countries preparing programmes for approval in 1980 have followed the recommendation. Eight of the new programmes also allocate less than half their UNDP-financed resources to new projects, while six include provisions to ensure that IPF resources will be fully disbursed during the programme period even if projects are delayed or revised. Reserves to provide for unforeseen needs were included, at a modest level, in five of the new programmes.

34. As detailed in DP/478, these were the other key characteristics of the 11 country programmes being submitted in 1980:

- In most programmes the government co-ordinating body assumed the lead role in selecting projects;
- In none of the 11 countries were systematic in-depth sectoral studies or inventories of national technical co-operation needs undertaken in preparation for the exercise;
- Co-ordination between the country programme and other external assistance received significant attention in most new programmes;
- In terms of sectoral allocation, about one-third of new programme resources were committed to agriculture, continuing a trend evident in 1978;
- While considerable variation was evident in the concentration of resources, projects tended to average \$200,000 to \$500,000 in size; and
- Global priorities received, on the whole, relatively scant attention.

35. Within this context of programming trends in 1979, the examination of country programming experience, with its emphasis on continuous programming and a more effective tripartite approach, assumes particular significance for UNDP's third development co-operation cycle. This study essentially concluded that the country programming process, as practised and modified over the years, is an effective

development tool requiring, in the main, more concerted measures of planning and implementation for optimal results. It therefore recommended, for example, that the identification and formulation of new projects take place concurrently as programme implementation moves forward, based on a continuing dialogue among government authorities, the UNDP field office and the executing agencies. This continuous tripartite participation in the programming process should help to strengthen existing monitoring and programming devices, including tripartite project reviews, periodic programme reviews, sectoral studies and assessments of technical co-operation needs, thereby better equipping both UNDP and its partner agencies for the kind of supportive role cut out for them under the Consensus. This increased collaboration, in turn, should provide governments with the means to increase the relevance of UNDP-supported technical co-operation to changing developing needs, to facilitate more effective planning of external -- and particularly United Nations system -- resources and to identify additional technical co-operation needs and the potential resources available to meet them. In such ways, UNDP programming in the third cycle, could serve as an effective frame of reference for the operational activities of the United Nations development system as a whole at the country level.

#### Intercountry Programming

36. Considerable attention was also directed to the process of intercountry programming in 1979, with the over-all aim of enhancing the collective involvement of developing countries in each region. As in the country programming study, the intercountry analysis<sup>2/</sup> was designed to find ways of making UNDP and its partner agencies more supportive of efforts by developing country governments to establish collective regional and subregional priorities for the assistance available through UNDP regional programming. While existing UNDP practice showed that intensive and close consultations are being held with concerned governmental groups on regional and subregional programming, and that governments remain the final authority at the project level, it was nonetheless important to assure greater collective involvement by governments in the setting of regional programme priorities.

37. Accordingly, after extensive discussions with agencies and the regional economic commissions, UNDP proposed a revised consultative process in which, after careful review of on-going regional programmes, governments, regional commissions, intergovernmental groups and agencies alike would be advised in advance of regional programming exercises and requested to provide their views on priorities thereunder. In this endeavour, the regional and subregional sectoral meetings of governments normally convened by agencies would play an important role. On the basis of these extensive consultations, UNDP would then prepare draft regional programmes for presentation to a special meeting of concerned governments called by UNDP in collaboration with the Executive Secretaries of the Regional Commissions and with full agency participation. At these meetings, government representatives would review the priorities spelled out in the draft programme before them, the draft then being revised as appropriate to reflect the chief concerns of governments in the region. In this way, developing country governments would be brought actively into the final phase of the programming process, and a sound basis for United Nations system inputs at the regional level would have been established.

<sup>2/</sup> See DP/435, Determination of Priorities for Regional Programmes

38. While specific projects under UNDP's global and interregional programmes are approved by the Governing Council, extensive consultative machinery is also employed in the programming process for these significant and unique components of UNDP's activities. The research-oriented global programme, which seeks to expand developing country access to world scientific knowledge, plays a leadership and catalytic role in building up research and development networks of central concern to development needs. During 1979 these networks covered such fields as basic agricultural research, rice testing, nitrogen fixations, animal diseases, research in tropical diseases and diarrhoea and related food production and public health endeavours.

39. The Interregional Programme serves as the focal point within UNDP for co-ordinating rapidly expanding activities in support of the New International Economic Order.<sup>3/</sup> Fully one-third of the Interregional IPF has been allocated for the support of NIEO-related activities during the current cycle, and during 1979 UNDP and UNCTAD formulated a wide-ranging programme to be carried out at national, regional and interregional levels, stressing economic and technical co-operation among developing countries. Core financial support for this Programme is now being provided from the Interregional IPF.

40. The Interregional Programme also serves as the main promotional and co-ordinating point within UNDP for the development and conservation of world marine resources. Over the past 10 years a global network of interregional, regional and national fisheries projects has been built up, which collectively represent a major contribution to international development. Basic changes in the ocean regime brought about by the establishment by most nations of extended or exclusive economic zones have direct relevance to the NIEO, and UNDP/FAO collaboration in this sector is expected to be intensified in the next cycle. Other interregional projects in the fields of telecommunications, technical training, management development and public enterprises are helping to strengthen co-operative ties among countries of different regions for their mutual development and support.

41. One aspect of both the global and the interregional programmes which is not always fully appreciated is the strong anti-poverty orientation of many activities. The stress on improved food and health measures in the global programme clearly is of greatest ultimate benefit to the rural poor. Similarly, the inclusion in interregional fisheries projects of specific components designed to assist artisanal fishermen, who frequently rank among the lowest income groups, provides another example. The outstanding example is the Interregional Programme for Least Developed Countries in Labour Intensive Public Works, for which ILO is the executing agency. The specific objective of this programme, in which 20 least developed countries are participating, along with five other developing countries in the spirit of TCDC, is to generate increased rural employment, through the implementation of well designed rural public works. Construction projects for which international support has been mobilized by this programme have directly generated an estimated 350,000 man-months of additional employment for 100,000 men and women, many of them landless labourers employed seasonally on the projects.

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<sup>3/</sup> For an extensive discussion of these activities, see UNDP and the New International Economic Order, DP/470.

### Implementation of New Dimensions

42. Over the years since 1975, government officials have become increasingly familiar with UNDP's new dimensions policies, in particular with the use of national personnel and technical co-operation among developing countries. At the project level in 1979 there was growing awareness of the need for and possibility of government officials assuming a more significant role in project implementation. The recent initiatives taken by organizations of the United Nations system for vesting nationals with management responsibility are beginning to take hold in a number of cases, while governments are increasingly aware of UNDP funding for national expertise. A number of countries are increasing the use of national consultants financed by UNDP to perform services in their projects, as noted above.

43. Although data show a substantial increase in government execution of projects in 1979, studies undertaken during the year<sup>4/</sup> indicate that the concept has not proved as acceptable to as many governments as originally anticipated. Some of the countries most capable of government execution in terms of quality and availability of national staff and institutions are among those which have been the most reluctant to make use of the concept. One of the reasons that governments continue to prefer drawing on the services of Specialized Agencies as executing agents is the latter's ability to handle the procedures involved in project implementation (recruitment of experts, reporting, etc.) and the special advantages offered with regard to the procurement and importation of equipment. In this view, the disadvantages of government execution, e.g., the assumption of additional administrative responsibilities and workload, outweigh the potential added benefits stemming from increased managerial authority. Nonetheless, governments of a large number of other countries, including a number of least developed, have indicated a willingness to experiment with government execution, albeit on a gradual basis. Significantly, some of the developing countries which have attained a greater degree of self-reliance indicate that a gradual approach enables concerned national authorities to familiarize themselves with procedures. Others, however, point out that they intend to keep a degree of agency involvement in government execution, especially for projects with a technical, consultative or monitoring purpose, in order to be able to continue to draw on agencies as a source of information on new developments.

44. The revised instructions regarding the use of nationals promulgated in August 1979 were designed to broaden the scope for the use of nationals in project implementation. The instructions are based on the principle that the greatest possible use should be made of available national skills for the implementation of UNDP-assisted projects. The joint UNDP/Agency missions undertaken in connexion with the country programming study encountered a more positive reaction from governments to this issue than to that of government execution. With one or two exceptions, governments welcomed UNDP's recent steps to promote active involvement of nationals in projects, the appointment of national project co-ordinators or directors being a first step. One reason why some governments prefer to use international experts rather than nationals lies in the fact that although the competence of available national staff is high, the technical expertise demanded by the government can often be supplied more rapidly by the United Nations system.

4/ Cf. Examination of the Experience with Country Programming (DP/454)

45. The shortage of appropriate national staff appears particularly widespread in many of the least developed countries. Salary rates of the civil service are low in comparison to the private sector and thus do not offer the necessary incentives for government service. However, a major difficulty in least developed countries is also the lack of trained personnel, which continues to be the main constraint in implementing the policy of making greater use of national personnel.

#### Technical Co-operation Among Developing Countries (TCDC)

46. The General Assembly of the United Nations, while recognizing that TCDC can result only from the sovereign initiatives of developing countries, has assigned special responsibility to UNDP with respect to TCDC. During 1979 the Programme advanced this fundamental concept of both the NIEO and New Dimensions through a series of measures designed to bring UNDP into the midst of expanding international activity in support of this highly effective means of sharing and exchanging know-how and capacities between developing countries. The special unit for TCDC within UNDP was further strengthened with the appointment of a new director and the recruitment of additional specialized staff. The special unit itself launched several major substantive studies in preparation for the high level meeting on TCDC scheduled for May 1980. At the same time, with the help of Resident Representatives a Directory of National Focal Points for TCDC has been prepared and distributed, while within UNDP the Special Unit, the Regional Bureaux, the Division for Global and Interregional Projects and field offices continued their review of all on-going projects for TCDC potential and collaborated in revising the Policies and Procedures Manual to include TCDC principles. The special unit also continued the process of expanding and revising the TCDC/INRES Directory of Services and prepared a report on "Possible Linkages between TCDC/INRES and other Information Systems of the United Nations Family".

47. Following informal discussions between UNDP and UNCTAD, a joint programme on Economic and Technical Co-operation among Developing Countries was agreed to by both organizations in October. Designed to help increase collaboration on TCDC and ECDC within the United Nations development system, this programme supports in particular interregional and regional efforts in the fields of trade expansion, monetary and financial co-operation, the promotion of multinational production enterprises, the strengthening of regional and subregional economic integration efforts, and co-operation in technology, commodities, shipping and insurance.

48. In other ways the special unit on TCDC has been promoting greater system-wide collaboration by encouraging UNDP itself, the participating and executing agencies and the Regional Commissions to provide more opportunities for the orientation of national focal points and developing country professional staff in the principles of TCDC and for their training in the organization, programming and management of TCDC activities. During 1979, for example, UNDP's training section offered five programming and four orientation courses at which, inter alia, the principles and policies of TCDC were elaborated.

49. With the revision of the Policies and Procedures Manual and other efforts by UNDP to infuse its own programming with TCDC elements and activities, it is expected that UNDP's third development co-operation cycle (1982-1986) will witness a considerable advance in TCDC implementation generally. The study group which examined UNDP's experience with country programming in 1979 found that a few

country programmes had already made provision for TCDC by setting aside a modest amount of IPF resources for the purpose. Governments were also found to be generally interested in the concept and envisage its increased application. Some, however, were of the opinion that TCDC is essentially a matter to be pursued by governments among themselves and that there should not necessarily be an operational role in all cases for UNDP or other organizations of the United Nations system. Other governments were either of the opinion that they would for some time be at the receiving end of such co-operation or else expressed caution that they mainly wanted the kind of high-level advice which is often available only from industrialized, highly developed countries. In some cases, TCDC was found to be a by-product of successful national projects which had generated interest in other countries.

50. One conclusion of the discussions of these UNDP/Agency missions with governments was that a more complete and reliable information system on capabilities and activities in developing countries would be greatly welcomed. In several countries, the question arose whether IPF resources might be used for the financing of technical co-operation by these countries to benefit other developing countries. The high-level meeting on TCDC in May 1980 is scheduled to consider this question.

#### The Participation of Women in Development

51. As part of its continuing promotion of women's participation in development, UNDP undertook in 1979 an Action-Oriented Assessment of Rural Women's Participation in Development, the results of which are presented in DP/453. The Assessment will form a part of the Programme's special contribution to the World Conference of the United Nations Decade for Women (WCUNDW), as well as providing a documented framework for future UNDP-supported activities in this important area of the development effort.

52. The assessment notes that while problems specific to women manifest themselves throughout the development process, they can to a large extent be traced to three key areas, namely, deficiencies in the data base for development planning; education and training; and technological change. A persistent bias leaves women, in particular rural women, behind in all these aspects. Nevertheless, development practitioners are gradually realizing the negative effects of bypassing women in development. As a result, current development strategies are beginning to accord women - either explicitly or implicitly - a more prominent role both as participants and as beneficiaries of development.

53. A major finding of the Assessment, therefore, is that government interest in and understanding of the role of rural women in development has reached the point where action is in general not only possible but opportune. In many instances steps to involve women have already been taken, but the process can be accelerated and greatly facilitated by an intensified action programme within the United Nations development system. Such a programme should aim at overcoming remaining obstacles posed by lack of knowledge and understanding, bureaucratic inertia, attitudinal barriers and the need to reallocate resources. Towards this end, the Administrator has made a number of specific recommendations with respect to UNDP-supported projects and programmes, dealing with such matters as staff

training; the planning, design, implementation and evaluation of project activities; the issuance of specific guidelines and instructions to field staff; and the improvement of the data base for the actual planning of women's participation in development projects and programmes.

54. For rural women, new initiatives are particularly urgent in the areas of agricultural production, cottage and small-scale industry, credit, marketing, energy, technology, potable water supply, sanitation, primary health care, education and training. More generally, the "women's dimension" in planning, as participants and beneficiaries, must be fully taken into account at all levels of UNDP's operations.

#### Science and Technology for Development

55. For a number of years UNDP and its Administrator have been stressing the vital -- but under-valued -- contribution made by science and technology to the development process, and urging more energetic action by the international community in their support. During 1979, the Programme had the opportunity to document in one place its extensive analysis of this problem, as part of its contribution to the United Nations Conference on Science and Technology for Development (UNCSTD), which convened in Vienna in August. The Conference adopted by consensus a Programme of Action which, inter alia, recommended (a) strengthening the scientific and technological capacities of the developing countries; (b) restructuring the existing pattern of international scientific and technological relations; (c) strengthening the role of the United Nations system in the field of science and technology, and (d) the provision of increased financial resources. The Conference also recommended the establishment of an Interim Fund for Science and Technology for Development, to be administered by UNDP, and called on the Administrator, in consultation with the Director-General for Development and International Economic Co-operation, to prepare an initial prospectus for the Interim-Fund for submission to the General Assembly at its thirty-fourth session.

56. In October the Administrator established a Special Task Force within UNDP to help implement the decisions of the Conference, with the initial task of drawing up the Interim Fund's prospectus. After consultations with the Specialized Agencies and other relevant organizations of the United Nations system, the draft of the prospectus was amended and received general endorsement at an interagency meeting convened by the Director-General in late October 1979. In December, the General Assembly endorsed the Vienna Programme of Action, amended the prospectus and assigned UNDP responsibility for administering the new fund in 1980 and 1981. It also confirmed that the target for voluntary contributions to the fund should be no less than \$250 million for the two-year period, 1980-1981.

57. The Interim Fund will provide financing and expertise for projects that will strengthen the ability of developing countries to use science and technology to meet their own development needs. As is the case with all other UNDP-organized efforts, assistance will be provided in response to requests from governments of developing countries - individually and in groups - as part of their national, regional and interregional development planning, and may be provided to organizations deemed eligible by the Inter-Governmental Committee on Science and Technology for Development.



58. The Fund will complement and strengthen existing international co-operation efforts in science and technology. It will be particularly concerned to assist developing countries in strengthening their own science and technology capabilities, their human and institutional infrastructures, as key factors in the development process. It will undertake activities in support of national efforts to improve science and technology education, to train research and development managers, to improve productivity through research and to assist countries in strengthening government policies and services relating to research and development in such areas as energy, agriculture, forestry, fisheries, industrial development, nutrition, public health, transportation, communications, housing and urban development.

59. Within UNDP itself, considerable progress has already been made in preparing for the operations of the Interim Fund. A draft paper has been prepared, in close collaboration with the Specialized Agencies, Regional Commissions and other concerned organizations of the United Nations system, setting out the procedures for its operations. In addition, intensive preparations are in progress for the identification of projects which may be considered for support by the Interim Fund.

60. As the Administrator emphasized in his own statement at the time of the General Assembly's decision, "This agreement concludes the second United Nations Development Decade on a positive note, and by helping the developing countries to strengthen their capacities in science and technology it will gradually lead to improvements in the balance and progress of the world economy as a whole. This new practical initiative in science and technology will assist the developing countries to manage and sustain their own development."

#### IV. SPECIAL FUNDS AND ACTIVITIES

61. In addition to its main programme activities involving 152 developing countries and territories and 35 Participating and Executing Agencies, UNDP also oversees the work of a dozen funds and other special activities within the United Nations system. The work of four of these funds in 1979 is described in Table 6 of DP/462, Supplementary Programme Data. This section summarizes the performance during the year of the other, more extensive activities supervised by the Programme or its Administrator. These included the newly created Interim Fund on Science and Technology for Development (discussed above), the United Nations Capital Development Fund (UNCDF), the United Nations Volunteers (UNV), the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE), the United Nations Sudano-Sahelian Office (UNSO), the United Nations Special Fund for Land-Locked Developing Countries, the Trust Fund for Assistance to the Colonial Countries and Peoples, the Inter-Agency Procurement Services Unit (IAPSU) and UNDP's own Office of Projects Execution (OPE).

62. In broad terms, the Administrator has long recognized the need to ensure that the intrinsic characteristics and organizational identity of each of these special funds and activities be maintained while, at the same time, major divergence from UNDP's over-all policies is avoided. The establishment in 1977 of the Bureau for Special Activities constituted a major step in this direction. This approach has nourished the development of a coherent, integrated management system to enable the Administrator to meet his accountability for each of the funds and activities entrusted to his care, while providing a common organizational and programming framework for the work of UNDP in its entirety. During 1979, increasing emphasis was placed on efforts aimed at making the fullest use of UNDP's institutional

resources and in fostering close co-operation and co-ordination between the Programme's special funds and activities and other UNDP units, particularly the Regional Bureaux. Thus, for example, UNDP's Regional Programmes in Africa and Asia are financing volunteers provided by UNV to support CDF projects which are government-executed.

63. A key to achieving this kind of coherence and integration has been the support provided by UNDP Resident Representatives, who also serve as representatives of these special funds and have field level responsibility for bringing all elements of the Programme together in the most efficient and effective way. For most of the special funds and activities enumerated below, UNDP field offices take an active part in project identification, appraisal, implementation and monitoring, as well as providing financial and administrative services. In all these varied efforts, some Resident Representatives have predictably experienced difficulties because of the unique characteristics of the different mandates involved and the complex technical nature of particular activities. A common problem, for example, is the bewildering array of operational policies and procedures which add unnecessary complications to field office work in negotiating projects and agreements with Governments. This matter, like that of more standardized procedures in general, is now being examined in order to introduce needed improvements.

#### United Nations Capital Development Fund

64. In accord with its special mandate, CDF assistance has to date been almost exclusively devoted to the least developed countries, and has sought to ensure that the projects it finances are of immediate and direct benefit to low-income groups. There is thus a close and direct link between the Fund and its beneficiaries achieved primarily by encouraging host governments to mobilize community groups which can develop and direct self-help initiatives.

65. A typical example is the sites and services project in Haiti, designed to provide basic community infrastructure for low-income groups currently living in slum areas. The future homeowners will build their own houses with materials provided on credit from a mortgage fund. There will also be a revenue-producing co-operative workshop. The Government, which has primary responsibility for implementing the project, is contributing \$125,000 for local costs while CDF is financing the cost of infrastructure, and mortgage funding, for a total of \$1.4 million. Another example is the rural development project in Upper Volta, designed to assist in the settlement of 800 landless families. A CDF grant of \$374,000 is financing a credit fund which enables farmers to purchase a pair of oxen and agricultural implements. Community buildings and transport for the extension service are also covered by the grant. Reports indicate that the participating farmers have increased their incomes by some \$75 per capita per year, thus enabling them to more than double their income.

66. In line with Governing Council directives, CDF places maximum reliance on recipient governments for project execution. In evaluating project results, therefore, it is important to remember that CDF projects are operating in LDCs which often lack the basic institutional framework needed to manage and supervise CDF capital assistance grants. Delays have inevitably occurred in project implementation and are reflected in a low expenditure level for for 1979. In recognition of the special problems confronting LDCs, and in line with the

Administrator's policy of strengthening linkages between special funds and UNDP mainstream activities, CDF has sought to solve these difficulties with the co-operation of the UNDP field offices and Regional Bureaux concerned, and of the UN Volunteers Programme. In 1979, 10 volunteers were assigned to 10 countries for the purpose of assisting governments in removing bottlenecks holding up project operations. CDF is reviewing its procedures to ensure that needed simplification and clarity are introduced to help reduce the administrative burden on both governments and UNDP Resident Representatives.

67. The years 1975-1979 have nonetheless seen an extraordinary rate of growth in CDF activities. From a programme of some 28 projects and \$20.4 million in resources in 1975, CDF has more than quintupled its activities and resources. At year end, cumulative gross commitments totalled \$112.4 million for 133 projects.

#### United Nations Volunteers

68. UNV provides qualified middle-level expertise to the development effort at low cost and with particular stress on the concepts of service and dedication. In 1979, the swelling demand for such expertise was reflected in UNV's surging growth for the year. By year's end, almost 650 volunteers were serving in 75 developing countries -- an increase of more than 60 per cent over 1978 -- with 70 per cent coming from developing countries themselves.

69. The Volunteers Programme showed prompt response to the needs of growing numbers of refugees in Southeast Asia during 1979, initiating a special programme of rehabilitation assistance in collaboration with UNHCR and with financial support from UNDP. A number of Volunteers took assignments under this programme, and additional candidates were being identified in such fields as resettlement assistance, nutrition and dietetics, counselling, water supply, sanitary engineering, medical care and nonformal education. Other highlights of the year's activities included the launching at field level of UNV's first regional programme of assistance to domestic development services, designed to strengthen co-operation among such organizations in Asia and the Pacific and promote exchanges of technically skilled development personnel. UNV also successfully completed the initial phase of its first regional programme on youth, with the Latin American governments involved recommending a three-year extension.

70. Over the next several years, UNV plans to enlarge considerably its service to least developed and newly independent countries, in particular through a series of large-scale sectoral programmes in such fields as health, water supply, nutrition and education. At its twenty-sixth session in June, the UNDP Governing Council recommended an increased level of UNV assistance involving a possible total of 1,000 Volunteers in service by 1983. -- a recommendation subsequently endorsed by the General Assembly.

#### Revolving Fund for Natural Resources Exploration

71. Established in 1973 to provide developing countries with high-risk capital for mineral exploration, the Revolving Fund saw a significant increase in its activities in 1979. Five new projects were approved - in Ecuador, Ghana, Kenya, the Sudan and Surinam. One project was completed and three became operational. An inventory of 25 projects has been established, of which four (in Egypt, Guyana, the Philippines and Upper Volta) were ready for approval in early 1980.

72. The Fund's first operational project was completed in Ecuador in 1979 and resulted in the identification of an economically exploitable deposit of silver, lead and zinc, with possible recoverable values in gold and cadmium. The Government is highly interested in the early development of a mine and has requested the Fund's further assistance in seeking potential investors. Once the mine comes into operation, it will not only provide much needed employment and other economic and social benefits, but also lead to a replenishment contribution to the Fund.

73. To date, paid in contributions amount to \$22.2 million out of \$25.7 million pledged. Unencumbered funds amount to about \$5.4 million, while the Fund's projections show that \$15 million will be required for 10 new projects to be put forward for Governing Council approval by mid-1980. If the Fund is to continue to provide urgently needed financing of resource exploration in the developing countries, it must have substantially increased contributions; otherwise, the Fund will be obliged to turn down government requests for assistance. The Fund has now been authorized to carry out feasibility studies, but in order to undertake this new activity, additional resources are also required. The Fund's total projected requirements to accommodate the current pipeline and new activities such as feasibility studies exceeds \$30 million.

#### Special Fund for Land-Locked Developing Countries

74. 1979 marked the first year of full-scale operational activities of this Special Fund, for which the main problem remains the exceedingly low level of resources available for programming activities. Established to help 19 land-locked countries overcome the transport and communication problems which severely limit their trade and growth potentials, the fund concentrated its initial efforts on relatively small projects designed to help alleviate immediate transport difficulties or carry out feasibility studies for later, larger-scale ventures.

75. The project to strengthen storage and handling facilities in Calcutta for traffic moving in and out of Nepal is a good example both of effective co-operation between a land-locked developing country and a neighbour with access to the sea, and of ways the Fund can be used for priority tasks different from those normally financed by UNDP. Both UNCTAD and the UN General Assembly have expressed strong support for the Fund, and the Administrator is exploring ways to build up its resources to a more adequate level.

#### United Nations Sudano-Sahelian Office (UNSO)

76. 1979 was the first full year in which the United Nations Sudano-Sahelian Office operated under its enlarged mandate, comprising a) its original responsibilities as the focal point and central co-ordinating mechanism within the United Nations system for the implementation of the medium and long-term rehabilitation and development programmes of the eight drought-stricken Sahelian countries, and b) its additional mandate as the arm of the United Nations responsible for assisting the efforts of the 15 Sudano-Sahelian countries in implementing the Plan of Action to Combat Desertification, as a joint UNDP/UNEP venture.

77. Mobilization of extensive resources for the rehabilitation and development programmes of the Sahel has been one of UNSO's chief preoccupation under its original mandate. Starting with 52 priority projects in 1975 with an investment requirement of approximately \$133 million, the portfolio has grown to well over 100 projects in 1979, with an overall requirement of \$606 million. Of this amount, over \$340 million in financing from bilateral or multilateral sources has been confirmed, including contributions through the United Nations Trust Fund for Sudano-Sahelian activities. Of the \$340 million mobilized, the Trust Fund itself has provided over \$62 million for 51 of the priority projects, of which 28 have been completed and 23 are currently under active implementation. The projects cover such fields as seed multiplication, crop protection, fertilizers, pesticides and agricultural tools, agrometeorological and hydrological services and extensive feeder road programmes to open up the less accessible areas of the Sahel.

78. In its desertification control activities in 1979, UNSO sent planning and programming missions to 13 of the 15 countries involved, with the participation of concerned United Nations agencies. The missions sought to assess the full extent and nature of the desertification problem in the region, including their causes and consequences; reviews of relevant ongoing activities; the preparation of national plans and institutional machinery for combating desertification; and assistance in the identification, formulation and appraisal of priority projects submitted by the Governments for UNSO assistance in resource mobilization. In all, 107 priority anti-desertification projects were submitted, at a total cost estimated at \$640 million. Of this \$395 million has already been pledged or is being provided by external sources or the Governments themselves.

79. In line with its co-ordinating responsibilities, UNSO convened a meeting of Resident Representatives and representatives of agencies at Dakar, in the spring of 1979 to map out collaborative action on a wide range of desertification control programmes. At the regional level, UNSO also financed a meeting under the auspices of the Permanent Inter-State Committee for Drought Control in the Sahel (CILSS), called to prepare a unified plan for combating desertification in the member States of CILSS within the framework of the United Nations Plan of Action to Combat Desertification. This plan was approved by the CILSS Council of Ministers and Heads of States Conference, held at Ouagadougou in early January 1980.

#### Assistance to National Liberation Movements

80. With assets of the Trust Fund for Colonial Countries and Peoples due to be fully expended by the end of 1980, UNDP's Governing Council at its June 1979 meeting increased the assistance available for National Liberation Movements by \$7.5 million to \$20.5 million. Through this channel and the Trust Fund, UNDP has provided a total of \$24.7 million for activities in such priority sectors as education, vocational training, health and public administration.

81. During 1979, nine new projects developed in collaboration with the Patriotic Front (Zimbabwe), PAC and ANC (Republic of South Africa) and SWAPO (Namibia) were approved. UNDP is also co-operating with the UN's Office for the Commissioner of Namibia on the Namibia Nationhood Programme. Since Zimbabwe became independent following the February 1980 elections, UNDP's support to the Patriotic Front will gradually be phased out while assistance will be provided directly to the Government of independent Zimbabwe.

### Inter-Agency Procurement Services Unit

82. Established by UNDP in September 1977, IAPSU operates as a joint facility for widening the choice and cutting the costs of standard project equipment used throughout the United Nations development system. Its work has been characterized by the truly excellent co-operation of participating agencies. During the year, some 91 motor vehicle bulletins were issued by the Unit, together with information sheets covering other items, such as typewriters. IAPSU estimates that some 60 automobiles and more than 800 typewriters were purchased using IAPSU Bulletin reference numbers at an estimated total savings of \$260,000 to \$365,000 for the year.

83. In addition to its Bulletins in 1979, IAPSU issued quarterly newsletters containing information on assistance on procurement matters. The Unit has succeeded in obtaining preferential price and delivery treatment from several of the major motor vehicle manufacturers. The Unit has also begun to function as a liaison service by routing external enquiries to relevant United Nations organizations. As part of its global common-user identification exercise, IAPSU now intends to identify a number of products available to the United Nations against payment in accumulated currencies, wholly or in part. IAPSU has been advising the United Nations system of these opportunities through its Information Bulletins.

### Office for Projects Execution

84. The Office for Projects Execution was established within UNDP to execute interdisciplinary and multi-purpose projects, projects involving new technologies and projects involving general management which were difficult to classify on a specialized sectoral basis. The volume of OPE execution for 1979 increased to \$45.2 million including \$1.4 million in administrative overhead costs. In addition, OPE was involved in executing Trust Fund projects in the following amounts: CDF, \$4.8 million, UNRFNRE, \$0.2 million and UNSO, \$8.9 million, for a total additional expenditure of \$13.9 million.

## V. MANAGEMENT AND ADMINISTRATION IN 1979

85. Many of the organizational changes in UNDP during 1979 have been touched upon in earlier sections of this report, including the establishment of the Resources Office, of the Investment Development Office, and the transfer of responsibility for UNDP legal services to the United Nations Office of Legal Affairs. The primary task of the new Management Review and Analysis Section (MRAS) is to assist the Programme in streamlining its procedures in order to improve efficiency and reduce administrative costs. High priority was given in 1979 to the updating of all UNDP manuals, and MRAS was charged with co-ordinating this activity. Also during 1979, MRAS provided assistance in the restructuring of some field offices, in establishing improved procedures for them and in developing a central forms control system within UNDP.

Integrated Systems Improvement Project (ISIP)

86. With the continued strong support and co-operation of agencies, major progress was made during the year in the implementation of the new financial and programme management systems inaugurated by ISIP. The majority of the systems were set to be operational by the end of 1980, with some to go into effect by June of that year. A major computer component of the system was also scheduled to be installed by March 1980.

87. A detailed accounting of the changes and improvements expected from ISIP include the reduction of turnaround time in production of output reports, including project budgets; ad hoc reporting capabilities; automated exception reporting; modification and integration of project-related databases and consequent elimination of the need for keeping parallel records on project information; maintenance of computerized historical databases; computerization and processing of country programme management plans; uniformity of the format and content of agency expenditure reports; generation of analytical reports using integration information from several systems; decrease in costs, mainly those related to manual processing and the keeping of duplicate records and to the simplification of data entry procedures; creation of computerized financial data with a much wider range; and the possibility of regular financial analysis.

Headquarters Staffing Review

88. During the year under review, UNDP launched the first phase of a two-part survey to determine staff workloads and related overhead considerations in preparation for fully effective and efficient Programme performance during the third development cycle. The phase undertaken by an experienced team of qualified staff and consultants in 1979 involved a desk-to-desk study at headquarters to examine both organizational structure and means for improving operational activities. Its report, in general terms, set forth ways to strengthen, in particular, the Programme's operational units, its policy and programme support mechanisms and its resource mobilization and headquarters management functions, while stressing also the need for clearer guidelines and procedures and the employment of more up-to-date office equipment to expedite the flow of paperwork. The second part of the survey will be designed to study workload and staffing requirements in representative field offices.

Programme Staffing

89. Compared to 1978 few changes took place during the year in the over-all number of main UNDP Programme staff. There was a slight decrease from 585 to 576 in the number of regular professional and higher category staff supporting main programme activities. At the end of 1979 there were only eight Senior Agricultural Advisers, and these will be phased out. Some increase took place in the number of Headquarters General Service staff, but there was a decrease in the category of International Office Assistants, from 96 to 93. Compared to 1978, there was a small increase in the number of locally-recruited Field Staff from 2,676, to 2,704. The total of all main Programme staff amounted to 3,785 compared to 3,749 in December 1978. (See Table 5 of DP/462.)

90. The total number of allied programme staff amounted to 426 in December 1979. The apparent increase in the number of OPE locally-recruited Field Staff is partly due to an under-reporting in the two previous years. Including recruitment for other funds, 48 appointments were recommended by the Appointments and Promotions Board in 1979, 24 males and 24 females. Fourteen of the 25 new appointees at the P-1 through P-3 levels were females. Four of the appointees were previous local employees in the field and four were General Service staff members at Headquarters appointed to the professional category. At higher levels, UNDP was reinforced by one woman at the D-2 level, one at the D-1 level, and two at the P-4 level. At the end of 1975, 8.8 per cent of UNDP professional staff were women; by the end of 1977, this percentage had increased to 13, and at the end of 1979 there were 109 professional women on UNDP's staff, representing 17 per cent of the total.

91. There were 42 separations among regular professional staff in 1979, 37 males and five females. Nine of these separations were due to retirement, six to death and five to secondment/transfer to other United Nations organizations. There were also 121 Junior Professional Officers working in UNDP at the end of 1979, 36 of them for UNDP/UNIDO. Some 14 developing country JPOs were sponsored by the Government of the Netherlands and one by the Swiss Government.

#### Staff Training in 1979

92. The UNDP training programme is designed to help bring about more effective organizational and individual staff performance and to provide staff members who have the potential for increased responsibilities with relevant additional knowledge and skills. Since the beginning of 1976, training activities have been rapidly developed into a coherent and integrated programme addressing all levels and categories of staff and, through planned inter-action between specific activities, providing a multiplier effect. In view of the close operational interrelationships between UNDP and the Executing Agencies and the governments they both serve, UNDP training facilities are also made available to relevant officials from these organizations.

93. A variety of training programmes was available to staff in 1979:

- Organized courses were carried out in-house in specific subjects of relevance to UNDP, in both the programming and management/administration fields. In 1979, 12 courses were held, at which 239 UNDP staff, 27 agency staff and five governmental officials were trained. In addition, at the request of the Regional Bureau for Latin America, the Training Section designed and conducted a Policy and Programming Workshop, attended by 19 government officials from seven Central American countries.
- External training, in relevant fields of study, in academic and technical institutions, through both direct attendance by staff members and correspondence courses. UNDP support to staff for these courses may involve 50 to 100 per cent reimbursement of relevant costs, depending upon the circumstances. In 1979, 126 staff members were assisted under this training programme.



- Field office training was provided through financial subventions to each field office for training, primarily of national staff in outside institutions. In addition, field offices also organized in-house seminars for their staff. During the year over 1,000 staff members in all countries with UNDP field offices benefitted from these programmes.
- Language training was provided at headquarters through participation in the formal courses of the United Nations and in the field through facilities available in host countries and, for special intensive training, through courses available in countries where the language involved is the mother tongue.

#### Reports of the Joint Inspection Unit

94. During 1979 a number of inspection reports relating to UNDP activities were received from the Joint Inspection Unit. These reports were reviewed by UNDP and comments on the relevant recommendations contained in the reports were prepared by UNDP and were or are being submitted to the Secretary-General. These reports included:

##### Report on the Latin American Institute for Economic and Social Planning (JIU/REP/79/3)

UNDP comments generally endorsing the conclusions and recommendations were forwarded and the Report was subsequently issued as ECOSOC document E/1979/102.

##### Use of Vehicles by UNDP Field Offices and Projects (JIU/REP/79/6)

This Report is being presented to the 27th session of the Governing Council in document DP/423 and the UNDP comments are contained in document DP/423/Add.1.

##### Report on the Maritime Transport Academy (JIU/REP/79/9)

The draft of this Report was extensively discussed by UNDP with the Inspectors. The final report is being reviewed by UNDP and the report will be reproduced as a DP document.

##### Report on the Arab Planning Institute (JIU/REP/79/8)

The draft of this Report was extensively reviewed by UNDP with the authors. The final report is now being reviewed and UNDP comments will be forwarded to the Secretary-General. The report together with the Secretary-General's comments will be reproduced as a Regional Commission document.

##### Report on the African Training and Research Centre (JIU/REP/79/13)

UNDP comments endorsing the recommendations of the Report were forwarded to the Secretary-General. UNDP continues to support specific CAFRAD activities in support of its member states. The report together with the Secretary-General's comments will be reproduced as a Regional Economic Commission document.

Report on the Evaluation of Technical Co-operation Activities of  
the United Nations System in Sri Lanka (JIU/REP/79/16)

Following interagency consultations, UNDP was designated as the focal point for preparing the Joint Comments of the UN system. The comments will be submitted to ECOSOC at its Second Regular Session.

Report on the Commonwealth Caribbean Project for Education and  
Training of Allied Health Personnel (JIU/REP/79/17)

UNDP is preparing the consolidated UN system-wide comments on this Report, which will be reproduced as a UNDP Governing Council and UNICEF Executive Board document.

Report on the United Nations Institute for Training and Research  
(JIU/REP/79/18)

UNDP comments on this formal report, which was sent to the United Nations for action, are being prepared.

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