

United Nations
Development Programme



Annual
Report of
the Administrator
for 1980

DP/510

- I. Foreword by the Administrator
- II. The Main Programme Record in 1980
- III. A Programme Profile for the 1980s
- IV. Special Funds and Activities
- V. Management and Administration

EXECUTING AGENCIES OF UNDP IN 1980

United Nations
 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)

FUNDS ADMINISTERED BY UNDP OR ITS ADMINISTRATOR

Special Measures Fund for Least-Developed Countries
 United Nations Capital Development Fund (UNCDF)
 United Nations Volunteers (UNV)
 United Nations Revolving Fund for Natural Resources Exploration (UNRFRNRE)
 United Nations Trust Fund for Colonial Countries and Peoples
 United Nations Sudano-Sahelian Office (UNSO)
 United Nations Special Fund for Land-Locked Developing Countries
 Interim Fund for Science and Technology for Development (IFSTD)
 Voluntary Fund for the United Nations Decade for Women
 United Nations Trust Fund for Operational Programme in Lesotho
 United Nations Trust Fund for Operational Personnel in Swaziland
 Trust Fund Programme for the Republic of Zaire
 United Nations Special Relief Office in Bangladesh

(ii)

UNDP AT A GLANCE
PROGRAMME FINANCING: 1972-1980
(\$ million)

	1972	1973	1974	1975	1976	1977	1978	1979	1980 ^{a/}
Voluntary Contributions Pledged ^{b/}	285.0	322.2	351.0	420.7	480.8	524.9	597.3	696.6	719.1
Income									
Total	295.2	359.1	370.8	458.9	553.6	610.3	703.4	798.9	820.9
Voluntary Contributions Received ^{c/}	267.9	312.6	327.5	418.8	468.6	521.6	593.0	679.5	691.7
Assessed Programme Costs	10.8	13.1	11.5	13.4	18.0	3.7	2.0	0.4	0.6
Cost Sharing	-	0.9	5.5	14.1	47.8	47.4	44.4	41.9	58.2
Other Contributions ^{d/}	3.4	13.1	16.3	20.2	14.8	11.8	14.5	14.6	22.2
Miscellaneous ^{e/}	13.1	19.4	10.0	(7.6)	4.4	25.8	49.5	62.5	48.2
Expenditures									
Total	338.0	356.3	406.1	547.1	517.7	444.3	558.6	699.1	862.3
Field Programme Activities	277.3	274.7	294.5	426.0	400.4	337.9	435.6	547.6	676.2
Sectoral Support Costs ^{f/}	-	-	-	-	3.8	4.6	3.6	5.3	5.1
Other ^{g/}	(7.0)	11.2	26.6	11.0	4.8	2.1	1.4	2.2	2.0
Agency Support Costs	34.7	34.0	41.2	57.8	55.3	45.3	58.0	73.2	87.4
UNDP Administrative and Programme Support Costs	33.0	36.4	43.8	52.4	53.4	54.4	60.0	70.8	91.6

a/ Provisional.

b/ Including assessments relating to programming costs for 1972 through 1976 and voluntary programme costs for 1977 to 1980.

c/ Including Income Relating to Voluntary Programme Costs for 1977-1980.

d/ Including Contributions for Special Measures for Least Developed Countries, Government Cash Counterpart and other adjustments; also includes \$1.1 million accounting entry for non-paid assessed programme costs charged to IPF in 1980.

e/ Mainly interest earnings.

f/ Included in UNDP Administrative/Support Costs through 1975.

g/ Including, *inter alia*, costs relating to variances on expert standard costs, 1972 through 1976; and adjustments to prior years' expenditures.

PROJECT EXPENDITURES: 1972-1980
(\$ million)

	1972	1973	1974	1975	1976	1977	1978	1979	1980 ^{a/}
UN	45.9	44.8	45.5	64.1	59.1	51.0	63.5	65.1	83.6
ILO	30.3	27.4	28.0	38.4	33.5	25.8	37.9	46.0	56.2
FAO	85.1	78.9	78.4	119.7	115.2	88.4	111.1	131.4	167.1
UNESCO	41.4	36.6	34.1	44.0	39.2	29.5	33.2	45.9	53.9
WHO	13.6	14.1	15.9	22.9	20.7	14.9	14.3	16.2	22.7
ICAO	5.9	7.3	9.8	16.2	18.4	15.1	26.3	29.5	36.1
WMO	6.0	5.3	5.7	6.8	6.6	6.6	7.8	8.7	9.9
IAEA	2.2	2.0	3.1	4.0	3.0	2.8	3.2	6.0	4.4
IMCO	0.7	1.4	1.5	2.5	2.4	2.1	2.0	2.6	5.8
ITU	8.2	10.0	11.2	16.8	17.5	12.5	16.2	20.5	27.0
UNDP	1.8	3.7	13.9	28.7	20.2	25.0	35.6	45.3	56.1
UNIDO	17.0	16.2	19.7	30.8	31.7	33.7	42.4	51.4	56.9
UNCTAD	2.9	3.9	4.4	7.8	8.4	8.1	9.5	13.2	15.8
UPU	1.1	1.4	1.7	2.4	1.4	0.6	1.5	2.1	3.6
World Bank	11.2	15.1	13.6	12.1	13.5	11.4	16.1	26.5	29.0
IDB	0.6	0.4	0.2	1.2	1.7	0.3	0.5	0.3	0.2
ASDB	-	0.8	0.9	1.3	1.4	0.4	0.9	1.5	3.9
AFESD	-	-	-	-	-	0.9	0.6	0.3	0.4
ECA	-	-	-	-	-	0.9	2.4	4.4	7.5
ECWA	-	-	-	-	-	0.1	0.3	0.3	0.6
ESCAP	-	-	-	-	-	1.8	2.2	3.9	6.2
ECLA	-	-	-	-	-	-	1.1	1.6	1.8
Governments	-	-	-	-	-	0.2	0.6	7.2	7.0
UNCHS	-	-	-	-	-	-	-	12.3	11.6
WIPO	-	-	-	-	-	-	-	0.2	0.4
WTO	-	-	-	-	-	-	-	0.4	0.8
ECE	-	-	-	-	-	-	-	0.1	0.2
Sub-total^{b/}	273.9	269.3	287.6	419.7	393.9	332.1	429.2	542.9	668.7
Government cash counterpart expenditures	3.3	5.4	6.9	6.3	6.5	5.8	6.4	4.7	7.5
Total	277.3	274.7	294.5	426.0	400.4	337.9	435.6	547.6	676.2

a/ Provisional.

b/ Data cover expenditures financed under UNDP IPF, Programme Reserve, Special Measures Fund for Least Developed Countries and Special Industrial (SIS) and cost sharing.

PROGRAMME IMPLEMENTATION: 1980
Field delivery, 1980, by region and category of input^{a/} (\$ million)

	Project Personnel ^{b/}	Training ^{b/}	Equipment ^{b/}	Subcontracts ^{b/}
Total, all regions	339.6	68.7	154.9	80.1
Africa	122.8	21.7	41.8	18.4
Asia/Pacific	80.6	26.7	75.6	29.5
Latin America	65.5	8.1	14.9	11.3
Europe	9.9	4.2	7.4	2.2
Arab States	55.0	7.3	14.8	8.0
Interregional/Global	5.8	0.7	0.4	10.7

a/ Data cover expenditures financed under UNDP IPF, Programme Reserve, Special Measures Fund for Least Developed Countries, Special Industrial Services (SIS) and cost sharing.

b/ Preliminary estimates.

I. FOREWORD BY THE ADMINISTRATOR

1. For the United Nations Development Programme (UNDP), 1980 marked another year of continued growth and expanded service in the cause of development. For the third successive year, total main Programme field expenditures advanced by more than 20 per cent to \$676.2 million. At the direction of the General Assembly, the Programme assumed responsibility for the management of the Interim Fund for Science and Technology for Development. With the approval of the Governing Council, it opened a special energy account to help meet growing demands for technical assistance and pre-investment planning in that critical field. At the request of the United Nations Centre for Social Development and Humanitarian Affairs, UNDP undertook to service the Voluntary Fund for the United Nations Decade for Women. Each of these activities has enabled the Programme to broaden the range of development-supporting services it provides through its network of 114 field offices. UNDP also held its first global meeting of Resident Representatives in almost a decade to prepare for the new directions in the Programme mandated by the Governing Council, including a major shift in Programme emphasis toward low income and least-developed countries during the forthcoming Third Development Co-operation Cycle (1982-1986).

2. The results of the Programme's work in 1980 are detailed in the pages that follow. My purpose in this Foreword, however, is to give clear notice that all the growth, all the services and all the results described herein will be jeopardized in the future unless resources commensurate with the urgent needs of developing countries and the Programme's responsibilities are forthcoming.

3. My concern is that at the very time when the resources of the Programme are to be overwhelmingly available for the benefit of the low income countries, the resource target may not be met and the previous outstanding contributions performance not sustained. It is important to record that for the second cycle 1977-1981 the contributions target set by the Council was substantially met. Even though this result was partially facilitated by the relative decline in the value of the US dollar, the fact is that contributions for the period 1976-1979 averaged an annual increase of 15 per cent per annum. This rate of increase fell to 4 per cent in 1980 and again in 1981. The important question which arises is whether these low percentage increases mark the beginning of a trend which will be carried over to the third cycle. In addition, the low 1981 contribution level inevitably becomes a low base for computing percentage increases for 1982 onwards.

4. Unfortunately, extensive consultations with governments, conducted since the twenty-seventh session of the Governing Council have offered little indication that substantial and urgently required increases in the rate of contributions will be restored in the immediate future. If there is no change in the situation, the potentially disruptive effect on forward planning for the third cycle is obvious. A major across-the-board curtailment in commitments would be inevitable. Not only would planned expenditures by developing countries in such vital development sectors as energy, food production, water, health care, education and training be severely cut, but the cuts would severely affect those countries most in need,

/...

which are scheduled to receive virtually 80 per cent of total country IPF resources available under the revised country programme allocations for the third cycle. The catalytic impact of technical co-operation on the development of human resources would be greatly diminished, to the detriment of every type of development endeavour. Above all, the gradual momentum evident in the alleviation of human want and destitution, so painfully accomplished in recent decades, would suffer yet another setback at a time when countries everywhere are struggling against a rising tide of international economic distress. Such consequences are not only predictable; I regard them as unacceptable.

Year of Recognition

5. The prospect is especially disheartening given the effort and care with which the Governing Council itself restructured the Programme for UNDP's Third Development Cycle (1982-1986). It is even more disconcerting when set against the special recognition accorded technical co-operation by the international development community during the past year. In almost every major analysis of development issues, from the Report of the Brandt Commission to the Comprehensive Policy Review of the Director-General for Development and International Economic Co-operation, the need to strengthen both technical co-operation and the institutions which support it was underscored. For the first time, an International Development Strategy, as endorsed by the General Assembly for the 1980s, singles out the importance of technical co-operation in these terms:

"In the implementation of the International Development Strategy, intensified emphasis must be accorded to the important role of technical co-operation in the development process. Technical co-operation makes an essential contribution to the efforts of developing countries to achieve self-reliance through its broad role of facilitating and supporting, inter alia, investment, research, training and development. Realization of the goals and objectives of the New International Development Strategy will therefore require a renewed emphasis upon technical co-operation and a significant increase in the resources provided for this purpose."

6. The critical development needs to be filled by technical co-operation were also featured in such important reviews as the World Bank's World Development Report and the 1980 Review of Development Co-operation prepared by the Organization for Economic Co-operation and Development (OECD). In its special account of development problems in Africa, the latter noted: "Of the underlying constraints on low-income African development we have touched upon, the gap in skilled human infrastructure ... is the most immediate, proximate constraint. The pace at which it is relaxed will heavily influence the speed with which the development process can efficiently absorb increased resources."

7. These views were echoed in broader terms by the World Bank's Report: "Human development -- education and training, better health and nutrition, and fertility reduction -- is shown to be important not only in alleviating poverty directly, but also in increasing the incomes of the poor, and GNP growth as well. The vital

/...

message is that some steps we have long known to be morally right -- primary education, for example -- make good economic sense as well." Yet over the past decade, as the Policy Review of the Director-General for Development and International Co-operation indicates, the share of multilateral technical co-operation resources channelled through UNDP and available to developing countries on a grant basis actually declined. Possibly for this reason, many developing countries sought technical assistance from the World Bank on a loan basis. In fact, the Bank's lending for that purpose increased ten-fold between 1971 and 1980 (\$50 million to \$500 million).

UNDP Since the Consensus

8. Such evidence of the important role played by technical co-operation in the development process stands in sharp contrast to the prospects facing developing countries in terms of the resources they may expect in general on a grant basis, and in particular from UNDP. Yet UNDP was established as the centrepiece for technical co-operation within the United Nations system, and as recently as 1976 the Economic and Social Council, reaffirming UNDP's "central role" in technical co-operation, urged that "additional voluntary contributions to the technical assistance programmes of the United Nations development system... be channelled through the Programme as its central funding and co-ordinating body for the benefit of the country programme system" (resolution 2024(LXI), endorsed by the General Assembly in resolution 31/171). Indeed, since the Consensus of 1970, UNDP has sought to bring an added measure of predictability and coherence to a diffuse range of development activities, under forward-planned, comprehensive programmes of technical co-operation which have the added virtue of being designed by the developing countries themselves in close collaboration with UNDP and its agency partners and in accord with the individually perceived needs and priorities of the developing countries. The Consensus recognized the special worth of the kind of broad-based, country-programmed technical co-operation which has since characterized UNDP's operational activities. It is neither limited politically to any specific country or groups of countries not targetted toward any special purpose of particular appeal to one or another donor. It has as its supreme objective the building of self-reliance, and within that framework, it supports developing countries in assessing, planning for and carrying out projects at their own initiative, using in the main their own resources, modestly augmented by UNDP funds, to meet critical needs as they see them.

9. Because it lends itself to comprehensive forward planning, UNDP-supported technical co-operation provides developing countries with a means of identifying and systematically structuring their total technical co-operation needs over a medium-term period. It further assists them in deciding which of those needs can best be met through UNDP, which through bilateral or other programmes and which through their own financing, thus facilitating the co-ordination and integration of external and internal inputs alike. Among low-income and least developed countries, in particular, UNDP-supported technical co-operation has also served to strengthen development planning machinery and the technical and administrative capacities required to carry all development efforts forward.

/...

10. Notwithstanding the above, the fact is that a number of new, global special-purpose funds began to appear during the past decade, frequently in response to what donor and recipient countries alike considered urgent needs. For developing countries, such funds were regarded as sources of additionality; for donors they frequently served to focus assistance on priority areas as they perceived them. While some of these new funds proved valuable additions to the development effort as a whole (the United Nations Fund for Population Activities being a case in point), other drew less sustained and predictable financial support. As Part IV of this report indicates, UNDP has been asked to administer many of these special-purpose funds at the country level, in part to provide a common and economical administrative framework, but in part, also, to maximize the impact of their limited resources through an integrated approach. At the same time, of course, UNDP's own forward planning system of country programming was also working with growing efficiency to incorporate many of the urgent needs which underlay the creation of some special-purpose funds in the first place. For example, between UNDP's first (1972-1976) and second (1977-1981) programming cycles, total budgeted commitments doubled, but commitments in such newly-emphasized areas as energy, environmental protection, trade and development finance, the role of women in development and general economic and social planning and policy all increased at a substantially faster rate. ^{1/} Thus the Programme itself, responding to articulated needs of developing countries, has been able to meet many of the special concerns identified by the international community.

11. By the middle of the 1970s, there was a renewed emphasis by governments -- of both developing and developed countries -- on a more integrated approach to development. Complementarity -- the avoidance of waste and duplication -- had become a growing concern. By the end of the decade, the General Assembly had adopted a restructuring resolution which once again sought to bring greater order and system to increasingly diffused operations. Stressing the need for improved coherence of action by the United Nations system, the Assembly decided that "overall responsibility for, and co-ordination of, operational activities for development carried out at the country level should be entrusted to a single official, who should exercise team leadership and be responsible for evolving, at the country level, a multi-disciplinary dimension in the sectoral development assistance programmes" of the United Nations family. Pursuant to this section of the resolution of the General Assembly, UNDP Resident Representatives will normally be designated as Resident Co-ordinators to discharge these responsibilities. At the same time, the General Assembly, by consensus, directed that the UNDP-supported country programming process be utilized as a "frame of reference for the operational activities carried out and financed by the organizations of the United Nations system from their own resources," so that, in effect, funds covering a broad range of sectors and programmes can be systematized into a more integrated whole.

^{1/} The figures are as follows: energy, 136 per cent; environment, 396 per cent; trade and development finance, 114 per cent; women in development, 489 per cent; economic and social planning, 124 per cent.

12. In the course of a decade, then, the system had roughly come full circle. But with this difference: when the Consensus was adopted in 1970, UNDP accounted for about 80 per cent of the system's grant technical co-operation funding. When the restructuring resolution was adopted in 1979, its share in that funding had fallen to less than 60 per cent. The effect on UNDP is clear. The Programme is now being asked to help ensure the efficient flow of a far greater volume of diverse development resources with a relatively smaller share of those resources than it possessed a decade ago.

Doing More with Less

13. The problem is hardly a new one for UNDP, though it has become increasingly difficult to cope with under the Programme's resource constraints. During the 1970s, the Programme expanded both the range and quality of its development services in a concerted effort to fulfill the terms of its mandate. Progressively greater flexibility was introduced into the country programming process, for example, so that continuous programming has by now become a modality accepted by UNDP for virtually all special needs addressed by the system. Policies and procedures were and continue to be further streamlined and simplified. The funds entrusted to UNDP for over-all administration in recent years -- the Special Measures Fund for Least Developed Countries (1972), United Nations Volunteers (1973), the United Nations Revolving Fund for Natural Resources Exploration (1973), the revitalized and reoriented United Nations Capital Development Fund (1974), the Trust Fund for Colonial Countries and People (1974), the United Nations Sudano-Sahelian Office (1976), the United Nations Special Fund for Land-Locked Developing Countries (1978), the Interim Fund for Science and Technology for Development (1980), and field level responsibilities for the Voluntary Fund for the United Nations Decade for Women (1980) -- all function under the UNDP administrative umbrella and are thus able to utilize in particular the many services provided by UNDP's field office network, substantially reducing overheads and bureaucracy in each case. In addition, activities under these Funds are already being co-ordinated with the UNDP-supported country programming process. For these reasons, it is my view as Administrator that if more such special-purpose funds are to be created by the United Nations in the future, a compelling case can be made that they be placed under UNDP's administrative framework.

14. From 1975 through 1980, UNDP's administrative and programme support costs have actually declined, in terms of constant prices, as a ratio of main programme delivery of technical co-operation. At the same time, the Programme is again committed to a zero growth budget in real terms for the 1982-1983 biennium. The total number of professional and higher category posts authorized for UNDP main programme activities in 1975 was 676 (excluding SAA and SIDFA), compared with 645 for 1980, and this in spite of the fact that the number of operational field offices have increased from 103 to 114 over the same period. While providing increased services to the development community, UNDP has more than held its own in terms of administrative overheads.

15. Through the steady expansion in the number and services of its field offices UNDP now maintains the largest and most active development service network of any organization in the world. As the analysis of field office workload data in Part III below indicates, UNDP continues to assist at the country level a growing volume of bilateral and funds-in-trust expenditures now totalling almost \$900 million a year. It is estimated that approximately one-third of the field office workload (more than 37,000 work-weeks of staff time annually) is devoted to non-UNDP financed activities mainly of a development character and many financed under funds expended by other organizations of the United Nations system. With the designation of Resident Co-ordinators under the General Assembly's restructuring resolution, these development service activities can be expected to expand still more.

16. During the 1970s the Programme also entered into formal, country-level service and/or representational agreements with a number of United Nations organizations including the United Nations Department of Technical Co-operation for Development, the United Nations Fund for Population Activities, the World Food Programme, the Office of the United Nations Disaster Relief Co-ordinator (UNDRO), the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Fund for Drug Abuse Control (UNFDAC). At the same time, the Programme's field offices also provide administrative and logistical support for a rapidly rising volume of humanitarian, emergency and refugee relief activities. In short, we have come to the point at which, for all practical purposes, UNDP field offices can in many respects be regarded as the very presence of the United Nations in most developing countries throughout the world -- a presence which would have to be replicated at substantial cost should UNDP's resources prove inadequate to support the extensive system which carries the United Nations flag in so many parts of the world.

Other Development Services

17. There are many other ways in which UNDP has expanded its service function for development. During the 1970s, UNDP has been an active participant, in collaboration with other agencies in a number of programmes designed to help fill critical gaps in development, especially in the area of research. In many respects the Consultative Group on International Agricultural Research (CGIAR), which UNDP jointly sponsors with FAO and the World Bank, is an example of this type of activity. Founded in 1971, CGIAR now supports the work of 13 specialized agricultural research centres and related activities located throughout the developing world. More than 30 governments, private foundations and agencies contribute \$140 million a year to support these activities, and in 1980 the CGIAR was awarded the King Baudouin International Development Prize for its "contribution to the qualitative and quantitative improvement of food production in the world".

18. Other programmes in which UNDP has played a formative role include the Tropical Disease Research Programme, which UNDP co-sponsors with WHO and the World Bank; the International Drinking Water Supply and Sanitation Decade, the steering committee of which is chaired by UNDP; the National Household Survey Capability Programme, designed to help developing countries build an effective data base for

/...

their development needs, co-sponsored by UNDP and the World Bank and executed by the United Nations Statistical Office; the labour-intensive public works schemes of the International Labour Organisation; the Onchocerciasis Control Programme; the internationally-supported Centre for Diarrhoeal Disease Research in Dacca; and various river basin, lake and off-shore development schemes in Asia and Africa. UNDP's growing association with and participation in such high impact programmes ensures complementarity between UNDP's own broadly-based technical co-operation efforts and the innovative work of the programmes themselves.

19. Also during the 1970s, various long-term problems in project implementation and development administration generally began to crystallize, as UNDP began programming its assistance on a more systematic, forward-planned basis. The Programme took a number of steps to improve its own management procedures: decentralization, the adoption of country programme management plans, the streamlining and codification of policies and procedures, improved evaluation and feedback measures, etc.

20. At the direction of the General Assembly, following the Buenos Aires Conference on TCDC in 1978, UNDP established a special unit to promote increased technical co-operation among developing countries and subsequently joined with UNCTAD in a broad programme to encourage both economic and technical co-operation among these countries. The work of the Interagency Procurement Services Unit (IAPSU), established by the Governing Council to reduce costs and simplify procedures in the purchase of certain standard equipment items for projects, continues to expand in collaboration with UNDP's agency partners. Resources under the Programme are also being steadily augmented through cost sharing arrangements, under which both developing countries and third party donors contribute to UNDP-supported projects and programmes. Such cost sharing expands the Programme's impact and provides another measure of the great value developing countries themselves place on UNDP-supported activities. During 1980, total cost sharing under the Programme rose to more than \$58 million, of which 77 per cent (\$44.7 million) was provided by developing countries themselves.

Resource Constraints

21. In these and other ways, UNDP has worked to enhance its capacity as an effective development service organization. Countless government leaders in developing countries have expressed to me personally their genuine confidence in and appreciation for the Programme's work. I do not think it an exaggeration to say that as we enter a new development decade, UNDP has become a unique -- indeed indispensable -- agent for the achievement of that decade's goals. Despite the broadly augmented nature of its development services, UNDP is today operating a greatly expanded facility on a smaller staffing basis than prevailed in the mid-1970s. The problem, however, is that we are sustaining greatly diversified services even though our costs are measured exclusively against the core of our main Programme technical co-operation activities. If all the resources overseen by UNDP are taken into account, if government contributions to projects in cash and kind are added in, if the costs of all the activities under the UNDP umbrella are included, if non-UNDP-funded project expenditures assisted by UNDP at the field level are totalled,

/...

UNDP oversees aggregate development expenditures exceeding \$2 billion a year. Yet its staffing requirements are judged on the basis of little more than a third of that amount.

22. Were a resource target incorporating a 14 per cent annual increase in voluntary contributions sustained for the forthcoming third cycle, UNDP could, with relatively minor staff adjustment, continue with and even expand both its programme core and its services. But the resource picture for all development efforts seems at best uncertain. Almost two years have passed since the OECD countries voiced an appeal for a renewed international commitment to the development effort. The results of that appeal have fallen far short of expectations.

23. For UNDP the resource outlook is also complicated by other factors. There is first of all the matter of "entitlement" funding. After major international financial institutions have made their claims on the limited pool of multilateral development resources available, a relatively constricted amount tends to remain for such voluntarily funded organizations as UNDP. This amount has in recent years been further eroded by a sharp rise in emergency expenditures for both disaster relief efforts and assistance to refugees, for which, incidentally, UNDP now bears considerable country-level responsibility.

24. We are aware of these special constraints. UNDP has in recent years explored various measures designed to improve its resource outlook. It has worked with various Governing Council members to encourage multi-year pledging, for example, and a more equitable sharing of financial support for the Programme among donors. It has requested developing countries in a position to do so to attain the status of net contributors to the Programme. It has sought means for the full utilization of contributions in non-convertible currencies. Some progress has in fact been recorded on a number of these matters. Several countries chose to announce multi-year pledges at the 1979 Joint Pledging Conference though no new countries took the opportunity to do so in 1980. There have been some recent signs of greater equity in sharing the Programme's financial support. Since 1970 more than a dozen developing countries have become net contributors to UNDP. Some progress has been recorded in the utilization in particular of the Programme's rouble balance.

25. But the prospects for the future are in the hands of the governments of the countries which contribute to the Programme. I can only repeat here with renewed urgency what I told the Governing Council at its twenty-seventh session in 1980: "I firmly believe that it is incumbent upon this Council and all its Members to help the Programme overcome its resource difficulties. This Council is the one intergovernmental body charged with the first responsibility for the viability, integrity and growth of the only organization in the world exclusively designed for multilateral technical co-operation service in all sectors and to all developing countries. The fulfillment of these responsibilities cannot begin and end with sessions of this Council. Ensuring the viability, integrity and growth of UNDP calls for sustained information about its needs by the Members of this Council in their respective executive and legislative bodies. It demands the expressions

/...

of policies in other intergovernmental bodies of the system that will be consonant with the decisions distinguished delegates make here. It requires the willingness to speak for and defend this Programme in every quarter in accord with the expressions of confidence delegates have repeated over the years in this Council and elsewhere. In short, the job requires a partnership of conviction in the critical importance of technical co-operation between those of you who govern, and those of us who serve this Programme."

26. The people in developing countries throughout the world are counting on us.

A handwritten signature in black ink, appearing to read 'Brad Morse', with a stylized, cursive script.

Bradford Morse
Administrator

II. THE MAIN PROGRAMME RECORD IN 1980

27. While field programme expenditures rose sharply for the third consecutive year in 1980, the volume of project commitments (net value of project approvals) declined for the first time since the financially constrained year of 1976. Project expenditures totalled \$676.2 million, an increase of 23 per cent against \$547.6 million in 1979. The net value of project approvals dropped 5 per cent to \$668.1 million from \$701.1 million in 1979.

28. Voluntary contributions pledged by governments totalled \$719.1 million for 1980, an increase of 3.2 per cent over pledges for 1979. Total Programme income from all sources in 1980 amounted to \$820.9 million, with voluntary contributions received from governments accounting for \$691.7 million. While the latter represents an increase of less than 2 per cent compared with voluntary contributions paid in 1979, total income advanced by almost 3 per cent, due in large measure to a continued increase in cost-sharing arrangements under which governments or other organizations finance in whole or in part the foreign exchange costs of UNDP-supported projects and programmes.

29. Cost-sharing, which began at the modest level of \$0.9 million in 1973, rose to a record \$58.2 million in 1980, a 39 per cent increase over the previous year. Six governments and seven international organizations provided \$13.5 million in the form of third-party cost-sharing on UNDP-financed projects in five developing countries and under six intercountry programmes. Developing countries themselves contributed the balance of \$44.7 million, \$5.9 million of which was provided to supplement UNDP-supported programmes in the countries concerned and \$38.8 million of which went to support specific technical co-operation projects. Other supplementary contributions amounted to \$22.2 million, including \$11.7 million voluntarily contributed to the Special Measures Fund for Least Developed Countries. Miscellaneous income, mainly interest earnings, totalled \$48.2 million.

30. On a provisional basis, field programme expenditures recorded against this income amounted to \$676.2 million, some \$128.6 million more than in 1979. If sectoral support costs of \$5.1 million are added in, total UNDP project-related expenditures of \$681.3 million were recorded during the year. Administrative and programme support costs incurred by UNDP in 1980 came to \$91.6 million, or 13.4 per cent of field programme expenditures, including sectoral support. Reflecting the 23 per cent increase in project expenditures during the year, agency support costs advanced from \$73.2 million in 1979 to \$87.4 million in 1980, or 12.8 per cent of field programme expenditures, excluding sectoral support.

31. During 1980, UNDP's holdings of accumulated non-convertible currencies amounted to \$45.1 million, a decrease of \$0.6 million compared to 1979. The balance is some \$3.9 million more than anticipated due first to UNDP's inability to arrange conversion of its holdings in Iran and receipt of additional Iranian rials in payment of the 1979 pledge, and second to the fact that the conversion of roubles as agreed in 1979 with the USSR was not completed. The Administrator is continuing his efforts to resolve these problems.

32. As a result of the Third Joint Pledging Conference for operational activities of the United Nations system, held at the invitation of the Secretary-General on 6-7 November 1980, total voluntary contributions pledged to UNDP's main programme amounted to an anticipated \$814.7 million, including \$7.4 million pledged by developing countries in lieu of assessed programme costs. Additional pledges of \$12.5 million were made to the Special Measures Fund for Least Developed Countries. Including pledges anticipated but not announced as of 30 March 1981, the increase in pledged contributions over the previous year is approximately 13.3 per cent -- nearly within range of the 14 per cent Governing Council target. Nonetheless, it should be noted that without anticipated contributions from the new Gulf Arab Development Foundation for the United Nations, the over-all increase in contributions, for which traditional donors of the OECD group provide far-and-away the greatest margin, would have amounted to less than 3 per cent.

Project Approvals and Delivery

33. Some 830 new country and intercountry projects with UNDP inputs of \$50,000 or more were approved during 1980. The value of all project approval actions, including net revisions in ongoing projects, declined slightly from the \$701.1 million recorded in 1979 to \$668.1 million. As the following table shows, the volume of approval actions declined in every region except Asia and the Pacific and for intercountry projects except those classified as inter-regional:

Net approval actions, 1979 and 1980^{2/}
(in million US dollars)

Region	1979	1980
Africa	195.0	188.1
Asia and Pacific	183.6	233.1
Arab States	67.5	66.3
Latin America	100.3	51.0
Europe	14.2	12.6
Regional Projects	103.5	99.4
Interregional	8.1	13.1
Global	28.8	4.5
TOTAL:	701.1	668.1

^{2/} The summary table on "Large-Scale Projects on Which Field Work Was Completed" in 1980, normally included here, together with the list of "Large-Scale Projects on Which Field Work Was Completed in 1980" (normally included in DP/512, Supplementary Programme Data) will each be issued as soon as available, since agency reports on these projects were not complete at press time.

34. Of the \$676.2 million in UNDP technical co-operation expenditures during the year, \$591 million was expended under country and intercountry IPFs, \$3.3 million under the Programme Reserve, \$55.4 million under cost-sharing arrangements, \$3.9 million under Special Industrial Services, \$15.1 million under the Special Measures Fund for Least Developed Countries and \$7.5 million in government cash counterpart funds. In addition to expenditures financed under these UNDP sources, the most recent field office workload data survey ^{3/} indicates that at the country level UNDP also lent supervisory or administrative support to \$852.2 million in additional project expenditures in 1980 under various bilateral or trust fund programmes. The sum is more than double the \$373.7 million reported under varying degrees of UNDP field supervision in the last (1978) workload data survey, and clearly demonstrates the greatly expanding role played by UNDP as a development service facility at the country level.

35. On a regional basis, UNDP field expenditures, exclusive of government cash counterpart contributions, were as follows: \$186.8 million for country projects in Africa (26 per cent); \$178.4 million for country projects in Asia and the Pacific (27 per cent); \$75.4 million for country projects in the Arab States (12 per cent); \$95.2 million for country projects in Latin America (14 per cent); and \$20.2 million for country projects in Europe (3 per cent). Intercountry projects accounted for the remaining \$112.8 million, including \$91.3 million for regional projects (14 per cent); \$7.8 million for interregional projects (1 per cent); and \$13.7 million for global projects (2 per cent).

36. UNDP provides assistance to projects in the form of project personnel recruited by the 28 executing agencies of the Programme; the specialized equipment required; by sub-contracted services as appropriate; and by the training component for projects, under which developing country nationals receive instruction abroad for relevant project skills. During 1980 the value of each of these project components increased substantially as against the previous year (see table below). The number of experts recruited for field service by executing agencies and by governments totalled 9,960 compared to 8,445 in 1979. As in previous years, the project personnel component of Programme delivery accounted for the largest share of field expenditures: slightly more than 50 per cent. Equipment delivered to projects in 1980 constituted 23 per cent; sub-contracts 12 per cent; and training 10 per cent; with miscellaneous project inputs of 4 per cent. Almost 8,400 developing country nationals received training abroad under UNDP-financed projects in 1980, compared to some 6,500 in 1979. The following table compares expenditure by component for 1979 and 1980.

^{3/} See Part III for a detailed analysis of this survey for 1980.

Expenditure by component, 1979 and 1980
(in million US dollars)

Component	1979	1980
Project personnel	272.5	339.0
Equipment	130.5	154.9
Sub-contracts	71.8	80.1
Training	51.7	68.7
Miscellaneous	16.4	26.0
Sub-total	542.9	668.7
Government cash counterpart expenditure	4.7	7.5
TOTAL:	547.6	676.2

37. The volume of programme components obtained from developing countries and their firms or suppliers also continued to rise on average during 1980. As the following table indicates, developing countries provided a substantially increased volume of equipment ordered during the year and were awarded an increased number of fellowships (to host), compared to the total for all countries participating in the Programme.

Share of programme components awarded to developing countries
1979-1980 compared

Components		1979	1980	% increase
No. of experts	Developing countries	2,666	3,183	+19
	Total all countries	7,980	9,548	+19
Value of equip. ordered (\$ thousand)	Developing countries	17,466	23,056	+32
	Total all countries	121,650	144,028	+18
Value of sub-contracts awarded (\$ thousand)	Developing countries	20,315	20,884	+2
	Total all countries	73,013	75,171	+2
No. of fellow-ship awards	Developing countries	3,036	3,757	+23
	Total all countries	9,718	11,705	+20

Investment Follow-Up

38. During 1980, UNDP continued its effort to strengthen pre-investment and investment support activities, particularly at the field level where most investment-oriented projects are identified and sources of finance lined up. In recent years, UNDP has entered into co-operative arrangements with various agencies, designed to draw attention to UNDP-assisted pre-investment projects in selected sectors. The first such arrangement was worked out with the FAO Investment Centre in 1979. As of 31 December 1980, the FAO Investment Centre was working on 19 UNDP-financed projects for which FAO is the executing agency and which have an investment potential of \$400-450 million. Two of the projects have already led to investment. One of them is for agricultural and rural development in Egypt, resulting in an investment of about \$38 million, \$28 million from IFAD, and the balance of about \$10 million from the host government. The other project is for the production of rice through rain-fed cultivation in the United Republic of Tanzania, for which AfDB has made a loan of approximately \$10.8 million. In addition, AfDB has earmarked a sum of \$10 million for an agricultural settlement project in the Lower Didessa Valley in Ethiopia. Co-operative arrangements with WHO were agreed to in July 1980, with four projects already selected for the initial work programme. UNDP has also finalized negotiations for co-operative arrangements with UNDTCD and UNIDO, and similar arrangements with UNESCO are under discussion.

39. Under so-called "special interest" arrangements with the World Bank, the regional development banks and IFAD, draft country programmes and project documents are also being submitted by field offices for review by the financial institutions involved. In the event a special interest is expressed, project information is fed to the institution on a regular basis, facilitating monitoring and appraisal for possible follow-up loans or credits. As a result of such special interest arrangements in 1980, 26 projects were brought to the attention of the AfDB with the latter declaring a special interest in eleven of them. AsDB proposed a tentative list of eleven projects in which it has a particular interest, while IDB and IFAD have each examined about 30 projects. Another kind of arrangement, involving reimbursement by a financial institution of IPF funds used for a specific pre-investment activity, was concluded between UNDP and IDB in 1980. Progress was also made in special investment development training for UNDP Resident Representatives and Deputies, with particular reference to the needs of low-income countries, under a \$150,000 training programme established in collaboration with the Economic Development Institute of the World Bank and with the participation of a number of United Nations Specialized Agencies.

40. Initial, incomplete data on investment commitments generated as a result of UNDP-supported activities in 1980 indicate that more than \$4 billion in such commitments has already been reported for the year. As detailed in Tables 2 and 3 of DP/512, data for 1980 indicate a substantial increase in investment commitments stemming from projects in which UNDP provides technical or training support directly to the investment involved (Category C), as mandated under New Dimensions guidelines. Investment commitments stemming from micro or macro-type pre-investment studies carried out by UNDP also rose sharply during 1980 in such sectors as natural resources, health and human settlements, though

/...

initial data point to a decline in such areas as agriculture, industry and transport and communications. As in previous years public sources of finance within the developing countries themselves provided the largest portion of reported investment commitments stemming from UNDP activities.

Programme Trends and Policies

41. Twelve new country programmes were approved by the UNDP Governing Council in 1980, with 14 more under preparation for Council appraisal in 1981. As the result of proposals by the Administrator, new, more flexible and responsive methods of programming, as endorsed by the Council at its twenty-seventh session, are already beginning to take effect for the planning of third cycle programmes. These reflect not only the "continuous programming" approach to country programming, including continuous monitoring and periodic reviews, designed in part to facilitate the use of the country programming process as a frame of reference for other operational activities of the United Nations system, but also a consultative process aimed at improving Programme responsiveness by enhancing the collective involvement of developing countries in setting priorities for regional programmes and in the identification and initiation of regional project activities.

42. Other steps were also being prepared in 1980 to improve UNDP's operational effectiveness for the decade ahead, including:

- Proposed wider application of government execution as the preferred approach to implementation of UNDP-supported projects, including more simplified financial procedures, special administrative and support measures to assist governments (funded as required through IPF resources) and full co-operation from both Resident Representatives and agency personnel in encouraging this approach.
- The further rationalization of the programming and project process, stressing in particular better design and more simplified documentation requirements.
- With respect to periodic tripartite reviews of projects, less attention to budgetary levels than to outputs, and more attention to implementation difficulties, changes in the project's duration and resource requirements and deviation from original project objectives.
- Selective evaluation of individual projects, including all projects with \$1 million or more in UNDP inputs, particularly complex or critical projects regardless of size, and completed projects in terms of the "learning" experience they impart, as well as other projects of an unusual or difficult nature.
- The increased use of qualified national personnel, including such options as non-resident nationals and institutional twinning arrangements.

- With due regard to varying legal mandates, greater standardization of development procedures within the United Nations system in general and particularly among funds and programmes administered by UNDP.

43. Such measures are of salient significance when set against the background of the Governing Council's new resource allocations for the third cycle, which chart a decisive shift in Programme emphasis to the needs of the poorest countries. Under the Council's decision, 80 per cent of the total amount available for allocation to country programmes will go to countries with per capita GNPs below \$500, with special treatment accorded countries with per capita GNPs of \$250 and below and further consideration provided to least-developed countries and others treated "as if" included in that category. Together these latter countries will receive some 38 per cent of country allocations. On a global basis, 19 per cent of total programming resources will be allocated to intercountry projects at the sub-regional, regional, inter-regional and global levels, or 1.5 per cent more than in the second cycle.

44. Immediately following these important decisions by the Council, UNDP convened its first global meeting of Resident Representatives in almost ten years to examine the implications of third cycle allocations with respect to future programming, to review such outstanding operational issues as government execution and the Programme's investment-oriented activities and to discuss the practical, country-level consequences for UNDP of the General Assembly's restructuring resolution. The meeting concluded with a joint statement by Resident Representatives stressing the growing service functions and responsibilities of UNDP at the country level, the unique international status accorded to Resident Co-ordinators as leaders in the operational activities of the entire United Nations system and the need for still more flexible, imaginative modes of programming and execution in the 1980s. The statement read in part: "The United Nations development system, with UNDP at the core, brings together all nations in a co-operative global effort to confront the challenge of world development... in the attainment of a single objective: that of combating the fundamental inequalities which exist in the world today. Its strength lies in the close relations which are forged at the field level between individual UNDP offices and the governments they serve. This decentralized system of field establishments which emphatically reflects governments' desire to attain self-reliance is a strong base upon which to build the organization to meet the challenges of the 80s."

III. A PROGRAMME PROFILE FOR THE 1980s

45. Despite a resource outlook which can only be described as difficult, UNDP is well positioned to lend critical and essential support to the international development effort in the 1980s. The growing diversification and qualitative improvements which characterized its evolution in the 1970s, the new orientation toward countries most in need which will inform its work in the third cycle, the strengthened collaboration and complementarity which are the essence of the restructuring resolution -- all these serve to enhance the Programme's growing potential for leadership, service and quality in the international development process. Because the results of technical co-operation are best set forth in

qualitative, descriptive terms, the purpose of this section is to recount briefly a variety of the Programme's substantive achievements in 1980, as an indicator of its growth potential in years to come.

Leadership

46. Many kinds of leadership are required under the tripartite system. In line with the principle of self-reliance, sovereign governments exercise over-all leadership in the setting of priorities and in the management of both programmes and projects. Agencies provide technical and substantive leadership in the operational areas of their expertise. And UNDP provides team leadership at the country level for the input of its resources, augmenting these resources as feasible through measures of additionality and complementarity, enhancing support for a broad range of bi- and multilateral activities and encouraging innovative approaches to development problems, based on more than 20 years of operational experience.

47. During 1980 UNDP continued a tradition of co-operation with governments in organizing multi-donor support for various special purpose activities in Africa, particularly river basin development. For example, the Programme joined with USAID to help finance a detailed development strategy and action plan for the Organization for the Development of the Gambia River, the results of which will be submitted to a multinational donors' conference in 1981. Similarly, following a consultative conference of donors for the Kagera River Basin in 1979, UNDP co-ordinated a multi-donor action programme formulation mission in 1980 to help pave the way for a second donors' conference in 1981.

48. When Zimbabwe gained final independence in 1980, UNDP, in conjunction with UNCTAD, was ready with an economic and social survey of the country's development needs, published by the new Government under the title: "Zimbabwe -- Towards a New Order". Based on this study, UNDP helped the Government to organize a meeting of United Nations organizations in late May to prepare projects for financing by the World Bank and AfDB, among other institutions. UNDP also recommended, and the Government agreed, to hold a donors' conference in Salisbury in 1981 to mobilize international financial support and technical co-operation with particular reference to the imperative need for land development, reconstruction and resettlement. Along similar lines, UNDP has long exercised team leadership in organizing donor support for development activities in Lesotho, and 1980 was no exception. A multi-donor programming and evaluation mission organized and led by UNDP in April and May culminated in a multi-donor conference in October on the contribution of agriculture to income and employment generation, as a result of which all donors seeking to assist Lesotho in this sector, including UNDP, have developed a basic programming strategy with the Government.

49. Among Arab states, systematic efforts to generate multi-bi arrangements as well as linkages and complementarities with bilateral assistance programmes continued to characterize UNDP's collaborative activities with the Government of the Yemen Arab Republic, and during 1980 the Programme also played a

/...

co-ordinating and supporting role in assisting the Government of Djibouti to organize a donors' conference for that newly-independent country -- now scheduled for early 1982. A preliminary donors' roundtable was held in February 1981. In Egypt UNDP has assumed a particularly catalytic role in helping co-ordinate public and private follow-up investments under the Suez Canal Zone Feasibility and Design Studies project. In 1980 the Programme tapped cost-sharing arrangements to establish development agencies for each of the three Governorates in the Suez region, with the possibility of assisting the Government in organizing a conference on follow-up investment at the conclusion of the project. In yet another approach, UNDP also sponsored a Symposium on the Arab World in the Year 2000, held in Tangiers in May and attended by a number of eminent Arab planners, economists and other specialists, aimed at developing guidelines for a coherent approach to the region's development problems and opportunities. Throughout the Arab region, UNDP continued its catalytic efforts to help mobilize additional development resources, with cost-sharing in particular accounting for an estimated 34 per cent of IPFs in the second cycle.

50. Examples of UNDP's leadership role at the country level abound throughout the Asia and Pacific region. In Indonesia UNDP has served the Government as a key catalyst for one of the most successful and massive transmigration schemes ever undertaken. The programme, affecting the resettlement of 2.5 million people, has witnessed a 100-fold growth in eight years and now involves six ministries and 53 Directors-General of the Government, for which UNDP has financed the main management training services. In Nepal the UNDP country programme currently serves as the basis for what the Government terms Joint Programming of Resources (JPR), under which in 1980 the anticipated funding not only of UNDP but of other United Nations and multilateral organizations, including UNICEF, WHO, AsDB, and the World Bank, was examined sector-by-sector for relevance and linkage to the country's Sixth Five-Year Plan. In Singapore, where so-called "second-generation" type projects of a highly technical nature characterize the small UNDP-supported programme, a project emphasizing waste management, pollution control and energy production from factory-style pig farming has generated interest in and material support from donors in Australia, Canada, the Federal Republic of Germany and Japan, as well as the free installation of a chemical treatment plant valued at \$150,000 by a private Japanese company involved in similar research efforts.

51. In Latin America, UNDP has played a key co-ordinating role in the programming of some \$115 million in external assistance from 15 United Nations sources to Nicaragua alone since 1979, and under short-term consultancy arrangements stemming from a current reconstruction project the Programme is generating a number of additional new projects for financing by UNDP, other agencies and bilateral sources. A UNDP/WHO rural water supply and sanitation project in El Salvador is now linked to UNICEF and Canadian assistance in the same field, while in Guatemala UNDP has taken the initiative to combine a variety of small sectoral planning projects into a larger, integrated project which involves the planning activities of UNFPA, ILO and UNHCS. A major project for the development of low-income areas in Guayaquil, Ecuador, has been undertaken, with a preponderance of financing from a cost-sharing contribution by the Netherlands Government. In Haiti UNDP has helped draw together UNCDF, WFP, UNESCO, UNRFRNRE

and Interim Fund for Science and Technology for Development resources, among others, for one of the largest UNDP-supported country programmes in Latin America.

52. Also in Latin America cost-sharing contributions either directly from Governments or through third party cost-sharing arrangements have increased steadily, with such contributions now accounting for 23 per cent of UNDP's resources in the area. The OPEC Special Fund has contributed \$2 million to a Caribbean Regional Food Plan project and \$1.5 million to a Central American Energy Project. Other co-operating countries in this regard include Canada, Denmark, Netherlands, Norway, Switzerland, and the United States. At the same time, the Programme has undertaken major co-ordinating responsibilities for regional technical co-operation from other funding sources in its capacity as Chairman of the Technical Assistance Steering Committee of the Caribbean Group on Co-operation for Economic Development.

53. Such team leadership qualities permeate UNDP's activities at both the country and intercountry levels throughout the developing world. In the UNDP-financed Tagus Estuary project in Portugal, UNDP provides co-ordinating leadership for 17 government departments, as well as for inputs by UNESCO, WHO and UNEP. Under the UNDP/WHO-assisted malaria eradication programme in Turkey, the UNDP office has initiated with the Government joint reviews of the project's objectives with selected donor embassies, resulting in \$325,000 in additional funding for the WHO regular programme from Finland, Netherlands, Norway and Saudi Arabia.

54. These examples of initiative, additionality and complementarity by UNDP should be significantly enhanced and extended as the General Assembly's Restructuring Resolution is implemented. Here, again, UNDP is well positioned to respond positively to recognized needs. Since 1977 a joint UNDP/Inter-Agency Task Force has operated at UNDP headquarters, serving also in individual member capacities as the substantive secretariat of the Consultative Committee on Substantive Questions (Operational) of the Administrative Committee on Co-ordination. During 1980 the membership of the Task Force was further strengthened in that FAO joined on a full-time basis, in addition to the continued full-time participation by representatives of WHO, UNESCO and UNCTAD. ILO also designated a full-time senior staff member to the Task Force. UNDP participates actively in the Task Force through the Deputy Administrator who chairs its meetings regularly, as well as through the Director of UNDP's Policy Co-ordination and Procedures Division, who acts as UNDP's permanent representative on the Task Force. Four other organizations -- the World Bank, WFP, UNIDO and UNCHS -- participate in the work of the Task Force on an ad hoc basis when specific issues of interest to them arise. Policy issues of concern to IATF during 1980 included the country and intercountry programming process, direct execution by UNDP, government execution, TCDC/ECDC, pre-investment and the work of the Interim Fund for Science and Technology for Development.

Service

55. Buak Chan is a village of 500 people set in the hills of Northern Thailand. Less than a decade ago the fields and hillsides of Buak Chan were covered with poppies, cultivated by the villagers for the illicit international traffic in opium. Today, where poppies once grew, there are other "cash crops" -- potatoes and kidney beans, and a start is being made on coffee. Last year 150 tons of potatoes were harvested in this small village, bringing more money to its people than any of its past opium harvests. Buak Chan now boasts a school, a small community centre, a well for pure water and a new warehouse for the storage of new crops. All these are the result of a \$2.5 million Highland Agricultural Marketing and Production project (HAMP) which provides agricultural extension, research, marketing, credit, training and community development services to scores of villages like Buak Chan throughout Northern Thailand, in a concerted drive by the Government to put an end to opium traffic in the area.

56. Like other UNDP-assisted projects in Thailand, this remarkably successful undertaking receives full programming, administrative and logistical support from the UNDP field office in Bangkok. There is, however, one difference: the HAMP project is wholly funded by the Thai Government and by UNFDAC. It is one of eight UNFDAC-funded projects currently receiving similar UNDP field office support in developing countries around the world. There are, in fact, almost 3,500 non-UNDP-funded projects like HAMP which are thus assisted by the Programme's network of 114 field offices. The latest quantitative workload data survey shows that in 1980 UNDP field offices provided programming, administrative and logistical or other services to 3,445 projects funded by sources other than UNDP -- projects with a total estimated expenditure in the year of \$852.2 million. The sum exceeds UNDP's own main Programme expenditures for 1980 and has grown rapidly since the last quantitative workload survey in 1978.

57. An estimated one-third of field office staff time is now being devoted to activities not directly related to UNDP as a funding source, including administrative, advisory, personnel, information and representational services on behalf of other organizations of the United Nations family and of other development assistance programmes. There are a few common denominators for these activities, which vary widely in both size and scope from country to country. A random sampling might include such common services for the United Nations system as housing and travel arrangements; building management and security arrangements (where, as is often the case, United Nations system organizations occupy common premises); medical, diagnostic and evacuation services for ill or injured staff; periodic briefings for bilateral development missions; project procurement services; the provision of library and documentation services; information activities where the Resident Representative also serves as a representative of the United Nations Information Centre; and other public relations or representational efforts on behalf of the system. For smaller agencies, in particular, UNDP often follows up on policy issues and questionnaires with government authorities, interviews job applicants, arranges visitor programmes and briefings, monitors the implementation of non-UNDP-funded projects and represents the agency at sectoral meetings. Numerous and often complex missions or seminars sponsored by regional economic commissions are also arranged.

/...

Field offices sometimes keep an eye on technical co-operation activities of the World Bank or regional development banks at the request of the lending institution itself. Several days can also be spent briefing potential investors or their representatives on investment possibilities. In these and many other ways, UNDP field offices have become a focal point of service for the international development community. This is particularly the case in least developed countries, where such services are not only in great demand but where government resources to meet such demand tend to be thinly spread.

Responsive Programming

58. In its programming activities UNDP has long stressed the special needs of least developed countries, and that concern continued to characterize the Programme's work in 1980. Field offices assisted in the preparation of country briefs for discussion at regional "cluster" meetings, preparatory to the submission of country reports to the United Nations Conference on Least Developed Countries in September 1981. Recognizing that policy-makers and planners in many developing countries are severely handicapped by the absence of a reliable socio-economic data base, UNDP has also joined with the World Bank to co-sponsor a major technical co-operation effort of the entire United Nations family -- the National Household Survey Capability Programme (NHSCP). Implemented through country projects, NHSCP is designed to help developing country governments obtain, through household surveys and in conjunction with data from censuses and administrative records, a continuing flow of integrated statistics for their development plans and policies and in line with their own priorities. The aim is to assist interested countries in the development of enduring national instruments and skills for data collection. Specialized Agencies are providing expert assistance in their respective fields, and a central co-ordinating unit in the United Nations Statistical Office is responsible for over-all promotion, management and co-ordination, with major financing from UNDP's interregional IPF.

59. Along similar institution-building lines, UNDP also continued its support in 1980 of the International Centre for Public Enterprises in Yugoslavia, to which some 30 developing countries are now contributing financially and with staff support. The Centre addresses a problem facing many of the poorest countries in attempting to establish a viable framework of enterprises with public support, namely the effective conception and management of such enterprises at a time when most education systems focus on public administration or business management, but rarely provide the special skills required for the management of public enterprises. The Centre provides a programme of education and training in this area and supports studies in the planning and financing of public enterprises and the role of the public sector in developing countries. Through regional IPF funds, UNDP also is supporting parallel work by the Kuala Lumpur-based Asian and Pacific Development Administration Centre, which published two extensive books on the subject in 1980: Training Public Enterprise Managers and Management of Public Enterprises in Developing Asian Countries: A Guide. At the same time the Programme began support for the strengthening of the technical, managerial and financial administration of two parastatal authorities in Ethiopia under two separate projects: Assistance to the Addis Ababa Water and Sewerage Authority and Training for Rural Electrification with the Ethiopian Electric Lighting and Power Authority.

IV. SPECIAL FUNDS AND ACTIVITIES

60. The number of special funds and activities administered under UNDP auspices continued to expand in 1980, as the Interim Fund for Science and Technology for Development began operational activities and as the Programme assumed country-level responsibility for project expenditures under the Voluntary Fund for the United Nations Decade for Women. As described below, an interim energy account was also initiated to help accommodate the rapidly increasing need for pre-investment and exploration work on energy resources. Taken together, the number of special funds and activities administered under the Programme, including trust funds for Lesotho, Swaziland, the Republic of Zaire and Bangladesh ^{4/} now totals 16, not including UNDP's emergency assistance activities as detailed in Section K, below. In accord with the General Assembly's restructuring resolution, which designates the UNDP-supported country programming process as a "frame of reference" for other funding programmes within the United Nations system, the Administrator, early in 1980, instructed the field office network to henceforth include the work of each of the allied funds in country programming exercises and in periodic reviews of the programmes themselves. The activities of UNCDF, UNV, the Interim Fund, and the Revolving Fund, were singled out for particular attention in this respect.

A. Technical Co-operation among Developing Countries (TCDC)

61. During 1980, UNDP's Special Unit for TCDC reviewed some 72 project proposals submitted by governments of developing countries and by agencies and organizations of the United Nations development system for financing from the Programme Reserve. By the end of the year, 14 project documents for promotional TCDC activities had been prepared and approved, totalling \$1.3 million, and four more were near the completion stage, amounting to approximately \$210,000.

62. In consultation with the Regional Bureaux and other UNDP units, special emphasis was given to TCDC potential in inter-country projects and in the preparation of the third cycle programmes. A Training and Orientation Manual for general use by government officials of developing countries concerned with TCDC as well as those within UNDP and other United Nations system organizations, was completed by the Special Unit with practical training scheduled to begin during 1981. At the same time, the second edition of the Directory of National Focal Points for TCDC was being prepared for distribution. It contains substantial additional information on focal points for TCDC within the United Nations development system, as well as updated information on focal points in developing countries. The appointment of a special adviser on ECDC to UNCTAD also spurred joint UNDP/UNCTAD efforts in the promotion of TCDC/ECDC within the United Nations system.

63. The Special Unit continued to act as a substantive secretariat of the High-Level Meeting on the Review of TCDC and in this connexion oversaw the preparation of 17 reports and studies on various aspects of TCDC, with the substantive

^{4/} See DP/512, Supplementary Programme Data, for an account of expenditures under these Funds.

co-operation of such organizations as FAO, UNIDO, ILO, UNCTAD and ITC. The first High-Level Meeting on the Review of TCDC, held from 26 May to 2 June 1980 in Geneva, drew representation from 116 countries and addressed particular attention to the role of TCDC in transport and communications, the participation of women in development and issues involved in urbanization and poverty, as well as the general means to enhance capacities of developing countries for TCDC. An assessment of the TCDC Information Referral System (TCDC/INRES) was also undertaken during 1980, together with a study designed to improve linkages between the Referral System and information systems of other United Nations organizations. The studies concluded that while other information systems could contribute to the expansion of the volume of useful information in TCDC/INRES, the data bases of those systems tend to be mainly information sources-oriented and not service facilities-oriented, so that linkages would have to be highly selective and carefully designed. Nonetheless, TCDC/INRES should progress toward the establishment of an active, worldwide referral network through its gradual re-orientation as a computerized inquiry system.

64. As a follow-up to the Nairobi Conference of African Government Experts on Technical Co-operation among African Countries (May 1980), UNDP published the Nairobi Recommendations for a Programme of Technical Co-operation among African Countries. Preparations are underway for the Conference of African Governmental Experts on Technical Co-operation among African Countries on Human Resources Utilization and Development in Africa. The Conference, planned for August 1982, will give special emphasis to education and training, health and employment, and will seek to assess the status, capacities, and opportunities for technical co-operation among African countries in human resources utilization and development. UNDP has also made available \$500,000 for 1980-1981 from regional funds for Africa for the establishment and development of a Pan-African Documentation Information System at ECA.

65. An Arab Regional Meeting on Technical Co-operation among Developing Countries, co-sponsored by the RBAS/UNDP, ECWA and ECA, was held in Geneva, Switzerland from 20-23 May 1980. The meeting focused mainly on: (a) education and vocational training (b) energy (c) science and technology for development (d) transport and telecommunications and (e) desertification.

B. United Nations Capital Development Fund (UNCDF)

66. The United Nations Capital Development Fund, which provides small-scale capital assistance first and foremost to least developed countries, registered continued growth in its resources and programme activities during 1980. The restructuring of the Fund's management, increased donor support, and a doubling of Fund expenditure permitted a significantly rising level of delivery. Voluntary contributions of \$28.6 million were received from thirty-seven countries, developed and developing alike, in 1980, with further estimated pledges of \$27.5 million for 1981. The 1980 contributions represented a 16 per cent increase in Fund resources over 1979, bringing total cumulative contributions to more than \$121 million. The system of partial funding of projects approved by the Governing Council in 1979 enabled the Fund to increase its programming capacity beyond immediately available resources. New commitments approved in 1980 amounted to

about \$53 million, bringing total cumulative commitments to over \$165 million. At year-end, the Fund was financing 168 development projects in 35 least developed countries.

67. Now in its fifth year of full-scale operations, the Fund has emerged as a viable and effective mechanism for channelling capital assistance to the community level in least developed countries. Since the bulk of the population of these countries live at subsistence level in rural areas, the Fund's assistance is concentrated in the rural sector and is designed to provide direct and early benefits to low-income and other vulnerable groups who often lack even the most basic necessities of life.

68. Water resources development, for both human and agricultural purposes, has been a major activity financed by the Fund, representing 42 per cent of the total assistance approved in 1980. The main beneficiaries of this project are women and children who spend long arduous hours carrying water to their homes. In addition to alleviating physical hardships and reducing mortality rates resulting from waterborne diseases, UNCDF assistance in this critical area will help to release these people for more productive tasks and thereby provide the opportunity for earning increased income.

69. Many of the countries receiving UNCDF assistance are also food-deficit countries, the governments of which have placed high priority on increasing production of food crops in a drive to attain self-sufficiency in staple foods. About 25 per cent of UNCDF projects approved in 1980 will support food production by providing for construction of irrigation works and feeder roads, manufacture of agricultural tools and machinery, distribution of seeds and fertilizers, and establishment of agricultural credit facilities. Drought and desertification are causing severe economic and social problems, particularly among countries in Africa. An increasing amount of the Fund's assistance is therefore being devoted to activities related to water storage, afforestation, crop diversification, soil erosion control and resettlement programmes. In Ethiopia, for example, the Fund is co-operating with the Government and the World Food Programme in a major programme for rehabilitation of forest, grazing and agricultural lands. Nearly 300,000 families are benefitting from this project in terms of increased employment and agricultural productivity.

70. Adequate educational and health facilities are too often lacking for rural populations in the least developed countries; yet they are critical for rural economic development. A major share of the Fund's assistance thus goes to finance construction of rural schools and health clinics. In Cape Verde, a \$2 million grant is financing construction of sixty classrooms for nine primary schools in villages which are presently without any school facilities. It is estimated that about 2,500 children will benefit from this project. In the Maldives, where waterborne and tropical diseases are prevalent and health facilities rudimentary, the Fund is assisting the Government's efforts to provide primary health care to about 100,000 people. A \$1.2 million grant will help finance the construction of fifteen health centres. As the only multilateral fund mainly devoted to assisting the least developed countries UNCDF expects to play an increasingly important role in mobilizing and channelling additional resources to these countries.

C. United Nations Volunteers (UNV)

71. With the end of 1980, the United Nations Volunteers programme completed its first decade of service, during which it demonstrated the unique value of an international corps of volunteers serving as an integral part of the United Nations development system. Several tenets underlie the concept of the "United Nations Volunteer": recruitment and assignment on the widest geographical basis possible; an approach responding specifically to self-determined needs of host countries; and a vital synthesis of professional skills and volunteer motivation. The UNV programme has come to combine a pragmatic approach to voluntarism with a global opportunity for reciprocal sharing of skills and experience by qualified volunteer development workers.

72. The UNV programme in 1980 continued to respond to developing countries' increasing requests for "relevant" middle and upper level operational expertise. In the course of the year, a record number of 421 volunteers were fielded, bringing the total of United Nations volunteers in active service to 863 by 31 December. These volunteers represented 79 nationalities and were on assignment in a total of 87 developing countries. During the year, volunteers served in more than 325 projects and were working with some 20 executing and participating agencies of the United Nations system. UNV ranks included engineers, agronomists, vocational teachers, medical doctors, economists, statisticians and representatives of nearly 50 other professional categories. Contributions to the UNV Special Voluntary Fund in support of these activities came to almost \$1.5 million for 1980, with additional pledges for 1981 exceeding \$700,000.

73. Among the special activities assisted by UNV in 1980 was a programme of co-operation with UNHCR to help alleviate refugee problems in Somalia. Some 25 volunteers are being recruited as a multinational team similar to last year's UNV-executed project of assistance to Indochina refugees, also operated in co-operation with UNHCR and funded by UNDP. Also in the Africa region, UNV responded to an urgent request of the Central African Republic for some 20 qualified teachers, the first group of whom arrived in December. A project funded from the regional IPF and designed to make available the services of volunteers to governments of least developed countries in Asia and the Pacific also began operations in 1980. In addition, UNV/government-executed multi-sectoral projects were formulated with various countries in Africa, the Arab States and other areas.

74. UNV also recorded progress in its Domestic Development Service (DDS) in 1980. The UNV-executed, large-scale DDS project for the Asia and Pacific Region, covering 15 countries, became fully operational during the year. Under one multinational volunteer exchange sub-project alone, some 40 DDS/UN volunteers from within the region are scheduled to participate in various grass-roots development activities of DDS organizations. Under the "appropriate technology" sub-project, qualified UNVs have been fielded to train villagers and local DDS volunteers in the implementation and use of appropriate technology. Consultancies have also been undertaken to launch the activities of other sub-projects.

/...

D. United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE)

75. The Revolving Fund for Natural Resources Exploration recorded substantial progress in 1980. Six new projects were approved in Benin, Congo, Guyana, Egypt, Philippines and Upper Volta. Six projects became operational -- Guyana, Kenya, Liberia, Philippines, Sudan and Suriname -- which brought to nine the number of operational projects underway at the end of the year. More projects were approved in 1980 than in any prior year. More projects began field operations in 1980 than in all previous years combined. The Fund also demonstrated its growing capacity to implement projects in a timely manner. The average time lag between ratification by governments of project agreements under the Fund in 1980 and the initiation of project activities was only two months.

76. Growing diversification in the kind of target minerals sought in Fund-supported projects was also evident in 1980, including sea bed phosphates, kaolin clay, rare earths, gold, zinc, lead, copper and nickel. By the end of the year exploration work had reached a decisive stage for on-going projects in Argentina, Cyprus, and Panama. For the Argentine project, assay results due in early 1981 are expected to determine whether extensive exploration work should be carried out. Results obtained by the end of the year justified an extension of the Cyprus project for more detailed investigation. Based on a careful review of results obtained in Panama, field work is being terminated, after the discovery of modest gold mineralization.

77. The Fund also assisted the Government of Ecuador to prepare a tender for international bidding to explore the San Bartolome silver deposit, discovered with Fund assistance. The Government is in the process of reconciling divergent laws prior to solicitation of mining bids. During 1980 the Fund received additional assistance requests from Burundi, Brazil, China, Haiti, Peru and Sri Lanka, while still other missions were being undertaken in Angola, Republic of Korea, Morocco and Portugal, and dialogues were initiated with a number of other interested countries.

E. United Nations Special Fund for Land-Locked Developing Countries

78. Handicapped by the low level of resources available, the United Nations Special Fund for Land-Locked Developing Countries could only assist on a very modest scale the land-locked developing countries in overcoming the special transit and transport problems related to their geographic situation. As sufficient funds for additional programming did not become available until November 1980, only one new project was approved in the year. Ten projects were operational in 1980, for two of which field activities were completed.

79. While special needs of the land-locked developing countries were recognized in the International Development Strategy for the Third United Nations Development Decade, it is obvious that, unless considerable additional resources are forthcoming, the role of the Special Fund in meeting these recognized needs will continue to remain very limited.

F. Interim Fund for Science and Technology for Development (IFSTD)

80. The first year of operations of the Interim Fund was exceptionally active, even for a newly-mandated programme designed to meet urgent developing country needs. By year's end more than 800 project proposals had been received from 80 or more governments, and an initial group of 19 projects had been approved for developing countries in all parts of the world, with another 24 near readiness. Thus, in less than a year from its establishment, the Fund's core staff had appraised and approved projects covering such areas as remote sensing, metallurgy technology, photo-voltaic material, energy-related technologies, R and D in tea production, low-cost housing, agricultural research, the utilization of chemical wastes and geological cartography. The Fund's component in the cost of these projects totalled \$16 million.

81. On 27 March 1980, a Pledging Conference for the Interim Fund was held at which 35 governments made firm pledges totalling \$35.8 million. In addition, 39 countries announced their decisions to contribute but did not specify the amount or timing of their contributions. Following this Conference, the Administrator of UNDP declared the Interim Fund operational on 19 May 1980. The pledged and indicated resources by 31 December 1980 totalled around \$50 million -- that is, only one-fifth of the target of \$250 million initially agreed at the United Nations Conference on Science and Technology for Development in Vienna in 1979.

82. There is widespread disappointment and concern that the resource target carefully negotiated in Vienna and endorsed by the General Assembly may not be achieved. In these circumstances, the governments of a number of countries are preparing to undertake an initiative at a high level to convey to interested donor countries the importance they attach to science and technology for development, and the potential for strengthened international co-operation in this field which is of real interest to all countries. It is hoped that such an initiative will lead to a wider understanding of the importance of the Vienna agreement and that substantial additional resources will be generated for strengthened co-operation in the field of science and technology for development.

G. Assistance to National Liberation Movements

83. Following the independence of Zimbabwe on 18 April 1980, most of UNDP's assistance to African National Liberation Movements recognized by the Organization of African Unity (OAU) was extended, during the year, to the South West African People's Organization (SWAPO), the African National Congress (ANC), and the Pan Africanist Congress of Azania (PAC). UNDP, under combined IPF and Trust Fund for Colonial Countries and Peoples resources, was financing 12 projects of assistance to SWAPO, six to ANC and six to PAC in such diverse areas as educational assistance, community development, postal and telecommunications training, agricultural training, health services, and vocational training. For the second programming cycle (1977-1981), contributions and interest accrued under the Trust Fund for Colonial Countries and Peoples amounted to \$4.5 million as at 31 December 1980. Of that, more than \$3.5 million had been committed to projects. In addition, under the Nationhood Programme for Namibia, UNDP is financing nine

projects from the combined Namibia IPF and Trust Fund resources at a total commitment of \$5.4 million. Another 36 projects currently managed by UNDP are funded exclusively by the Namibia Trust Fund.

84. In accord with General Assembly resolutions urging co-operation between the Organization of African Unity (OAU) and United Nations system organizations, UNDP joined with representatives of 23 other agencies in June 1980 to discuss a wide range of issues with OAU representatives. OAU called upon United Nations system organizations to increase their assistance to SWAPO, ANC and PAC as a means of accelerating the liquidation of colonialism and apartheid in Africa and urged UNDP to continue its efforts to mobilize additional resources for assistance to African national liberation movements.

H. United Nations Sudano-Sahelian Office (UNSO)

85. From its modest beginning in 1973, the United Nations Sudano-Sahelian Office (UNSO) had developed, by 1980, into the principal institution of the United Nations system mandated by the General Assembly to act as: (a) the central co-ordinating mechanism of the United Nations for the implementation of the medium-term and long-term recovery and rehabilitation programmes of the drought-stricken Sahelian countries - members of the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS); and (b) the arm of the United Nations responsible for assisting, on behalf of UNEP, a group of designated countries of the Sudano-Sahelian and adjacent regions in the implementation of the Plan of Action to Combat Desertification, under a joint UNDP/UNEP venture.

86. Under its first mandate, UNSO continued in 1980 to assist the eight countries members of CILSS (Cape Verde, Chad, Gambia, Mali, Mauritania, Niger, Senegal and Upper Volta) in their drought-related recovery and rehabilitation efforts. Three more countries -- Djibouti, Guinea and Guinea-Bissau -- were added to the original list of fifteen countries, to which UNSO provides assistance under its second mandate, increasing the group to eighteen (Cape Verde, Chad, Djibouti, Ethiopia, Gambia, Guinea, Guinea-Bissau, Kenya, Mali, Mauritania, Niger, Nigeria, Senegal, Somalia, Sudan, Uganda, United Republic of Cameroon and Upper Volta).

87. As a result of UNSO's expanding operational capability, the number of UNSO-assisted projects under the first mandate increased to 113 (25 regional and 88 national), requiring a total financing of \$646 million. By the end of 1980, approximately \$368 million of this amount had become available from various quarters. This included bilateral and multilateral sources, as well as over \$51 million contributed by and through the United Nations Trust Fund for Sudano-Sahelian Activities.

88. In the course of and following the initial desertification control planning and programming missions, a total of 118 anti-desertification projects, some of them already operational, costing \$644 million, were also identified and formulated with the governments of the region and submitted by them to UNSO for assistance in resource mobilization.

/...

89. Of this total, \$401 million is already available, including \$22.4 million mobilized by UNSO for 40 projects (33 national and seven regional). Of the total resources mobilized for desertification control activities, \$7.8 million was provided through the United Nations Trust Fund for Sudano-Sahelian Activities. The Trust Fund resources are used mainly as "seed money" to initiate projects capable of attracting and stimulating the flow of additional financial resources, both bilateral and multilateral, and to promote various forms of complementary, joint or parallel financing, combining, as appropriate, the elements of capital investment and technical co-operation required. In working out such arrangements, UNSO is instrumental in providing information on project identification and design, initiating appropriate ventures with multi-agency and multi-national participation and fostering joint action between donor and recipient governments.

90. Projects in the area of medium and long-term recovery and rehabilitation activities are concentrated mainly in the agricultural sector and include the development and improvement of water resources, forestry and range resources, assistance for the development of irrigation systems, the local manufacture of agricultural tools and equipment, the establishment and operation of seed multiplication programmes, the strengthening of crop protection capabilities, and the development of livestock resources. Special emphasis is given to the development and strengthening of national and regional infrastructures in the fields of feeder road transport systems, storage facilities, telecommunications, and agro-meteorological and hydrological services.

91. Projects in the area of desertification control include various aspects of forestry such as conservation, afforestation, reforestation, and fuel-wood plantations, rangeland and livestock management, agricultural production, water resources development and conservation, sand dune fixation, alternative sources of energy, meteorology, institutional support, policy planning and co-ordination.

92. Of special prominence among UNSO-assisted regional activities is the programme for the construction, improvement and maintenance of a region-wide system of all-weather feeder roads, considered essential to provide year-round access to isolated, drought-prone areas in the Sahel. The updated estimated cost of the programme, comprising almost 3,400 kilometres of roads, is close to \$141 million. Of this amount, approximately \$92 million has already been secured for the construction of some 1,900 kilometres of roads, either on a bilateral or multilateral basis, or through contributions to the Trust Fund. As of January 1981, approximately 955 kilometres of feeder roads had already been constructed and were in use; of these, 700 kilometres have been constructed directly with UNSO participation.

I. Energy Account

93. At its twenty-seventh session the Governing Council authorized the Administrator on an interim basis to seek and accept voluntary contributions in cash or kind to undertake specific programmes and projects in the energy field designed to meet urgent needs for assistance to developing countries, especially the poorest among them. Following the Council's decision, the Administrator

addressed a letter to major donors inviting contributions to the Account followed by a special appeal to all governments prior to the convening of the Joint Pledging Conference in November. However, the response of donors has thus far proved disappointing, and except for the contribution of one major donor in the amount of \$2.4 million, and the previously agreed 10 per cent contribution from the OPEC Fund for Economic Development up to a maximum of \$6 million, no further contribution has been received. Several donor governments have indicated an interest in contributing to the Energy Account but have not yet notified the Administrator of the amount.

94. In the meantime, UNDP has agreed to collaborate with the World Bank to fund energy sector assessments in 60 developing countries over a three-and-a-half year period at an estimated cost of \$3.6 million, to be co-financed by Global and Interregional IPF funds and the Energy Account, with the latter contributing \$1 million. Thirty-three developing countries have thus far indicated their intention to participate in the project. It is expected that these country assessments, which will begin in mid-1981, will identify technical co-operation needs for financing by UNDP or one of its managed funds, and lead to direct capital investment by the World Bank and other lending institutions.

95. The Administrator has circulated the list of energy project proposals received from developing countries to all major donors with the hope that this will lead to multi-bilateral financing of those projects which cannot be fully funded through UNDP programmes. UNDP is also preparing inputs for the forthcoming United Nations Conference on New and Renewable Sources of Energy, including an analysis of UNDP's potential role and contribution in the energy field.

J. Voluntary Fund for the United Nations Decade for Women

96. UNDP has maintained close co-operation with the Voluntary Fund for the United Nations Decade for Women since its creation by the United Nations General Assembly following International Women's Year in 1975. Resources of the Fund are used to support technical co-operation activities, regional and international programmes, joint inter-organizational programmes, research, communication support and public information activities. Priority is given to the least developed, land-locked and island developing countries, and special consideration is given to programmes and projects which benefit rural women and poor women in rural areas.

97. UNDP has been assisting the Fund in developing project proposals as well as in appraising requests received for financing by the Fund. In late 1980, responsibility for the management and administration of approved country-level as well as regional projects was delegated to UNDP by the Secretary-General through a Trust Fund agreement. Recent consultations between UNDP and the Fund have further resulted in an agreement whereby the Fund has indicated its willingness to provide financing for programming assistance within the context of UNDP programming exercises as well as for the planning and design of individual projects. Such assistance represents an important and necessary element in furthering the capacity of UNDP to respond more effectively to the concerns of women both as participants and beneficiaries of development assistance.

K. Emergency Activities

98. Each year UNDP's network of country offices is called upon to assist in emergency or disaster relief operations on behalf of the United Nations system, often co-ordinating the system's response on behalf of UNDRO. During 1980, UNDP assisted in the following emergency activities.

99. Algeria: On 12 October 1980, a severe earthquake destroyed practically all of Al-Asnam, a city of some 200,000 population located in the north of Algeria. Thousands lost their lives and many thousands were rendered homeless and left without basic services. Reacting promptly to this tragic situation, UNDP placed \$30,000 at the immediate disposal of the Government of Algeria for emergency relief assistance. The Administrator also offered to consider favourably various other Government requests for rehabilitation and reconstruction assistance up to \$320,000, all of which would be financed from the Programme Reserve over and above the IPF for Algeria. UNDP additionally acted as the focal point for the co-ordination of international disaster assistance emanating from various sources within and outside the United Nations system of organizations.

100. Djibouti: UNDP approved \$30,000 from the Programme Reserve in July 1980 for emergency relief assistance, consisting primarily of food supplies to alleviate the critical situation arising from the drought in the country and its economic repercussions. The drought, resulting from a dry spell of over two years, affected some 130,000 people, including 20,000 nomads, many of whom lost all their livestock and became totally destitute.

101. The Caribbean: Following the devastation caused in the Caribbean during 1979 and 1980 by hurricanes Allen and David, UNDP provided assistance from its Programme Review to assist Jamaica (\$350,000), St. Lucia (\$200,000) and Dominica (\$240,000) in meeting their immediate emergency needs. With respect to Jamaica, emergency assistance was rendered mainly under the project: Salvage and Rehabilitation in the Forestry Sector of the Hurricane-Affected Areas of the Eastern Region of Jamaica. For St. Lucia and Jamaica the projects related to assistance to artisanal fishermen and food processing.

102. UNDP also continued to provide emergency assistance to Nicaragua as part of its reconstruction efforts after the civil war which ended in July 1979.

103. Ethiopia: In the course of 1980 UNDP continued to support the efforts of the Ethiopian Relief and Rehabilitation Commission, the Ministry of Agriculture, and other governmental bodies serving the victims of drought and other disadvantaged groups. Although most of UNDP's support was in the form of technical co-operation projects aimed at long-term solutions to existing problems, the Programme was also at the forefront in collaborating with other donors in activities of an emergency nature.

104. UNDP joined with twelve other organizations and agencies of the United Nations family in an inter-agency mission to review the situation of displaced persons in Ethiopia and assess their needs with a view to drawing up a comprehensive programme of assistance to them. UNDP also continued to play a major role in the co-ordination and marshalling of disaster relief supplies into

and within Ethiopia. Through a project Logistic and Technical Support for Food Aid Transport, assistance was provided to the Ethiopia Emergency Transport Unit to help move and distribute food supplies, fertilizer, clothing, medical and other emergency supplies to the points of concentration or settlement of famine and drought victims. A total of \$130,000 in UNDP funds was spent in support of these operations.

105. Kampuchea: In response to the Secretary-General's appeal of 29 September 1979, UNDP, in collaboration with UNICEF as lead agency, was involved in the international relief operation for Kampuchea. The objective has been to help meet needs for emergency humanitarian relief of the Kampuchean people. In view of the absolute priority attached to enabling the population of Kampuchea to grow its own food and thus reduce the need for international food aid, UNDP contributed \$11.2 million to FAO's agricultural production programme for the purchase of rice seed, fertilizers, and other basic agricultural inputs, and \$1.5 million to FAO's inland fisheries programme, in recognition of the need to ensure an adequate supply of protein. UNDP also contributed \$3.3 million to emergency campaigns to protect the population from the ravages of disease -- mainly malaria and tuberculosis -- through an extensive preventive and curative programme. The total amount thus committed by UNDP to the Kampuchean relief effort in 1980 was \$16 million, of which \$14.7 million was scheduled for 1980 with a balance of \$1.25 million for relief in the field of health during 1981.

106. Nepal: On 29 July 1980 a severe earthquake hit Nepal, causing loss of life and widespread material destruction and damage, particularly in Darchula, Baitadi and Bajhang districts, in the far western region. In response to an urgent appeal from the Government, UNDP provided \$30,000 for emergency assistance from the Programme Reserve to purchase food, medicine, shelter and other essential items and services for the earthquake-affected people.

107. Drought also prevailed during the months of June, July and August 1979 affecting paddy crops in the western and far western regions of Nepal, causing a 25 per cent shortfall in grain production. To meet the food deficit crisis in the various parts of the country, the Government set up a "Special Action Plan" which called for the procurement and distribution of food-grains from internal as well as external sources. While bilateral sources pledged substantial amounts of food grains, they indicated they would not be in a position to incur the cost of transporting and distributing grains within Nepal. As the Government was unable to finance these costs from its own resources and does not have sufficient air transport facilities to undertake the required airlifting of food aid, UNDP provided \$121,100 from its Programme Reserve to finance the costs of airlifting food.

108. Uganda: Although relief operations to assist the victims of drought in the Karamoja area of north-eastern Uganda have been carried out mainly by the United Nations agencies most directly concerned with such activities -- e.g. UNDRO, UNHCR, UNICEF and WFP -- the co-ordination of the assistance of the various donors has been assured by the Office of the Resident Representative of the UNDP in Uganda. In this respect, project UGA/80/015, Logistic Support to Emergency

Relief Activities, was approved in November 1980 to establish a telecommunications network to support and speed up food supply distribution, and related relief and rehabilitation operations. The UNDP contribution to this effort is \$329,400.

109. Viet Nam: A typhoon in late July caused widespread damage to the economic and social infrastructure of the Red River Delta, including housing and agricultural production. Although the Government was able to organize relief work on the self-help principle, the supplies required had mainly to be brought from abroad. UNDP provided \$30,000 from the Programme Reserve for clothing, procured in association with UNICEF. Another typhoon struck Viet Nam in mid-September, causing further extensive damage. As part of an international relief effort. UNDP provided an additional \$30,000 from the Programme Reserve for school supplies in association with UNICEF. The Province of Thanh Hoa was especially badly affected, being inundated by both typhoons as well as other, more localised, storms in late August and September. In response to an appeal from the Government, UNDP allocated a further sum of \$320,000 from the Programme Reserve for technical co-operation in restoring and improving sea and inland dykes to protect the population and the farmland from future storms.

L. Inter-Agency Procurement Services Unit (IAPSU)

110. IAPSU continued to effect major savings in the purchase of common-user items of equipment during 1980. The number of copies of purchase orders received by the Unit more than doubled compared to the previous year, indicating that agencies were increasingly using IAPSU Bulletins as procurement aids. A total number of 250 IAPSU Bulletins on common-user items were issued by the end of 1980, and work on office equipment, audio-visual and other common-user items continues.

111. Specific examples of savings during the year were: (a) motor vehicles -- some 50 vehicles offered at total \$100,000 savings; (b) office equipment -- over 400 typewriters of a common make procured at estimated total saving of \$250,000; (c) laboratory equipment -- a single agency order of \$60,000 was discounted by fifteen per cent for a savings of \$9,000; (d) computer hardware -- a single order holds potential of savings in the \$10-20,000 range. A listing of preferential discounts offered by a major regular supplier to the United Nations system for audio-visual and laboratory equipment was issued in the fall and the savings accrued, not quantifiable at this time, would appear considerable. Progress was also recorded in increasing procurement from developing countries, in the utilization of non-convertible currencies (approximately \$160,000 worth expended) and in a more equitable geographic distribution of procurement, generally. The establishment of an IAPSU Liaison Office in Geneva late in 1980 has provided a focal point in Europe for new potential sources of procurement of common-user items by the United Nations development system.

M. Office of Projects Execution (OPE)

112. The volume of OPE activities for projects financed by UNDP amounted to \$56.1 million in 1980, including activities under the Programme Reserve, LDC and GCCC funding. In addition to execution of UNDP-funded projects, OPE was involved in the execution of Trust Funds projects, as follows: CDF, \$10.6 million; UNRFRNRE, \$0.9 million; UNSO, \$5.6 million.

113. With respect to UNSO's rehabilitation operations in the Sahel, OPE Consultants have developed, tested and applied a new technology applicable to compaction of granular soils in arid areas. This method, resulting in very high quality earth structures, requires from 6 to 12 times less compaction water than required by traditional technology, and allows compaction of much thicker layers of materials. The resulting cost savings, verified during construction of several hundred kilometres of rural roads, are on the order of 50 per cent. OPE has also engaged in a series of experiments dealing with stabilization of dune sands for road construction. The first results are encouraging, and definitive conclusions will be drawn in 1981. In addition to its UNDP-funded activities, OPE has been entrusted with two projects wholly funded by other organizations:

- A UNFDAC-funded agricultural marketing and production project to encourage alternatives to dependence on traditional narcotic drug crops in Thailand. The total amount of the budget is \$2.4 million, of which \$0.7 million was delivered in 1980.
- A World Bank-funded project in Transmigration Management Development in Indonesia. The total budget is over \$3 million, but delivery in 1980 was minimal, since the major activities of the project were scheduled to begin in 1981.

114. Negotiations have also been finalized with IFAD for execution by OPE of three loan agreements between IFAD and Bhutan, China and Cuba, respectively. OPE will be entrusted with loan administration as well as financial and technical supervision.

V. MANAGEMENT AND ADMINISTRATION

115. During the past five years, efforts within UNDP to improve management procedures and reduce administrative and other support costs have been pursued at essentially two levels: (a) at an organization-wide level, studies have been undertaken and major overhauls of most existing systems have been completed and are being executed; (b) at specific unit and activity levels, studies have been made which focus on improving details of particular systems and procedures to increase their effectiveness in the day-to-day operation of the organization.

116. Following the financial difficulties which UNDP experienced in 1975, outside consultants were invited to review and make recommendations concerning various aspects of organizational and managerial arrangements within UNDP. It was recognized that UNDP faced a major problem, in that senior management found it difficult to obtain adequate and timely and integrated information on Programme operations, resources and cash flows. A further management information study was therefore commissioned to direct attention to information flows between UNDP headquarters, field offices and executing agencies. This information study, executed through the Integrated Systems Improvement Project (ISIP), was initially launched by outside consultants and is now in its second phase of implementation through in-house leadership. The over-all systems improvement under ISIP is designed to achieve substantial increases

in the total volume of activities monitored within the United Nations development system; to strengthen the role of the Resident Representatives through increased decentralization of authority and activities to the field office; and to enhance the Administrator's ability to carry out his responsibilities more effectively through the organization's increased capacity to produce more informative reports in a more timely fashion. The main systems developed and now in operation or in the process of becoming operational are as follows:

117. General Ledger and Financial Reporting: This major system area provides for the central recording and reporting of information on the assets, liabilities, income and expenditure of UNDP, including UNDP's Office of Projects Execution, UNFPA and UNDP-administered funds. The main feature of the new system is an on-line data entry, edit and validation routine, which increases the accuracy of accounting entries in the data base and results in a shorter production cycle and more timely availability of reliable financial information.

118. Income and Cash Management and Cash Forecasting System: This ICM system maintains the ledgers for cash receipts and disbursements, contributions and investments for UNDP and UNDP-administered funds and is designed to respond to UNDP's operational requirements. On implementation, Treasury will be able to provide more timely and accurate reports to management for decision-making purposes, which should result in a reduction in non-interest bearing cash balances, closer monitoring of cash and currency flows, increased interest earnings and a closer follow-up on contributions and other receivables. The Cash Forecasting System will serve as a cash planning and decision-making tool for UNDP and UNDP-administered funds. It provides a cash flow forecasting model by currency which produces profiles of all currencies managed by UNDP over a 12-month time horizon and generates forecasts of the cash requirements of agencies, field offices and headquarters.

119. Programme and Project Management System: This broad system, which embraces project budgets and expenditure, country programme management and Institutional Memory Systems, is designed for the monitoring and control of UNDP-assisted projects and programmes. The system records Indicative Planning Figures, annual expenditure ceilings, project budgets and expenditures, as well as project descriptions, keywords and project outputs. Financial information on approved and pipeline projects is obtained from project budgets and country programme management plans (CPMP); project expenditures for on-going projects from reports submitted by the executing agencies. Summary reports, for monitoring purposes, are prepared by country, region and agency. Regular reports are produced which include comparisons of approved budgets against plans in the CPMP, and project expenditures against budgets and ceilings. Through improved data collection and transmission processes, more timely, accurate and relevant reports are produced.

120. Project Institutional Memory: This system provides easy access to Programme data, using codes and key words to summarize information. For example, the substantive and financial highlights of each project are readily available for analysis. The system also provides an efficient means of identifying reports, technical or otherwise, produced under projects.

Staffing Surveys and Management

121. During 1979-80, a UNDP Headquarters Staffing Review was undertaken, followed by a Field Office Survey designed to determine staffing requirements for the first two years (1982-83) of the third cycle. When the results of the Field Survey are co-ordinated with the results of the Headquarters Desk-to-Desk Survey, they will provide the Administrator with an over-all picture of total staffing needs and a more rational basis on which to distribute responsibilities between field offices and headquarters' units during the coming years. Plans have been set in motion at the same time to address the personnel aspects of systems improvements in order to identify, record and evaluate job duties, responsibilities and qualification requirements for the reconciliation of goals and tasks.

122. Junior Professional Officer Programme: At the end of 1980, there were 132 Junior Professional Officers working in UNDP field offices and at headquarters, of which 41 were working as UNIDO JPOs. Twenty-four UNDP JPOs, or 26 per cent of the total number, were serving in least developed countries; another 13 were under recruitment for these posts. The JPO Programme continued its gradual expansion with two new Governments -- Italy and Norway -- agreeing to sponsor JPOs from developing countries.

123. National Officers: At its twelfth session, the International Civil Service Commission gave its approval to the continued employment of National Officers by UNDP, and authorized the establishment of a separate grading and remuneration system. As of 31 December 1980, there were 65 National Officers serving in field offices, carrying out functions that require national knowledge and experience.

124. Resident Co-ordinators: Pursuant to General Assembly resolution 32/197, the names of a number of in-post Resident Representatives were submitted to the Secretary-General for designation as Resident Co-ordinators of the United Nations system's operational activities for development. At the end of the year, eight Resident Representatives had been so designated, and a further 23 nominations had been approved by governments.

Staff Training

125. A variety of training programmes was available to staff in 1980. In the in-service training programme, nine courses were developed and conducted in the fields of programming and administrative management. These were attended by 226 UNDP staff, as well as participants from governments and agencies. A notable feature was the development of two new courses: an Administrative Workshop for Deputy Resident Representatives (who have generally risen through the programming line), and an intensive nine-month Administrative Trainees Programme. In collaboration with the Economic Development Institute of the World Bank, UNDP has also made arrangements for a course to be attended by Resident Representatives and Deputies on investment follow-up policies and procedures. In relevant fields of study, external training, in academic and technical institutions, was provided to eligible staff through both direct attendance and correspondence courses. In 1980, 111 staff members were assisted under this aspect of the UNDP training programme.

126. Field Office Training was provided through financial subventions to each field office for training, primarily of national staff, in outside institutions, and in-house seminars. During the year over 1,000 staff members in all countries with UNDP field offices benefitted from these programmes. In addition, revised guidelines were issued to all field offices for the orientation of newly-arrived staff and their families. 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. Special intensive training courses were made available in countries where the language involved is the mother tongue. Also, a new English language course specifically tailored for UNDP staff was introduced on a trial basis.

Reports of the Joint Inspection Unit

127. During 1980, a number of inspection reports relating to UNDP activities were received from the Joint Inspection Unit. These reports were reviewed and comments on the relevant recommendations contained in the reports were or are being submitted to the Secretary-General. They included: Report on the Statistical Institute for Asia and the Pacific (JIU/REP/80/1): UNDP comments, generally endorsing the conclusions and recommendations, were forwarded and the report was subsequently issued as a Regional Commission document; Assistance by the UN System to Regional Inter-Country Technical Co-operation Institutions (JIU/REP/80/10); Evaluation of the Office of the Disaster Relief Co-ordinator (JIU/REP/80/11); Control and Limitation of Documentation (JIU/REP/80/12); Functioning of the Sub-Regional Offices for Central America and Panama and for the Caribbean of the Economic Commission for Latin America (JIU/REP/80/13): UNDP comments on the last four reports were forwarded to the Secretary-General and these reports will, in due course, be published as General Assembly documents.