

# UNITED NATIONS DEVELOPMENT PROGRAMME



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Agenda item 6

## Country and intercountry programmes and projects

### COUNTRY PROGRAMME OF THE GOVERNMENT OF VIET NAM

#### Note by the Administrator

#### Programme period

1982-1986

#### Illustrative IPF for 1982-1986

\$118 million

#### I. Nature of the programming exercise

1. Preparation for the second Country Programme for Viet Nam started in early spring of 1980, shortly after the first Country Programme, covering the period 1977-1981, had been finalized for submission to the Governing Council at its twenty-seventh session. Following initial consultations between the Government and the Resident Representative, all the Specialized Agencies were consulted as to proposals for inclusion in the programme. For the two main sectors of agriculture and industry, programming missions were fielded in collaboration with the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Industrial Development Organization (UNIDO), while for the natural resources sector advantage was taken of advice available in Viet Nam. The proposals made in the field of science and technology were too disparate in nature to permit the fielding of an overall sectoral mission.

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BY THE GOVERNING COUNCIL

\*/ This document will be derestricted upon approval of the Country Programme. See document DP/526 which will be issued in June 1981.

2. The projects included in the present programme were selected by the Government, in consultation with the Resident Representative, from the extensive list of proposals put forward during the programming exercise. It was agreed that in most cases preparatory missions would be needed for detailed project formulation. The amounts and durations given in the project descriptions are purely indicative; they will be revised in the light of the detailed review and conclusions of the missions, which are to be fielded during 1981 in order to permit project operations to start early in the programming cycle.

## II. Relation of the Country Programme to national development objectives

3. The period covered by the Country Programme coincides largely with that of the National Development Plan for 1981-1985. While the Plan had not yet been formally adopted when the Country Programme was being prepared, the main outlines were known. The fundamental objective of the Government is to increase the standard of living of the population. The priorities of the Plan will therefore be to:

- (a) Expand agricultural production to guarantee the food supply;
- (b) Increase the production of clothing and essential consumer goods;
- (c) Develop energy production (electricity, coal, petroleum, gas);
- (d) Develop the production of raw materials and spare parts;
- (e) Produce more and better goods for export;
- (f) Improve the communications network and the management of transport;
- (g) Increase the efficiency of scientific research and development and the application of its results to production;
- (h) Develop culture, education, health work, family planning; reform teaching; train and use as best as possible scientific and technical staff; and
- (i) Improve management in general and industrial management in particular. UNDP assistance is concentrated on food production, consumer goods industries, energy, transport, the increase in efficiency of scientific research and development and application of its results to development problems. The assistance thus corresponds fully to the main development priorities of the Government.

4. Viet Nam receives considerable bilateral development assistance, particularly from the Union of Soviet Socialist Republics (USSR) and other socialist countries. The co-ordination of assistance from different sources is carried out by the Government, which sees UNDP assistance as an important means for the transfer of technology, particularly from those countries with which it has no, or only limited, programmes of co-operation.

5. A basic aspect of the Country Programme will be to help restore the country's existing infrastructure (be it agricultural, industrial, energy, or transport) to an operational state. Ordinary maintenance, modernization and development of the infrastructure have been severely disrupted for a generation. As a result, it is almost impossible to provide basic everyday services reliably and properly, while the productive capability of industry is very low and continually deteriorating. There is thus an immense task of rehabilitation and reconstruction in addition to new development. The country has made great efforts to train relatively abundant technical personnel; however they need to be exposed to the technological developments that have been taking place elsewhere. The main obstacle to development is a very severe lack of equipment and spare parts of all sorts, and of repair and maintenance facilities. The country's very exiguous foreign exchange resources have had to be largely devoted to food imports in view of the significant food deficit, which has been aggravated by a series of typhoons, floods, drought and insect ravages in recent years. The country is thus in an unusual development situation which requires a practical and imaginative response from UNDP.

6. The Governing Council will recollect that, in view of these circumstances, the 1977-1981 Country Programme approved at the twenty-seventh session foresaw an emphasis on the supply of technical and scientific equipment. This component amounts to approximately 80 per cent of the total approved IPF budgets for projects in the 1977-1981 Programme. Throughout the 1982-1986 programming exercise, the Administrator brought to the attention of the Government of Viet Nam the remarks made by members of the Council with regard to the emphasis on equipment. As a result, it has been agreed that, while the broad objectives and possible orders of magnitude of projects are given in the Country Programme document, formulation missions will be fielded to examine in detail the development problems for which UNDP assistance is being sought and to determine precisely what work is needed and what inputs required. The final shape of each project will thus be determined on the basis of the particular circumstances of each case, with due regard to providing assistance appropriate to the unusual development situation, in the spirit of New Dimensions, and in keeping with the basic purpose of technical co-operation. While the 1982-1986 Country Programme is expected to contain a significant proportion of equipment, in view of the project formulation process described above, it is not possible at this stage to state exactly what that proportion will be.

### III. Content and phasing of the Country Programme

7. The second Country Programme consists of 54 new projects, the implementation of which will start during the 1982-1986 period, and the extension of five projects from the first Country Programme. Four of the extensions are Phase II projects, the objectives of which now include additional feasibility studies and the strengthening of further parts of Government institutes and services. In the fifth case, it was found necessary to provide limited further inputs in order to attain the original project objectives. These three categories represent 88.4, 7.1 and 0.2 per cent respectively of the resources available for programming; the balance is made up of the reserve (3.1 per cent), programming missions (0.3 per cent), and expenditure on projects from the first Country Programme (0.9 per cent). In addition to the identified Phase II projects a number of other projects from the

previous Country Programme are expected to spill over into 1982. It is thought that this may amount to a carry-over from 1981 to 1982 of some \$4.5 million in both resources and commitments. The reasons for the delays in implementing these projects are that: (a) project activities did not effectively start until well into the second year of the Programme; and (b) the original time schedules proved to have been overly optimistic about the provision of inputs by the Executing Agencies and the Government. Particular attention will therefore be paid, when projects in the second Country Programme are formulated, to preparing realistic work programmes which will allow sufficient start-up time.

8. The timing of the implementation of the projects over the programming period will be determined by the Government and UNDP with regard to national priorities and the UNDP annual expenditure ceilings. The amounts shown in Table 2, part A; below are the annual ceilings as established by UNDP.

9. The sectoral breakdown of Programme resources and the phasing of the Country Programme are shown in the following tables:

Table 1

Sectoral breakdown of programmed resources

	<u>Value</u> <u>(\$000)</u>	<u>Per cent</u>
Natural resources	19 600	20.8
Agriculture, forestry and fisheries	29 800	31.5
Industry	23 700	25.1
Transport and communications	11 000	11.7
International trade	1 000	1.1
Health	750	0.8
Education	200	0.2
Science and technology	4 300	4.5
Expenditures on projects in first Country Programme	890	0.9
Programming missions	260	0.3
Additional reserve	2 900	3.1
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Total	<u>94 400</u>	<u>100.0</u>

Table 2

Phasing of the Country Programme

A.	<u>Amounts programmed</u>	
	<u>Year</u>	<u>(\$000)</u>
	1982	16 992
	1983	17 936
	1984	18 880
	1985	19 824
	1986	<u>20 768</u>
	Total	<u>94 400</u>
B.	<u>Resources taken into account for programming</u>	
1	Resources available	( <u>\$000</u> )
	(a) IPF resources	94 400 <u>a/</u>
	(b) All other resources managed by UNDP	-
2	Provision for adequate programming	-
	Total resources taken into account for programming	94 400

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a/ This amount represents the illustrative IPF of \$118 million, minus 20 per cent left unprogrammed.

IV. Recommendation of the Administrator

10. In the light of the views expressed above, the Administrator recommends that the Governing Council:

(a) Approve the proposed UNDP Country Programme for Viet Nam for the duration of its programme period within the limits of its Indicative Planning Figure for 1982-1986, taking into account the balance of over-expenditure or under-expenditure of its 1977-1981 Indicative Planning Figure; and

(b) Authorize the Administrator to proceed with appraisal and approval action on requests for assistance falling within the outlines of the Country Programme while ensuring, in accordance with the decision of the Governing Council at its eighteenth session (E/5543/Rev.1, paragraph 31), that expenditures are kept in reasonable conformity with the relevant Indicative Planning Figures and are contained within the financial resources available at any given time.

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