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P O L I C Y

## OTHER FUNDS AND PROGRAMMES

### UNITED NATIONS FUND FOR POPULATION ACTIVITIES

#### Report of the Executive Director on the UNFPA experience with the system of priority countries

This report of the Executive Director on the system of priority countries is in response to Paragraph 7, decision 81/7 of the Governing Council at its twenty-eighth session. This paper calls for action on the part of the Council in regard to proposed changes in the system of priority countries as well as other matters. Supporting material is provided in DP/1982/30/Add.1.

## I. Background

1. In previous reports<sup>1/</sup> submitted to the Governing Council, the Executive Director reviewed the advantages and disadvantages of adopting various alternatives for the distribution of resources among developing countries. The approaches studied were: (a) allocation of resources on the basis of indicative planning figures (IPF) system for countries; (b) allocation of resources among major developing regions or regional IPFs rather than IPFs for individual countries; (c) priority in the allocation of resources to least developed countries; (d) priority in the allocation of resources to countries designated as most seriously affected; and (e) allocation of resources based on a system of priority countries for population assistance (PCPA).
2. After considering the various alternatives, the Council at its twenty-second session approved, in principle, the system of priority countries for population assistance (PCPA) according to which special attention was to be given to those with the most urgent population problems<sup>2/</sup>. The Economic and Social Council at its sixty-first session<sup>3/</sup> and the United Nations General Assembly at its thirty-first session<sup>4/</sup> requested the Executive Director of the United Nations Fund for Population Activities to apply the criteria for the establishment of priorities taking into account the decisions made by the Governing Council.
3. In applying the criteria in order to determine those countries qualifying for priority assistance, four demographic indicators (population growth rate, gross reproduction rate, infant mortality rate, and density of agricultural population on arable land) were selected which, in general terms, were indicative of major population problems and, to some extent, also associated with the level of development and welfare. By applying certain threshold levels for these indicators and by introducing an upper limit for the level of per capita gross national product (GNP), a group of 40 countries was selected as priority countries. Of these 40 PCPAs, 16 are in the sub-Saharan Africa region, 14 in Asia and the Pacific region, 6 in the Middle East and Mediterranean region and 4 in the Latin America and Caribbean region. In addition to the 40 priority countries, 14 other countries were designated as borderline countries in view of the fact that if a two per cent variation from the threshold levels were allowed, they would also qualify as priority countries. The two groups of priority and borderline countries consisted of 54 countries in all.
4. At its twenty-third session, the Governing Council took note of the report of the Executive Director on the application of criteria for establishing priorities including the recommendation that up to two-thirds of total programme resources available to the UNFPA for population activities at the country level

<sup>1/</sup> DP/118, DP/186 and Corr. 1.

<sup>2/</sup> Governing Council decision 76/42.

<sup>3/</sup> Economic and Social Council resolution 2025 (LXI).

<sup>4/</sup> General Assembly resolution 31/170.

be established as a goal or ceiling for assistance to these priority countries as a group<sup>5/</sup>. Furthermore, as proposed by the Executive Director and noted by the Governing Council, the concept of priority countries for population assistance was to be applied by the UNFPA in a flexible manner.

5. Developing countries which were not included in the high priority group were not to be excluded from receiving assistance from the UNFPA but the amount of assistance would be more limited and allocations more selective.

6. Although the system of priority countries for population assistance was approved in principle at the twenty-second session of the Council, the final criteria and threshold levels were noted by the Council at its twenty-third session in January 1977<sup>6/</sup>.

## II. Experience with the system of priority countries:

### A summary

7. The UNFPA experience with this system is reviewed extensively in the addendum to this document (DP/1982/30/Add.1) in terms of resource distribution to the priority countries, borderline countries and other countries, distribution among major programme areas by priority status of countries, and regional analysis of the priority system.

8. For the purpose of the analysis, 1977 was taken as a cut-off date to contrast expenditure data for periods before and after the introduction of the priority system. Period data rather than year-to-year data were used in the analysis. Trends by individual years tend to highlight variations due to a unique set of circumstances that may characterize particular years and thus distort the actual picture over a period of time.

9. The analysis of data relating to country programmes was undertaken using information on actual project expenditures rather than allocations in order to avoid difficulties related to rephrasing which have varied considerably by country and programme sectors reflecting largely the differential levels of implementation ratios.

10. The comparison of expenditure data for 1969-1976 and 1977-1980 periods indicates that there has been a substantial increase in total allocations to priority countries, from 38 per cent to 49.4 per cent. If the expenditures in borderline countries and priority countries are taken together, the percentage has increased from 49.7 per cent during 1969-1976 to 59.7 per cent during 1977-1980. Differences in the threshold levels used for distinction between priority and borderline countries (a two per cent variation) were quite small. In accordance with the instructions of the Governing Council, the Fund has been

<sup>5/</sup> Governing Council decision 77/5.

<sup>6/</sup> Ibid.

giving special consideration to the group of borderline countries in its allocation of resources.

11. While nearly 60 per cent of resources have gone to the priority and borderline countries, there are important regional variations. Of the total amount expended in each region, priority and borderline countries have received the largest share in each of the periods. As between the two periods, 1969-1976 and 1977-1980, the UNFPA assistance to priority and borderline countries has increased in all regions, except in Africa.

12. Comparing the two periods, there has been an increase in the proportionate share of expenditures in the priority countries devoted to family planning. The percentage devoted to family planning activities in the priority countries has increased from 57.8 per cent during 1969-1976 to 61.1 per cent during 1977-1980. There has also been a significant decrease in the proportionate amounts devoted to basic data collection.

13. Further analysis of programme sectors by regions also shows that there has been an appreciable increase in expenditures for family planning in priority and borderline countries of the different regions. Between the two periods under analysis, the percentage of expenditures devoted to family planning has increased from 13.4 per cent to 26.7 per cent in sub-Saharan Africa, from 27.4 per cent to 53.9 per cent in Latin America and the Caribbean, and from 20.3 per cent to 35.3 per cent in the Middle East and the Mediterranean. In Asia and the Pacific, although there appears to have been a decline in the percentage devoted to family planning between the two periods, it still remains quite high at 71.5 per cent.

14. Differentials in allocations by programme sectors and regions were pronounced before the introduction of the priority system. However, since the initiation of the priority system in 1977 there has been an increase in expenditures in the family planning, population dynamics, and population education and communication sectors. Generally, assistance to basic data collection has declined in every region and in both the priority and borderline group of countries. There also appears to be a strong converging tendency among regions towards a more uniform distribution of allocations by programme sectors. It is likely that this trend will continue with the continued application of the priority system.

15. Overall, progress has been made in the strategy of concentrating resources in countries with the most urgent population problems. As seen from the analysis the proportionate share of resources going to priority and borderline countries has increased since the introduction of that system. Although the goal of reaching the 66.6 per cent (two-thirds of resources available for country programmes) was not achieved during the period 1977-1980, it may be recalled that the Executive Director had proposed this only as a tentative goal until more experience was gained in determining the needs for, and capacity to carry out population activities in high priority countries.

16. Additionally, it may also be noted that, if the Fund's assistance to the population programmes in the People's Republic of China was also included in the calculation of total assistance provided to priority and borderline countries,

the combined percentage would increase from 59.7 per cent to 64.1 per cent during 1977-1980.

17. The concentration of the Fund's resources for support activities in the high priority countries could only have been implemented gradually because commitments were made for most of the resources at the time of the introduction of the priority system and the following years. It has taken considerable time to develop population programmes and activities in many priority countries. Although needs assessments have been undertaken in many countries, translation of the recommendations of the assessments into action programmes and projects has still to be completed in some cases. Moreover, many priority countries, particularly in Africa, suffered from a shortage of trained personnel and weak institutional base. The infrastructure in some areas has been weak and thus has resulted in slow programming and implementation. There are signs that many of the early setbacks are being overcome.

### III. Criteria considerations

18. When the concept of priority countries was established, the intention was to review and revise the group of countries periodically, taking into account the latest available data, and the viability of the criteria themselves. The Council, at its twenty-eighth session specifically called upon the Fund to submit a report not merely on the experience of the priority system, but also to explore the possibilities of introducing additional criteria for the determination of priority status of countries.

19. Accordingly, a detailed analysis was made of the present indicators as well as additional ones. In the first instance, a long list of socio-economic and demographic variables was examined. These included the proportion of labour force engaged in non-agricultural industries, female labour force participation rates, female literacy rates, proportion of population residing in urban areas, population size, annual increases in population, crude birth rate and life expectancy at birth. The continued relevance of current criteria, namely, rate of growth of population, gross reproduction rate, density of agricultural populations on arable land and infant mortality, was also examined.

20. The actual selection of specific factors as criteria for priority determination is conditioned by four important considerations: (a) the criteria should be objectively measurable; (b) the selected criteria should have a uniform meaning and definition; (c) data should generally be available for all developing countries from sources recognized internationally; and more importantly, (d) all data should be recent and available for the same period.

21. On the basis of a detailed analysis it would appear that no major modification in the existing criteria is necessary, except to substitute the criteria of the annual increments in population size for the annual rate of growth. Annual increments in population size take into account not only the rate of growth, but also the size of population. Absolute increments of population by themselves constitute population problems in a large number of developing countries.

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22. It is further recommended that the distinction between priority countries and borderline countries be eliminated. The present categorization, made on the basis of a two per cent variation from the threshold levels for the various criteria, is too small to make any meaningful distinction between the two groups of countries.

23. In view of changes that have occurred in developing countries regarding their population as well as their economic situations, there is a clear need to revise the threshold levels of indicators used for the determination of priority status of countries, particularly since more recent data on the indicators have also become available.

24. For countries to be designated as priority countries, it is proposed that they satisfy the GNP per capita criterion of US \$500 or less and any two of the following criteria:

- (a) an annual increment of 100,000 or more in population size,
- (b) gross reproduction rate of 2.5 or more,
- (c) infant mortality rate of 160 or more per 1000 live births,
- (d) density of agricultural population on arable land of 2.0 persons or more per hectare.

25. An upward adjustment in the threshold level of the economic indicator is necessary to take into account the impact of inflation in recent years and the proposed level of US \$500 per capita GNP is considered appropriate, since it is also the level to be applied by UNDP in its Third Programming Cycle. With regard to gross reproduction rate, infant mortality rate and density of agricultural population on arable land, a reduction in the threshold levels is advisable in view of recent demographic trends in many developing countries. An annual increment of 100,000 or more in population size takes into account increases in small countries as well.

26. The application of the above-mentioned criteria would result in the identification of 53 countries as priority countries for population assistance. Of these, 30 would be in sub-Saharan Africa, 16 in Asia and the Pacific, 2 in Latin America and the Caribbean, and 5 in the Middle East and the Mediterranean regions. In 1980, these countries together accounted for about 75 per cent of the population of all developing countries, and about 59 per cent of the Fund's total expenditure in country programmes during 1977-1980. The group of new priority countries would include 35 of the existing priority and borderline countries. The group would also include 28 out of 31 of the least developed countries which, as urged repeatedly by the General Assembly, ECOSOC and the Governing Council, should be given high priority for development assistance.

27. The proposed substitution of annual increase in population for rate of growth as a criterion, and the revision of the threshold levels, would not bring about a radical change in the ongoing system. In fact, these modifications would facilitate the transition and provide for a smooth flow of assistance to countries with urgent population problems.

IV. Action to be taken by the Council

28. In its consideration and discussion of the UNFPA's system of priority countries and taking into account other reports presented to the Council by the UNFPA, the Council may wish to:

- (1) endorse the continuation of the system of priority countries in order that the UNFPA may concentrate its resources in countries with the most urgent needs and with the most urgent population problems;
- (2) endorse the continuation of the "two-thirds" principle in the allocation of total UNFPA country programming resources to priority countries; and
- (3) endorse the modified criteria for the determination of the priority countries.

