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S U P P O R T

OTHER FUNDS AND PROGRAMMES

UNITED NATIONS INTERIM FINANCING SYSTEM FOR SCIENCE AND TECHNOLOGY FOR DEVELOPMENT

Report of the Administrator

Summary

The report contains a summary of decisions by the UN General Assembly at its 36th session which inter alia established the Financing System for Science and Technology and terminated the Interim Fund. During the transitional year of 1982 the Administrator continues to be responsible for the operation and management of the Financing System. The report also provides further details on: negotiations on the long-term arrangements of the Financing System taking place in 1982; project operations of the Interim Fund including a breakdown of ongoing and newly appraised projects by programme category; and the Financing System's co-ordination activities with UN bodies and organizations.

I. BACKGROUND

1. This report is prepared in accordance with the provisions of United Nations General Assembly resolution 36/183 of 17 December 1981 which, inter alia, provides for the transfer of the procedures, resources, organization and management of the Interim Fund to the Financing System for Science and Technology for Development which became operational as of 1 January 1982.

2. Under this arrangement, the Administrator of UNDP continues to be responsible for providing information to the Governing Council on the operation and management of the Financing System as well as for reporting on further developments and progress regarding the future of the system.

II. LONG-TERM ARRANGEMENTS FOR FINANCING SCIENCE AND TECHNOLOGY

3. In resolution 36/183, the General Assembly recommended, inter alia, that, without prejudice to the final arrangements for the Financing System, originally created in General Assembly resolution 34/218 of 19 December 1979 the general operational provisions of the Interim Fund, including its resources, organization and management, as well as the procedures set forth in the Annex to General Assembly resolution 34/218, would apply and be transferred to the Financing System during the transitional period of 1982.

4. By resolution 36/183, and in accordance with resolution 34/218 and the Vienna Programme of Action on Science and Technology for Development,^{1/} the Financing System became operative as from 1 January 1982.

5. To facilitate the formulation of long-term arrangements of the Financing System, the General Assembly decided to set up an Ad Hoc Inter-governmental Group of the Whole to prepare recommendations on the institutional, organizational and financial arrangements for the Financing System. The Ad Hoc Group was to hold two sessions in New York and to use the time before and between sessions for consultations. The first session was held on 1-5 March 1982 and the second session on 12-26 April. Further, the General Assembly instructed the Ad Hoc Group to report to the Inter-governmental Committee on Science and Technology at its fourth session; the Committee in turn will submit its recommendations through the Economic and Social Council to the General Assembly at its thirty-seventh session.

6. In order to help the Financing System generate the necessary financial support to continue its operations in 1982, the General Assembly requested the Secretary-General to convene a pledging conference in the first quarter of 1982 to receive pledges for the transitional year and urged all countries to make generous contributions.

^{1/} Report of the United Nations Conference on Science and Technology for Development, Vienna, 20-31 August 1979 (United Nations Publication, Sales No. E. 79.I.21 and corrigenda), Chapter VIII.

7. An oral summary of developments in these and other relevant fora will be presented to the Council.

III. FINANCIAL RESOURCES

8. During the first pledging conference for the Interim Fund convened by the Secretary-General in March 1980, Governments pledged approximately US \$40 million, an amount well below the target of \$250 million agreed by the General Assembly. In November 1981, additional pledges were made amounting to approximately \$2 million.

IV. PROJECT OPERATIONS

9. Within its roughly 16 months of operation and despite the financial constraints, the Interim Fund, now the Financing System, has received and reviewed over 900 proposals and concepts. Of these it was able to recommend 65 projects from developing countries for approval by the Administrator; 40 per cent of these are government executed. These projects, most of which are already operational, amount to over \$35 million. As agreed, these approved projects have been transferred in 1982 to the Financing System which will continue to implement, monitor and evaluate them. The regional distribution of these projects in percentage terms is as follows: Africa (31); Latin America and the Caribbean (21); Asia and the Pacific (32) and western Asia (12). There are about 3 interregional projects representing approximately 4 per cent of the total.

10. Although the resources pledged are now fully committed, the Financing System continues to undertake a systematic appraisal process for additional projects. For example, 22 projects valued at \$16 million have been fully appraised and are ready for approval as soon as additional funds become available. A further 30 projects with a value of about \$22 million are currently being appraised. Thus, projects with a total cost of around \$38 million are ready for early action in 1982. Additional projects from new submissions as well as from the existing portfolio of 900 projects submitted to the Interim Fund will be developed and appraised for approval during 1982, as resources permit.

11. While project objectives are designed primarily to strengthen national capacities, the two-year experience of the Interim Fund has shown that Governments give high priority to specific categories of science and technology activities. The table below gives a breakdown of ongoing and appraised projects by programme category:

<u>Programme category</u>	<u>No. of projects ongoing/appraised</u>	<u>Per cent of total</u>
Strengthening of scientific and technological infrastructure	23	24
Development of human resources for science and technology	11	11
Strengthening of research and development activities and of international co-operation in science and technology	34	35
Strengthening of scientific and technological information systems	6	6
Search, choice, negotiations, adaptations and assimilation of technology	24	24
Total	98	100

V. CO-ORDINATION WITH UNITED NATIONS BODIES AND OTHER AGENCIES

12. The Financing System, as was the case of the Interim Fund, relies on the field networks of UNDP for its project operations and on the Regional Bureaux as well. In addition the Financing System utilizes many services provided by UNDP at headquarters and new arrangements have been formulated to reimburse the UNDP for such services. Active co-ordination is also maintained with the Office of the Director General for International Economic Co-operation and with the Centre for Science and Technology for Development. The Financing System regularly seeks the views of the United Nations specialized agencies in connection with project appraisal and execution and in other related substantive programme areas.