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Implementation of selected country programmes in the Arab States region
Report of the Administrator

Summary

Country programme reviews were held in 1983 in 7 of the 19 countries of the Arab States region. Ten reviews are scheduled to take place in 1984.

Resources for programming continued to grow in several countries of the region as a result of increased cost sharing by Governments. The growth rate so far attained may not, however, be sustained during the remainder of the third programming cycle (1982-1986). Present cut-backs in national budgets caused by decreased oil revenues have created a situation in which Governments are scaling down somewhat their cost-sharing contributions to UNDP programmes.

Programmes in the other countries of the region continued to be severely affected by the shortage of UNDP indicative planning figure (IPF) resources. Unless additional resources can be found for them, several non-oil exporting countries, including the five least developed countries in the region, will see their programmes significantly curtailed in the second half of the third cycle.

UNDP has initiated a dialogue with Governments of the region and its agency partners to provide new directions to programmes in order to enhance their relevance in the light of the changing requirements of countries. This effort is particularly focussed on the middle-income countries, which are in a position effectively to take new initiatives with respect to more cost-effective methods and approaches for utilization of technical co-operation.

I. Background

A. Annual Reviews

1. Formal country programme reviews were held in 7 of the 19 countries of the Arab States region: Algeria, Morocco, Tunisia, the Libyan Arab Jamahiriya, Democratic Yemen, Iraq and Kuwait. Except for the country programmes for Algeria and Kuwait, the programmes were all approved in 1982. In other words, most of the reviews were held approximately a year after approval of the programmes by the Governing Council.
2. In most of the reviews, the discussions consisted of a dialogue between the UNDP field office and the government coordinating authority concerned. These discussions were preceded, however, by consultations with executing agencies and UNDP headquarters. In some cases, sectoral ministries and executing agency representatives participated as well. A senior staff member of UNDP headquarters took part in three of the reviews.
3. In Djibouti, one of the five least developed countries of the region, a donors' round-table conference was held in November 1983 with the assistance of UNDP. As of the time of this writing, a review of the country programme of Djibouti was being planned for the first half of 1984 to assess, in light of the outcome of the donors' meeting, the future directions of the country's technical co-operation programmes, including, of course, its UNDP programme.

B. Selection of countries and events

4. This report is based on the reports received from Resident Representatives on the contents and conclusions of the afore-mentioned reviews. The group of countries can be considered as suitably representative of the four sub-regions of the Arab world.
5. Countries which have programmes approved in 1982 or 1983 and which did not undertake a country programme review in 1983 are planning such a review for 1984. In addition to Djibouti they are, Jordan, Saudi Arabia, the United Arab Emirates, Yemen, Egypt, the Syrian Arab Republic, Bahrain, Oman and Somalia. The last-mentioned country was transferred to the jurisdiction of the Regional Bureau for Arab States in January 1984.

C. General trends in country programme implementation

6. In varying ways, the countries of the Arab States region addressed themselves actively to a major adjustment process during the course of 1983. Both oil-exporting and non-oil-exporting countries in the area shifted, by and large, from a policy of economic expansion to policies focussed on better utilization of existing capacities and consolidation of recent gains.

For well-known reasons, the first group of countries (the oil-exporters) took measures to adapt to levels of income growth lower than those of the past. The second group was prompted to take similar steps by declines in resource transfers from the first group as well as by other factors.

7. The adjustment process in Arab countries has underscored more than ever the continued relevance of technical co-operation to the development needs of the region. It has thrown into sharp relief the importance of a number of the mainstays of technical co-operation: technology transfer at all levels (manufacturing, production, management and marketing), improved management at macro and micro levels, institution building, enhanced capacity utilization, and human resource development. In the Arab region, the realization is growing that these are precisely the issues on which Governments must focus, as a matter of priority at this time.

8. These developments and trends serve as an essential backdrop to the expanding utilization by Governments of the cost-sharing mechanism as a means of co-financing UNDP-assisted programmes and projects in the region. The total commitment of IPF resources in the region declined from \$59.3 million in 1982 to \$49.9 in 1983. As against this, total cost-sharing contributions rose from \$24.9 million in 1982 to \$37 million in 1983. As a result of this increase, the total programme in the region increased by \$2.7 million, from \$84.2 million in 1982 to \$86.9 million in 1983.

9. It should be stressed, however, that a significant number of needy countries in the Arab States region are not benefitting significantly from this growth of cost-sharing resources. Indeed, unless substantial third-party cost-sharing funds or other co-financed resources can be found for Morocco, Tunisia, Egypt and the Syrian Arab Republic, the programmes in these countries will shrink drastically during the remaining years of the third cycle. A similar situation can be foreseen for Democratic Yemen, Djibouti, Somalia, Sudan and Yemen, the five least developed countries in the region.

10. At the initiative of its Government, one country, Saudi Arabia, has started to convert certain agency trust fund projects into UNDP-assisted cost-sharing projects, reviewing and evaluating at the same time the progress of the projects together with their managerial and administrative requirements. All of these conversions are being done with the full agreement and co-operation of the United Nations organizations concerned. The Government evidently feels that the shift from trust funds to the cost-sharing modality is a step in the right direction. It expects the shift to result in economies of scale in certain areas, in improved project monitoring on a co-ordinated basis, and in improved programming of future, follow-up activities. A second country, Iraq, is contemplating similar action for the same reasons.

11. It is noteworthy in this context that cost-sharing contributions in Saudi Arabia are at present expected to rise to \$96.94 million for the third cycle as a whole against an IPF allocation of \$5.32 million.

12. In the region as a whole, available IPF funds of \$217.4 million for the third cycle have found \$188.4 million as of 29 February 1984 as matching government cost-sharing contributions to projects, allowing for a total programme growth from the second to the third cycle of 19.4 per cent or approximately 4 per cent a year.

13. Of the presently expected cost-sharing contributions, \$128 million have been committed to date. It should be noted, however, that some countries (the Gulf countries, in particular) have reduced national budgets as a result of declining oil revenues. These cutbacks are tending to reduce the rate of growth of government cost-sharing contributions for the remainder of the cycle, 1985-1986.

14. UNDP field offices in the region, particularly in the middle-income countries, have intensified their dialogue with Governments with a view to injecting greater cost-effectiveness into programmes through new or modified project execution modalities. For instance, Governments have agreed to assume greater, if not full, responsibility for administrative and logistic support to projects and, more generally, for overall project management. In other cases and where it is appropriate to do so, international expert services will be provided through short-term rather than long-term experts. The use of government execution is also growing.

15. However, in view of earlier commitments and long-established habits, changes in this respect have been slow and the ongoing dialogues have not yet produced major tangible results. Another two or three years are needed for the new modalities to become the dominant characteristic of the programmes in the region.

16. Needless to say, UNDP will maintain a continued dialogue with Governments and agencies on this subject. It will also continue to seek the requisite changes through training of programme staff and appropriate programme management actions in the field and at Headquarters.

II. IMPLEMENTATION OF SELECTED COUNTRY PROGRAMMES

A. Changes in Priorities

17. In general, sectoral priorities of programmes have not changed significantly. In two countries, Kuwait and Tunisia, shifts of emphasis can be noted, however. In Kuwait, such infrastructural agencies as the Ports Authority and the postal services have introduced requests for staff training and information systems. Also, the Public Authority for Agriculture and Fisheries has requested short-term consultancies. In Tunisia, the programme will increasingly serve the industrial sector and assist, as well, in the computerization of government services and development planning systems.

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The development of a masterplan for rural water supply and the control of desertification in semi-arid areas are two new areas which should also be noted.

18. While no dramatic changes in sectoral priorities have been occurring, in most of the countries other than the LDCs, UNDP funds will, in future, be used more for the transfer of specific technical and professional know-how and less for broad-based, institution-building projects. This re-orientation should produce a shift in the relative importance of project components, a trend which has already begun and is reflected in the table below:

Percentage of UNDP inputs by component to projects in the Arab States region

	<u>1972</u>	<u>1977</u>	<u>1981</u>	<u>1983</u>
Project Personnel	69.7	66.2	66.1	64.2
Sub-contracts	7.5	9.1	8.5	8.0
Training	5.4	6.9	8.1	12.0
Equipment	15.0	15.2	13.3	13.0
Other	<u>2.4</u>	<u>2.6</u>	<u>4.0</u>	<u>2.8</u>
	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>	<u>100.0</u>

As can be seen, funds allocated to training have risen sharply while funds spent on long-term experts and for equipment have declined. Funds allocated for sub-contracts have remained more or less at the same level. It should also be noted that under sub-contracts, mostly short-term expert services have been provided.

B. Overview of programme implementation and trends

19. Provisional figures on 1983 programme delivery show that 81 per cent of the approved IPF resources were spent. For approved cost-sharing funds the expenditure rate was 70 per cent. A reduction in inflation and changes in exchange rates may be cited here as causes for reduced expenditures rather than a slow-down in programme delivery.

20. As regards project identification, design and formulation, UNDP headquarters, through the Regional Bureau for Arab States, has backstopped field offices actively, particularly with respect to the changes and shifts of emphasis discussed above. This back-stopping was carried out, on a case-by-case basis, in the appraisal and approval of projects, as well as through general programme orientation initiatives.

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21. An example of the latter is a circular letter sent to eight Resident Representatives in middle-income countries in the region discussing the issue of greater use of short-term experts in appropriate cases. Seven Resident Representatives have replied favourably to the letter and are taking appropriate follow-up action in the countries. High-level contacts with agencies rounded out these efforts, which will continue in 1984 and subsequent years.

22. In line with instructions issued by the Administrator in September 1982, 23 evaluations in 10 countries were planned for 1983. Of these 14 were carried out. Most evaluations focussed on projects for which Resident Representatives had received government requests for continued UNDP assistance. In 12 cases, the evaluation missions confirmed the justification for continued UNDP assistance, but recommended at the same time that there should be increased government contributions to these projects and increased assumption by Governments of administrative and managerial responsibility. The remaining nine evaluations were postponed to 1984 either at the Government's request or for reasons beyond the control of those concerned, as was the case in Lebanon.

23. The Regional Bureau will in 1984, in co-operation with the Central Evaluation Office, undertake a review of all the 1983 evaluations in order to identify common problems and analyse the results achieved in order to draw general lessons from these evaluations going beyond the projects immediately concerned.

24. Programme themes which have been the concern of the international community and which have been the subject of international conferences are being pursued through UNDP programmes in Arab countries. For instance, in the three Maghreb countries, national IPF-funded projects are assisting the Governments in the more efficient planning of rural water supply projects. These are being supplemented by a regional project which will help to co-ordinate exploration of water resources and the monitoring of their utilization for agricultural, domestic and industrial purposes.

25. Women's participation in development has found attention in Yemen, Saudi Arabia and Democratic Yemen within the framework of projects assisting in the development of rural community services. Morocco and Lebanon have submitted requests to the United Nations Voluntary Fund for the United Nations Decade for Women seeking assistance for income-generating activities for households headed by women.

26. Environmental concerns, too, have generated increasing attention, particularly in arid and semi-arid regions. In the southern part of Morocco, a new biological technique for sand dune fixation has been developed under a UNDP/FAO-assisted project which, if proven economical, will be replicated in other parts of the country and possibly in other countries of the region.

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27. Development planning and infrastructural development are two areas in which UNDP has made a significant contribution to development in the region. For instance, in Saudi Arabia a regional planning project is integrating the evaluation of physical conditions with the planning of socio-economic projects in order to maintain the ecological balance of the regions concerned. While UNDP assistance has been provided to cover many aspects in the field of infrastructure, the single most important contribution has probably been in the establishment of meteorological services. In 12 of the 20 countries in the region, national weather forecasting and monitoring institutions have thus far been established or strengthened.

28. As already stated, changes are occurring in the programming of technical co-operation activities in the region. Inasmuch as the concept of UNDP programmes as catalysts for international technical co-operation is taking root, unprogrammed IPF funds in the middle-income and least developed countries will increasingly serve as seed money for the attraction of bilateral or non-UNDP multilateral funding for projects which can no longer be financed entirely from the IPFs.

29. Resident Representatives are thus working with Governments to identify funding sources for those projects which have had to be cancelled due to the cutbacks in national IPFs and, in some cases, also to assist Governments in identifying such non-UNDP funding for newly identified needs.

C. Factors affecting programme implementation

30. Except for Lebanon, none of the countries has been negatively affected by events outside the control of UNDP and its government counterparts. In another country, where a delay in government cost-sharing payments threatened to cause severe programme cutbacks, negotiations with the Government have been undertaken to resolve the problem. A solution is being found.

31. The decline in revenues from oil exports has led to budgetary cutbacks in many Gulf countries. This is slowing down somewhat the approval of new projects with major government cost-sharing contributions.

D. Completed projects

32. Sixteen projects with a total net UNDP contribution of \$22,051,865 were completed in 1983. The following examples of results and achievements may be noted:

SUD/71/550 - Seed Production. The project has resulted in increased production of breeder seeds of sorghum and millet and of certified seeds of sorghum, groundnut, kenaf and wheat. Three seed processing plants were installed raising the country's annual seed-processing capacity to 20,000 tons. The success of this project has led to a major capital project financed by the African Development Bank.

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SUD/72/023 - Forestry Education. Although the project suffered during its lifespan from a lack of consistent Government support, 60 Sudanese nationals obtained their B.Sc. degree in forestry at the Department of Forestry, University of Khartoum, under the academic supervision of a team of OPAS experts. Upon its termination, recommendations were submitted to the Government on how the Department should be in future strengthened and in terms of personnel and teaching programmes.

SUD/72/035 - Training of Agricultural Technicians, Yambio Institute of Agriculture. The project was not very clearly designed with regard to its objectives. Following the recommendation of a consultant to the Administrator made in March 1982, the project was extended for one more year allowing the expert team to submit to the Government recommendations as to the future functions and structure of the Yambio Institute of Agriculture. A major bilateral donor has since significantly expanded its assistance to the Institute.

TUN/78/007 - L'Institut des Régions Arides. UNDP assistance provided to this Institute consisted of the carrying out of a series of technical and socio-economic studies, which are expected to lead to pre-investment activities.

MOR/78/015 - Aménagement des Bassins Versants. This project prepared an integrated rural development plan, which is now being implemented with Government financing.

MOR/78/005 - Institut Agronomique Hassan (Phase II). UNDP assistance helped to strengthen the teaching and research capacity of this institute in several of its departments. The institute is now capable of offering to its students a higher-level degree based on a three-year curriculum.

33. It should be noted that many of the remaining projects were institution-building projects for which Governments have now successfully assumed full managerial and financial responsibility following the termination of UNDP assistance.

34. One project in Iraq (IRQ/73/015, Soil and Land Reclamation) was an investment support project for which UNDP funded the technical assistance component. The required investment funds were financed by the Government itself.

E. Additional resources for the implementation of country programmes

35. Djibouti held a donors' round-table conference towards the end of November which generated great interest and solicited successfully the intent of the international donor community to fund development projects in the country for a total of approximately \$180 million. UNDP will assist the

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Government in the follow-up to the conference and in the preparation of individual projects, as required.

36. Preparations for a donor round-table conference in Democratic Yemen continued in 1983, and the conference is expected to take place in late 1984 or early 1985. Yemen also has now decided to organize a UNDP-assisted round-table meeting.

37. Following discussions between UNDP and UNHCR during the course of 1983 on increased co-operation between the two organizations in regard to development efforts aimed at finding durable solutions to refugee settlement problems in areas likely to be substantially affected by refugees on a long-term basis, a UNDP reconnaissance mission visited a part of southern Sudan - the Equatoria Region west of the Nile - to identify areas for possible UNDP/UNHCR collaboration in this context. The UNDP mission, whose work was supported by UNHCR officials at the field level, identified a number of opportunities for appropriate co-operation between the two organizations, on an immediate basis as well as for the longer term. The mission's conclusions and recommendations were discussed with UNHCR headquarters in Geneva during end-November 1983, and appropriate follow-up action is currently being taken.

38. Collaborative action between UNDP and UNHCR along similar lines is also being jointly explored by the two organizations with respect to Somalia. Consultations on the matter are taking place.

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