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SUPPORT

PROGRAMME PLANNING

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Implementation of selected country programmes in

Europe

Report of the Administrator

Summary

This report is submitted in accordance with Governing Council decision 81/15 (E/1981/61/Rev.1). It identifies the countries in the European Region where country programme reviews were held during 1983 and contains the status of approval of third cycle country programmes with a special emphasis on Albania and Cyprus.

The report focuses on changes in priorities of country programmes and provides an overview of programme implementation and trends including a description of the factors affecting programme performance. It also describes the composition of project inputs and the impact of certain projects completed in 1983, and it provides an account of the additional resources that were made available for the implementation of individual country programmes.

INTRODUCTION

1. Annual reviews were held in eight of the twelve countries in Europe during the reporting period. Reviews were not held in Albania, Czechoslovakia, Portugal and Romania. In Albania, a review was deferred since activities related to the approval and implementation of projects were still at too early a stage of the new programme to make an overall review meaningful. Moreover, as there are only very few but relatively large projects, close monitoring of the development of each project could take place throughout the year. In Czechoslovakia, apart from fellowships, most of the programme resources were devoted to activities under a single project to support a National Technical Consultancy and Training Centre in modern production and maintenance control systems for metallurgical engineering. The project, a follow-up to two projects in the same area implemented during the second cycle, was subject to an in-depth evaluation exercise in 1983 (see paragraph 10). In Romania, the Resident Representative's office and the counterpart co-ordinators of UNDP assistance maintain a continuous close contact. For that reason, a formal review there was not considered essential. Finally, an annual review could not be conducted in Portugal as a consequence of prolonged electoral and Government transition periods.
2. On the other hand, it is to be noted that the Governing Council approved the second country programme of Cyprus at its June 1983 session. Since the programme covered the period from 1983 to 1986, a review would not normally have been required during 1983. However, in view of the decision late in 1982 - too late to be reflected in the country programme - to reduce the resources available for programming from 80 per cent to 55 per cent of the IPF, it was necessary to carry out such a review immediately after the submission of the final version of the country programme document in order to effect that reduction. For the same reason, two reviews were held in Turkey during 1983.
3. In view of the limited number of countries benefitting from UNDP co-operation in Europe, this report attempts to provide a comprehensive overview of the situation in all countries. A special emphasis has nevertheless been given to Albania, where operations commenced during the third cycle. Cyprus has also been highlighted in view of the special circumstances governing the utilization of the IPF for the benefit of the nation's two communities.
4. With regard to general trends in country programme implementation there is an increasing tendency to concentrate operations in a few selected high-priority areas owing to the small size of the national IPFs in Europe. This is especially true with respect to the centrally planned economies, where the programme is aimed at helping to eliminate technological gaps. As the Governing Council is aware, an emphasis in some cases is placed on sophisticated equipment and Government endeavours to make the maximum use of such inputs by covering the largest possible portion of project costs with national inputs. Both UNDP headquarters and the field offices play an important role in ensuring that the projects represent technical assistance in accordance with UNDP's mandate as established by the Governing Council. This often necessitates lengthy discussion at the approval stage.

I. IMPLEMENTATION OF SELECTED COUNTRY PROGRAMMES

A. Changes in priorities

5. Since the majority of countries are centrally planned economies where the IPF is closely linked to fixed national development plans, there are seldom any changes in priorities in the individual country programmes. The changes that did occur in 1983 resulted from reductions in the individual IPF levels, forcing a postponement in the implementation of projects considered to be of lesser priority. This took place in Albania, Bulgaria, Czechoslovakia, Hungary, Poland, Romania and Yugoslavia. In Cyprus, the reduction was effected through significant across-the-board reductions in UNDP contributions to individual projects. In Turkey, the Government conceived several new project proposals which could not be foreseen while the third country programme was being prepared. Six such proposals in the pharmaceutical, agricultural and planning sectors were approved in 1983. Similarly, a project on planning industrial development in Greece, not originally listed in the country programme, is in the process of being approved. In Malta, a new project for the maintenance of electronic equipment was included in the country programme last year.

B. Overview of programme implementation and trends

1. Project identification, formulation, appraisal and approval

6. Since national development plans in Europe are well-identified, there is little need or demand for international assistance in the area of project identification. On the other hand, in view of the size and complexity of several projects, project formulation can be time-consuming, especially if the equipment component is of significance. In such cases, UNDP attempts to ensure that the equipment is used to increase the managerial, technical, research and experimental capacity of the countries in conformity with the criteria established by the Governing Council in this regard. For instance, over the reporting period, the Computerized Information Network project (ALB/81/001) in Albania was under close scrutiny, resulting in delayed approval. As a result, final 1983 delivery is expected to be only approximately one-half of that projected at the beginning of the year. This project, which represents nearly one-third of the programmable resources for Albania for 1982-1986, was approved in December 1983 following consultations lasting almost two years. It involved several UNDP/UNESCO missions to Albania as well as a UNESCO mission to UNDP headquarters. There was also a continuous in-house dialogue on the successive stages of the project document.

7. At the end of the year, 83.5 per cent of the 1982-1986 illustrative IPF of \$9,963 million was approved in Albania. Other large-scale projects already under implementation are the Telecommunications Development (ALB/81/005) and Higher Science University Education (ALB/81/006) projects. A project to assist the Higher Agricultural Institute (ALB/81/007) will commence in July 1984 and the implementation of the Nuclear Physics Institute project (ALB/81/004) is scheduled to commence in 1985/86, the delay resulting from financial constraints on the IPF.

8. UNDP assistance in Cyprus is spread over a variety of sectors including the high-priority human settlement, agricultural and industrial sectors. Activities to prepare an urban master plan for Nicosia, improve animal health and promote handicrafts will benefit both communities. The rate at which projects were approved, however,

was slow in 1983. The year had started with the need to reduce the programme to 55 per cent of the illustrative IPF, while ensuring the equitable distribution of UNDP resources in the programme between the Greek and Turkish Cypriot communities. Negotiations with the Government over this issue led to the latter's agreement in May 1983 to UNDP funding of a significant number of projects in the North. The authorities in the North then established priority areas requiring UNDP co-operation. Seven small-scale project proposals in several sectors, mainly to provide fellowship training, were consequently prepared in October 1983. The approval of the new projects, however, has been delayed in view of recent political events.

2. Composition of inputs

9. While equipment represents a major proportion of expenditures in the seven centrally planned economies, it should be emphasized that there is also a sizeable training component. In the other countries, experts and subcontracts represent the main items of expenditure. In these countries the tendency is for the expatriate advisers to be used as a resource for the strengthening of institutions, whereas in the centrally planned economies expatriate experts or consultants help national personnel tackle specific technical problems.

3. Performance

10. Project and programme performance have been satisfactory in the region as a whole. Since several of the programmes contain successor phases to projects approved during the second cycle, an emphasis is given to implementation and evaluation in the current cycle. To date the use of Government execution has been limited but, increasingly, agency-executed projects have provisions for national project directors financed by their own Governments who co-ordinate the activities of the internationally-recruited short-term experts and consultants. The United Nations system supports the Governments' efforts by participating in evaluation and tripartite review exercises. As mentioned in the introduction, one such important review of both ongoing and planned activities took place in Czechoslovakia during the reporting period. In this case, a technical mission evaluated in March the progress and achievements of two approved projects in related industrial fields, and made recommendations for the content of follow-up activities under a single new project. In June, a project preparation mission drew upon the findings of the evaluation mission and formulated the new project, which is designed to promote modern production and maintenance control systems for metallurgical engineering and other basic industries.

11. As indicated above, whereas the Governments have hitherto been content to have the executing agencies implement projects in view of their own close management of projects, and have little desire to be involved with the additional work required for execution, there is a clear tendency in Yugoslavia towards more Government execution. It is likely that similar trends will develop in several of the other countries in the future.

II. FACTORS AFFECTING PROGRAMME IMPLEMENTATION

12. One factor that has affected programme implementation is attributed to difficulties the agencies have in meeting specifications and delivery dates for certain complex items of equipment. More often, implementation delays are caused by unusual situations in some countries.

13. The preceding section described the reasons for the slow rate of implementation in 1983 of the Country Programmes in Albania and Cyprus. In Turkey, the election process affected programme implementation to a limited extent. In Portugal and Yugoslavia, programme implementation was largely affected by the reduction or non-availability of national counterpart contributions to projects. This was due to the austerity programme adopted by the Federal General Assembly in Yugoslavia in 1983 and the general elections in Portugal with the concomitant freezing of the national budget. Under these circumstances in both countries a conservative approval policy for new projects had to be adopted and expenditures in 1983 are expected to be only half the level anticipated for the year.

III. COMPLETED PROJECTS

14. Several projects were completed in Cyprus, Turkey and Yugoslavia during the reporting period. In Cyprus, under the Paphos Irrigation project (CYP/81/011), about 5,000 hectares of farming land were brought under irrigation, providing jobs for 1,300 landless families and higher incomes for 3,500 farm families. The Energy Conservation and Development project (CYP/77/009) made recommendations for energy conservation and the development of renewable energy sources. It is now being followed up by a World Bank-financed comprehensive programme under a loan of \$10.2 million. In addition, there was an important investment follow-up development during 1983 on a project completed during 1982, Khrysokhou Watershed Irrigation (CYP/77/006), under which a UNDP/FAO assisted feasibility study including detailed engineering designs was undertaken. In May 1983 the World Bank approved a loan of \$16 million for the construction of the first phase of this important irrigation scheme.

15. In Turkey, the completion of the Corum-Cankiri Rural Development project (TUR/82/013) saw the strengthening of the Ministry's agricultural extension service. The project also benefited partly from a World Bank loan of \$75 million. As a result of the Petroleum Development Centre project (TUR/81/008), the Centre is able to perform well simulations and support field operations in the specialized areas of geochemistry, reservoir evaluation, sedimentary studies, drilling technology and enhanced recovery methods. The project, General Directorate of State Hydraulic Works (TUR/78/029), helped to modernize the Directorate, which is responsible for the development of irrigation and drinking water networks in the country.

16. In Yugoslavia, the Slovenia Transport System project (YUG/77/020) identified medium and long-term programmes requiring an investment of approximately \$1,695 million to improve and expand the transport infrastructure of the Republic of Slovenia. In addition, under the Institute of Earthquake and Engineering Seismology project in Skopje (YUG/77/003), training was provided not only for Yugoslav nationals but also for participants in the Mediterranean region in preventive measures to reduce the risk to life and property during earthquakes.

IV. ADDITIONAL RESOURCES FOR THE IMPLEMENTATION OF COUNTRY PROGRAMMES

17. Additional resources were made available to supplement the national IPFs in the following four countries in Europe during the reporting period: Bulgaria, Cyprus, Portugal and Turkey.

18. In Bulgaria, the Government increased its budget allocations to approved projects and in some cases provided foreign currency. For instance, it increased by \$500,000 its contribution to a Shipbuilding project (BUL/78/001) and allocated a

cost-sharing contribution of \$26,550 to the Telecommunications Network project (BUL/82/002).

19. In Cyprus, two small Government cost-sharing projects were implemented during 1983, one concerning the establishment of a container terminal at Limassol Port and the other providing the services of a consultant to the Port Authority on trade facilitation. These projects mark a growing interest by the Government in using cost sharing as a means of obtaining expertise through the United Nations system beyond that which can be provided within the country programme.

20. In Portugal, the amount of Government cost sharing for the 1982-1986 cycle approximates the total amount of resources available under the IPF. In order to facilitate cost-sharing payments on a case-by-case basis, instalments have been accepted in local currency, significant amounts of which are required periodically by UNHCR for operations in Portugal. It is expected that this arrangement will continue selectively, although the Government is making payments in convertible currency in a few cases.

21. Turkey has continued in its third country programme the practice of cost sharing in local currency. Cost-sharing contributions in local currency are estimated at \$850,000 in 1983 and the comparative IPF figure is \$1,860,000.

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