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POLICY

**PROGRAMME IMPLEMENTATION
EVALUATION**

Joint United Nations/UNDP/UNIDO evaluation of UNDP-financed
technical co-operation activities of UNIDO in the field of manufactures

Report of the Administrator in response to
the recommendations of the Staff Report*

Summary

In response to decision 84/2 of the Governing Council the present document lists the 28 recommendations of the Staff Report which are directed to UNDP. It responds to each of them, identifying: (a) those which are already in implementation under current policies and procedures; (b) those consistent with current policies and procedures which could be applied more forcefully; (c) those which are accepted for future implementation, and (d) those which are not accepted. The actions proposed by the Administrator where such actions are indicated are also described.

*Evaluation Staff Report on the Joint United Nations/UNDP/UNIDO In-depth
Evaluation of the Technical Co-operation Activities of UNIDO in the Field of
Manufactures, dated 1 February 1983.

INTRODUCTION

1. The Governing Council discussed the report of the Administrator (DP/1984/1) at its organizational meeting on 22-23 February 1984. By decision 84/2 the Council took note of the report and of the views expressed by delegations. It also noted that many of the recommendations of the Staff Report were either already in implementation under current UNDP policies and procedures, or were being studied further by the Administrator to determine if they could appropriately be introduced into UNDP policies and procedures.
2. The Governing Council decided to transmit the report of the Administrator and the views expressed by delegations to the Committee for Programme and Co-ordination (CPC), and to examine the report further at its thirty-first session in the light of the recommendations and observations of the CPC.
3. The Governing Council also requested the Administrator to report to the CPC and the Council on the actions already taken on his recommendations for actions, in respect of each separate recommendation contained in the Staff Report. The present report indicates the follow-up actions intended by the Administrator for each of the 28 recommendations directed to UNDP. (A further 12 recommendations are directed to the United Nations Industrial Development Organization).
4. The recommendations are dealt with here in the same sequence followed in document DP/1984/1. Part I contains an analysis based both upon the study of documentation related to legislation, policies and procedures now in force, and upon the discussions with programme staff from UNDP headquarters, UNIDO headquarters, and the UNDP field offices, which were carried out in the course of UNDP's assessment of the Staff Report. Part II contains a summary of various follow-up actions envisaged by the Administrator.

I - ANALYSIS OF STAFF REPORT RECOMMENDATIONS

Recommendation 1. (Paragraph 258 of the Staff Report)

Project formulation should commence, preferably, with a survey of the project context and framework, including: (a) the industrial environment; (b) the national industrialization status; and (c) national capabilities at the time.

Comment (paragraph 27 of DP/1984/1)

5. This is considered acceptable only when UNDP assistance to the sector is on a large scale. Many projects are responding to a self-evident need, for example for basic institutions, or are essentially small-scale or gap-filling projects for which such a planning exercise is not a necessary prerequisite.

Current policies and procedures

6. These provide for shared responsibilities in project formulation, and UNDP or agency fielding of specialists (at Government request) to conduct such studies as needed. Relevant documents include: UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983 (chap. 3200, Country Programme Cycle, pages 1 & 2; chap. 3435, Project Identification and Preparation, page 3); Annex G3400/2, of the Policies and Procedures Manual, Guidelines on Project Formulation, 15 September 1976 (Section 106); and 3400/1, "Industrial Research and Service Institutes", Programme Advisory Note, November 1982 (section 8005, page 1).

Actions required

7. It is intended: (a) to modify the Project Formulation Guidelines to provide more explicit guidance in specific cases such as that of industrial projects (see also under recommendation 21), and (b) to issue by the end of 1984 a programme advisory note on manufactures projects which will specifically describe the necessary studies to produce correct problem analysis and baseline data. UNDP will also encourage greater use of preparatory assistance where necessary.

Recommendation 2. (Paragraph 245 of the Staff Report)

In preparing the country programme, the Government should be encouraged to seek the assistance of UNDP and the advice of UNIDO if it feels a need for their experience in industrial sector planning.

Comment (paragraphs 28-29 of DP/1984/1)

8. UNDP has no difficulty in accepting this proposal, and in fact has funded a number of major industrial planning projects. Other organizations, such as the World Bank, have also supported such projects.

Current policies and procedures

9. The following already heavily stress the role of the United Nations in assisting the development of both general and sectoral planning: General Assembly resolution 2688 (XXV) of 11 December 1970, "The capacity of the United Nations development system, Annex: Consensus approved by the Governing Council, 10th session (Paragraph 5); UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983 (chap. 3212, The Country Programme Approach, page 2); UNDP/PROG/80, "Country Programmes due for submission to the Governing Council in June 1982 and, tentatively, January 1983", Administrator's memo, 17 February 1981 (para. 7); and DP/518, "Programme Planning and Preparation for the Third Programme Cycle 1982-1986", 23 March 1981 (page 8).

Actions required

10. In late 1984, UNIDO will be issuing a Manual on Industrial Planning, which will describe suggested planning approaches and techniques to be brought to the attention of resident representatives and governments. No further action is therefore envisaged.

Recommendation 3. (Paragraph 257 of the Staff Report)

Industrial research should be strengthened and re-oriented to more substantive and immediate problems, those affecting a subsector or having far-reaching national impact.

Comment (paragraphs 28-29 of DP/1984/1)

11. UNDP has no difficulty in accepting this proposal, but this is essentially a matter for Governments.

Current policies and procedures

12. Findings of the UNDP thematic study on industrial research and service institutes to the effect that industrial research is not always usefully focused are reflected in the programme advisory note on the same subject, which accordingly suggests development of proper mechanisms to avoid such situations. New IRSI projects are already being formulated on the lines recommended in this PAN.

Actions required

13. UNDP action is not envisaged. The PAN encourages proper attention to the matter insofar as it relates to project design.

Recommendation 4. (Paragraph 245 of the Staff Report)

The Government's sovereign will is to be communicated to UNDP in the country programme document, stating policy decisions on goals and types of assistance.

Comment (paragraphs 37-38 of DP/1984/1)

14. This is already in implementation for industry to the extent that the Government accords priority to the industrial sector in the country programme.

Current policies and procedures

15. Emphasis is already heavily placed upon this issue in: General Assembly resolution 2688 (XXV) of 11 December 1970, "The Capacity of the United Nations development system", Annex: Consensus approved by the Governing Council, 10th session (paragraphs 4 and 77); UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983 (chap. 3201 Country Programme Cycle, page 1); and UNDP/PROG/80, "Country Programmes due for submission to the Governing Council in June 1982 and, tentatively, January 1983", Administrator's memo 17 February 1981 (page 2).

Actions required

16. No follow-up action is considered necessary.

Recommendation 5. (Paragraphs 256 and 258 of the Staff Report)

Consideration should be given to formulating industrial programmes and not simply to isolated projects. There should be a certain priority towards the more comprehensive kind of industrial technical assistance project, focusing beyond the basic production process.

Comment (paragraphs 37-38 of DP/1984/1)

17. This is already possible under current policies and practices, but in view of the small and straight-forward nature of many projects, it is considered not necessary in most cases.

Current policies and procedures

18. These describe a programme approach to the definition of development objectives. The Project Formulation Guidelines describe a systematic analytical procedure for formulating the more comprehensive kinds of project, which define precisely the essential elements, both technical and non-technical, that the project will be targeted to develop. It is not envisaged, however, that comprehensive industrial sectoral surveys with assistance from the United Nations system should be a necessary precursor for UNDP support; nor is it required that the United Nations system should necessarily be the source of assistance for more than one of several related projects. Furthermore, in many countries, especially those with relatively small IPFs, the allocation to the industrial sector in the country programme will also be small and would not by itself justify the programme approach recommended. As indicated under Recommendation 1, many small-scale projects are clearly justified without extensive prior sectoral studies. Relevant documents include: UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983 (chap. 3212, The Country Programme Approach, page 4); and Annex G3400/2 of the Policies and Procedures Manual, Guidelines on Project Formulation, 15 September 1976 (section 107).

Actions required

19. Follow-up action envisaged relates to the modification of the Project Formulation Guidelines, to improve guidance for formulating such comprehensive programmes. (See also under recommendation 21).

Recommendation 6. (Paragraph 267 of the Staff Report)

The country programme process should reflect sectoral priorities and strategies

Comment (paragraphs 37-38 of DP/1984/1)

20. National priorities and strategies are determined by the Government and reflected in its development plan. Since country programming was introduced, it has been required that the country programme reflect these priorities in the ways desired by Governments.

Current policies and procedures

21. These are specific in confirming that the country programmes should reflect Government sectoral priorities and strategies as set out in national development plans. Relevant documents include the following: General Assembly resolution 2688, (XXV) of 11 December 1970, "The capacity of the United Nations development system" Annex: Consensus approved by the Governing Council, 10th session (Paragraph 8); UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983 (chap. 3330, Project Identification, page 1); and UNDP/PROG/80, "Country Programmes due for submission to the Governing Council in June 1982 and, tentatively, January 1983", Administrator's memo 17 February 1981 (page 4). Within resource limits, UNDP remains ready to assist in any studies called for.

Actions required

22. No further actions are envisaged.

Recommendation 7. (Paragraph 245 of the Staff Report)

Planning of the IPF should be defined by sectors, and only later narrowed down and divided up by individual project to maximize impact at the time.

Comment (paragraphs 37-38 of DP/1984/1)

23. Current practices only require that country programme documents indicate sectoral allocations. It is not necessary to indicate the project-by-project totals on which they are based, although this is sometimes done when projects have already been formulated.

Current policies and procedures

24. Since 1975, guidance has been presented in the Policies and Procedures Manual to the effect that, in the country programme documents themselves, the financial estimates should be by sector in accordance with the priorities established by the Government, rather than by project. Almost no third cycle country programme documents allocate funds firmly by project except in the case of ongoing and newly-approved projects. At the same time, for practical reasons all sectoral totals must be based on estimates, however tentative and flexible, of requirements for each of the different projects contemplated. Relevant documents are: UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983 (chap. 3212, The Country Programme Approach, pages 2 & 3); UNDP/ADM/HQTRS/296, "The Personnel Charter", Administrator's memo 22 March 1977 (pages 6 & 7); UNDP/PROG/80, "Country Programmes due for submission to the Governing Council in June 1982 and, tentatively, January 1983", Administrator's memo 17 February 1981 (page 3).

Actions required

25. No changes in policies and procedures are envisaged. Care will continue to be taken, however, to ensure that IPF resources are not so widely dispersed that certain projects are insufficiently financed to achieve their objectives.

Recommendation 8. (Paragraph 267 of the Staff Report)

It should be possible to plan projects according to the industrial project cycle of approximately 10 years.

Comment (paragraphs 37-38 of DP/1984/1)

26. This is possible under current practices. Project documents contain a section which identifies further UNDP assistance when this is envisaged as required after the end of the project. Nevertheless, all budgetary commitments are subject to the availability of resources, and UNDP cannot in any case make firm commitments beyond the end of the IPF period in question.

Current policies and procedures

27. These make it clear that, while there is no artificial limit to the planning time-scale of a project, for budgetary reasons the project's first phase must not extend beyond five years, and at all times budgets are dependent on the availability of resources. Relevant documents are as follows: UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983 (chap. 3212, The Country Programme Approach, page 2); Annex G3400/2 of the Policies and Procedures Manual, Guidelines on Project Formulation, 15 September 1976 (section 115); UNDP/ADM/699, "Establishment of a Central Evaluation Office and a Technical Advisory Division", Administrator's memo 29 September 1983 (page 3).

Actions required

28. No further action is envisaged.

Recommendation 9. (Paragraph 249 of the Staff Report)

UNIDO should have the right of deliberative discussion and, if necessary, of project refusal, in the case of technically unsound projects.

Comment (paragraphs 37-38 of DP/1984/1)

29. This is already the case under current practice but it is accepted in DP/1984/1 that project design requirements should be clarified.

Current policies and procedures

30. These are derived from the UNDP/executing agency working relationships specified in the Consensus. Organizations of the system are defined as partners, under UNDP's leadership, in implementation of country programmes; and they are accountable to the Administrator for the implementation of individual projects. The Agency's signature on a project document is taken as explicit agreement to the project's design, and to implementing it. Relevant documents are as follows: General Assembly resolution 2688 (XXV) of 11 December 1970, "The capacity of the United Nations development system", Annex: Consensus approved by the Governing Council, 10th session (paragraphs 38 and 43); The Standard Basic Agreement between Member Governments and UNDP (page 3); UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983 (chap. 3462, Partnership in Implementation, pages 1 & 5; chap. 3431-38, Project Identification, pages 1 & 3; chap. 3441, Project Appraisal, pages 5 & 8; chap. 3442, Project Approval, pages 1 & 2); and UNDP/PROG/80, "Country Programmes due for submission to the Governing Council in June 1982 and, tentatively, January 1983", Administrator's memo 17 February 1981 (page 7).

Actions required

31. In addition to the possible reconsideration by UNIDO of its role in project appraisal, follow-up actions envisaged by UNDP include: (a) the modification of the Project Formulation Guidelines (see also under recommendation 21); and (b) the completion of the Manufactures PAN. With these documents providing better guidance for good project formulation, problems in defining necessary roles in such formulation should be reduced.

Recommendation 10. (Paragraph 267 of the Staff Report)

The Administrator should approve or disapprove projects on the basis of relevance and design integrity.

Comment (paragraphs 37-38 of DP/1984/1)

32. This is already being implemented, but it is agreed that project design requirements should be clarified.

Current policies and procedures

33. These make plain that signature of the project document signifies explicit agreement of each of the parties to the project's design. The Administrator is given powers throughout the project identification, formulation and approval processes to ensure that certain design standards are met. Relevant documents are as follows: General Assembly resolution 2688 (XXV) of 11 December 1970, "The capacity of the United Nations development system", Annex: Consensus approved by the Governing Council, 10th session (paragraph 19); and UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983 (chap. 3442, Approval of UNDP Assistance, page 1). Heavy responsibilities for ensuring correct project design are placed upon the resident representatives. It is proving important that they, in particular, are fully versed in the subject.

Actions required

34. Improvements are to be made to the Project Formulation Guidelines (see also under recommendation 21) and to related staff training (see also under recommendation 18).

Recommendation 11. (Paragraph 262 of the Staff Report)

End-users should, wherever feasible, be fully involved in project planning and review. Large-scale project design should involve the end-users as well as the project sponsors and their executing agents.

Comment (paragraphs 37-38 of DP/1984/1)

35. UNDP recognizes the validity of the recommendation, but its mandate requires it to respond only to requests for assistance from Governments. Whether or not this recommendation can be fully implemented thus depends on Governments.

Current policies and procedures

36. These always provide for governments to be fully involved at all points in the project cycle, and do not provide for non-governmental involvement, except with the explicit endorsement of governments. However, requirements to seek advice and information from non-governmental end-users are set out in the following documents: General Assembly resolution 2688 (XXV) of 11 December 1970, "The capacity of the United Nations development system", Annex: Consensus approved by the Governing Council, 10th session (paragraphs 8, 20);

Annex G3400/2 of the Policies and Procedures Manual, Guidelines on Project Formulation, 15 September 1976; Evaluation Report No. 6, "Industrial Research and Service Institutes", Report of an Evaluation Study, 1982 (pages 46 & 68); and 3499/1, "Industrial Research and Service Institutes", Programme Advisory Note, November 1982 (section 8904 page 2).

Actions required

37. Follow-up action envisaged will consist of clarification of the Project Formulation Guidelines (see also under recommendation 21) to make more precise the necessity for recognizing the appropriate role of end-users in project formulation, implementation, and follow-up.

Recommendation 12. (Paragraph 250 of the Staff Report)

Chief technical advisers and national project directors should have primary implementation responsibility for actual production of outputs.

Comment (paragraphs 44-45 of DP/1984/1)

38. This is already provided for in current practices, although actual performance in focusing upon and producing outputs does vary considerably with circumstances.

Current policies and procedures

39. The Policies and Procedures Manual indicates that the leaders of the international and national staffs have, in fact, precise responsibility for planning and carrying out project activities and producing project outputs, and thus for achieving the immediate objectives of the project. Relevant documents are as follows: The Standard Basic Agreement between Member Governments and UNDP (page 5); UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983 (chap. 2462, Partnership in Implementation, pages 2 & 3; and chap. 4510, Project Co-ordinator, page 2).

Actions required

40. No specific follow-up action is envisaged, but improved project design should facilitate improved performance.

Recommendation 13. (Paragraph 250 of the Staff Report)

Output-oriented workplans and monitoring of results are required.

Comment (paragraphs 44-45 of DP/1984/1)

41. This is provided for under current policies and procedures, although it is recognized that outputs are not always being clearly focused upon.

Current policies and procedures

42. Relevant requirements have appeared in the Policies and Procedures Manual, as follows, for nearly ten years: UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983 (chap. 3465, Project Implementation, page 2; chap. 3466, Monitoring, page 1); and UNDP/PROG/96, "Project Monitoring, Evaluation and Duration", Administrator's memo 39 September 1982. Not every project document, however, correctly targets the project outputs as the 13 relevant pages in the Project Formulation Guidelines indicate they should be targeted.

Actions required

43. No changes in current policies and procedures are envisaged, but greater emphasis upon outputs already called for in the documents cited will be given.

Recommendation 14. (Paragraph 262 of the Staff Report)

An improved approach to evaluation is required.

Comment (paragraphs 44-45 of DP/1984/1)

44. This is being provided for under current policies and procedures.

Current policies and procedures

45. In 1982, the Administrator issued an instruction increasing evaluation requirements beyond those set out in the Policies and Procedures Manual. In 1983, the Governing Council endorsed the Administrator's proposals for strengthening evaluation and creating a Central Evaluation Office. Revised approaches to project and programme monitoring and evaluation are now well advanced. Relevant documentation is as follows: UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983, (chap. 3470, Project Evaluation, page 1); UNDP/PROG/96, "Project Monitoring, Evaluation and Duration", Administrator's memo 39 September 1982 (pages 1 & 2); and DP/1983/ICW/6, "Arrangements for the Evaluation of the Results and of the Effectiveness of the Programme", 22 December 1982 (page 15).

Actions required

46. Appropriate actions leading to improved evaluation approaches are well in hand, and are being reported upon to the Governing Council.

Recommendation 15. (Paragraph 262 of the Staff Report)

Project termination should be keyed to achievements rather than to the exhaustion of resources.

Comment (paragraphs 44-45 of DP/1984/1)

47. This is being implemented under current practice.

Current policies and procedures

48. The Project Formulation Guidelines contain extensive requirements for project outputs and project objective, the achievement of which represents the end of the project. The Policies and Procedures Manual also contains instructions on project completion, terminal reporting, and post-project responsibilities of UNDP and the Agency. Relevant documents include: Annex G3400/2 of the Policies and Procedures Manual, Guidelines on Project Formulation, 15 September 1976; Project Formulations Guidelines, (section 107); UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983 (chap. 3480, Project Completion and Follow-up, page 1; chap. 3490, Roles after Project Completion, page 1; chap. 3714, Terminal Reporting, page 3). Project are frequently extended and project budgets are readily revised upward when an extension appears justified to achieve the objective. Projects rarely simply terminate because they have exhausted their funds. In fact repeated extensions have been cause for concern.

Actions required

49. The Project Formulation Guidelines will be amended to clarify the requirements for objectives and outputs (see also under recommendation 21).

Recommendation 16. (Paragraph 262 of the Staff Report)

Project reporting should emphasize outputs, problems, effects of external factors and results.

Comment (paragraphs 44-45 of DP/1984/1)

50. This is being provided for under current policies and procedures, although it is recognized that progress reports sometimes underemphasize the elements referred to.

Current policies and procedures

51. These are specific in requiring project reporting to focus upon outputs and activities. Relevant documentation is as follows: UNDP/OFM/VI, UNDP Operational and Financial Manual, 17 September 1972 (Chap VI, Project Monitoring, Review and Reporting, section 2, page 4). The headings of the relevant Progress Report forms are perfectly clear in requiring information on progress towards outputs, but this is not always adequately observed in the reports themselves.

Actions required

52. Action envisaged consists of the amendment of the Project Formulation Guidelines already mentioned.

Recommendation 17. (Paragraph 262 of the Staff Report)

There should be establishment and enforcement of standards of quality.

Comment (paragraphs 44-45 of DP/1984/1)

53. This is being implemented under current policies and procedures.

Current policies and procedures

54. The Project Formulation Guidelines give specific instructions on project design, and they include guidance relating to comprehensiveness of design and to the measurement of project progress. They also contain an ends-and-means logic test for the final scrutiny of project design. It is recognized, however, that the Guidelines themselves require certain clarifications to facilitate their practical application.

Actions required

55. The Project Formulation Guidelines are to be amended. (See also under recommendation 21).

Recommendation 18. (Paragraph 263 of the Staff Report)

Systematic staff orientation and training are required.

Comment (paragraphs 44-45 of DP/1984/1)

56. This is being implemented under current policies and procedures.

Current policies and procedures

57. Extensive guidance on planning and organizing of training for programming is provided in various documents, including the following: UNDP/ADM/HQTRS/296, "The Personnel Charter", Administrator's memo 22 March, 1977 (page 9); and DP/1984/57, "UNDP Organization Handbook", March 1984 (The Training section, pages 2 & 3). A large number of programming staff, both at Headquarters and in the field (international and national) have been exposed to basic training. During the period 1975-1983, the UNDP Training section organized training in programming for a total of 524 UNDP staff members, 115 junior professional officers, 104 agency staff members and 43 government officials.

Actions required

58. Proposed follow-up actions will include: (a) certain adjustments to the programming training modules to reflect intended modifications to the Project Formulation Guidelines; (b) more focus upon programming procedures in workshops and briefings for resident representatives; (c) examination of methods of providing further training to government and agency staff members, keeping in mind the primary responsibility of UNDP's Training section to train UNDP staff, and the existence of training units in most agencies; and (d) increased emphasis upon sectoral programming, industry-sector programming to be included, drawing upon the findings of UNDP's evaluation studies.

Recommendation 19. (Paragraph 247 of the Staff Report)

Governments and UNDP should have control over their own budgets, to ensure that even delivery can be maintained

Comment (paragraphs 44-45 of DP/1984/1)

59. This is already being implemented under current policies and procedures.

Current policies and procedures

60. Under the Consensus, the Administrator is given full responsibility for the proper utilization of UNDP funds and for financial and accounting controls. Relevant documents are as follows: General Assembly resolution 2688 (XXV) of 11 December 1970, "The capacity of the United Nations development system", Annex: Consensus approved by the Governing Council, 10th session (paragraphs 30 and 37); The Standard Basic Agreement between Member Governments and UNDP (page 4); UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983 (chap. 4210, Project Expenditures, pages 1 & 2; chap. 3450, Project Revisions, pages 2, 3 & 4). In view of financial circumstances prevailing in UNDP, many resident representatives have recently asserted even greater budgetary control. It is of course axiomatic that governments control their own budgets, although financial constraints can result in certain delays in expenditure.

Actions required

61. No changes in policies and procedures are required, but realism will continue to be encouraged in project formulation when preparing the budgets.

Recommendation 20. (Paragraph 264 of the Staff Report)

Better understanding is required of project design concepts and methodologies.

Comment (paragraphs 44-45 of DP/1984/1)

62. This is accepted for consideration in future formulation of programming instructions and training.

Current policies and procedures

63. These are listed under recommendations 18 and 21.

Actions required

64. These are listed under recommendations 18 and 21.

Recommendation 21. (Paragraph 262 of the Staff Report)

Procedural guidelines should be more specific on baseline conditions, development and project hypotheses, explicit and time-limited targets, and critical external factors, to facilitate measurement of project progress.

Comment (paragraphs 44-45 of DP/1984/1)

65. This will be considered in future formulation of programming instructions and training, although there may be a difficulty in encouraging understanding among those Government and Agency personnel not under UNDP's immediate influence.

Current policies and procedures

66. The Governing Council decision on New Dimensions in Technical Co-operation emphasizes the capacity-building and output-oriented approach to be followed in project design. The Project Formulation Guidelines elaborate the concepts in operational terms. Relevant documentation is as follows: DP/114, "General Review of Programmes and Policies of UNDP: New Dimensions in Technical Co-operation", 24 March 1975 (paragraph 54); Annex G3400/2 of the Policies and Procedures Manual, Guidelines on Project Formulation,

15 September 1976 (section 104). The Guidelines already incorporate every one of the design elements referred to in the recommendation above. The Guidelines when introduced in 1976 contained very significant new requirements as follows:

New Post-1976 Approach To Design

Old Pre-1976 Approach To Design

A. Priorities

Projects are selected by Governments, in a programmed context, irrespective of who first identifies them. Project design is a mutual matter.

Projects were identified and selected piecemeal, often upon an external (agency) initiative. Project design tended to be the agency's exclusive responsibility.

B. Sponsorship

Projects are Government ventures. Government inputs are essential from the start and usually predominate.

Projects were essentially an agency venture, often with rather limited "counterpart" support requested of the Government.

C. Purpose

Projects are totalities, aiming at developing every single aspect of a permanent, ongoing capacity to meet needs. The external assistance will focus upon one, several, or all aspects.

Projects were aimed to meet the needs of end-users directly, often on an open-ended basis. The external party essentially ran the operation and trained staff in the process.

D. Phasing-out

Phasing-out is a gradual process during the project's lifetime, as each element is completed.

Phasing-out was a one-time, turnkey handover at the end, when national staff seemed capable of sustaining the activities.

Basically, the new approach builds upon existing local talents, aspirations and energies and results in durable capacity-building. The former approach, on the other hand, substituted for local talents, aspirations and energies, and often resulted in unstable, inefficient institutions. UNDP has been taking actions to improve understanding in the field of these dynamic new concepts, including the testing of a new-format project document which may possibly be widely introduced.

Actions required

67. Follow-up action will consist of the modification of the new approach followed in the Guidelines, to make more clear and specific the post-1976 requirements for project design. Such clarifications will be subsequently reflected in the training for programming provided by UNDP.

Recommendation 22. (Paragraph 251 of the Staff Report)

The division of responsibilities between the parties for impact, effectiveness, outputs, activities and inputs should be defined more clearly.

Comment (paragraphs 44-45 of DP/1984/1)

68. UNDP will give due consideration to this recommendation in future formulation of programming instructions and training, although there may be a difficulty in encouraging understanding among those government and agency personnel not under UNDP's immediate influence.

Current policies and procedures

69. These are specific in providing a workable assignment of responsibilities. The government and the agency are considered jointly responsible for the substantive aspects of the project's activities during the phases of design, implementation and monitoring. Relevant documentation, in addition to that already listed above, is as follows: General Assembly resolution 2688 (XXV) of 11 December 1970, "The capacity of the United Nations development system", Annex: Consensus approved by the Governing Council, 10th session (paragraphs 19, 37 & 38); and UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983 (chap. 3462, Partnership in Implementation, pages 2, 3 & 5). Comments under recommendations 4, 9, 11, 12 and 21 on respective roles in the project cycle should also be referred to.

Actions required

70. Follow-up action will consist of the enhancement of the new approach followed in the Guidelines (see under recommendation 21), to make more clear and specific the post-1976 requirements for project design. Such clarifications will be subsequently reflected in the training for programming provided by UNDP.

Recommendation 23. (Paragraph 248 of the Staff Report)

Governments should select projects entirely according to national priority; UNDP should have primary responsibility for ensuring good quality and integrity in project design; and UNIDO should present the orientation of the technical specialist

Comment (paragraph 46 of DP/1984/1)

71. This already applies under current policies and practices.

Current policies and procedures

72. Relevant references to documentation appear above under various other related recommendations and, in particular, numbers 4 (the Government's role in project selection, 9 (UNIDO's role), and 21 (UNDP's role in project design).

Actions required

73. No follow-up action is envisaged beyond that indicated in response to recommendations 4, 9, and 21 referred to above.

Recommendation 24. (Paragraph 260 of the Staff Report)

UNDP should take into account any necessary special technical, administrative and funding responsibilities when projects represent a large and difficult investment of resources and attention for the Government concerned.

Comment (paragraph 46 of DP/1984/1)

74. This obtains under current policies and procedures, but could be more forcefully implemented in the case of unusually complex or large projects.

Current policies and procedures

75. These already provide for appropriate flexibility in meeting the needs of a particular project situation. Various backstopping arrangements of the different organizations also permit such flexibility. (Relevant documentation, in addition to that listed under other related recommendations, includes the following: DP/114, "General Review of Programmes and Policies of UNDP: New Dimensions in Technical Co-operation", 24 March 1975 (paragraphs 36-39).

Actions required

76. Follow-up action will consist of more specific identification of any special technical backstopping requirements at the project design stage, as the revised Guidelines will specify.

Recommendation 25. (Paragraph 260 of the Staff Report)

Expansion and improvement of training for programming, especially industrial-sector programming.

Comment (paragraph 57 of DP/1984/1)

77. This is acceptable to UNDP subject to the availability of resources. It is also relevant to Governments and to UNIDO as they have their own separate responsibilities for staff training.

Current policies and procedures

78. For UNDP, these are listed under recommendation 18 above.

Actions required

79. The response for UNDP is the same as that stated under recommendation 18 above.

Recommendation 26. (Paragraph 260 of the Staff Report)

Training to improve engineering and scientific understanding in the programming staff.

Comment (paragraph 57 of DP/1984/1)

80. This is, to some extent, already the practice in UNDP's training, and proper use of thematic studies will contribute to the process.

Current policies and procedures

81. These are listed under recommendations 18 and 28. Project design for UNDP, however must cover both technical (in this case, engineering and scientific) and managerial considerations. It would not be feasible for UNDP to assume responsibility for the training of technical staff in the various sectors of United Nations operational activities.

Actions required

82. No follow-up action is envisaged, other than further emphasis upon the thematic studies.

Recommendation 27. (Paragraph 260 of the Staff Report)

Responsibilities of the staff at headquarters and in the field offices should be redefined, with particular focus upon the role of the resident representative.

Comment (paragraph 58 of DP/1984/1)

83. Functional definitions of roles and responsibilities already exist for UNDP staff at headquarters and in the field offices, and no need for a redefinition is seen at this time.

Current policies and procedures

84. The roles of UNDP staff in the field and at headquarters have become progressively more defined over the years. Relevant documentation, in addition to that referred to above under recommendation Nos. 4, 9, 12, 19 and 22, is as follows: The Standard Basic Agreement between Member Governments and UNDP (page 3); UNDP Policies and Procedures Manual, 1975, with revisions dated 1978, 1981, and 1983, (chap. 3462; Partnership in Implementation, page 6) and DP/1984/57, "UNDP Organization Handbook", March 1984 (all sections). Extensive surveys of both headquarters and field-office staff functions have been carried out in the last several years. UNDP has now combined both existing and new task definitions of the various functional units, in the light of the findings of the surveys, in the UNDP Organization Handbook which is to be submitted to the thirty-first session of the Governing Council. The resident representatives are given extensive responsibilities which, in general, can be handled satisfactorily and in reasonable harmony.

Actions required

85. No immediate follow-up action is envisaged although staff roles and responsibilities will be kept under continuous review as in the past.

Recommendation 28. (Paragraph 267 of the Staff Report)

Technical support capability should be strengthened by recruiting more engineering-oriented staff both for headquarters and the field offices, and by appropriate redeployment.

Comment (paragraph 58 of DP/1984/1)

86. This is not acceptable.

Current policies and procedures

87. This proposal is considered a practical impossibility in UNDP, because of the number of sectors covered by the programme and the implications in technical staffing to similarly cover all sectors. Also, it is in conflict with the roles of the technical staffs of the agencies (in this case, principally UNIDO), and in particular with the functions of the Senior Industrial Development Field Advisers (SIDFAs), whose activities cover most countries and who provide precisely the kind of technical guidance called for in the Staff Report. Moreover, it was indicated above (under recommendations 5 and 21) that UNDP approaches project design as a totality, in which not only technical (in this case, engineering) but other wider considerations, managerial in nature, must be taken into account. Thus, UNDP's role in the design of such projects is best served by balancing technical recruitment with non-specialists who are well acquainted with broader, managerial considerations. The following document is relevant: UNDP/GLO/80.RR/13, Report of the Global Meeting of UNDP Resident Representatives, Tunis, Tunisia, 39 June-12 July 1980, statement of the Director of Personnel.

Actions required

88. No follow-up action is envisaged.

II - SUMMARY OF FOLLOW-UP ACTIONS ENVISAGED BY THE ADMINISTRATOR

<u>Action envisaged</u>	<u>Target date</u>
1. A programme advisory note on the Manufactures projects will describe the studies necessary to correct problem analysis and baseline data, and to clarify the standards for project design (recommendations 1 and 9).	December 1984
2. The Project Formulation Guidelines will be modified to make them more specific and easier to follow in these respects: (a) Surveying the project context and framework (recommendation 1), (b) Relating projects to comprehensive programmes (recommendation 5), (c) Clarifying project formulation and approval standards (recommendations 9, 10, 17, 21, 23), (d) Involving end-users, where feasible, in project formulation (recommendation 11), (e) Formulating project objectives and outputs (recommendations 15, 16, 21, 22, 23), (f) Identifying special backstopping requirements for complex or large projects (recommendation 24).	June 1985
3. Training for programming will be modified as follows: (a) To accommodate to the proposed changes in the Project Formulation Guidelines (recommendations 10, 18, 20, 21, 22, 23, 25, 26); (b) To provide more exposure for resident representatives to project formulation and approval considerations (recommendations 10, 18, 20, 21, 22, 23, 25, 26);	June 1985

- (c) To increase the emphasis upon sectoral programming considerations in the ways UNDP's evaluation studies may indicate (recommendations 10, 18, 20, 21, 22, 23, 25, 26);
 - (d) To consider possibilities for extending further training to personnel in the governments and agencies, although these possibilities may be limited as such personnel are not under UNDP's immediate influence (recommendations 10, 18, 20, 21, 22, 23, 25, 26).
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