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Development Programme**

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POLICY

**FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS**

**TRUST FUNDS**

**Trust funds established by the Administrator in 1983**

**Report of the Administrator**

**Summary**

This document contains information on those trust funds which the Administrator established in 1983 under the authority granted to him by regulation 5.1 of the UNDP Financial Regulations, including two trust funds established in 1983 by General Assembly resolution 38/201.

## I. INTRODUCTION

1. Regulation 5.1 of the UNDP Financial Regulations, which were adopted by the Governing Council at its twenty-eighth session (decision 81/28),<sup>1/</sup> gives the Administrator the authority to establish trust funds for specified purposes consistent with the policies, aims and activities of UNDP.

2. Regulation 5.1 further states that "trust funds established by the Administrator shall be reported in detail to the Governing Council through the Advisory Committee [on Administrative and Budgetary Questions (ACABQ)]." Accordingly, this report has been submitted to the ACABQ.

3. This report, which is prepared on an annual basis, covers all trust funds established by the Administrator during the course of the preceding calendar year.

4. At its thirtieth session, the Governing Council requested the Administrator to provide the Council each year with comprehensive and detailed information on the trust funds established by him, as well as on the individual projects financed from such trust funds (decision 83/33).<sup>2/</sup>

5. A separate document (DP/1984/58) contains the report requested by the Council in paragraph 3 of decision 83/32<sup>3/</sup> on trust funds conditioned on procurement from a donor country, which could be established by the Administrator for an experimental period ending 30 April 1984 under the limited authority granted by decisions 82/5, section IV, paragraph 4,<sup>4/</sup> and decision 83/32. The present document reports only on such trust funds insofar as they were established during the course of 1983. A consolidated list of these funds is contained in annex I to this document.

## II. TRUST FUNDS ESTABLISHED BY THE ADMINISTRATOR

### A. On behalf of UNDP

#### 1. UNDP Trust Fund for Action on Development Issues

6. This trust fund was established to help achieve practical progress and effective action on a limited number of pressing development-related issues. It supports the activities of the InterAction Council of former Heads of Government, which comprises some twenty-five former Heads of Government from developed and developing countries. The InterAction Council intends to develop realistic proposals for action and to suggest how Governments, a wide variety of organizations and individuals, and public opinion may be mobilized in support of such action. The resources available to the trust fund will be used to help finance various meetings of the InterAction Council and the preparation of substantive support services and material.

2. Reimbursable management services for technical assistance to the  
World Bank project in Panama

7. The purpose of the World Bank loan to the Government of Panama is to finance the technical studies needed for implementation of a structural adjustment loan granted by the World Bank to the Government of Panama. The studies will cover management aspects of several ministries and the social security administration. A financial study of the latter will also be undertaken. Finally, an integrated transport analysis of the Isthmus of Panama will be executed. The trust fund is to finance support services to the Government in the selection, negotiation and contracting of firms, and subsequently in the servicing of the contracts.

3. Special contribution from the Netherlands for the  
least developed countries (LDCs)

8. The immediate objectives of the fund are to enhance the effectiveness of LDC round-table conferences; to mobilize additional development resources for the implementation of projects and programmes identified in the round-table conference process; and to contribute to the achievement of development goals identified in LDC country programmes for which UNDP resources are lacking. The specific inputs required will be identified on a case-by-case basis as and when individual countries submit a request to UNDP.

4. UNDP Trust Fund for Developing Countries Afflicted by  
Drought, Famine and Malnutrition

9. By paragraph 1(a) of resolution 38/201, the General Assembly decided to liquidate the United Nations Emergency Operation Trust Fund and to transfer 70 per cent of the remaining balances of that Fund to UNDP for the purpose of financing urgently needed projects, primarily in the food and agricultural sectors, in countries afflicted by famine and malnutrition as a result, particularly, of severe or prolonged drought with special emphasis on African countries.

10. By the end of December 1983, upon establishment of the Fund, the eligible countries as determined by the Secretary-General were informed of the possibility of obtaining assistance from the fund for the purposes mentioned above. Simultaneously, internal mechanisms were established to ensure expeditious processing of expected project requests.

5. UNDP Trust Fund for Economic and Technical Co-operation  
among Developing Countries

11. By paragraph 1(c) of resolution 38/201, the General Assembly decided to transfer 12 per cent of the remaining balances of the United Nations Emergency Operation Trust Fund to UNDP for the purpose of promoting economic and technical co-operation among developing countries according to the priorities set by them.

12. On establishment of the Fund on 31 December 1983, a process of consultations with the developing countries through the Group of 77 has been initiated by the Administrator.

13. In accordance with paragraph 3 of General Assembly resolution 38/201, the Administrator will be presenting separately to the Governing Council at its thirty-first session a detailed report on action taken to implement paragraphs 1(a) and 1(c) of that resolution.

6. USSR/UNDP Trust Fund for Training in the USSR of Specialists from Developing Countries

14. While this fund, as reported previously, was established in 1982, further contributions were received from the USSR in 1983 to continue the funding of the training of specialists from developing countries in the USSR. Against the background of discussions that took place in the Budgetary and Finance Committee during the Governing Council's thirtieth session and the requests made by some members for further information with respect to this specific trust fund, such information is provided in annex II to this report. Resources were allocated to one ongoing and nine new projects in 1983 for specialized training in a wide variety of fields.

B. On behalf of United Nations Capital Development Fund

1. Construction of Regional Abattoirs in Segou and Sikasso

15. The project will construct two regional abattoirs in Mali: one at Segou, some 240 kms. north-east of Bamako; and the other at Sikasso in the southern region, near the border with Upper Volta. Both are important livestock producing centres and yet they lack adequate processing facilities. Each abattoir will have a full range of processing facilities and equipment, as well as an independent water supply, generator, waste treatment plant, and access road. The meat vending section of the main markets at Segou and Sikasso will also be rebuilt and equipped. The trust fund contribution is to finance the procurement of slaughterhouse equipment.

2. Construction and Maintenance of Priority Feeder Roads

16. This project is part of the Government of Niger's road construction programme aimed at constructing and maintaining some 800 kms. of secondary roads in the Sahelian zone. An evaluation of the programme in late 1981 concluded that it was necessary to create and equip a second construction brigade in order to double output so as to complete 484 kms. by the end of 1985. The trust fund contribution is to finance necessary heavy road construction equipment.

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### 3. Rehabilitation of Rural Water Reservoirs

17. The project is designed to rehabilitate 33 rural water reservoirs in the lower Shebelli and Bay Regions of Somalia, which were constructed in 1970-1976 in order to collect and provide water for the livestock of the nomads during the dry season. The project is also intended to provide the National Range Agency with essential equipment, materials and know-how for rehabilitation and maintenance works. The project is expected to contribute to improving the living conditions of about 700,000 nomads and increasing livestock exports and the foreign exchange earnings of the country. The trust fund contribution is to be used for the procurement of heavy construction equipment and materials, as well as for the construction costs.

### 4. Rice Irrigation in Timbuctou Province

18. Through the introduction of pump irrigation, this project in Mali will reclaim some 600 hectares of rice fields abandoned several years ago because of periodic droughts and floods. The project extends over some 40 kms. along the Niger River near Timbuctou and includes nine plains with a population of some 6,000 inhabitants. The introduction of pump irrigation requires some land clearing and leveling, digging of canals, construction of basins for reception/distribution of water and building of earth dikes for flood protection. The trust fund contribution is to enable the purchase of irrigation equipment essential to the success of the project.

### C. On behalf of United Nations Financing System for Science and Technology for Development

#### 1. Establishment of the Beijing Institute for Computer Software (BIS)

19. The purpose of this trust fund is to assist in establishing the BIS as China's leading computer software development agency with the objective of providing research and training facilities for software engineers, system designers and technicians. It is also designed to broaden the area of computer applications in the economy, and to assist in the development of a software development teaching curriculum based on national end-user requirements. The contribution is to finance three mainframe computers and the provision of expert and other services and facilities.

#### 2. Assistance to the Rift Valley Institute for Science and Technology

20. The assistance provided by this project aims at establishing the Rift Valley Institute as a model institute for training personnel in priority technical areas, as identified by the Government of Kenya. The project is expected to provide consolidated and strengthened facilities and programmes for the Departments of Agricultural Engineering and Building Construction, and to develop revised curricula emphasizing the practical training and know-how required to establish a cadre of middle-level technicians and trained teachers.

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3. Trust Fund for Project Formulation and Design

21. The purpose of this trust fund is to co-finance the cost of joint technical missions to Sudan, Lesotho, the Sahel region, Malaysia, Indonesia and Latin America (Andean Pact countries). The purpose of each mission is to finalize specific projects, requested by Governments, which will enhance the scientific and technological capabilities of the countries/regions concerned and which will be considered for implementation through co-financing arrangements involving UNFSSTD and the Government of Italy.

4. Cellulose Chemistry and Technology Research Unit

22. The objective of this project is to help establish this Research Unit so that the scientific and technological capacity of Sudan can be strengthened in the area of cellulose chemistry, particularly in the utilization of agricultural wastes. Phase I is concerned with preparatory and laboratory testing, while Phases II and III will evolve into quasi-pilot plant operation. Assistance is provided for research activities in such areas as pulp and paper, boards, chemistry, energy, feedstuff, environment, data management and experimental techniques, and for training of local technicians and graduates.

5. Up-grading of Pre-University Science Teaching

23. This project aims at increasing the number of school-leavers eligible for admission to the School of Natural Sciences in Zambia through providing intensive courses in the basic sciences for those candidates who do not originally fulfill all the admission requirements. A second aim is to provide secondary school teachers of science and mathematics with a series of refresher courses to improve their effectiveness.

24. The assistance provided is for organizing two upgrading courses each year: one for studies in biology, chemistry, mathematics and physics so that the University's intake of scientific students can be increased from 300 to 450, all meeting the minimum requirements for admission; the second for teachers, enabling them to review aspects of the content of the syllabus, to increase their knowledge of their subject, to become familiar with new approaches including learning aids and equipment, to analyse examination papers, to devise assessment plans, and to identify and remedy learning deficiencies.

Notes

- 1/ E/1981/61/Rev.1, annex I.
- 2/ E/1983/20, annex I.
- 3/ Ibid.
- 4/ E/1982/16/Rev.1, annex I.

Annex I

TRUST FUNDS ESTABLISHED BY THE ADMINISTRATOR IN 1983

A. On behalf of UNDP

<u>Trust fund</u>	<u>Date of signature</u>	<u>Duration</u>	<u>Donor(s)</u>	<u>Recipient(s)</u>	<u>Amount and currency of payment<sup>a/</sup></u>	<u>Executing agency</u>	<u>Support cost reimbursement arrangements</u>
1. UNDP Trust Fund for Action on Development Issues	25 July 1983	Not specified	Japan, Colombia (open for contributions by other governments, non-governmental organizations and individuals)	InterAction Council of former Heads of Government	No designated limit (equivalent of US \$540,537 received in 1983)	OPE	Trust fund will be charged with support costs for actual level of services rendered by UNDP
2. Reimbursable Management Services for Technical Assistance to the World Bank Project in Panama	1 Nov. 1983	2 years	Panama (World Bank)	Panama	US \$2,589,840	OPE	8%
3. Special contribution from the Netherlands for LDC	5 Dec. 1983	Not specified	Netherlands	Least Developed Countries	20 million guilders (equivalent to US \$6,600,660)	OPE	Trust fund will be charged with the support costs incurred for all project expenditures
4. UNDP Trust Fund for Developing Countries Afflicted by Drought, Famine and Malnutrition	Established by G.A. resolution 38/201, paragraph 1(a), 20 Dec. 1983	Not specified, but normal estimated completion 31 December 1985	-	As determined by the Secretary-General. Presently 47 countries of which 37 in Africa	US \$33,961,720	To be determined	No standard rate support costs expected. Out-of-pocket costs incurred in execution of projects may be payable to implementing agency
5. UNDP Trust Fund for Economic and Technical Co-operation among Developing Countries	Established by G.A. resolution 38/201, paragraph 1(c), 20 Dec. 1983	Not specified	-	To be allocated for economic and technical co-operation among developing countries according to the priorities set by them	US \$5,822,000	To be determined	Not yet determined

<sup>a/</sup> The US dollar equivalent of amounts payable in currencies other than US dollars have been calculated using the United Nations operational rate of exchange in effect at the time of the establishment of the trust fund, or, if paid in 1983, at the rate in effect at the time of payment.

B. On behalf of UNCDF

<u>Trust fund<sup>b/</sup></u>	<u>Date of signature</u>	<u>Duration</u>	<u>Donor(s)</u>	<u>Recipient(s)</u>	<u>Amount and currency of payment<sup>a/</sup></u>	<u>Executing agency</u>	<u>Support cost reimbursement arrangements</u>
1. Construction of Regional Abattoirs in Segou and Sikasso	30 June 1983	3 years	Belgium	Mali	Belgian francs 15,000,000 (equivalent to US \$306,529)	OPE	10% (5% for executing agency, 5% for UNCDF)
2. Construction and Maintenance of Priority Feeder Roads	7 Sept. 1983	2.6 years	Italy	Niger	US \$2,094,000	OPE	10% (as above)
3. Rehabilitation of Rural Water Reservoirs	7 Sept. 1983	4 years	Italy	Somalia	US \$3,000,000	FAO	10% (as above)
4. Rice Irrigation in Timbouctou Province	12 Oct. 1983	2 years	Austria	Mali	AS9,300,000 (equivalent to US \$500,000)	OPE	10% (as above)

C. On behalf of UNFSSTD

1. Establishment of the Beijing Institute for Computer Software (BIS) <sup>b/</sup>	1 Feb. 1983	2 years	Norway	China	US \$1,306,480	OPE	12% (4% for executing agency, 8% for UNFSSTD)
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<sup>b/</sup> These trust funds have been established on the basis of the authority granted by the Governing Council in decisions 82/5 and 83/32.



<u>Trust fund</u>	<u>Date of signature</u>	<u>Duration</u>	<u>Donor(s)</u>	<u>Recipient(s)</u>	<u>Amount and currency of payment<sup>a/</sup></u>	<u>Executing agency</u>	<u>Support cost reimbursement arrangements</u>
2. Assistance to the Rift Valley Institute for Science and Technology	4 April 1983	3 years	Federal Republic of Germany (FRG)	Kenya	US \$357,950	Government executed	Trust fund to be charged with support costs for actual level of services provided by UNFSST
3. Trust Fund for Project Formulation and Design <sup>b/</sup>	8 April 1983	1 year	Italy	Various	US \$130,000	-	-
4. Cellulose Chemistry and Technology Research Unit	11 May 1983	2 years	FRG	Sudan	US \$507,132	UNIDO	13% (for executing agency)
5. Up-grading of Pre-University Science Teaching	3 June 1983	3 years	FRG	Zambia	US \$626,450	Government executed	Trust fund to be charged with support costs for actual level of services provided by UNFSST



Annex II

USSR/UNDP trust fund  
for training in the USSR of specialists from developing countries

The ten projects described below were under implementation during 1983. As some were still ongoing by the end of the year or had recently been completed, a number of final reports by executing agencies had not yet been received by year-end.

1. Interregional Demographic Training and Research Programme in Population and Development Planning

Total amount approved: 1982: Rbls 90,000 and US \$24,670; 1983: Rbls 212,300 and US \$58,157; 1984: Rbls 267,150 and US \$45,517.

Executing agency: DTCD/UNFPA

Location: Moscow State University and Study Tours, Spring and Fall 1983

Objective: To contribute to the increased capacity needed in developing countries to strengthen population planning units within their machinery for development planning.

This continuous programme consists of two- to three-month courses and connected study tours twice yearly. Of the 40 participants in 1983, 9 came from 7 African countries; 18 from 8 Asian countries; 6 from 3 Latin American countries; 2 from 2 Arab States; and 5 from 3 Eastern European countries. Lectures are provided by Moscow State University as well as by United Nations consultants. The courses have a very practical orientation. The particularly thorough assessment made by Moscow State University of each participant's performance includes recommendations as to the type of work in the field of demography, population and development planning which the participant would be most likely to perform successfully in his or her home country.

2. Interregional Seminar on the Main Function of Maritime Safety Administration in the light of IMO Conventions

Total amount approved: 1983: Rbls 155,762 and US \$60,433.

Executing agency: IMO

Location: Odessa, 2-13 September 1983

Objectives: (a) to assist and encourage developing countries to establish or enhance their maritime safety administration; (b) to encourage them to develop their maritime capabilities in conformity with

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global standards of safety, training and pollution prevention/control contained in the respective IMO conventions; (c) to discuss difficulties which might impede early ratification and implementation of the IMO conventions analyzed during the seminar and to identify possible solutions.

The seminar, conducted in English, French, Spanish and Russian was given by twenty lecturers provided by the USSR and IMO.

Thirty-nine countries were represented at the seminar with one participant each from 15 African, 10 Latin American, 8 Asian, 4 Arab and 2 European countries. The subject matter of the seminar was felt to be directly relevant to their work by the participants who all fulfill highly responsible functions in the maritime organizations of their respective countries.

3. Training Course on Patent Information

Total amount approved: 1983: Rbls 24,000 and US \$5,954.

Executing agency: WIPO

Location: Moscow, 23 June to 8 July 1983

Objectives: (a) to provide participants with basic information on national and international aspects of industrial property; (b) to discuss the role of patent information in the transfer of technological ideas; (c) to review various means of access to technical information contained in patent documents.

Lectures during the course were given by staff from the USSR State Committee for Inventions and Discoveries as well as by WIPO staff.

Twenty-one specialists from 17 countries participated: 17 from 6 Arab countries; 5 from 3 Asian countries; and one each from 3 countries in Latin America, 3 in Africa and 2 in Europe.

4. Interregional Group Training Programme in the Field of Management of Human Resources Development for Industry

Total amount approved: 1983: Rbls 119,550 and US \$54,510.

Executing agency: UNIDO

Location: Moscow, December 1983; Summer 1984

Objectives: To upgrade the knowledge and widen the experience of training professionals on management and administration of industrial training schemes.

A two-week workshop to prepare the programme was convened in the USSR in December 1983. The course as such will take place during 6 weeks in summer 1984 with an estimated 20 participants.

5. Regional Seminar for Arab countries to Study Potential for Expansion of Trade and Economic Co-operation with Socialist Countries of Eastern Europe

Total amount approved: 1983: Rbls 60,000 and US \$27,580.

Executing agency: UNCTAD

Location: Moscow, 30 September - 14 October 1983

Objectives: The seminar is part of a programme of training events aimed at selected officials, trade representatives and economic counsellors from developing countries, to widen their knowledge of policies, practices and modalities, of trading with socialist countries in Eastern Europe and of the prospects of expanding and diversifying exports.

Twenty-four participants from 12 Arab countries and representatives from ECWA, the League of Arab States, the PLO and the Council of Arab Economic Unity attended the deliberations as well as economic counsellors from 5 Arab countries accredited to the USSR and Bulgaria.

6. Seminar on the Application of Population Data in Development Planning

Total amount approved: 1983: Rbls 110,369 and US \$51,251.

Executing agency: ECA

Location: Moscow State University, 22 August - 2 September 1983

Objectives: Enhancing the integration of population variables in socio-economic development planning in the African region and strengthening population units involved in development planning by reviewing past experiences and imparting new techniques in incorporating population variables in development planning.

The 40 participants included representatives from 16 ECA member countries and representatives from five training institutes in the Africa region. Papers were presented by staff from Moscow State University, the State Planning Committee of the USSR, and ECA as well as by the participants themselves.

7. Seminar on Methodologies and Machinery for Planning the Science and Technology Component in National Development Plans

Total amount approved: 1983: Rbls 139,837 and US \$64,740.

Executing agency: ECA

Location: Moscow, 22 August - 15 September 1983

Objectives: To expose senior African government planners to the methodology of planning the science and technology component in national plans through exchange of information and experience and examination of structure and organization of the relevant state machinery in the host country and to consider arrangements for establishing inter-African co-operation in strengthening national capacities in technology planning.

Planned for 40 participants; ECA final report awaited.

8. Seminar on Satellite Communications in the USSR

Total amount approved: 1983: Rbls 138,146 and US \$63,820.

Executing agency: ECA in association with ITU and the Pan-African Telecommunications Union (PATU)

Location: USSR, August 1983, two weeks

Objectives: To upgrade knowledge and improve professional competence of senior officials concerned with communications policy and planning in telecommunications and broadcasting within member countries of ECA in order to apply this knowledge to the participating countries' plans for a possible African regional satellite communication system.

Planned for 40 participants; lectures in French and English by ITU and ECA staff and appropriate USSR authorities. ECA final report awaited.

9. Seminar on Sectoral Planning Techniques and the Mechanism for Intersectoral Relations

Total amount approved: 1983: Rbls 60,000 and US \$27,323.

Executing agency: ESCAP

Location: USSR, October 1983, two weeks

Objectives: To improve skills of national authorities in planning at the sectoral level and of linking the development planning of the various sectors of the national economy into an integrated system of national socio-economic planning.

Planned for 17 participants; ESCAP's final report awaited.

10. Seminar on Organization and Mechanization of Postal Services in USSR

Total amount approved: 1983: Rbls 70,769 and US \$32,245.

Executing agency: ECAP in co-operation with UPU and APPU

Location: Riga, October 1983, 12 days

Objectives: To encourage the introduction of mechanization and automation measures in postal services of ESCAP member countries.

Planned for 27 participants, final report awaited from ESCAP.

A summary of the financial status of this trust fund, on a cumulative basis from the establishment of the fund in 1982 to 31 December 1983, is provided in the table below.

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USSR/UNDP trust fund  
for training in the USSR of specialists from developing countries  
Financial Status as at 31 December 1983

	Contribution (in Roubles)	Convertible portion (in Roubles)	Convertible portion (in US \$) <u>a/</u>	Rouble portion (in Roubles)	US \$ equivalent of Rouble portion <u>b/</u>	Total (in US \$)
Income						
1982	1 200 000	300 000	413 793	900 000	1 262 272	1 676 065
1983	1 200 000	300 000	413 793	900 000	1 229 508	1 643 301
Sub-total	2 400 000	600 000	827 586	1 800 000	2 491 780	3 319 366
Pledged for 1984	1 200 000	300 000	391 645 <u>c/</u>	900 000	1 174 935 <u>c/</u>	1 566 580 <u>c/</u>
TOTAL	3 600 000	900 000	1 219 231	2 700 000	3 666 715	4 885 946
Commitments			516 200	1 447 874		
Left for programming exclusive of 1984 pledge			311 386	352 126		
Left for programming inclusive of 1984 pledge			703 031	1 252 126		

a/ At the agreed bank rate of exchange on date of payment.

b/ At the United Nations operational rate of exchange on date of payment.

c/ At the United Nations operational rate of exchange as at 31 December 1983.