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S U P P O R T

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

**RELEVANT TRENDS AND PROBLEMS IN THE COUNTRY PROGRAMMES
PROPOSED TO THE GOVERNING COUNCIL FOR CONSIDERATION AND APPROVAL**

Report of the Administrator

Summary

This report analyses six of the seven country programmes which are being submitted to the Governing Council for approval at its thirty-second session. The Afghanistan country programme, which was covered in the report for the thirty-first session (DP/1984/21), has not been included here.

The report follows the standard format dealing, respectively, with the timing of the country programmes and related aspects, the nature of preparatory work, the financing of the country programmes, the major development objectives and orientation of country programmes, the allocation of resources, pre-investment activities and investment support and the global and regional priorities.

Since the present group of country programmes is small and disparate, an attempt to find general trends and problems would not produce meaningful results. This report, therefore, is limited primarily to providing the information in which the Council has expressed an interest.

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Introduction

1. This report examines six of the seven country programmes which are being submitted for the consideration and approval of the Governing Council at its thirty-second session. The country programme for Afghanistan which was submitted to the Council's last session and which was included in the last report (DP/1984/21) is basically unchanged. Five of the examined programmes are from the Asia and the Pacific region - Bhutan, Fiji, India, Indonesia and Tonga - and the sixth programme is for Guatemala from the Latin America and the Caribbean region. There is no programme from Africa, the Arab States or Europe.

2. The group of country programmes is not only small, it is also disparate in composition. Two very large programmes, India (largest) and Indonesia, together with the Bhutan programme, account for 97 per cent of the total resources of the programmes examined, leaving only a total of 3 per cent for the remaining three programmes, Guatemala, Fiji and Tonga. An attempt to find trends in such a small and disparate group of programmes would not produce meaningful results. The number of country programmes to be submitted to the next session will be large and should provide a good basis for drawing trends. This report, therefore, is primarily limited to providing the kind of information in which the Council has expressed an interest. Basic information on different aspects of the programmes is provided in the annexes.

3. The small number of country programmes submitted to this session reflects the transition from the third to the fourth programming cycle. With this submission, programming for the third cycle will have been completed. The two countries for which programmes for the third cycle have not been submitted are Suriname and Qatar. The Suriname second programme for 1979-1981 has been successively extended by the Council and a request for a further extension through 1986 is now before the Council for consideration. The Government of Qatar has not submitted a country programme ever since it voluntarily relinquished its indicative planning figure (IPF) in 1977.

I. TIMING OF THE COUNTRY PROGRAMMES AND RELATED ASPECTS

4. Most of the country programmes straddle the third and fourth IPF cycles, the greater part of the period falling under the fourth cycle. Only the Guatemala country programme for 1985-1986 is restricted to the third IPF cycle. The country programmes for India and Indonesia are their third, while those of Bhutan, Fiji, Guatemala and Tonga are fourth country programmes.

5. In accordance with Governing Council decision 81/15, country programmes may be approved retroactively for a period of up to six months. Since the programme for India starts in April 1985 and for Guatemala and Indonesia in January 1985, the Council is requested to approve retroactively the country programme for India for three months and the country programmes for Guatemala and Indonesia for six months.

II. NATURE OF PREPARATORY WORK

6. All the country programmes are based on the respective national development plans - current and new plans under preparation. In fact there is a significant overlap between the time-frames of the national development plans and the respective country programmes.

7. At the initial phase of the country programming exercise, the resident representatives assessed the previous country programmes which, together with their suggestions, constituted the basis for a dialogue between the Governments and UNDP on the preparation of the new country programmes. The assessments were made in consultation with the Governments and drew on the experience of the agencies. The resident representatives submitted to the Governments their views on the possible orientation of the new country programmes, based on past experience with UNDP assistance and the Governments' declared development priorities and objectives. The form of communication varied and was often informal. The consultation between the Government and UNDP has been extensive in all the countries, involving agency representatives and project personnel.

8. Sectoral studies were not specifically undertaken for country programming, but such studies were carried out, in some cases quite extensively, for the purpose of development planning since new national development plans were also under preparation. The country programmes thus could be based on these sectoral studies. Agency programming missions were not requested by the Governments, but as indicated earlier, agency representatives were involved in the process of programming, often with written submissions.

9. A systematic and comprehensive assessment of technical co-operation requirements was not made for the purpose of country programming, but it is known and mentioned in some country programme documents that the spectrum of technical co-operation needs emanating from the development plans was considered in deciding the orientation and content of the UNDP country programmes. In this connection, activities of other sources of assistance have been taken into account and the need for co-ordination between the UNDP programme and the programmes of other multilateral and bilateral sources has been kept in view. In country programming, the assistance provided by the other funds administered by UNDP has also been highlighted.

III. FINANCING OF THE COUNTRY PROGRAMMES

10. Since most of the country programmes submitted straddle the third and fourth IPF cycles, programming has been rendered difficult by the uncertainties regarding the resources available during the fourth cycle. Only the programme for Guatemala, which is limited to the third cycle, could be prepared on the basis of the approved illustrative IPF, after making necessary adjustments to conform to the programme period. In the absence of a formal indication of country illustrative IPFs for the fourth cycle for the purpose of country programming, the respective country illustrative IPFs for the third cycle have been used after reducing them to 55 per cent and making pro rata

adjustments for the years of the fourth cycle covered by the programmes. After the Governing Council will have taken a decision on the allocation of the fourth cycle illustrative IPFs, the submitted country programmes may have to be adjusted in the light of actual allocations.

11. The financial resources of the country programmes comprise 55 per cent of the individual illustrative IPFs for the third cycle, plus any unspent balance from the second cycle and minus the expenditures in the years of the third cycle included in the previous country programmes, the assumed fourth cycle IPFs on the basis described above, making pro rata adjustments for the years of the fourth cycle included in the programmes, and other resources becoming available primarily as government cost-sharing.

12. For the six country programmes combined, the total resources available for programming are \$262.3 million, of which \$84.3 million comes from the third cycle IPFs, \$149.4 million is assumed to come from the fourth cycle IPFs and \$28.6 million is estimated to come from other sources. The \$28.6 figure includes government cost-sharing which is present in the programmes for Guatemala and Indonesia; it is particularly impressive in the programme for Indonesia where it forms over 26 per cent of the total resources programmed. For the Bhutan programme, the resources include a small unprogrammed allocation from the Special Measures Fund for the Least Developed Countries.

IV. MAJOR DEVELOPMENT OBJECTIVES AND ORIENTATION OF THE COUNTRY PROGRAMMES

13. Basically, the national development objectives of the six countries are common: all the national development plans aim at the attainment of economic growth, equity, social justice, and self-reliance. However, in this background of common long-term goals, there is some variance in the medium- and short-term development strategies. For example, the Indonesia national development plan emphasizes the need for maintaining external balance of the economy through structural adjustment policies, accelerated development of non-oil products and realization of the potential of a large domestic market. The India seventh plan maintains the alleviation of poverty as the overriding long-term goal, but the medium-term thrust is geared to improved productivity and the modernization and upgrading of industrial and agricultural technology.

14. The orientation of the UNDP country programmes reflects the respective national development objectives, but it is also determined by the need for technical assistance in the various sectors. Poverty alleviation is accorded a very high priority in the India seventh plan, but resources for it will come mostly from domestic sources. The focus on new technology is the striking characteristic of the India country programme. In the Indonesia country programme the focus is on the development of human resources in practically all sectors, with special emphasis on training people for self-employment. The Bhutan country programme lays emphasis on institution-building, educational development and training. The country programmes for Fiji, Guatemala and Tonga reflect the primary objective to develop the productive sectors.

15. In the formulation of country programmes, attention has also been given to the question of cost-effectiveness. Some of the programmes indicate the continuation of the trend to move away from long-term expert services to short-term and more specifically focused missions. The use of national professionals for the implementation of UNDP-assisted projects has been indicated in some of the country programmes, while in these and other programmes the modality of Government execution will be continued or started.

V. ALLOCATION OF RESOURCES

16. In these country programmes, the weight of on-going projects is fairly low; only in the country programme for Guatemala, which is limited to two years, have the on-going projects claimed the highest share in relation to the other categories of projects. The share of new projects is the highest in one country programme (Indonesia), while the allocation of resources by broad objectives is the highest in three of the six country programmes. It shows the importance given to the concept of continuous programming. A provision for reserve exists in two programmes; it is significant in the case of Bhutan.

17. Since the present group of country programmes is small and disparate, a comparison of the sectoral allocations will not be very meaningful. However, it is noteworthy that in the two larger country programmes, India and Indonesia, the industry sector has been accorded the largest allocation.

18. Whilst, in view of its technology orientation, the equipment component in the India country programme is likely to be higher than in the others, it is not possible at this stage to quantify this component because a very large share of the country programme is either reserved for new projects or allocated only sectorally at this point. Precise information regarding project inputs will be available as project details are worked out during the implementation of the programmes. It may, however, be noted that the country programme for Indonesia indicates that the equipment component will remain below 20 per cent of the total programme budget. The percentage share is likely to be somewhat higher in the Bhutan country programme but lower in the others.

VI. PRE-INVESTMENT ACTIVITIES AND INVESTMENT SUPPORT

19. UNDP support for pre-investment activities is a notable feature of the present group of country programmes. It is particularly prominent in the three larger programmes for Bhutan, India and Indonesia. This was true also with regard to many of the country programmes for the third cycle which have been approved by the Council.

VII. GLOBAL AND REGIONAL PRIORITIES

20. As was the case with the country programmes previously approved by the Council, in the present group of country programmes the Governments have not consciously used agreed global or regional development objectives as part of the criteria; support for national objectives has been the primary concern in country programming. However, some basic objectives of the country programmes

coincide with global objectives. For example, the objective of poverty alleviation, which has been stressed in many international conferences, is highlighted in several country programmes. Similarly, the majority of the programmes have highlighted the objectives of involving women in development, the International Drinking Water Supply and Sanitation Decade (IDWSSD) and technical co-operation among developing countries (TCDC). The importance of food security is highlighted in two country programmes, but this objective is also implied in some others. The country programme for India makes the improvement and protection of the environment a common objective of many projects and it is to be integrated into the project design; environment is also highlighted in two other country programmes. Support for the objective of the International Year for Disabled Persons (IYDP) is mentioned in one country programme.

21. The linkage between country and intercountry programmes is significant in the present small group of programmes. It is particularly so with regard to the two country programmes of the Pacific subregion, Fiji and Tonga, in view of the substantial UNDP involvement in intercountry activities in this subregion and the scope for optimization of resource utilization through such a linkage. The Guatemala country programme includes a special project for the exchange of experience within Latin America and the Caribbean in order to resolve common problems, and ensure TCDC. It also includes another project in the field of science and technology. The Bhutan and India country programmes envisage practical linkages between these programmes and the intercountry programmes of UNDP. Indonesia actively takes part in the regional programme of UNDP by hosting several regional projects, and through the Association of Southeast Asian Nations (ASEAN) and the Economic and Social Commission for Asia and the Pacific (ESCAP), it endeavours to maximize the benefits of participation in the other intercountry projects.

Annex I

BASIC INFORMATION ON THE TIMING OF THE COUNTRY PROGRAMMES AND RELATED ASPECTS

Country	Sequence of country programme	Duration of country programme	Time-frame of national dev. plan	Overlap of CP with national dev. plan	Overlap of CP with IPF cycles	Number of months for retroactive approval
Bhutan	Fourth	1986-1991	1987-1992	Almost full	Part third cycle Full fourth cycle	-
Fiji	Fourth	1986-1990	Development plan 9 1986-1990	Full	Part third cycle Part fourth cycle	-
Guatemala	Fourth	1985-1986	National dev. plan, 1984-1985	Part	Part third cycle	6
India	Third	April 1985-March 1990	Seventh five-year plan (1985-1990) being finalized	Full	Part third cycle Part fourth cycle	3
Indonesia	Third	1985-1989	Fourth dev. plan (REPELITA IV) April 1984 - March 1989	Almost full	Part third cycle Part fourth cycle	6
Tonga	Fourth	1986-1990	Fifth-five-year development plan 1986-1990 (under preparation)	Full	Part third cycle Part fourth cycle	-

Annex II

BASIC INFORMATION ON THE NATURE OF THE PROGRAMMING EXERCISE

Country	National plan or other guiding documents	Sectoral studies	Assessment of overall external assistance requirements	Assessment of prior country programming exercise	Res.rep. note/suggestions	Agency programming mission for country programming exercise	Co-ordination with other sources of assistance
Bhutan	Sixth five-year plan under preparation	By Govt.	Overall requirements taken into account	By res.rep. and Government	Yes	Yes	Yes
Fiji	Development plan 9 under preparation	Energy study	Flow of overall technical assistance was considered	By res.rep. and Government	Yes	Agency personnel in the Pacific provided inputs	Yes
Guatemala	National dev. plan	No	Overall requirement considered	Res.rep. reviewed the 1980-1983 CP	Yes	No	Yes, especially with other United Nations system sources
India	Seventh national plan	Many comprehensive sectoral studies required for planning	Technical assistance needs emanating from the seventh plan were considered	Government review of achievements of third country programme	Yes	Written submission by agencies	Yes
Indonesia	REPELITA IV (National development plan) under preparation	By Government and UNDP	CP mentions that total technical assistance needs far exceed funds from UNDP	Yes	Yes	Representatives of agencies closely associated	Yes. CP will be used as a frame of reference for multilateral assistance
Tonga	Fifth five-year plan under preparation	By Government	Flow of overall technical assistance was considered	Yes	Yes	Agency personnel in the Pacific provided inputs	Yes

Annex III

FINANCIAL ASPECTS OF THE COUNTRY PROGRAMMES

Country	Illustrative IPF for third cycle (55%)	Balance from second IPF cycle	Expenditures in earlier years of third cycle (Thousands US dollars)	Provisional IPF for the years of fourth cycle included in Country Prog. (Thousands US dollars)	Other resources	Total resources available for programming	Allocation of resources			
							Ongoing projects	New projects	Broad objectives	Reserve
							(Percentage)			
Bhutan	20 075	1 720	(16 866)	20 075	500 <u>a/</u>	25 504	16.1	23.6	27.9	32.4
Fiji	2 750	(19)	(2 301)	2 200	-	2 630	15.2	1.1	83.7	-
Guatemala	7 150	(71)	(3 840)	-	632 <u>b/</u>	3 871	53.6	46.4	-	-
India	138 600	351	(87 401)	90 090	-	141 640	34.9	9.3	53.0	2.8
Indonesia	58 300	7 607	(41 923)	35 980 <u>c/</u>	22 970 <u>d/</u> 4 490 <u>e/</u>	87 424	24.6	72.8	2.6	-
Tonga	1 375	145	(1 397)	1 100	-	1 223	3.5	17.2	79.3	-

- a/ Special Measures Fund for Least Developed Countries.
b/ Government cost-sharing contribution.
c/ Includes a net borrowing of \$1 million.
d/ Government contribution to joint programme funding.
e/ Expected third-party (multilateral) cost-sharing.

Annex IV

ABSTRACT OF MAJOR NATIONAL DEVELOPMENT OBJECTIVES, COUNTRY PROGRAMME ORIENTATION
AND RELATIONSHIP WITH BILATERAL, OTHER MULTILATERAL PROGRAMMES AND REGIONAL PROGRAMMES

Country	Special classification	National development objectives and strategy	Objectives selected for UNDP assistance and CP orientation	Relationship with bilateral, other multilateral and regional programmes
Bhutan	Least developed country; land-locked developing country	Achievement of sustainable rate of economic growth, economic self-reliance, internal resource generation, distributional equity among population groups and regions, people's participation in the development process.	Self-reliance by enhancing national capacity to sustain and promote economic and social development; emphasis on institution building, educational development and training.	Country programme considers complementarity with other capital and technical assistance.
Fiji	Island developing country	Economic growth, particularly of productive sectors; diversification of the economy; export promotion and distributional equity.	Industrial development and primary production, concentrating on training.	UNDP assistance to complement other multilateral and bilateral assistance and promote regional technical co-operation through intercountry projects.
Guatemala		Reactivation of economic activities; progressive improvement in the distribution of income in favour of the majority, particularly the rural population; strengthening the external balance; reduction of poverty.	Country programme oriented to the priorities of the national development plan.	Country programme to assure efficient assistance of regional and inter-regional projects in priority areas; co-ordination with the assistance of agencies and international financing institutions.

Annex IV (contd.)

Country	Special classification	National development objectives and strategy	Objectives selected for UNDP assistance and CP orientation	Relationship with bilateral, other multilateral and regional programmes
India		Growth, equity and social justice, self-reliance, improved efficiency and productivity. Poverty alleviation is a basic objective of the plan.	Concentration on international technology transfer and investment activities for all forms of agricultural, scientific and industrial research, development and training.	Practical linkages between CP and many intercountry, interregional and global projects in which India participates.
Indonesia		Sustained economic growth, equity and national stability; structural adjustment policy for the stability of the external sector; develop non-oil products for export and domestic markets; employment creation.	Development of human resources in all sectors; support to small entrepreneurs in rural and semi-urban areas in agricultural and industrial sectors; pre-investment and investment generation.	Regional, interregional and global projects to reinforce respective sectoral in-country activities sponsored by Government, UNDP and other sources of external aid.
Tonga	Island developing country	Development of the productive sectors, particularly agriculture, fishing and manufacturing; rural development.	Continued emphasis on primary activities: agriculture and fishing and expansion of private sector, particularly industry.	To optimize the use of UNDP resources CP takes careful account of the complementarities with the regional programme in the Pacific subregion; and with assistance from other multilateral and bilateral sources.

Annex V

DISTRIBUTION OF RESOURCES BY SECTOR

(percentages)

	Planning & adm.	Natural resources	Agriculture	Industry	Transport & comm.	Trade	Human settle.	Health	Education	Employment	Science & tech.	Other
Bhutan	10.7	9.5	17.2	3.2	7.3	2.4	4.7	1.6	11.0	29.4 <u>a/</u>	-	3.0
Fiji	19.4	8.4	34.6	16.7 <u>b/</u>	8.4 <u>c/</u>	-	-	12.5 <u>d/</u>	-	-	-	-
Guatemala	9.8	18.6	15.9	-	2.9	4.2	-	10.4	26.4	-	4.2	7.6
India	0.7	17.3	12.1	35.4	6.1	0.2	-	2.7	10.5	1.5	10.6	2.9
Indonesia	15.3	1.0	17.8	17.8	7.5	4.3	5.9	7.2	9.1	6.8	3.6	3.7
Tonga	4.8	5.0	31.8	38.4 <u>e/</u>	-	-	10.0	5.0	5.0	-	-	-

- a/ Covers manpower development in all sectors.
b/ Represents industry, commerce and cooperatives.
c/ Represents physical infrastructure.
d/ Represents health and social development.
e/ Represents industry, transport and communications.

Annex VI

ATTENTION TO GLOBAL PRIORITIES

(Country programmes were examined with respect to whether seven selected global priorities were highlighted as being a national or country programming objective, and whether the country programmes included projects specifically related to these objectives)

Global priority Country	Needs of the poorest		Women in dev.		Environment		TCDC		Food security		IDWSSD		IYDP	
	Highlight in CP	Proj. incl.	Highlight in CP	Proj. incl.	Highlight in CP	Proj. incl.	Highlight in CP	Proj. incl.	Highlight in CP	Proj. incl.	Highlight in CP	Proj. incl.	Highlight in CP	Proj. incl.
Bhutan	-	-	Yes	Yes	Yes	Yes	Yes	-	-	-	Yes	Yes	-	-
Fiji	-	-	Yes	Yes	-	-	-	-	-	-	-	-	-	-
Guatemala	Yes	-	-	-	-	-	Yes	-	-	-	Yes	Yes	-	-
India	Yes	-	Yes	Yes	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	-	-
Indonesia	Yes	Yes	Yes	Yes	Yes	-	Yes	Yes	-	-	Yes	-	Yes	-
Tonga	Yes	Yes	-	-	-	-	-	-	Yes	-	Yes	Yes	-	-