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SUPPORT

UNITED NATIONS FUND FOR POPULATION ACTIVITIES

Report of the Executive Director on progress achieved in improving the project implementation rate and on obstacles to, and measures to be taken towards improving, programme and project implementation and monitoring

Summary

This report is being submitted to the Governing Council in response to Council decision 84/21, I, paragraph 4, in which the Council urged the Executive Director to take all necessary steps to improve the implementation rate in 1984 and future years and to report to the Council at its thirty-second session on progress achieved, and on obstacles to, and measures to be taken towards improving, programme and project implementation and monitoring.

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INTRODUCTION

1. The provisions of the first four paragraphs of part I of decision 84/21 of the Governing Council, adopted at its thirty-first session, are interlinked. First, the Council noted its satisfaction with trends in the proportion of assistance being allocated to priority programme areas. Second, the Council noted the increase in 1983 in the proportion of population assistance going to priority countries. Third, the Council noted the need for special attention to increasing absorptive capacities, particularly in Africa, and fourth, the Council expressed concern about the decrease in the programme and project implementation rate for 1983, and urged the Executive Director to take all necessary steps to improve the implementation rate in 1984 and future years and to report to the Governing Council at its thirty-second session "on obstacles as well as on measures to be taken towards improving programme and project implementation and monitoring".

2. For the preparation of this report, inquiries on problems of implementation were sent to all UNFPA field offices and to all executing agencies, and the responses were incorporated in this report. In order to meet the deadline for the submission of Governing Council documents, the present report was completed before all expenditure data from the executing agencies of UNFPA-supported projects could be received and thus before the implementation rate for 1984 could be finally determined, but it is provisionally estimated at 86.34 per cent. UNFPA has made considerable efforts to increase implementation in 1984 by scheduling monitoring procedures even more carefully, by consulting more frequently with executing agencies on problems of implementation and by organizing and financing workshops on UNFPA programming, implementation and monitoring, attended by UNFPA field and headquarters staff along with United Nations executing agencies' project managers, regional population advisers and agency headquarters backstopping personnel. UNFPA has sent senior administrative staff on missions to countries where implementation has lagged to sort out difficulties and to explain procedures and financial reporting requirements. Guidelines for family planning programmes, women's programmes and basic data collection activities have been issued to acquaint government officials and executing agencies with UNFPA policies and procedures.

3. The Executive Director considers that these efforts have in general succeeded in improving the implementation of UNFPA-supported projects. He urges the Governing Council to consider quantitative implementation rates in the context of a programme which is attempting to continue its good record of delivery of assistance at the same time that it is shifting its programming emphasis to those countries that have been determined to have priority because their economic or demographic statistics have ranked them below more developed countries that are still qualified recipients of development assistance. During 1984, UNFPA has population programmes or projects, in larger or smaller amounts of funding, under way in 134 countries and Territories around the world. It concentrates upon those countries whose absorptive capacity is often very low. Population projects deal with sensitive areas for development assistance where some Governments' own priorities and financial commitments may not yet be firmly established.

I. IMPLEMENTATION RATES

4. The UNFPA implementation rate is the ratio of total project expenditures reported by executing agencies to the total project budgets allocated by UNFPA, at year end, after rephasing. An executing agency may be the United Nations or one of its specialized agencies; a non-governmental organization; a Government that has received funds directly from UNFPA; or UNFPA itself in a small number of projects.

5. Implementation rates for the past ten years were:

	(%)		(%)
1974	78.8	1979	83.0
1975	77.6	1980	90.7
1976	85.5	1981	93.3
1977	81.6	1982	88.3
1978	80.9	1983	86.23

Expenditures for 1982 totalled \$101.8 million; for 1983, \$122.7 million.

6. When attempting to maximize the project implementation rate, UNFPA is operating under definite constraints. A principal one stems from the fact that, while making every effort to spend available resources, UNFPA cannot and should not spend more resources than available. This matching of resources with expenditures requires that UNFPA has sufficient advance notice on one of these two and has influence over the other. Neither of these two conditions is met in full. UNFPA knows its actual income in any given year only at the end of that year. Since operational costs and additions to the operational reserve are normally spent in full, the matching of income with expenditures has to be achieved almost exclusively by influencing the amount of expenditures in projects. However, UNFPA does not have full control over these, either. As a funding agency, UNFPA makes allocations which are authorizations to an executing agency empowering it to incur commitments and to make expenditures (financial regulation 2.2). UNFPA itself is executing agency for only about 10 to 15 per cent of its project allocations; only to this extent is UNFPA in full control of expenditures. As for the remaining 85 to 90 per cent, UNFPA has only limited influence over the rate of expenditures, once these allocations have been made. While pledging to continue all efforts to improve both the quantitative and qualitative implementation of projects and to ameliorate those obstacles to implementation set forth below which are within his influence, the Executive Director considers that an implementation rate of between 85 and 90 per cent is not unacceptable as a target range.

II. OBSTACLES TO IMPROVING IMPLEMENTATION

7. While difficult to measure, the economic environment of developing countries in the past four years, particularly those in Africa, has affected implementation as Governments found it increasingly difficult to provide the financial or manpower counterpart contributions required for the full and timely

implementation of projects. Time and again, executing agencies have reported that Governments' planning for projects, provision of local staff and national budgetary arrangements have been delayed by causes beyond the immediate control of project authorities.

8. Traditional problems of implementation which have been cited for years by funding organizations and executing agencies continue to persist, such as difficulties in recruiting qualified experts. Recruitment may be hampered by the limits imposed by agencies' nationality quota systems. Governments' review and selection of candidates often takes months. UNFPA finds that, on the average, nine months elapse between its approval of funds for a project post and the arrival of the expert in the field. Also, since the salaries necessary to attract experts to this employment have often been criticized as being too high, many Governments prefer to manage their own projects without foreign technical assistance. Costs of experts are high, but a lack of expertise on the scene may well cause delays in implementation of projects that in fact require expert knowledge of appropriate training and availability of adequate equipment and acquaintance with executing agencies' procurement, monitoring and reporting requirements.

9. Project experts, once accepted by the Government for a project and on duty, normally assist Governments in the preparation of lists and specifications for equipment. Full information on suitable and up-to-date equipment is seldom found in the country, and the collection of information from suppliers and agencies takes many weeks. After placement of a purchase order, four to six months for delivery is normal, though in some land-locked countries delivery by surface can take up to a year.

10. Governments often defer the nomination of national personnel for fellowships for overseas training or study tours until the arrival of the project expert whose advice is needed. As fellowship procedures of some executing agencies are quite inflexible, it may take 6 to 12 months for placement after a fellow has been selected. Provision of funds for local training is often delayed by time-consuming procedures starting with the UNFPA approval process, executing agency acceptance of the project plan, and disbursement of funds by the agency and provision of facilities, candidates and any necessary local costs by national authorities.

11. Relying on national authorities to receive and disburse funds for local costs may simply overburden an existing national office with paperwork and the unfamiliar rules and regulations of an executing agency. The involvement of several government ministries may well delay disbursement of local costs, and the necessary requirement of accounting by a Government for a previous advance from UNFPA may delay the next advance by weeks.

12. Certain unforeseeable circumstances can cause substantial delays in implementation. Sophisticated equipment such as computers may break down and be inoperable until spare parts and foreign technical maintenance experts can arrive. Foreign exchange for this purpose may not be available in the Government's budget. Some national personnel being trained abroad to work with or take over from international personnel may not return on time or may not return at all, having

perhaps taken up other job offers or opportunities for further study. Political instability is seldom cited as a reason for project delays, yet government instability may prevent adoption of appropriate policies to direct programmes and may result in changes in project staff. A Government may, for economic reasons, decide to reduce the number of the local project staff and the Government's counterpart budget for operation and maintenance of equipment. Scarcity of petrol and spare parts for essential equipment of service facilities, often caused by congestion of harbour or rail facilities, may hamper a project with delays far beyond the responsibility of the project manager or the executing agency.

13. These obstacles to implementation are in large part inherent in a technical assistance programme which is designed to administer large amounts of public funds using executing agencies with varying mandates to provide expertise, training and equipment and supplies to programmes in developing countries, with concentration on least developed countries and upon priority areas which often have not received sufficient policy and budgetary support from the Government. However, there is always room for improvement.

III. IMPROVING IMPLEMENTATION

14. While considering the quantitative implementation rate, expenditure as a ratio of allocations, the Council should not overlook the qualitative aspects of implementation of the programme. All of the actions described hereafter should help in improving qualitative performance, e.g., more qualified experts being fielded in a shorter recruitment time, better delivery times on equipment components, better co-ordinated training programmes, and great benefit to Governments when UNFPA-funded technical assistance is more carefully co-ordinated with their own programmes.

15. To improve project preparation and implementation in projects executed by the World Health Organization (WHO), the executing agency for the largest share of the UNFPA programme, UNFPA has organized five regional meetings with WHO and government programme officials to discuss all aspects of UNFPA assistance. Two joint national/UNFPA/WHO workshops were organized in Africa. A meeting was held in 1984 at Geneva for WHO and UNFPA staff assigned to programmes in the WHO European Region and the Middle East and Mediterranean Region, with government programme managers in attendance; another was held at Delhi for all UNFPA deputy representatives and WHO programme staff concerned with UNFPA projects and government project officials in the countries covered by the WHO South East Asia Regional Office. A similar meeting is planned for four days in April 1985, to include UNFPA, WHO and government project staff in countries covered by the WHO Western Pacific Regional Office. The first two meetings have been very useful in identifying problems of project preparation and implementation and assuring better co-ordination of monitoring and evaluation.

16. The United Nations Educational, Scientific and Cultural Organization (UNESCO), with UNFPA participation, invited all its regional population education advisers to a meeting in Paris to review all aspects of their programmes. This meeting was very useful in informing UNESCO headquarters staff of new developments and needs at the country level.

17. In December 1984, the International Labour Organisation, through its Labour and Population Team for Asia and the Pacific, organized a five-day training seminar in Bangkok to improve the implementation of country projects. Some 22 national project directors met with ILO headquarters staff and the Regional Team to discuss practical aspects of project implementation, financial aspects, project monitoring and evaluation, etc. UNFPA staff from New York and the Bangkok field office participated in the seminar, which was intended to meet the needs for practical training of these national project directors with whom the main responsibility for project implementation rests, since no international country experts are assigned to their projects. The manual for project directors which will be prepared from the seminar's work will be widely distributed. UNFPA will continue to participate in such training seminars and will provide funds for them when possible.

18. With very large programmes such as that of India, UNFPA is experimenting with a three-stage programming scheme. First, consultants prepare project requests to UNFPA in collaboration with government officials at the central level who assure that the projects complement the Government's own programme. Second, these preliminary presentations, with fairly detailed budgets, are appraised by UNFPA and, if acceptable, are approved in principle for the third stage of project development, a workshop at the state level to involve the government officials who will be responsible for the project in completing an agreed work plan. This scheme is helpful to the Government in ensuring, at an early stage, that the project will be approved and will be funded after the Government has invested the time and manpower necessary to put the project work plan, budget and schedule in final form for agreement. This careful preparation should result in better implementation as the executing agency will have a clearer and fully agreed understanding of all its implementation responsibilities. If successful this year in India, UNFPA will apply three-stage programming to other large country programmes.

19. Another improvement in programming should come from more frequent use of pre-project activities during which either a United Nations or a Government executing agency draws up project plans and commences activities before a full-scale project is defined and funded. UNFPA will participate closely in these pre-project activities to judge whether the executing agency is fully qualified to carry out the later project phases, and, especially in the case of Government-executed projects, that all non-UNFPA inputs are planned and will be available on schedule. When long-term (two-year) project experts are not required by a Government, short-term consultants may be more widely used in pre-project activities to get project activities off to a good start.

20. UNFPA funds substantial purchases of equipment and supplies for projects, much of them for projects directly executed by Governments. The major commodity purchases for directly executed projects are of intra-uterine devices, contraceptive pills, vehicles and audio-visual equipment. After UNICEF discontinued its procurement services for UNFPA, the Fund was obliged to reorganize its own purchasing system. These changes are described in the Executive Director's report to the Governing Council (DP/1985/28 (Part II)). In 1984, orders were placed for goods amounting to \$15.3 million compared to \$10.6 million in 1983, an

increase of 44 per cent. Local procurement, either by a Government or by UNFPA field offices, continues where locally manufactured supplies are available at acceptable quality and prices. Executing agencies carry out their procurement when they are responsible for overall execution of a project; the largest procurements are by the United Nations Department of Technical Co-operation for Development and WHO. The Fund anticipates that the expertise of its procurement unit will improve the delivery time for procurement at substantial savings resulting from large scale purchases.

21. Approximately 30 per cent of UNFPA projects are Government-executed. For these projects, proper financial management at the country level is particularly important. Computer facilities are being introduced in some UNFPA field offices, which should improve monitoring of advances and expenditures against project budgets. UNFPA hopes to increase the number of local finance staff in field offices wherever they are needed to account for Government-executed projects, especially in sub-Saharan Africa. UNFPA headquarters finance officers have visited several countries to advise local finance staff and to consult with government accounting offices on improvements in procedures. The Fund has held training programmes for finance staff in the several regions and will continue to do this.

22. UNFPA is gradually improving its computer facilities, in co-ordination with UNDP. It will soon install computer terminals that will enable the input of budget data directly to the New York Computer Service. This will shorten the time for receipt of computer printouts which are the basis for the financial monitoring of each project. When UNFPA is able to enter expenditure data as well as budgets into its data base, it will be able to monitor implementation more routinely than at present, when expenditure data is received only three times a year. More timely receipt of expenditure data will permit rephasing of unneeded or unexpendable budget items on a regular basis, which should result in higher rates of implementation.

23. UNFPA regularly consults with executing agencies on problems and possible improvements in their financial reporting. At present, the specialized agencies and the United Nations Department of Technical Co-operation for Development report expenditures three times yearly. The first two preliminary reports show expenditures by budget component; the last is broken down further by budget line items. UNFPA will consult with the executing agencies as to the usefulness and feasibility of obtaining expenditure reports by budget line item and whether this would result in better implementation.

24. UNFPA's independent in-depth evaluations serve as inputs into the programming as well as the policy-making of the Fund. One finding of these evaluations, and one of the few that apply to almost every project, is that there is an urgent need to develop management capabilities within the projects.

25. Improved management of population projects in developing countries also helps to improve the UNFPA implementation rate. To this end, the Fund has initiated many efforts to improve the management and evaluation of projects, either by support of separate management-related projects, particularly in the family

planning field, or by adding management components to existing population projects. Independent evaluations have shown that there is still a further need for such assistance. One step towards improving national management capacity is the recent introduction of a requirement for built-in evaluation components in all new projects receiving UNFPA support. More than 20 of the recommendations of the International Population Conference bear on management and evaluation, expressing a concern which has been growing among developing countries and donor agencies alike during the last few years. UNFPA will respond to these recommendations with more assistance for strengthening management capabilities; technical support services, specifically consulting services; diagnostic research; training and awareness creation. UNFPA expects that this assistance will improve its own implementation rate, but even more important, it will improve the capacity of the ministries and national agencies to undertake successful population activities.
