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Development Programme**

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SUPPORT

ANNUAL REPORT
OF THE ADMINISTRATOR
FOR 1984

MAIN PROGRAMME RECORD

Executing agencies of United Nations Development Programme in 1984

United Nations

International Labour Organisation (ILO)
Food and Agriculture Organization of the United Nations (FAO)
United Nations Educational, Scientific and Cultural Organization (UNESCO)
World Health Organization (WHO)
International Civil Aviation Organization (ICAO)
World Meteorological Organization (WMO)
International Maritime Organization (IMO)
International Telecommunication Union (ITU)
International Atomic Energy Agency (IAEA)
United Nations Industrial Development Organization (UNIDO)
United Nations Conference on Trade and Development (UNCTAD)
Universal Postal Union (UPU)
World Bank
Inter-American Development Bank (IDB)
African Development Bank (AfDB)
Asian Development Bank (AsDB)
Arab Fund for Economic and Social Development (AFESD)
World Tourism Organization (WTO)
World Intellectual Property Organization (WIPO)
United Nations Centre for Human Settlements (HABITAT)
United Nations Centre on Transnational Corporations (UNCTC)
International Trade Centre (ITC)
Economic Commission for Africa (ECA)
Economic Commission for Western Asia (ECWA)
Economic and Social Commission for Asia and the Pacific (ESCAP)
Economic Commission for Latin America and the Caribbean (ECLAC)
Economic Commission for Europe (ECE)

Other participating organizations

United Nations Fund for Population Activities (UNFPA)
United Nations Children's Fund (UNICEF)
World Food Programme (WFP)
Office of the United Nations High Commissioner for Refugees (UNHCR)
International Fund for Agricultural Development (IFAD)
United Nations Environment Programme (UNEP)
Office of the United Nations Disaster Relief Co-ordinator (UNDRO)
United Nations Fund for Drug Abuse Control (UNFDAC)
Voluntary Fund for the United Nations Decade for Women (VFDW)

Funds administered by UNDP or its Administrator

Special Measures Fund for the Least Developed Countries (SMF/LDC)
United Nations Capital Development Fund (UNCDF)
United Nations Volunteers (UNV)
United Nations Revolving Fund for Natural Resources Exploration (UNRFRNE)
United Nations Trust Fund for Colonial Countries and Peoples
United Nations Sudano-Sahelian Office (UNSO)
United Nations Special Fund for Land-locked Developing Countries
United Nations Financing System for Science and Technology for Development (UNFSSTD)
United Nations Trust Fund for Operational Programme in Lesotho
United Nations Trust Fund for Operational Personnel in Swaziland
UNDP Trust Fund for Developing Countries Afflicted by Famine and Malnutrition
United Nations Special Relief Office in Bangladesh

UNDP AT A GLANCE: THE 10-YEAR RECORD

Programme financing: 1975-1984
(Millions of US dollars)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984 ^{a/}
Voluntary contributions pledged	405.9	466.2	524.3	597.0	696.9	716.7	673.2	678.0	678.0	676.7 ^{c/}
Income										
Total	458.9	553.6	610.3	703.4	798.9	821.4	804.3	792.7	838.2	789.7
Voluntary contributions received	418.8	468.6	521.6	593.0	679.5	691.8	688.7	679.7	697.8	651.1
Assessed programme costs	13.4	18.0	3.7	2.0	0.4	1.7	1.3	0.3	-	-
Cost-sharing	14.1	47.8	47.4	44.4	41.9	58.2	62.7	75.3	94.4	84.0
Other contributions	20.2	14.8	11.8	14.5	14.6	21.0	23.2	25.3	21.7	22.3
Miscellaneous	(7.6)	4.4	25.8	49.5	62.5	48.7	28.4	12.1	24.3	31.9
Expenditures										
Total	547.1	517.7	444.3	558.6	699.1	864.0	937.5	859.1	751.0	717.7
Field programme activities ^{b/}	426.0	400.4	337.9	435.6	547.6	677.6	732.0	660.2	560.1	532.6
Sectoral support costs	-	3.8	4.6	3.6	5.3	5.1	5.6	5.5	4.2	3.3
Other	11.0	4.8	2.1	1.4	2.2	1.8	1.1	1.2	0.4	(3.0) ^{d/}
Agency support costs	57.8	55.3	45.3	58.0	73.2	87.9	94.2	85.1	73.1	70.1
UNDP administrative and programme support costs	52.4	53.4	54.4	60.0	70.8	91.6	104.6	107.1	113.2	114.7

Project expenditures: 1975-1984
(Millions of US dollars)

	1975	1976	1977	1978	1979	1980	1981	1982	1983	1984 ^{a/}
United Nations	64.1	59.1	51.0	63.5	65.1	83.6	91.5	85.1	78.7	76.2
ILO	38.4	33.5	25.8	37.9	46.0	56.2	54.0	51.1	43.1	37.2
FAO	119.7	115.2	88.4	111.1	131.4	167.1	182.5	141.4	116.5	109.3
UNESCO	44.04	39.2	29.5	33.2	45.9	53.9	52.2	44.5	41.8	36.4
WHO	22.9	20.7	14.9	14.3	16.2	22.7	23.6	20.0	15.4	13.2
ICAO	16.2	18.4	15.1	26.3	29.5	36.1	39.8	35.3	27.6	23.5
WMO	6.8	6.6	6.6	7.8	8.7	9.9	12.4	11.8	11.3	11.8
IAEA	4.0	3.0	2.8	3.2	6.0	4.4	4.9	4.3	3.7	2.3
IMO	2.5	2.4	2.1	2.0	2.6	5.8	7.1	6.8	6.0	6.5
ITU	16.8	17.5	12.5	16.2	20.5	27.0	32.4	25.1	21.6	18.5
UNDP	28.7	20.2	25.0	35.4	44.0	53.8	52.4	46.8	37.8	35.7
UNIDO	30.8	31.7	33.7	42.4	51.4	56.9	66.9	67.6	50.2	56.2
UNCTAD	7.8	8.4	8.1	9.5	13.2	15.8	17.0	14.4	13.0	7.2
UPU	2.4	1.4	0.6	1.5	2.1	3.6	3.3	2.0	1.6	1.6
World Bank	12.1	13.5	11.4	16.1	26.5	29.0	35.5	38.8	35.2	33.7
IDB	1.2	1.7	0.3	0.5	0.3	0.2	-	-	-	-
AsDB	1.3	1.4	0.4	0.9	1.5	3.9	2.5	4.1	2.9	4.7
AFESD	-	-	0.9	0.6	0.3	0.4	0.6	0.2	0.3	0.1
ECA	-	-	0.9	2.4	4.4	7.5	7.8	8.7	4.2	5.9
ECWA	-	-	0.1	0.3	0.3	0.6	0.4	0.3	0.5	0.6
ESCAP	-	-	1.8	2.2	3.9	6.2	5.2	5.0	6.6	5.5
ECLA	-	-	-	1.1	1.6	1.8	2.2	1.8	1.7	1.3
UNV	-	-	-	0.2	1.3	2.7	4.5	5.1	4.5	3.3
Governments	-	-	0.2	0.6	7.2	7.8	10.3	16.4	14.6	18.3
UNCHS	-	-	-	-	12.3	11.5	11.4	12.7	12.3	10.5
WIPO	-	-	-	-	0.2	0.4	0.5	0.7	1.2	1.2
WTO	-	-	-	-	0.4	0.8	0.4	0.8	0.8	0.5
ECE	-	-	-	-	0.1	0.2	0.9	0.8	0.7	0.6
ITC	-	-	-	-	-	-	-	-	-	5.7
Subtotal ^{b/}	419.7	393.9	332.1	429.2	542.9	669.8	722.2	651.6	553.8	527.5
Government cash counterpart expenditures	6.3	6.5	5.8	6.4	4.7	7.8	9.8	8.6	6.3	5.1
Total	426.0	400.4	337.9	435.6	547.6	677.6	732.0	660.2	560.1	532.6

a/ Provisional.

b/ Data cover expenditures financed under UNDP/IPF, Special Programme Resources, Special Measures Fund for the Least Developed Countries, Special Industrial Services (SIS) and cost-sharing.

c/ Pledges for 1985 totalled \$538.7 million.

d/ Credited to this expenditure line in 1984.

MAIN PROGRAMME RECORD

1. The trend towards lower levels of programming arising from resource uncertainties in the preceding years of the third programming cycle continued in 1984 and was once more reflected in declining overall expenditures. Field programme delivery, however, was not affected to the same extent. On the resource side, the static pattern of voluntary contributions to UNDP, evident since 1982, prevailed again in the year under review, despite strenuous efforts by major donors to increase their pledges in national currency terms.

2. Both patterns to some extent reflected the international currency situation. Increased contributions in other major currencies were unable to surmount the rising United States dollar, the Programme's currency of account, in order to realize any effective growth in central resources. Lower total recorded expenditures disguised the significant delivery purchased in certain components, as well as the increased expenditures in particular areas. For instance, although total field expenditures in 1984 declined by 4.9 per cent from 1983 levels, expenditures on training fellowships went up by 4 per cent while the actual number of fellowships placed during the year rose by 7 per cent. The number of fellowships awarded to countries in Africa increased by about 15 per cent compared with 1983. Opportunities for achieving savings in equipment purchases, also made possible by the strength of the United States dollar, prompted a 5 per cent increase in the total value of equipment ordered during the year, most of which was accounted for by increased orders placed in developing countries. The number of internationally recruited experts assigned in 1984, however, declined by 6.9 per cent from the previous year.

3. Among factors inhibiting expenditure in 1984, caution prevailing among field offices, executing agencies and Governments amid continuing uncertainties in the resource outlook of UNDP partly accounted for a reduced rate of project approvals. Additionally, in numerous countries affected by disasters and emergency conditions, greater programming emphasis was placed on the review and adjustment of ongoing projects rather than on new commitments. Notwithstanding these factors, the overall decline in expenditures characteristic of recent years is a source of concern to UNDP. Improved project budgeting and monitoring practices in UNDP and among agencies are judged to be critically important to ensure more accurate expenditure forecasts to more closely reflect the recent volatility and strength of the United States dollar. With this in mind, the Administrator has initiated a joint study with agencies to improve budgeting and planning methods. Concurrently, in co-operation with recipient Governments, UNDP is undertaking measures to accelerate project approvals and implementation by identifying and overcoming operational obstacles at the country level.

A. Decisions of the Governing Council

4. At its thirty-first session in June 1984, the Governing Council expressed its concern in decision 84/18 over the unprecedented economic and

social crisis in Africa related to continuing drought in the region and invited the Administrator of UNDP to continue his efforts at closer collaboration with organizations of the United Nations system and other institutions in mounting and co-ordinating requisite assistance flows to affected countries. As indicated throughout this report, such efforts constituted a major thrust in UNDP programming in 1984, calling for numerous adjustments, staff redeployments and additional support measures involving not only the central Programme but also the various special funds administered by UNDP.

5. In the same decision, the Council specifically invited the Administrator to continue to assist Governments in Africa, at their request, to build up their national planning and co-ordinating capabilities. This emphasis was reflected in many of the projects and initiatives supported by UNDP in its efforts to relate immediate emergency actions to medium- and long-term measures for strengthening essential planning frameworks and infrastructure in the affected countries. At the same time, UNDP moved swiftly to channel exceptional funding of \$1.5 million, authorized by the Council from Special Programme Resources, in order to provide increased numbers of United Nations volunteers to assist in implementing emergency programmes in the region. Within six months of this decision, approximately 60 per cent of resources so allocated had been committed in response to requests from Governments for supplementary assistance in such areas as food distribution, the maintenance of water supply systems and co-ordination of general operations.

6. In recognition of the increased work-load for UNDP field offices resulting from the Programme's response to the crisis in Africa, and with the endorsement of the Council, the Administrator undertook a survey of existing field office capacities in the region to determine measures needed for ensuring continuing and adequate country-level support. Recommendations arising from this survey are presented to the Council in document DP/1985/16.

7. The Council also acted at its thirty-first session to strengthen the consultative process by which issues relating to the fourth programming cycle could be explored with all parties concerned. In decision 84/20, it requested the Administrator to arrange informal consultations in the latter half of 1984 among all participating Governments to discuss preparations for the fourth programming cycle, including the quantum of resources to be taken into account for calculating fourth cycle indicative planning figures (IPF). Through a series of such consultations prepared and organized by UNDP from September 1984 onward, some 13 options for determining this issue were carefully reviewed and discussed with participating Governments, leading to the clarification of four alternative scenarios which could obtain in the next cycle. The process of consultations requested by the Council played a valuable part in arriving at this basis for discussions which were resumed at a special meeting of the Governing Council in February 1985 and are expected to be concluded during its thirty-second session in June 1985.

B. Programme resources

8. At the United Nations Pledging Conference for Development Activities in November 1984, 9 of the Programme's 16 major donors maintained the real value of their contributions in national currencies in accordance with Governing Council appeals. Six of the nine countries substantially exceeded this minimum level. A total of 31 countries (27 of them developing countries) met or exceeded the 14 per cent growth rate set for the third programming cycle in terms of their national currencies. Canada, Denmark, Italy and Sweden pledged a further \$13.1 million in supplementary contributions for 1984.

9. Notwithstanding these determined efforts, the strength and volatility of the United States dollar maintain their adverse influence on the Programme's resource outlook. In current dollar terms, the value of pledges to UNDP has in effect remained static from 1981 onward at around \$675 million. While pledges, including estimated pledges for 1985, totalled \$676.7 million as of 31 December 1984, the rise and fall of the dollar in 1985 had already caused that value to fluctuate between \$642 million and \$670 million by 1 April 1985.

10. It is instructive to consider for a moment the position of the United States dollar over the last three years and the resultant predicament for donors and UNDP alike. The dollar's influence is most clearly illustrated by changes in the trade-weighted index of exchange rates published in the International Monetary Fund's (IMF) International Financial Statistics. In 1982, 1983 and 1984 the dollar strengthened against other currencies by 11.7 per cent, 5.8 per cent and 7.9 per cent respectively. These figures relate to major trading partners of the United States but sharply illustrate the hurdles which have to be surmounted by way of increases in pledges before any growth in the resource base of UNDP can be registered. The hurdles for individual donors are in some cases significantly higher. For instance, in the years 1982, 1983 and 1984, the Netherlands exchange rate changed by 14.6 per cent, 10.2 per cent and 13.9 per cent respectively. For the same period, the Norwegian exchange rate changed by 24.6 per cent, 5.6 per cent and 18 per cent respectively.

11. While central resources have been constrained in United States dollar terms for the past three years in part through such currency fluctuations beyond governmental control, a substantial increase in supplementary contributions to UNDP has nevertheless enabled the Programme to maintain its services to developing countries. These sources of funds include cost-sharing, trust funds established by the Administrator, government cash counterpart contributions and contributions to the Special Measures Fund for Least Developed Countries (SMF/LDC). In 1981, these resources amounted to \$85.1 million or 11 per cent of the total resources available to UNDP. In 1984, this amount had increased to \$148.4 million or 18 per cent of the Programme's resources. This significant increase indicates the confidence of Governments in the ability of UNDP to programme and deliver projects and

services of demonstrable impact in the development process. It should be emphasized that such increases have not themselves affected in any way levels of contributions to central resources. As indicated previously, donors have made substantial efforts to raise their central contributions in their national currencies. Supplementary contributions are additions to these central contributions and extend the scope of the development activities of UNDP beyond that which would otherwise be possible.

12. Reflecting this growth in supplementary resources, five new trust funds were established under the Administrator's authority on behalf of UNDP during the year. Income received in 1984 for these 5 trust funds amounted to the equivalent of \$6.8 million. In addition, 14 sub-trust funds were established on behalf of the United Nations Sudano-Sahelian Office (UNSO), five on behalf of the United Nations Financing System for Science and Technology for Development (UNFSSTD) and 1 on behalf of the United Nations Capital Development Fund (UNCDF). The total income received during 1984 for these sub-trust funds amounted to the equivalent of \$13.1 million, bringing the overall income for 1984 from these resources to \$19.9 million. Further information concerning the trust funds established by the Administrator in 1984 can be found in document DP/1985/59.

13. Voluntary pledges for the numerous special-purpose funds administered by UNDP (including SMF/LDC) declined slightly in 1984 in real terms. Against a total of \$45.5 million in voluntary contributions pledged for 1983, these funds attracted in the aggregate pledges of \$38.6 million for 1984. However, as indicated in tables 1 to 4 in addendum 6, cost-sharing and sub-trust fund income received by these special funds increased perceptibly from \$17.7 million in 1983 to \$25.8 million in 1984.

14. In the aggregate in 1984, total contributions to central resources, to the special purpose funds under the administration of UNDP and to all sub-trust fund and cost-sharing arrangements amounted to \$834.5 million, reflecting a decline in overall contributions in United States dollar terms of almost 10 per cent compared with the 1983 aggregate total of \$927 million. In this context, continued resource mobilization efforts by UNDP field offices and the substantial complementary financing attracted by UNDP-assisted projects, take on renewed significance. Figures reported by 46 UNDP field offices in 1984 and contained in table 2 in addendum 4, indicate that an additional amount of over \$145 million in third-party co-financing and parallel financing was directly generated by UNDP-assisted activities in the course of the year. When this additional amount is combined with the \$834.5 million in total contributions to UNDP and its special funds during the year, some \$980 million in development funding can be attributed to the overall operations of UNDP in 1984. While such third-party co-financing arrangements are not reflected in UNDP central accounts, they clearly continue to represent the Programme's largest single source of additionality.

Total contributions received from Governments and other
 contributors in 1984

	(US dollars)
UNDP voluntary pledges	651 135 792
Assessed programme costs	71 528
SMF/LDC	13 597 465
Cost-sharing contributions	83 972 082
Government cash counterpart contributions	8 533 050
Contributions for local office costs	9 101 688
Extrabudgetary activities	2 671 450
Contributions for Senior Industrial Development Field Advisers (SIDFAs)	2 000
Trust funds established by the Administrator	<u>12 712 140</u>
Subtotal:	781 797 195
UNCDF - Voluntary pledges	21 160 189
Cost-sharing	500 000
Sub-trust funds	117 801
UNRPNRE - Voluntary pledges	190 462
UNSO - Voluntary pledges	571 011
Cost-sharing	6 527 343
Sub-trust funds	9 828 875
UNV - Voluntary pledges	724 807
UNFSSD - Voluntary pledges	350 327
Cost-sharing	10 000
Sub-trust funds	4 737 242
Special Fund for Land-locked Developing Countries	116 738
UNDP Trust Fund for Namibia	806 961
Voluntary Fund for the United Nations Decade for Women	2 453 287
Cost-sharing	500 000
UNDP Energy Account - Voluntary pledges	72 895
Cost-sharing	3 664 920
United Nations Trust Fund for Operational Programme in Lesotho	185 700
United Nations Trust Fund for Operational Personnel in Swaziland	201 922
UNDP Development Study Programme	<u>36 024</u>
Grand total all funds and programmes	<u><u>834 553 699</u></u>

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C. Expenditures and delivery in 1984

15. Total expenditures under UNDP in 1984 amounted to \$717.7 million, of which \$532.6 million were for field programme activities, \$70.1 million for agency support costs, \$114.7 million for UNDP administrative and programme support costs and \$3.3 million for sectoral support and other field-level costs. A credit of \$3 million against miscellaneous expenditures in previous years was also received during the year.

16. Of the \$532.6 million in field programme expenditure, \$436.6 million was expended under IPF resources, \$73.5 million under cost-sharing arrangements, \$5.3 million under Special Programme Resources, \$1.8 million under Special Industrial Services (SIS), \$10.3 million under SMF/LDC and \$5.1 million in government cash-counterpart funds. All but two of the above components of field programme expenditure declined below 1983 levels. Cost-sharing expenditures advanced by \$4.8 million over the preceding year while expenditures under Special Programme Resources also increased by \$1.3 million.

17. In 1984, as in previous years, UNDP field offices reported on the volume of expenditures from non-UNDP sources which are also supported by the Programme's field infrastructure. Like co-financing arrangements, these expenditures do not enter into the main programme balance sheet, but they nevertheless reflect the wide range of the overall efforts and activities of UNDP. In 1984, 86 field offices reported assistance in the implementation of more than 1,600 non-UNDP-financed projects with total expenditures of approximately \$243.2 million (see table 1 in addendum 4). Of the \$243.2 million in such expenditures in 1984, UNDP field offices provided major services and support for 1,062 projects with expenditures amounting to \$225.4 million. A further 531 projects were assisted to a lesser degree.

18. While the value of new projects approved in 1984 declined again from the previous year, their total number increased from 945 to 1,074, indicating a reduction in the average size of new project budgets. The concentration of new approvals by sector followed the pattern of the preceding year with one noteworthy exception. Whereas in 1983 the three leading sectors, in order of their numerical share of new approvals, were (a) industry, (b) agriculture, forestry and fisheries; and (c) development policy and planning; in 1984 the order changed with development policy and planning replacing agriculture, forestry and fisheries in second place. A numerical breakdown of new project approvals by recipient and main sector is provided in table 5 in addendum 3.

19. Actual expenditures on the various components of Programme delivery financed from UNDP central resources in 1984 are reflected in the table below. While expenditures for international experts and equipment declined from 1983 totals by 8 per cent and 6 per cent respectively, with regard to subcontracts and training fellowships, expenditures actually increased by approximately 4 per cent in both components. Compared with 1983,

there were only slight differences in the distribution of expenditures between components. In 1984, international experts accounted for 52.4 per cent of total expenditures made as compared with 55 per cent in the previous year. The proportion of expenditures made on equipment remained constant at about 18 per cent. For subcontracts and fellowships, the proportions of expenditure rose by 1 per cent in both cases, accounting respectively for 13 per cent and 12 per cent of total expenditures from central resources in 1984.

Expenditure from central resources by component, 1983 and 1984
(Millions of US dollars)

Component	1983	1984 <u>a/</u>
Project international personnel	303.6	279.6
Equipment	101.2	94.9
Subcontracts	66.1	68.6
Training (fellowships)	60.7	63.3
Miscellaneous	<u>22.1</u>	<u>21.1</u>
Subtotal	<u>553.7</u>	<u>527.5</u>
Government cash counterpart expenditure	6.3	5.1
Total:	<u>560.1</u>	<u>532.6</u>

a/ Provisional.

20. Twenty-nine executing agencies of the United Nations system, together with developing country Governments, recruit the project personnel, specify and purchase the equipment, award the fellowships and issue the subcontracts which make up UNDP project delivery from year to year. In accord with Governing Council decisions, the number of nationally recruited personnel assigned to UNDP-assisted projects increased from 1,412 in 1983 to 2,097 in 1984. Internationally recruited experts dropped in number from 8,400 in the previous year to 7,813 in 1984. A total of 942 United Nations volunteers were also in place during the year, bringing the total number of project personnel serving in 1984 to 10,852. Of these, 19.3 per cent were nationally recruited and 8.7 per cent were United Nations volunteers.

21. The value of equipment ordered for, as distinct from delivered to projects in 1984 rose slightly to \$110.7 million from \$105.4 million in 1983. The value of subcontracts awarded during 1984 (as distinct from the delivery of subcontracts) fell from \$60.9 million in the previous year to \$51.1 million. Under fellowships, figures provided by agencies in 1984 indicate that 10,807 placements were made through UNDP-financed projects during the year. This total excludes figures provided by one agency, the International Labor Organisation (ILO), which were not disaggregated by sources of financing. The available total of 10,807 fellowship placements nevertheless

represents a 7 per cent increase from 1983 and confirms the steady growth in emphasis on the human factor in development under UNDP-financed projects.

22. The share of these programme inputs derived from developing countries themselves is reflected in the table below.

Share of programme components awarded ^{a/} to developing countries
1983 - 1984 compared

Component		1983	1984
Number of international experts	Developing countries	3 125	2 771
	Total all countries	8 400	7 813
Value of equipment ordered (thousands of US dollars)	Developing countries	15 797	20 240
	Total all countries	105 373	110 777
Value of subcontracts awarded (thousands of US dollars)	Developing countries	14 990	8 671
	Total all countries	60 917	51 115
Number of fellowship placements	Developing countries	4 261	4 600
	Total all countries	10 091 <u>b/</u>	10 807 <u>c/</u>

a/ Figures for equipment ordered and subcontracts awarded during the year differ from expenditures delivered under those components as listed in the preceding table.

b/ Excluding ILO fellowship placements which were not reported at the time of preparing the 1983 annual report.

c/ Excluding fellowship placements reported by ILO in 1984 but not disaggregated by sources of financing.

23. In terms of total components supplied in 1984, developing countries accounted for about 35 per cent of internationally recruited personnel, 18 per cent of equipment ordered and 42 per cent of fellowship placements. Equipment orders in developing countries increased by 28 per cent over the previous year. In percentage share terms, there were only slight variations between 1983 and 1984 in the proportion of inputs from developing countries in most components. The exception was in the share of developing countries in subcontracts awarded which fell from 25 per cent in 1983 to 17 per cent in 1984.

1. Investment follow-up

24. The total amount of reported investment commitments related to UNDP-assisted projects, both investment follow-up and those commitments supported by UNDP projects, amounted to \$10.2 billion in 1984 as compared with \$9.6 billion in 1983. This represented an increase of 6.2 per cent over the previous year, reversing the decline of 2 per cent which was registered between 1982 and 1983. Investment commitments reported as follow-up to UNDP-supported projects rose steeply to \$9.3 billion in 1984 as against \$6.4 billion in 1983. UNDP technical assistance in the execution, supervision and support of investment projects, however, did not attain the levels reached in 1982 and 1983.

25. Improved reporting, notably in the form of a more comprehensive coverage of regional projects, contributed to a clearer picture of follow-up investments in 1984. As in past years, transport and communications continued to attract the largest amount of reported follow-up commitments (\$3.07 billion). Next in importance were natural resources (\$2.3 billion); the agriculture/forestry/fisheries sector (\$1.54 billion); human settlements (\$810 million); industry (\$580 million); and education (\$290 million). Developing countries themselves continued to lead the way in providing the most substantial source of financing for reported investment commitments, accounting for a total of \$4.06 billion. The World Bank group remained second in order of follow-up financing sources, contributing \$1.92 billion in reported commitments. Bilateral agencies accounted for \$1.82 billion while the private sector in both developed and developing countries provided \$640 million.

26. Measures for strengthening the Programme's pre-investment role, introduced in response to recent Governing Council decisions, have continued to prove effective. They include co-operative arrangements with agencies relying on missions to realize the investment potential of UNDP-supported projects; the conduct of training courses in investment development to improve UNDP's staff capabilities in identifying and preparing pre-investment activities; strengthened relations with sources of finance through special interest arrangements; and the use of a facility for financing investment feasibility studies on a reimbursable basis.

27. As illustrations of the results obtained under the co-operative arrangements UNDP has established with agencies, \$422.1 million in follow-up investments have been approved for 16 projects in 13 countries prepared with the assistance of the Food and Agriculture Organization of the United Nations (FAO) Investment Centre. Three of these projects in Malawi, Zambia and Indonesia, representing total investments of \$110.2 million, were approved in 1984.

28. Similarly, missions mounted in 1982 and 1983 under the UNDP/ILO co-operative arrangement assisted in the preparation of two projects for which credits were approved in 1984. For the first of these, located in Malawi, \$18.2 million have been provided for the development of urban housing. Of this amount, a credit of some \$15 million was granted by the International Development Association (IDA) and \$3.2 million furnished by the Government and local entities. For the second project, in the Sudan, credits of \$15.4 million were provided by IDA for the rehabilitation of vocational training facilities and the strengthening of educational planning. In addition, financing of \$3.2 million has been furnished by the Government, bringing the total investment generated for these efforts to \$18.6 million.

29. Training in investment development for UNDP staff continues to be provided through an arrangement with the Economic Development Institute (EDI) of the World Bank. In addition, in conjunction with the Asian Development Bank (AsDB), UNDP launched a new training course in investment project preparation and management for its staff and host Government staff in the Asia and Pacific region. In the same region, significant follow-up investments continue to be catalysed by special "umbrella" projects in Burma, China and Sri Lanka which are supported by UNDP and executed by the World Bank. Under these "umbrella" projects, several smaller projects covering various sectors are packaged and approved at the same time in order to reserve funds for activities of acknowledged importance while preserving the flexibility to substitute individual pre-investment studies within each package as required by changing priorities. Latest investments reported from Burma and China are described in addendum 1 in part I of this report which also contains a number of other illustrations of recent post-project investment results.

2. Office for Projects Execution

30. Total project expenditures by the Office for Projects Execution (OPE) in 1984 amounted to \$65.9 million, a slight increase over the total of \$65.1 million expended in 1983. The total share of OPE in UNDP core expenditures fell by 6 per cent to \$35.7 million in 1984 compared with \$37.8 million in the previous year. Expenditures on behalf of other funding sources, however, increased by 10 per cent in 1984, amounting to \$30.3 million compared with \$27.3 million in 1983.

31. Non-IPF projects executed by OPE continue to reflect a variety of activities, such as the construction of rural feeder roads in West Africa on behalf of UNSO, technical support and equipment procurement for UNCDF, and loan administration for selected projects on behalf of the International Fund for Agricultural Development (IFAD). More recently, the services of OPE have been sought in connection with the Ethiopian Rehabilitation Programme and the Development Training and Communications Programme (DTCP) in Bangkok which was incorporated as a new OPE service unit in 1984.

32. In addition, on behalf of the United Nations Fund for Drug Abuse Control (UNFDAC), OPE executed two major projects to combat opium production in Pakistan and Thailand. In both cases, significant inputs were provided through local contracting accomplished by way of ad hoc local contracts committees. For Pakistan, these inputs totalled \$1.9 million while for Thailand, they amounted to \$259,000.

33. Approximately one third of all OPE projects comprise, in financial terms, the full range of technical and administrative external inputs. The majority of OPE project activities, however, are concerned with limited and partial services and with cases where the recipient Government is principally responsible for the management of technical inputs.

34. A distinctive feature of OPE is that the projects it executes tend to be specific in character, with clearly defined, often short-term objectives. The conduct of resource surveys, the installation of computer systems and the production of feasibility studies are typical examples. Institution-building projects with substantial long-term training requirements, or projects where technological options have policy implications for the relevant United Nations specialized agencies are uncommon in the OPE project portfolio.

35. While OPE does not possess in-house expertise on every aspect of technical assistance needs, it has developed efficient and flexible mechanisms for locating and mobilizing required know-how from the public and private sector. Consulting groups and the subcontracted services of private firms, public institutions, state corporations and non-governmental organizations play an important role in enabling OPE to meet in full the technical requirements of the projects entrusted to its management.

D. Programme adjustments: the crisis in Africa

36. Drought advanced inexorably over large areas of sub-Saharan Africa in 1984. Catastrophe, building since the mid-1970s, broke upon millions of lives in 19 seriously affected countries of the region and threatened to engulf still more in nine other countries. Fragile economies, sapped by the multiple effects of collapses in commodity prices, static official development assistance in real terms, unprecedentedly heavy debt service burdens and volatile currency exchange rates, were able to offer only limited resistance. In December 1984, the Secretary-General established the United Nations Office for Emergency Operations in Africa (OEOA) in response to incontestable evidence of the need for immediate, concerted and additional assistance from the international community. The Administrator of UNDP was appointed to direct the new Office.

37. The Secretary-General's decision underlined the major adjustment required of the Programme in 1984. The emergency in Africa was widely perceived to be foremost a development issue. Technical assistance measures

in support of the continent's medium- and long-term rehabilitation were repeatedly identified by intergovernmental bodies as the necessary corollary of emergency relief actions. As the central funding and co-ordinating body for United Nations technical co-operation, UNDP was called upon to respond.

38. Throughout the year in many of the affected countries, UNDP field offices, in partnership with United Nations agencies, notably the Office of the United Nations Disaster Relief Organization (UNDRO), FAO, the Office of the United Nations High Commission for Refugees (UNCHR), the United Nations Children's Fund (UNICEF) and the World Food Programme (WFP) acted jointly as on-the-spot centres for information and emergency aid co-ordination. Reports obtained from resident co-ordinators played a key part in documentation submitted to the international donor community at a significant donor meeting convened by the OEOA at Geneva in March 1985.

39. Following a careful appraisal of existing UNDP staff capacities and pending the mobilization of special funding for additional personnel, numerous reassignments were authorized in a major redeployment exercise aimed at strengthening field offices in the most seriously affected countries. Further staffing needs required for an adequate response to the crisis were also identified. At the same time, in close consultation with Governments and concerned United Nations executing agencies, UNDP conducted searching reviews of its ongoing assistance to over 20 countries. Despite the difficulties inherent in effecting mid-course adaptations, in virtually all countries where such measures proved feasible, programmes and projects were sharply adjusted to complement new relief and rehabilitation efforts. This immediate realignment of UNDP-financed programmes is being followed up by a close scrutiny of proposals in the pipeline for the fourth programming cycle. Some 30 country programmes currently under formulation for approval in mid-1986 are being examined in relation to revised priorities established by Governments of the region.

40. The UNDP programme adjustments initiated during the year closely paralleled recommendations adopted by the Conference of Ministers of the United Nations Economic Commission for Africa (ECA) in May 1984 and subsequently endorsed at the Assembly of Heads of State and Government of the Organization of African Unity (OAU).

41. In accord with these recommendations and in conjunction with bilateral and other multilateral agencies, UNDP moved swiftly to realign and, where possible, increase its support in four main areas:

(a) Food production and cereal cultivation;

(b) Development of emergency water supply sources and systems;

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(c) Renewed logistical support and redoubled investments in the development of communications infrastructure to overcome difficulties affecting the transportation, storage and distribution of food and medical supplies;

(d) Co-ordination of rehabilitation programmes supported by UNDP and the donor community with the resettlement of displaced populations undertaken by relief agencies.

42. Within resources available in 1984, UNDP also gave urgent priority to the reinforcement of health services in affected countries, as well as to livestock management projects, renewable energy development and programmes relating to drought management and control.

43. Within specific sectoral and subsectoral projects in these areas of concentration, UNDP has begun to encourage countries to seek an appropriate balance between rehabilitating or maintaining existing infrastructure and launching new initiatives. At the request of numerous Governments over the year, UNDP also began to redirect its efforts towards helping national authorities to define policy and planning frameworks in which domestic and international budgetary inputs could be allocated with greater congruence. Both programming emphases reflect the concern of UNDP to ensure the efficient use of available development funds in order to enhance the prospects of individual countries in their search for additional and urgently needed financing.

44. A related emphasis through the year was the added support of UNDP to the round-table process. Experience gained through assisting earlier recipient-donor consultations in virtually all least developed countries in the region provided the basis in 1984 for major revisions regarding the scope, content and work methods of such meetings. Initial results from "second generation" round-table consultations held in early 1985 for the Gambia, Guinea-Bissau and Togo were perceived as marked improvements by all parties concerned. Preparations were also initiated for similarly strengthened consultations on behalf of Burundi, Malawi, Mali, Sierra Leone, Rwanda, the Comoros and Sao Tome and Principe.

45. In an important initiative taken by UNDP and the World Bank in late 1984, a pilot technical co-operation assessment mission (TCAM) to Somalia was carried out. Its purpose was to assist the Government to undertake a comprehensive survey of its technical assistance requirements in the context of national constraints affecting the deployment of human resources, the functioning of institutions and other development management areas. The mission focused on practical issues constraining the efficient use of technical assistance inputs and examined means for strengthening capabilities in financial management, planning, public administration and production. As an instrument for helping countries to devise policy frameworks for the optimal use of their total external technical assistance inputs, this joint exercise holds considerable promise as a model to be adopted in other cases. A similar TCAM in Madagascar is under consideration.

46. Field expenditures in Africa by and through UNDP amounted to over \$300 million over the year. UNDP core resources accounted for \$255 million of this total. In addition:

(a) Faced with needs in the region beyond currently authorized levels of regular support, the Administrator allocated 80 per cent of resources available to the UNDP Trust Fund for Developing Countries Afflicted by Famine and Malnutrition for high-impact projects in sub-Saharan Africa, and nearly \$30 million had been fully programmed by March 1985;

(b) Additional inputs valued at approximately \$3 million and related to enhancing the round-table process were committed to Africa from a trust fund established under UNDP management by the Government of the Netherlands;

(c) The Administrator established a special Trust Fund to Combat Hunger and Poverty in Africa in November 1984 and initial receipts from the bilateral community amounting to over \$25 million were being programmed in March 1985;

(d) Urgently required projects to combat drought and initiate reconstruction work in 10 critically affected countries were authorized by UNDP with \$500,000 in exceptional funding from its Special Programme Resources.

47. UNDP also increased its resource mobilization efforts on behalf of Africa through the design and promotion of third-party cost-sharing projects which have become a significant source of additional financing in the region. This modality has already attracted notable support from the international donor community and is expected to help generate the vital additionality needed to augment central resources in the fourth programming cycle.

E. Transitions in programming: management actions and substantive trends

48. Careful preparations for transition to the Fourth Programming Cycle were a feature of the year's work in other regions served by UNDP. Programme assessments and consultative reviews carried out at the national, regional and intercountry level afforded useful insights into past and present operations as well as indications of technical co-operation requirements emerging in different regions. At the same time, programme surveillance and monitoring measures were intensified as part of the continuing drive by UNDP to maintain and enhance the quality of its development services.

1. Asia and the Pacific

49. Programmable resources available to the Asia and Pacific region for the period 1982-1986 amount to \$1,100 million, of which \$875 million had

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been committed for the financing of 1,587 country and intercountry projects by the end of 1984. During the year, 28 of the 34 Asia and Pacific operational programmes were subjected to review to assess their continuing validity and impact. In most cases, these reviews were undertaken within the framework of the routine monitoring procedures of UNDP, but in several instances they were part of the preparation phase for new country programmes. In one special case, the review took the form of an in-depth study of UNDP assistance since the inception of country programming in 1972.

50. The majority of these reviews demonstrated that, while the orientation and content of country programmes were still largely valid, progress in implementation, for a variety of reasons, was not as rapid as expected. Few country cases reviewed called for any significant change in programme substance, reflecting the advantages of continuous programming, but procedural and administrative obstacles to efficient delivery were identified and measures were taken to overcome them.

51. Particular trends revealed through these reviews reflect the adoption of some of the new technical co-operation modalities endorsed by the Governing Council at its thirty-first session in 1984. These include:

(a) Greater reliance on government execution. Six per cent of operational projects were being implemented by Governments compared with 1.8 per cent in 1981. A related trend is the greater number of projects managed by Governments through national co-ordinators. A total of 305 projects were being managed in this way throughout Asia and the Pacific.

(b) Increasing use of national experts. Four hundred national experts, 15 per cent of all project professional personnel serving in the region, were on assignment to UNDP-assisted projects in 1984. Principal users of national expertise included Bangladesh, India, Indonesia, Nepal, Pakistan, Sri Lanka and Thailand.

(c) More effective aid co-ordination. At a major meeting organized by UNDP in Bangkok in May 1984, government aid co-ordinators were consulted on how to improve the substance, co-ordination and operation of the intercountry programme. The meeting also provided a forum for clarifying technical co-operation practices and operational procedures with senior government officials. The identification and strengthening of mutual interests at this meeting are expected to contribute to a more cohesive and co-ordinated approach by Governments to services and assistance from the United Nations development system in the next programming cycle.

52. The meeting additionally afforded the seven least developed countries in the region an opportunity to evaluate the results of the UNDP-assisted round-table process and to discuss further improvements in such consultations for implementation in the future.

53. The timely observance of project monitoring schedules also received particular emphasis. In 1984, 438 tripartite reviews of ongoing projects were conducted in the Asia and Pacific region, 500 monitoring visits by UNDP and agency officers were made and 70 intensive evaluations of projects costing over \$1 million were carried out. A further 545 tripartite reviews were scheduled for 1985. In addition to the regular check conducted by headquarters to ensure compliance with routine monitoring procedures, two special studies were undertaken to assess the effectiveness of the tripartite review system and the evaluation mechanism.

54. Statistical data on the Asia and Pacific programme reveals two discernible trends: an increase in resources directed to the industrial sector and a decrease in funds spent on equipment. This reflects the fact that many countries in the region are now at or near agricultural self-sufficiency and are therefore seeking more assistance in non-agricultural areas. Expenditure patterns in the region also confirmed the increasing importance of the human factor in development -- a theme which ran through several of the country programme reviews. (Further details on programme developments in the Asia and Pacific region are contained in DP/1985/25.)

2. Latin America and the Caribbean

55. Through the detailed consultations UNDP held region-wide during 1984, three characteristics of the region's present economic and social condition were noted as being of special concern: (a) evident stagnation in many national economies; (b) deteriorating social conditions; and (c) acute vulnerability to external factors, which means continuing high economic dependence.

56. In illustration of these points, it is estimated that the region exported net capital amounting to some \$50 billion to developed countries in 1983 and 1984 with continuing repercussions on living standards, employment prospects and investment.

57. This was the background to the search by UNDP for ways to ensure programming that is responsive to the unprecedented difficulties experienced by this region in recent years. The search included detailed consultative reviews during the year with Governments of the region, the Economic Commission for Latin America and the Caribbean (ECLAC), agencies of the United Nations system and numerous regional and intergovernmental bodies.

58. Experience acquired through this consultative process oriented the substantive agenda of the meeting of the regional bureau for Latin America and the Caribbean, which was convened in Santo Domingo in November 1984 and attended by representatives of all parties to the preceding consultations.

Discussions at the meeting illuminated year-long efforts by UNDP to assess the thrust and content of future technical co-operation activities in the region. Participants confirmed the central relevance of three areas of concentration for maintaining the response of UNDP to the needs of the region within available and foreseeable programme resources. Areas envisaged for future multilateral technical assistance included:

(a) Public policy formulation, implementation and management.

Strategies for the economic reactivation of Latin American and Caribbean economies were judged to be critically dependent on coherent, integrated and operationally effective public sector policies. Specifically, it was agreed that technical co-operation could make important contributions to increased efficiency in parastatal and other public enterprises, the promotion of greater complementarity with industrial and private sector initiatives, closer alignment between national development policies and domestic budgetary allocations, and the lateral co-ordination of diverse social and economic institutions.

(b) The alleviation of urban and rural poverty. Macro- and micro-economic approaches to resolving the increasing incidence of critical poverty in the region emerged as another priority for technical co-operation. Evidence available in 1984 confirmed that many ongoing structural adjustment programmes insufficiently addressed the plight of vulnerable social groups and the condition of an estimated 130 million inhabitants of the region living in absolute poverty. Governments indicated that they could benefit from UNDP assistance in defining policy frameworks for the identification of appropriate social and economic options for dealing with such problems. At the same time, UNDP/agency project assistance would continue to be needed in housing, water supply and sanitation, health and education while related UNDP-supported projects could be widened in order to include specific elements to alleviate poverty. Grass-roots approaches to disadvantaged rural groups, which entailed increased collaboration with non-governmental organizations, were also identified as of relevance, together with the wider deployment of United Nations Volunteers in community action programmes.

(c) The transfer of high technology. Vigorous efforts to identify the future role of technical co-operation in promoting required technology transfers in the Latin American and Caribbean region indicated several possible approaches. Of these, the promotion of international co-operation and the stimulation of awareness of technology-related issues among national policy-makers through activities of the United Nations development system were agreed to be of importance. Governments and technical agencies also concurred in the view that the appropriateness of a given technology to development was a function of its impact on a particular problem and not a quality of its technological level; and the use of technical co-operation funds for the promotion of various technological solutions to development was accordingly felt to be consistent with this definition.

59. Technical co-operation among developing countries (TCDC) continued to play an important part in the region in 1984 with several countries embarking on new initiatives. In a notable undertaking, the Government of Brazil signed an innovative agreement with UNDP in the field of energy. Under this agreement, Brazil will make available 200 person/months of consultancies, host 30 study tours, organize six international seminars and receive 12 in-service trainees. These inputs are to be applied towards any United Nations-assisted technical co-operation projects in any developing country. Elsewhere in the region, Argentina signed co-operative agreements with Costa Rica, Nicaragua and Peru for the export of several of its goods and services following a capacity study of various Argentinian public and private sector institutions. (Further details on programme developments in the Latin American and Caribbean region are contained in DP/1985/26.)

3. The Arab States

60. Between 1983 and 1984, 14 of the 20 country programmes in this region were reviewed in the context of changing national policies in both oil-exporting and non-oil-exporting countries. In 1984, 22 in-depth project evaluations were also conducted in 1984. Adjustments carried out in several country programmes reflected a perceptible shift in the region from policies of economic expansion to those emphasizing consolidation and the optimal use of existing capacities. Declining oil revenues led a number of oil-exporting countries to adopt tighter fiscal policies and to cut back some of their important cost-sharing arrangements with UNDP, resulting in the re-orientation of programmes and projects towards revised priorities in technical co-operation. In several countries, human resources development activities in general, and management training in particular, were stepped up in response to requests by Governments for additional assistance in this area. Numerous Governments assumed greater responsibility for local cost components of UNDP-assisted projects and an even larger number opted to use short-term experts and to increase the numbers of national specialists assigned to their projects.

61. The maintenance of existing investments and the development of post-investment strategies were among other new emphases in technical co-operation in the region, indicating a significant trend likely to be taken by UNDP and Governments in the fourth programming cycle. Aid co-ordination also received renewed attention, notably in the region's five least developed countries. Three of these countries, Djibouti, Somalia and the Sudan, were also seriously affected by drought conditions, necessitating special emergency relief and co-ordination measures by UNDP offices, as well as the redirection of their country programmes towards recovery efforts and the rehabilitation of refugees and the displaced.

62. As described above, the first joint UNDP/World Bank Technical Co-operation Assessment mission visited Somalia in December 1984 in response to a government request for assistance in reviewing not only the full range of

United Nations system and World Bank-funded projects in the country but also those financed under bilateral agreements. This unique mission is expected to offer a model for similar co-ordination and review exercises to be carried out in 1985 in the context of institutional development needs of other countries in Africa. (Further details on programme developments in the Arab States are contained in DP/1985/24.)

F. Other programme developments

63. The year also witnessed notable developments in a number of other activities sponsored by UNDP in its continuing effort to strengthen the quality, organization and relevance of its assistance to developing countries.

1. Technical co-operation among developing countries

64. Action programmes recommended by the High-level Committee on the Review of Technical Co-operation among Developing Countries in 1983 and financed under Special Programme Resources gathered momentum in 1984. Through a major interregional project, a total of 133 TCDC activities at an estimated cost of \$1.28 million have so far been financed from these resources, 57 in Latin America and the Caribbean; 34 in Africa; 11 in Asia and the Pacific; 15 in the Arab States and 5 in Europe. Sectoral coverage provided by the project includes agriculture, forestries and fisheries, general development issues, policy and planning, natural resources, transport and communications, and industry.

65. Arrangements concluded to date foresee the exchange of 260 experts among developing countries and the training of 266 nationals in developing country institutions. Under the project, the average monthly cost of expert services to UNDP has come to \$3,038 while average costs per trainee are estimated at \$960 a month. As with the costing of traditional experts, these figures do not reflect financial contributions from co-operating Governments but nevertheless indicate the substantial savings to UNDP accruing from the use of the TCDC modality.

66. Material progress also continued to be registered in the expansion and use of the TCDC multi-sectoral Information Referral System (INRES), which launched its computerized inquiry service in the latter half of 1984. Its data bank now contains information on the capacities of some 2,300 institutions in 97 developing countries. This comprises 50,000 line items with detailed information on the facilities and capabilities of these institutions in such areas as education and training, research and technology development, expert services, and project-related experiences with multilateral and bilateral programmes. In its first few months, INRES processed 170 queries from 45 developing countries resulting in the dissemination of information on all institutions covered by the system.

67. In 1984, UNDP also examined the use being made by recipient countries in all regions of their IPF allocations in support of TCDC. Despite

severe constraints imposed on Governments by the scaling down of their IPFs to 55 per cent in the 1982-1986 period, 17 developing countries were nevertheless found to be using resources so provided specifically for TCDC measures, a fair indication of the priority attached to these activities.

68. A significant trend was the growing preference of Governments for single "umbrella" projects covering all TCDC donor and/or recipient activities in their respective countries. This practice contrasts with the ad hoc use of IPF resources for TCDC activities which characterized the second programming cycle, and further underscores the determination of Governments to make the most coherent use of scarce funds for these important initiatives.

2. Evaluation activities

69. In continuing pursuit of improvements in the quality of projects, UNDP moved further ahead with measures for strengthening its procedures, criteria and working methods relating to project evaluation. In 1984, the Programme's recently established Central Evaluation Office (CEO) completed and circulated to field offices a draft revision of procedures previously in use, which will be adopted on a trial basis for evaluation activities scheduled up to 1986. In preparing this draft revision, full account was taken of significant improvements in certain agency evaluation mechanisms which were reviewed through UNDP's participation at the Inter-Agency Working Group on Evaluation.

70. In 1984, 239 evaluations were carried out, bringing the total number of UNDP-supported evaluations in the past two years to 424. A schedule of thematic evaluations to be carried out in 1985 and 1986 was also prepared by CEO in consultation with recipient and donor Governments and United Nations agencies. The schedule covers projects related to aquaculture, the generalized system of preferences, small businesses and agro-meteorology. A number of other areas were identified for development with interested parties. Important lessons concerning the organization and effectiveness of recently completed evaluations came to light as a result of the in-depth review of CEO evaluations conducted in 1983. Findings of this review, itself part of the continuous analysis by UNDP of measures needed to strengthen project quality, confirmed the necessity for a more systematic approach to the choice, planning and timing of project evaluations while also revealing specific instances where evaluations have had clear impact on subsequent project performance. Evaluations carried out in 1984 benefited substantially from insights gained through this review.

71. Among other significant activities pursued by CEO in 1984 were actions for helping Governments to stress their own evaluation capacity and for extending evaluation practices and policies developed in the context of IPF-financed projects to those supported by the various special funds administered by UNDP. (A more detailed account of evaluation activities carried out by UNDP in 1984 is contained in DP/1985/13.)

3. Agency relations

72. As in the preceding year, the Inter-Agency Task Force (IATF), because of its reduced membership, was largely concerned with the responsibilities assigned to it by the Administrative Committee on Co-ordination (ACC) as the substantive secretariat of its Consultative Committee on Substantive Questions (Operational Activities), CCSQ (OPS). The wide range of subjects covered for ACC included the furtherance of inter-agency co-operation for investment promotion; the enhancement of the role of agencies in technical assistance financed by multilateral development banks; and the simplification and harmonization of aid modalities. IATF also reviewed multisectoral projects, policies on project inputs conditioned for procurement in donor countries, the effectiveness of fellowship programmes and the relevance of procedures used by OPE for other organizations of the United Nations system. More recently, it also examined links among emergency relief, rehabilitation and longer-term development activities, with particular reference to the current crisis in Africa.

73. In a significant development, ACC approved a new arrangement for the servicing of CCSQ (OPS) with effect from mid-1985. The Administrator has concurrently resumed his efforts to give new strength to IATF in consultation with the executive heads of interested agencies.

74. Collaboration between UNDP and the World Bank has made steady progress since the 1982 discussions between the UNDP Administrator and the World Bank President. In addition to numerous specific joint activities carried out at the project level, several of which are described elsewhere in this report, collaboration between the two institutions in 1984 included:

(a) UNDP management services for World Bank funded projects. UNDP continued to assist borrowing countries by placing at their disposal its delivery services for supporting the implementation of Bank-financed technical co-operation projects. Four countries receiving Bank technical assistance credits - Jamaica, Panama, Uganda and Zambia - obtained support services from UNDP over the year. These services, which are provided in most cases through OPE and the UNDP resident representative's office, include assistance in recruiting experts, engaging subcontractors and procuring equipment as well as in logistical support at the country level. A further 14 countries have indicated their interest in benefiting from UNDP management services in the implementation of Bank-funded projects.

(b) Joint technical co-operation assessment missions. Improved co-ordination in the provision and use of technical assistance remains a major objective of the development community. As described earlier in reference to Somalia, UNDP and the World Bank, carried out in 1984 the first in a planned series of joint missions intended to help requesting countries assess their technical co-operation requirements, identify institutional and manpower constraints affecting the utilization of external inputs and find ways to overcome such obstacles.

Preliminary studies made during this first joint mission promise to provide an effective framework for the orientation, co-ordination and mobilization of technical assistance for Somalia, while illustrating important object lessons for application elsewhere. The distinctive feature of such joint assessments, namely their combination of the World Bank's macro-economic analytical capacity and UNDP's country-specific experience in technical co-operation requirements, is expected to lend depth and relevance to these missions. Several more such missions are under consideration for implementation in 1985.

75. Since 1977, the Inter-Agency Procurement Services Unit (IAPSU) has contributed effectively to inter-agency collaboration by pursuing greater economy in equipment purchases, improvements in the delivery of items procured by agencies and the identification of new sources of supply, particularly in developing countries. In 1984, IAPSU continued to work on its programme for standardizing specifications, prices, shipping costs and preferential discounts for items in common use such as motor vehicles, photocopiers, typewriters and water supply, sanitation and laboratory equipment. Technical bulletins prepared by IAPSU under this programme have facilitated the direct ordering of such items by UNDP field offices in line with the decentralization of procurement for operational purposes.

76. In addition, IAPSU gave close study to a number of insurance and transport schemes covering cargo and personnel in an effort to identify sources of preferential discounts for the United Nations. A special insurance coverage for experts and consultants recruited under UNDP trust fund arrangements was negotiated with underwriters. A second study was also initiated on methods for reducing United Nations air travel costs through a comparison with travel standards and rates which are currently applied to national civil servants.

4. Transfer of Knowledge through Expatriate Nationals

77. The innovative programme for the Transfer of Knowledge through Expatriate Nationals (TOKTEN) continued to attract increasing support from Governments which have found skilled expatriates from its growing roster to be invaluable short-term consultants. By the end of 1984, the TOKTEN scheme had delivered more than 1,000 consultancies in 15 participating countries, contributing to resolving some of the problems created by the brain drain from developing countries.

78. This momentum was applauded by participants at the third international TOKTEN workshop held at Cairo in January 1985 and attended by 28 government representatives from 17 countries as well as by staff from 10 UNDP field offices. The meeting heard about the diverse and positive experiences of countries participating in the scheme and reviewed plans for expanding its flexible, responsive and cost-effective services to various new categories of countries. The meeting looked at ways of increasing the number of consultants drawn from and assigned to the private sector as part of continuing efforts to tap the significant potential of this source of expertise. Another development supported by participants was the growth of regional consultancies

in Africa and the Arab States through which expatriates were being assigned to UNDP-assisted regional projects in an attempt to broaden the TOKTEN concept beyond national groups.

5. Projects Annotated Listing

79. In a new resource mobilization venture in 1984, UNDP launched the "Projects Annotated Listing" (PAL), a compilation of project profiles aimed at bringing the additional resource requirements of recipient Governments to the attention of potential donors.

80. PAL, which will be issued to the donor community twice a year, contains project summaries describing unmet development needs identified in the course of the Programme's continuous country programming exercise with recipient Governments. Projects covered by PAL accordingly represent clear government priorities. Donors are offered a number of financing modalities for registering their support for specific activities, including cost-sharing and trust-fund arrangements with UNDP. Individual projects may also be eligible for bilateral funding. Initial responses from interested donors already confirm the utility of the PAL exercise as a stimulus and reference point for additional project funding efforts in both UNDP-supported and bilateral programmes.

6. Staff development and training

81. During 1984, some 127 career staff members were reassigned to different duty stations; of these, 18 were from headquarters to the field, 25 from the field to headquarters and 84 from one field duty station to another. The number of resident representatives in post at the end of 1984 was 103. The same number were also concurrently serving as resident co-ordinators, 16 of whom had been designated as Resident Representatives/Co-ordinators for the first time.

82. In response to the emergency drought situation prevailing in several African countries, a number of reassignments took place towards the end of 1984 in order to strengthen offices in countries affected by drought and to co-ordinate emergency assistance. Six resident representatives and eight deputy resident representatives were reassigned in this context.

83. The Junior Professional Officer (JPO) programme continued to provide UNDP with a valuable input numbering 116 young professionals at the end of 1984. Of these, 55 (49.1 per cent) were women. Sponsoring Governments are: Austria, Belgium, Canada, Denmark, the Federal Republic of Germany, Finland, France, Italy, Japan, Luxembourg, the Netherlands, Norway, Sweden and Switzerland. A number of these countries also sponsored JPOs from developing countries. Twenty JPOs were selected for drought-affected countries in Africa involving 12 reassignments and 8 initial placements carried out on a top priority basis.

84. UNDP also continued to administer JPOs for other organizations and 65 were in post at the end of 1984. The organizations thus served were the United Nations Industrial Development Organization (UNIDO) (43), UNSO (10), United Nations Fund for Population Activities (UNFPA) (3), UNCDF (4), UNV (2) and one JPO each for the United Nations Division for Narcotic Drugs, the Voluntary Fund for the Decade for Women and the World Conference to Review and Appraise the Achievements of the United Nations Decade for Women. In 1985, UNDP will also administer one JPO each for the Centre for Science and Technology for Development and the Centre for Social Development and Humanitarian Affairs. Negotiations are currently under way for the administration by UNDP of JPOs for the United Nations Department of Technical Co-operation for Development (UNDTCD) and UNFDAC.

85. UNDP continued to act as lead agency in the development of common classification standards for General Service posts in non-headquarters duty stations. The benchmark job descriptions were successfully tested and recommended for use in salary surveys in field duty stations.

86. At the end of 1984, the initial classification of professional and headquarters General Service posts was completed and the results are being submitted to the Governing Council during its current session.

87. The Administrative Trainee Programme, consisting of headquarters classroom and on-the-job training of four months' duration followed by up to three months of on-the-job training in selected field offices, was repeated for staff at the professional entry level. Some 25 per cent of the participants were selected from the General Service staff. Nineteen in-service courses, attended by over 279 staff members from all categories, were conducted in 1984, focusing on such topics as development policy, administrative policies and procedures, pre-investment programming, project design, programme management and financial management.

88. The Educational Assistance Programme helped 183 staff members participate in various courses on administration, management and development-related subjects offered at accredited academic and technical institutions. In addition, 80 staff members attended specialized workshops, courses and study groups organized externally in a variety of job-related fields. Field offices, through their annual training programmes organized locally, provided over 1,100 staff members with a range of in-house seminars and outside courses directly aimed at increasing job effectiveness. In over 60 field offices, staff participated in job-related language studies in host countries, organized within the field office or through enrolment in local institutions.

7. Other emergency activities in 1984

89. Emergency and disaster relief operations supported by UNDP field offices in 1984 were not confined to Africa. In keeping with its practice in recent years, UNDP continued to collaborate with UNDRO and other agencies in responding to a number of specific natural disasters in other regions, utilizing the facility of its Special Programme Resources.

90. Afghanistan. On 31 December 1983, an earthquake measuring 7.0 on the Richter scale occurred approximately 150 miles northeast of Kabul, causing widespread damage. Twelve people were killed, 483 injured and a further 27,440 lives were seriously affected by the event. The earthquake completely or partially destroyed 5,488 houses and 2,541 head of cattle were lost. Emergency assistance from the United Nations system was provided by the World Health Organization (WHO), UNICEF and UNDRO. In February 1984, UNDP contributed \$30,000 for reconstruction work and the purchase of emergency medical supplies and building materials.

91. Bolivia, Ecuador and Peru. UNDP continued to provide emergency assistance linked to rehabilitation measures following the abnormal combination of severe drought and flooding which affected these three countries in 1983. In Bolivia, an estimated 1.6 million farmers and rural dwellers were affected by drought, while flooding in the country's eastern region displaced some 50,000 people. In Peru, the same unusual combination caused extensive damage, affecting almost 500,000 people. A further three million people in Ecuador faced floods which caused major damage to agriculture, transportation and the fishing industry. Special Programme Resources committed by UNDP in 1983 were followed up in 1984 by additional financing for multi-agency rehabilitation efforts led by ECLAC. A number of UNDP-supported projects for infrastructure development in all three countries were also reinforced to provide co-ordination services for international relief efforts.

92. Nepal. UNDP emergency assistance was approved for two projects in 1984 in response to the 1983 floods. Inputs totalling \$25,000 were provided from Special Programme Resources to cover part of the costs of transporting food and medical supplies to flooded areas of western Nepal. In addition, the United Nations Emergency Operation Trust Fund, administered by UNDP, provided \$500,000 for the reconstruction and rehabilitation of 30 small-scale irrigation systems serving remote farming communities.

93. Portugal. Substantial damage was also caused by floods which hit northern and western areas of Lisbon in November 1983. Nine people were killed and 1,780 displaced. A UNDP contribution of \$30,000, combined with assistance from UNDRO, continued to be utilized in 1984 to feed 838 food-short people.

94. Sri Lanka. Freak monsoon conditions in late 1983 put an abrupt end to severe drought in parts of Sri Lanka, resulting in floods in 10 of the country's 25 administrative districts during 1984. Damages made 40,000 homes uninhabitable, affecting 144,000 families. Crops, particularly paddy, suffered extensive damage. In response to appeals for assistance, UNDP, UNICEF and various bilateral and non-governmental organizations made contributions for the purchase of emergency medical supplies, house rebuilding schemes and concerted agricultural recovery measures.

G. Special funds administered by UNDP

95. Activities sponsored by the Special Funds administered by UNDP or its Administrator continue to be more closely integrated with central programming efforts. Selected results ensuing from the activities of these Special Funds are described in addendum 2, part II of this report and should be taken in conjunction with their individual biennial reports to the Governing Council referred to by document number therein. The general reports below on these Special Funds have accordingly been limited to brief overviews of their status and operations in 1984.

1. United Nations Capital Development Fund

96. In 1984 UNCDF approved a total of \$38.9 million in assistance, \$36.8 million for 27 new projects and \$2.1 million for increases in existing project budgets. Of the total financing approved in the year, \$20.6 million came from the Funds's general resources and \$18.3 million was provided through joint financing arrangements which play a key part in UNCDF's overall operations. Drought-affected parts of Africa received priority in the Fund's 1984 approvals which focused principally on increasing food production and improving food distribution, widening primary health care services and developing community water supplies. Nineteen of the 27 new projects are in 12 least developed countries in Africa.

2. United Nations Volunteers

97. Numerically, and in terms of impact, the UNV programme expanded to new levels in 1984, supplying middle-level operational expertise to development projects where, previously, traditional experts would have been the costly alternative. By the end of the year, posts for 1,606 volunteers had been established, the highest annual figure since the inception of UNV. Of these, 942 personnel were in place, 145 were en route to assignment and a further 519 were under recruitment. A more uniform distribution of personnel accompanied this expansion, made possible through the availability for redeployment of some 195 volunteer posts following the successful completion of the UNV Programme of Emergency Medical Assistance to Sri Lanka.

98. Collaboration between UNV and governmental and non-governmental organizations working at the grass-roots level also progressed under the UNDP-funded programme, Technical Co-operation with Domestic Development Services (DDS) and Youth Organizations in Asia and the Pacific. Participatory development activities aimed at stimulating the social and economic potential of disadvantaged groups within grass-roots communities are being carried out in 16 countries in that region, involving 260 volunteers. A similar DDS programme for Africa was initiated in 1984 with the opening of a project office in Zambia. Twenty-six African countries have expressed interest in participating in its activities.

3. United Nations Revolving Fund for Natural Resources Exploration

99. Contributions pledged to the Revolving Fund for 1984 and 1985 totalled \$2.4 million. The Fund continued to channel its scarce resources in 1984 into exploration work considered to offer the best prospects for economic returns to host Governments and for the Fund's own replenishment. New exploratory work was undertaken in four countries. In other parts of the world, efforts were made to refine and update existing economic analyses of the Fund's recent successful discoveries in various parts of the world. This investment-seeking illustrates the Fund's continuing focus on bringing mineral discoveries to the production stage despite the long lead times for investment in the mining sector, a phenomenon accentuated in recent years by depressed metal prices.

4. UNDP Energy Account

100. The Energy Account, established by the Governing Council in June 1980, is a flexible instrument for interested donors to channel additional voluntary resources into high priority energy projects in developing countries, particularly in the poorest among them. Initially funded by a contribution from the Government of the Netherlands, the Account has received additional contributions from Australia, Colombia, Denmark, Finland, Iceland, Jamaica, New Zealand, Norway, Sweden and Switzerland. The United Nations and the World Bank have also made contributions to the activities of the Energy Account, and the Organization of Petroleum Exporting Countries Fund for International Development has pledged \$6 million. Current resources total \$21.12 million. As at 31 December 1984, \$18 million had been allocated to projects. Of this, \$9.3 million was allocated to two large-scale projects executed by the World Bank namely, the 70-country Energy Sector Assessment Programme and its follow-up project, the Energy Sector Management Assistance Programme. Pledges of \$2 million have been received for 1985 and 1986. Additional pledges are expected to be received from donor countries on the basis of their agreement to fund specific projects.

5. United Nations Sudano-Sahelian Office

101. While voluntary contributions to the United Nations Sudano-Sahelian Office (UNSO) in 1984 amounted to only \$571,000, the Office attracted substantial additional funds from Governments through direct financing arrangements and was therefore able to continue its support for activities under the two mandates conferred upon it by the General Assembly.

102. Under its drought control mandate, UNSO continued to assist the eight member States of the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS): Burkina Faso, Cape Verde, Chad, the Gambia, Mali, Mauritania, Niger and Senegal. The volume of funds mobilized by UNSO and contributed directly to its Trust Fund in 1984 amounted to \$7.5 million.

103. Within its desertification control mandate, UNSO serves altogether 21 countries. In addition to the member States of CILSS, the countries are Benin, Cameroon, Djibouti, Ethiopia, Ghana, Guinea, Guinea-Bissau, Kenya, Nigeria, Somalia, the Sudan, Togo and Uganda. A record total of \$17.8 million was mobilized and allocated by UNSO for desertification control in 1984, bringing the total resources mobilized in this category of assistance since 1979 to \$55 million.

6. United Nations Financing System for Science and Technology for Development

104. Continuing uncertainty over long-term measures to maintain the operational momentum of the United Nations Financing System for Science and Technology for Development (UNFSSTD) undoubtedly affected its resource prospects in 1984 when voluntary pledges amounted to under \$250,000. Nevertheless, several of new projects and activities were launched with funds provided directly by Governments and through 1984 income totalling \$4.7 million from cost-sharing and trust funds established by the Administrator. Emphasis was also laid on identifying and, where possible, supporting follow-up activities called for by UNFSSTD-sponsored projects approaching completion. At the same time, a number of independent project evaluations were carried out to assist Governments in assessing the impact of completed projects.

7. Voluntary Fund for the United Nations Decade for Women

105. Collaboration between UNDP and the Voluntary Fund for the United Nations Decade for Women (VFDW) at the headquarters and country levels took a new turn in 1984. Recognizing the logic and efficiency of the already existing relationship, the General Assembly decided at its thirty-ninth session in resolution 39/125 to place the VFDW in autonomous association with UNDP by no later than January 1986. To reflect its new status as a special purpose fund and ensure fuller participation of women in economic development programmes, the Fund is to be renamed by its Consultative Committee (consisting of five member States appointed by the President of the General Assembly and representing each geographical region). The Fund's two major priorities will be to serve as a catalyst for appropriate involvement of women in mainstream development activities and to support innovative and experimental activities benefiting women in line with national and regional priorities.

106. During 1984, 147 requests for support were received by VFDW. Of these, 67 had sufficient technical quality to undergo appraisals and approval. Others were referred to more appropriate funds or required further clarification or improved presentation. Some proposals were considered inappropriate for VFDW financing.

107. By the end of the year, the Fund had approved over 400 projects valued at more than \$24 million. The largest number of projects are for employment, followed by human resources development, planning, energy and information activities.

8. Programme of Assistance to the Palestinian People

108. At the end of 1984, a total of \$7.5 million had been allocated from UNDP Special Programme Resources to this programme for development activities in the West Bank and the Gaza strip. Of the 18 projects approved in the four years following the establishment of the programme by General Assembly resolution 38/145, eight had been completed, five were under implementation and a further five were scheduled to commence operations in 1985.

109. Available funds are now fully committed to these activities which have made efficient and cost-effective use of the logistical services offered by United Nations peace-keeping organizations in the area. A number of vital projects are currently in the pipeline for approval subject to additional contributions from the international development community. These cover assistance to farmers, the processing of agricultural products, sanitation and water supply, mobile health clinics and the operational requirements of the UNDP-sponsored project, Medical Services Training Centre in Bethlehem.

9. Trust Fund for Assistance to Colonial Countries and Peoples

110. No contributions were received in 1984. Additions to Fund resources during the year were realized exclusively from investment returns (\$143,310) and interest on previous income (\$34,719), yielding a net Fund balance of \$612,736. Two projects were financed in 1984 under this Fund for which the total UNDP contribution was \$284,247. It is expected that this balance plus accrued interest thereon will be utilized to finance, as in the past, projects of assistance to the national liberation movements recognized by the Organization of African Unity (OAU).

10. United Nations Special Fund for Land-locked Developing Countries

111. Contributions to the Fund and resultant interest earnings have declined steadily in recent years. It is estimated that only \$37,692 will be available in 1985. This means that the Fund will approach a point in the 1985-1986 biennium when its income will fall below its administrative costs. An analysis of the Fund's history and provisional conclusions regarding its future are contained in document DP/1985/53.