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COUNTRY AND INTERCOUNTRY PROGRAMMING AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR INDIA

Note by the Administrator\*

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<u>Programme period</u>	<u>Illustrative IPF for 1981-1986 at 55 per cent</u>
April 1985 - March 1990	\$ 138.6 million

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I. NATURE OF THE PROGRAMMING EXERCISE

1. The Third Country Programme, like its forerunner, was formulated by the Government of India on the basis of an extensive interdepartmental review of the preceding country programme and by means of consultations on its technical assistance needs for implementing the seventh five-year plan (April 1985 - March 1990).

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\*The notes by the Administrator concerning the previous country programmes for India were issued under the document symbols DP/GC/IND/R.1/RECOMMENDATION and DP/GC/IND/R.2/RECOMMENDATION.

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## II. ASSESSMENT OF THE PREVIOUS COUNTRY PROGRAMME

2. Assistance provided by the United Nations Development Programme (UNDP) under the second country programme was utilized in support of a wide range of priorities set forth in the national development plan. It was spread over an average of 200 active projects in the major sectors of energy, science and technology, agriculture, industry, transport and communications, education, minerals, labour welfare and social development. These projects were directed predominantly towards closing technological gaps in critical areas of the economy, catalyzing actions in innovative techniques and generating investments.

3. Approximately one half of the resources provided by UNDP was directed towards technological innovation in industrial processes, energy generation and mineral exploration. Specific activities included: (a) techniques for the production of steel, aluminium and other basic metals, synthetic fibres, resins and moulding compounds; (b) microprocessor applications; (c) the establishment of service centres for selected small-scale industries; (d) coal gasification; (e) utilization of alternative fuels in internal combustion engines; (f) beneficiation of low-grade ores; and (g) geophysical instrumentation and surveys. In agriculture, which accounted for some 12 per cent of the expenditure thus far, the main feature of the programme was the assistance provided to 23 universities to strengthen their research departments and establish overseas linkages to enable them to function as national centres in different priority subjects. These included plant physiology, pisciculture, poultry science, horticulture, dairy science, microbiology, plant viruses, post-harvest technology, etc. UNDP technical co-operation also continued to play a significant role in the development of irrigation through pre-investment and investment support activities, preparation of river basin schemes, ground-water studies and hydraulic and geotectonic engineering research. Another major emphasis of the country programme was building skills and institutions to provide a solid base for future development. Some 17 per cent of the expenditures as at 1983 was in skills development programmes which included very specialized training abroad and direct support to some 100 national institutions in selected disciplines as well as in establishing and strengthening a chain of highly successful vocational training systems. Transport and communication, which accounted for 10 per cent of the expenditure was yet another area of special emphasis within the second country programme. Main activities were in advanced training in telecommunications, satellite communication, transport planning, etc.

4. In the implementation of the second country programme, the Government was closely involved, with the full support and encouragement of the agencies of the United Nations system, in all aspects of programme development and management. This made it possible to channel high-cost international inputs to meet the more relevant needs of the Government. Increased use was also made of local institutions and consultants. The experience to date has shown this approach to be beneficial both in enhancing the effectiveness of the operation and in promoting self-reliance.

5. Although India's IPF for the third cycle was originally set at \$252 million, the globally enforced cut of 45 per cent since the end of 1982 reduced this figure to \$139 million. This and the increased costs of expertise and training have created considerable difficulties in sustaining the momentum that the India programme had gained over the years.

6. The delivery in monetary terms during the first two years of the current IPF cycle, as compared with the previous IPF cycle (1977-1981), was as follows:

UNDP IPF expenditure incurred, by component, 1977-1983

(In Thousands of US dollars)

	<u>1977-1981</u>		<u>1982</u>		<u>1983</u>	
	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>	<u>Amount</u>	<u>Percentage</u>
Expertise	21 304	19 8	5 366	17 8	4 295	23 1
Subcontract	11 906	11 0	2 076	6 9	1 096	5 9
Training	12 515	11 6	4 743	15 7	4 021	21 7
Equipment	60 806	56 5	17 646	58 5	8 815	47 5
Miscellaneous	1 132	1 1	344	1 1	336	1 8
TOTAL	<u>107 663</u>	<u>100 0</u>	<u>30 175</u>	<u>100 0</u>	<u>18 563</u>	<u>100 0</u>
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7. The expenditure for 1984 is estimated at \$27 million, while for 1985 and 1986 it is expected to reach a level of about \$33 million per year.

### III. RELATION OF THE COUNTRY PROGRAMME TO NATIONAL DEVELOPMENT ACTIVITIES

8. The country programme exercise was held concurrently with the formulation of India's seventh five-year plan with which it is coterminus. The main thrust of the plan is on food, employment and productivity. The country programme is firmly set within these objectives. Considering the limitations of available UNDP resources in relation to the enormous size of the Indian economy and its technical assistance needs, it is designed to provide catalytic support, through the United Nations development system, in closing critical technological gaps in targeted areas.

9. The third country programme seeks to continue the primary emphases of the preceding programmes. The sectors which will benefit most from UNDP technical co-operation are industry, natural resources, agriculture, including fisheries and forestry, science and technology, education and transport and communication. Health, environment and oceanography will receive more emphasis than before. In formulating projects, special attention will be given to increasing (a) the utilization of existing plant capacities; (b) downstream applications of the results of research and development programmes; and (c) follow-up investments. Specific activities will include development of aquaculture, biofertilizers, nitrogen fixation techniques,

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maintenance and operation of chemical plants, renewable sources of energy, fibre optics, computer networking, telematics, base metals, composite environment control, communicable diseases control and continuation of several others in related fields started under the previous country programme. The association of the Government in the management of the Programme will be further strengthened and still greater use will be made of national expertise and institutions. International expertise will be applied in the form of short-term finely focused consultancies.

#### IV. CONTENT AND PHASING OF THE COUNTRY PROGRAMME

10. The annex to the country programme document (DP/CP/IND/3) shows the planned allocations of UNDP assistance to different sectors. It also indicates, in very approximate terms, how the resources might be divided among the ongoing projects from the second country programme, new projects already submitted by the Government and new areas of priority identified under different sectors and subsectors in the text of the document. The Government has stated that several urgent demands for technical support could not be accommodated within the reduced level of resources available for programming. A careful watch on commitments will be maintained, and as the implementation of the programme advances, adjustments will be made in the light of the availability of additional resources.

11. A firm analysis of the new country programme by component is not possible at this stage because many new project proposals are not yet elaborated. As in the past, however, there will continue to be a judicious mix of expertise, training and equipment components in the UNDP-supported projects, based on identified needs in specific cases.

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