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SUPPORT

ANNUAL REPORT  
OF THE ADMINISTRATOR  
FOR 1985

MAIN PROGRAMME RECORD

PROGRAMME PARTICIPANTS IN 1985

Executing agencies of the United Nations Development Programme

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 (ADB)  
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 (UNCHS)  
United Nations Centre on Transnational Corporations (UNCTC)  
International Trade Centre (ITC)  
Economic Commission for Africa (ECA)  
Economic and Social Commission for Western Asia (ESCWA)  
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)

Trust 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 Programme (UNV)  
United Nations Development Fund for Women (UNIFEM)  
United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE)  
United Nations Trust Fund for Assistance to Colonial Countries and Peoples  
United Nations Sudano-Sahelian Office (UNSO)  
United Nations Financing System for Science and Technology for Development (UNFSSTD)  
UNDP Energy Account  
UNDP Trust Fund for Developing Countries Afflicted by Famine and Malnutrition  
UNDP Trust Fund for Assistance to Refugee-Related Development Projects in Africa  
UNDP Trust Fund to Combat Poverty and Hunger in Africa  
International Initiative Against Avoidable Disablement (IMPACT)  
Trust Fund for Special Netherlands Contributions for the Least Developed Countries

UNDP AT A GLANCE: THE 10-YEAR RECORD

Programme financing: 1976-1985  
(Millions of US dollars)

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985 <sup>a/</sup>
Voluntary contributions pledged	466.2	524.3	597.0	696.9	716.7	673.2	678.0	678.0	676.7	672.7
<b>Income</b>										
<b>Total</b>	<b>553.6</b>	<b>610.3</b>	<b>703.4</b>	<b>798.9</b>	<b>821.4</b>	<b>804.3</b>	<b>792.7</b>	<b>838.2</b>	<b>789.7</b>	<b>873.0</b>
Voluntary contributions received	468.6	521.6	593.0	679.5	691.8	688.7	679.7	697.8	651.1	658.9 <sup>c/</sup>
Assessed programme costs	18.0	3.7	2.0	0.4	1.7	1.3	0.3	-	-	-
Cost-sharing	47.8	47.4	44.4	41.9	58.2	62.7	75.3	94.4	84.0	92.0
Other contributions	14.8	11.8	14.5	14.6	21.0	23.2	25.3	21.7	22.3	16.3
Miscellaneous	4.4	25.8	49.5	62.5	48.7	28.4	12.1	24.3	31.9	105.8
<b>Expenditures</b>										
<b>Total</b>	<b>517.7</b>	<b>444.3</b>	<b>558.6</b>	<b>699.1</b>	<b>864.0</b>	<b>937.5</b>	<b>859.1</b>	<b>751.0</b>	<b>717.7</b>	<b>778.1</b>
Field programme activities <sup>b/</sup>	400.4	337.9	435.6	547.6	677.6	732.0	660.2	560.1	532.6	571.7
Sectoral support costs	3.8	4.6	3.6	5.3	5.1	5.6	5.5	4.2	3.3	3.0
Other	4.8	2.1	1.4	2.2	1.8	1.1	1.2	0.4	(3.0)	2.9
Agency support costs	55.3	45.3	58.0	73.2	87.9	94.2	85.1	73.1	70.1	73.0
UNDP administrative and programme support costs	53.4	54.4	60.0	70.8	91.6	104.6	107.1	113.2	114.7	127.7

Project expenditures: 1976-1985  
(Millions of US dollars)

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985 <sup>a/</sup>
United Nations	59.1	51.0	63.5	65.1	83.6	91.5	85.1	78.7	76.2	86.3
ILO	33.5	25.8	37.9	46.0	56.2	54.0	51.1	43.1	37.2	38.0
FAO	115.2	88.4	111.1	131.4	167.1	182.5	141.4	116.5	109.3	115.9
UNESCO	39.2	29.5	33.2	45.9	53.9	52.2	44.5	41.8	36.4	33.6
WHO	20.7	14.9	14.3	16.2	22.7	23.6	20.0	15.4	13.2	12.0
ICAO	18.4	15.1	26.3	29.5	36.1	39.8	35.3	27.6	23.5	31.5
WHO	6.6	6.6	7.8	8.7	9.9	12.4	11.8	11.3	11.8	13.5
IAEA	3.0	2.8	3.2	6.0	4.4	4.9	4.3	3.7	2.3	1.7
IMO	2.4	2.1	2.0	2.6	5.8	7.1	6.8	6.0	6.5	3.5
ITU	17.5	12.5	16.2	20.5	27.0	32.4	25.1	21.6	18.5	22.0
UNDP	20.2	25.0	35.4	44.0	53.8	52.4	46.8	37.8	35.7	41.9
UNIDO	31.7	33.7	42.4	51.4	56.9	66.9	67.6	50.2	56.2	61.2
UNCTAD	8.4	8.1	9.5	13.2	15.8	17.0	14.4	13.0	7.2	5.3
UPU	1.4	0.6	1.5	2.1	3.6	3.3	2.0	1.6	1.6	1.6
World Bank	13.5	11.4	16.1	26.5	29.0	35.5	38.8	35.2	33.7	31.4
IDB	1.7	0.3	0.5	0.3	0.2	-	-	-	-	-
AsDB	1.4	0.4	0.9	1.5	3.9	2.5	4.1	2.9	4.7	4.6
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	3.6
ESCWA	-	0.1	0.3	0.3	0.6	0.4	0.3	0.5	0.6	0.4
ESCAP	-	1.8	2.2	3.9	6.2	5.2	5.0	6.6	5.5	5.7
ECLA	-	-	1.1	1.6	1.8	2.2	1.8	1.7	1.3	1.2
UNV	-	-	0.2	1.3	2.7	4.5	5.1	4.5	3.3	5.1
Governments	-	0.2	0.6	7.2	7.8	10.3	16.4	14.6	18.3	24.3
UNCHS	-	-	-	12.3	11.5	11.4	12.7	12.3	10.5	11.0
WIPO	-	-	-	0.2	0.4	0.5	0.7	1.2	1.2	1.7
WTO	-	-	-	0.4	0.8	0.4	0.8	0.8	0.5	1.2
ECE	-	-	-	0.1	0.2	0.9	0.8	0.7	0.6	0.3
ITC	-	-	-	-	-	-	-	-	5.7	5.9
<b>Subtotal <sup>b/</sup></b>	<b>393.9</b>	<b>332.1</b>	<b>429.2</b>	<b>542.9</b>	<b>669.8</b>	<b>722.2</b>	<b>651.6</b>	<b>553.8</b>	<b>527.5</b>	<b>564.4</b>
Government cash counterpart expenditures	6.5	5.8	6.4	4.7	7.8	9.8	8.6	6.3	5.1	7.3
<b>Total</b>	<b>400.4</b>	<b>337.9</b>	<b>435.6</b>	<b>547.6</b>	<b>677.6</b>	<b>732.0</b>	<b>660.2</b>	<b>560.1</b>	<b>532.6</b>	<b>571.7</b>

<sup>a/</sup> Provisional.

<sup>b/</sup> 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.

<sup>c/</sup> Amounts received after applying an accounting linkage of \$3,859,421 for Government local office costs.

## Introduction

1. For the first time since 1981, field programme expenditures supported by UNDP went up during the year in review, rising from \$532.6 million in 1984 to a total of \$571.7 million in 1985, an increase of 7.3 per cent. Indicative planning figure (IPF) expenditures of \$482.1 million largely accounted for this clear improvement, which reverses a three-year trend towards lower levels of project spending. In addition, the total value and number of new project approvals during 1985 rose by 13.6 per cent and 33.7 per cent respectively, indicating the initial impact of continuing efforts by UNDP to build up and sustain new programme momentum.

2. As part of these efforts, UNDP is maintaining a continuing dialogue with agencies with the aim of identifying and removing impediments to programme delivery. In this connection, following up on consultations conducted in 1985, senior UNDP officials again visited the headquarters of several agencies in early 1986 for further discussions on delivery issues. A number of joint initiatives are under way.

3. There were similarly encouraging developments on the resource side during 1985. Aided by changing currency parities, recorded and estimated pledges to UNDP at the 1985 Joint Pledging Conference for Operational Activities of the United Nations system overtook the \$700 million target envisaged by the Governing Council and, at the time of writing, are expected to exceed \$745 million. This level of contributions for 1986, if achieved, would represent a 10.6 per cent increase in dollar terms over resources pledged for 1985 and would be the highest level of contributions ever received by UNDP.

### I. PROGRAMME RESOURCES

4. At the annual pledging conference in November 1985, 102 countries announced actual pledges of \$487.4 million to UNDP core resources for 1986. Other countries, including major donors whose budgetary or parliamentary timetables customarily preclude firm pledges at the November conference, are expected to contribute an additional amount of some \$248.8 million. The total level of contributions for 1986 is thus expected to be in excess of \$745 million, taking into account further exchange rate adjustments since the 1985 pledging conference.

5. Twelve donor countries raised their contributions by 12 per cent or more in United States dollar terms, with a number of them substantially exceeding that level of increase. Among recipient donors, 14 countries increased their contributions significantly while a further three announced their first pledges to UNDP. Denmark, Finland, Norway and Sweden continued to help meet the forward-planning requirements of the Programme by providing indications of their intended contributions over future years. In 1985, Belgium and Sweden pledged a further \$4.1 million in supplementary contributions. However, while the immediate resource outlook of UNDP did indeed brighten considerably

towards the end of 1985, the prospects for the fourth development co-operation cycle could be adversely affected depending on decisions taken in the context of proposed national budget restraints by the largest donor to the Programme.

6. For a number of years, UNDP has been able to overcome some of the limits placed on its central resources and extend the scope of the development activities it supports through supplementary contributions provided by developing and developed countries. The outlook for these sources of funds, which include programme and project cost-sharing, trust funds established under the authority of the Administrator, Government cash counterpart contributions and contributions to the Special Measures Fund for the Least Developed Countries (SMF/LDCs), continues to be hopeful. In 1981, these resources accounted for 11 per cent of the total resources available to UNDP. In 1985, they represented some 15 per cent of the Programme resources, amounting to \$137.2 million. The continuing vitality of these sources of funds reflects the importance attached by Governments to the development services provided by UNDP. Such contributions are none the less based on the assumed stability of UNDP central resources, which they augment but do not replace.

7. In 1985, six new trust funds were established under the authority of the Administrator on behalf of UNDP. Contributions to these trust funds received during 1985 amounted to \$8.5 million. In addition, six sub-trust fund arrangements were established on behalf of the United Nations Capital Development Fund (UNCDF), the United Nations Financing System for Science and Technology for Development (UNFSSTD) and the United Nations Sudano-Sahelian Office (UNSO). The value of these arrangements is approximately \$12.6 million. Further information concerning trust funds established by the Administrator can be found in DP/1986/61.

8. Total voluntary contributions to the special-purpose funds administered by UNDP or its Administrator in 1985 reflected what amounts to a three-year pattern of decline. In 1983, these funds attracted aggregate pledges of \$45.5 million; in 1984, \$38.6 million; and only \$28.58 million in 1985 (see addendum 6, tables 1-4). This pattern of decline in voluntary contributions contrasts with income received by these special funds from cost-sharing and sub-trust fund arrangements, which has amounted to about \$25.5 million annually for the past two years.

9. In the aggregate in 1985, therefore, contributions to UNDP central resources, to the special-purpose funds under its administration, and to all cost-sharing and sub-trust fund arrangements amounted to \$863.7 million, an increase of 3.5 per cent over the aggregate total of \$834.5 million in 1984.

Table 1. Total contributions received by all sources of funds  
 in the UNDP-administered system in 1985

	(US dollars)
<b>UNDP</b>	
Voluntary pledges	658 920 704 <sup>a/</sup>
SMF/LDC	10 530 266
Cost-sharing contributions	92 575 046
Government cash counterpart contributions	6 565 211
Contributions for local office costs	12 503 325 <sup>a/</sup>
Extrabudgetary activities	2 696 253
Contributions for Senior Industrial Development Field Advisers (SIDFAs)	31 102
Trust funds established by the Administrator	<u>16 145 280</u>
Subtotal	799 967 187
<b>UNCDF</b>	
Voluntary pledges	21 876 782
Cost-sharing	733 463
Sub-trust funds	6 838 715
<b>UNRFNRE</b>	
Voluntary pledges	4 397 450
Cost-sharing	4 778
<b>UNSO</b>	
Voluntary pledges	5 734 698
Cost-sharing	11 730 490
Sub-trust funds	1 590 559
<b>UNV</b>	
Voluntary pledges	826 499
<b>UNFSSTD</b>	
Voluntary pledges	298 383
Cost-sharing	60 000
Sub-trust funds	2 671 300
<b>Special Fund for Land-locked Developing Countries</b>	
Voluntary pledges	49 604
Cost-sharing	7 145
UNDP Trust Fund for Namibia	191 166
Voluntary Fund for the United Nations Decade for Women	2 603 632
<b>United Nations Development Fund for Women</b>	
Voluntary pledges	2 014 131
Cost-sharing	88 596
<b>UNDP Energy Account</b>	
Voluntary pledges	40 000
Cost-sharing	1 730 158
United Nations Trust Fund for Operational Programme in Lesotho	110 448
UNDP Development Study Programme	<u>154 924</u>
Grand total all funds and programmes	<u><u>863 720 108</u></u>

<sup>a/</sup> Amounts received after applying an accounting linkage of \$3,859,421 for Government local office costs.

## II. EXPENDITURES AND DELIVERY IN 1985

A. General

10 Total expenditures from UNDP central resources in 1985 amounted to \$778.1 million, of which \$571.7 million was expended on field programme activities, \$73.0 million on agency support costs, \$127.7 million on UNDP administrative and programme support costs and \$3.0 million on sectoral support and other field-level costs. A charge of \$2.9 million arising from miscellaneous expenditures in previous years was also applied during 1985.

11. Of the \$571.7 million in field programme expenditure, \$482.1 million was delivered under IPF resources, \$64.7 million under cost-sharing arrangements, \$5.3 million under Special Programme Resources, \$2.7 million under Special Industrial Services (SIS), \$9.6 million under SMF/LDCs and \$7.3 million in Government cash counterpart funds.

12. The largest single increase in expenditures was registered under IPF outlays. These went up by \$45.6 million, a 10.42 per cent improvement over levels achieved in 1984. Under Government cash counterpart funds, expenditures rose by \$2.2 million, while under SIS they increased by \$0.9 million. Only two components of field programme expenditures fell below 1984 levels. Cost-sharing expenditures dropped by \$8.8 million and SMF/LDCs expenditures by \$0.7 million. Overall, therefore, the net increase in field expenditures during 1985 amounted to \$39.1 million, a 7.3 per cent advance over 1984.

13. As previously stated, the value of new projects approved in 1985 rose by 13.6 per cent compared with 1984, going from \$307.26 million to \$349.05 million. The total number of new approvals increased by 33.7 per cent, climbing from 1,074 the previous year to 1,436 in 1985. The concentration of new approvals by sector adhered to the pattern of the preceding year: the three leading sectors, in order of their numerical share of new approvals, remained (a) industry; (b) development policy and planning; and (c) agriculture, forestry and fisheries. A numerical breakdown of new project approvals by recipient and main sector is provided in addendum 3, table 5.

14. Actual expenditures on the various components of Programme delivery financed from UNDP central resources in 1985 are shown in table 2. For equipment and training, expenditures increased by 32 per cent and 7 per cent respectively compared with 1984, while for experts and sub-contracts they dipped slightly, by 1 per cent and 2 per cent respectively.

Table 2. Expenditure from central resources by component, 1984 and 1985  
(Millions of US dollars)

Component	1984	1985 <u>a/</u>
International experts	277.4	275.4
Equipment	97.5	128.8
Sub-contracts	66.0	65.0
Training (fellowships)	64.4	69.2
Miscellaneous	<u>22.2</u>	<u>26.0</u>
Subtotal	527.5	564.4
Government cash counterpart expenditure	5.1	7.3
Total	<u>532.6</u>	<u>571.7</u>

a/ Provisional.

15. Compared with 1984, the distribution of expenditures between major components varied as follows. The proportion of expenditures made on equipment rose by 4 per cent, accounting for 22.8 per cent of total expenditures. For training, the proportion remained constant at about 12 per cent, while for sub-contracts it went down by 1 per cent. International experts accounted for 48.8 per cent of overall expenditures in 1985, compared with 52.6 per cent in the previous year, a change consistent with reductions in the delivered cost of international expertise.

16. 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 sub-contracts which make up UNDP project delivery from year to year. Continuing a trend in line with recent Governing Council decisions, the number of nationally recruited project personnel assigned to UNDP-assisted projects once again increased, rising from 2,097 in 1984 to 2,759 in 1985. Following a decline in the number of experts recruited internationally in 1984, the number of such personnel also went up in 1985 from 7,813 to 8,208, a total closer to the annual average maintained between 1981 and 1983. A total of 1,219 United Nations volunteers were also in place during the year, bringing the total number of project personnel serving in 1985 to 12,186. Of these, 22.6 per cent were national experts and 10 per cent were United Nations volunteers.

17. Reflecting a new pace in programme commitments, the value of equipment ordered for (as distinct from delivered to) projects in 1985 increased by 22 per cent to \$135.6 million. The value of sub-contracts awarded during the year in review (as distinct from the delivery of sub-contracts) rose to \$71.6 million, a marked increase of 40 per cent. Under fellowships, figures

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provided by agencies indicate that 13,193 placements were made in 1985 through UNDP-financed projects, a net increase of 7.1 per cent over the combined total of 12,307 placements reported and estimated in 1984 (see table 3, footnote b/).

18. The share of these programme inputs derived from developing countries themselves is reflected in table 3.

Table 3. Share of programme components awarded to developing countries  
1984 and 1985 compared

Component		1984	1985
Number of international experts	Developing countries	2 771	2 892
	Total all countries	7 813	8 208
Value of equipment ordered <u>a/</u> (thousands of US dollars)	Developing countries	20 240	23 195
	Total all countries	110 777	135 645
Value of sub-contracts awarded <u>a/</u> (thousands of US dollars)	Developing countries	8 671	27 627
	Total all countries	51 115	71 668
Number of fellowship placements	Developing countries	4 600	5 618
	Total all countries	10 807 <u>b/</u>	13 193

a/ Figures for equipment ordered and sub-contracts awarded during the year differ from expenditures delivered under those components as listed in table 2.

b/ Excluding an estimated 1,500 fellowship placements reported by ILO in 1984, which were not disaggregated by sources of financing.

19. In terms of total components supplied in 1985, developing countries accounted for about 35.2 per cent of internationally recruited personnel, 17 per cent of equipment ordered and 42 per cent of fellowship placements. In percentage share terms, these proportions remained virtually constant compared with 1984. However, the share of developing countries in sub-contracts awarded in 1985 came to 38.5 per cent, an appreciable increase over the 17 per cent share obtained in 1984.

#### B. Beyond the IPF: field-office services

20. Through its field-office network serving 152 countries and territories, UNDP offers Governments and their other development partners numerous services which extend beyond its central responsibilities. As a field-based organization, the comparative advantage of UNDP in providing these development

services has been appreciated by recipients and donors alike. Three examples of UNDP activities in this category of support may illustrate the significance attached by Governments and international organizations to the expanding role of the Programme in this respect.

1. Parallel financing reported by UNDP field offices

21. Resource mobilization efforts by UNDP field offices and the considerable parallel financing generated by UNDP-assisted projects continue to add to the overall financial significance of the Programme. Field offices play a major role in catalyzing, co-ordinating and promoting the requisite linkages in this complementary financial relationship at the project level, which differs from standard third-party cost-sharing only in an accounting sense: the funds are provided directly to the project by the participating Government or agency, which remains responsible for them, and are not reflected in the central accounts of the Programme. Figures reported by 45 UNDP field offices in 1985 and presented in addendum 4, table 2, indicate that at least \$268.8 million in parallel financing can be directly attributed to UNDP-assisted activities during 1985. These resources are substantial and continue to grow, representing the largest financial element of the Programme in its operations beyond central resources.

2. Non-UNDP expenditures supported by field offices

22. In 1985, as in previous years, UNDP field offices continued to assist in delivering a sizeable volume of non-UNDP expenditures which are supported by the field infrastructure of the Programme. As in the case of parallel financing, these expenditures do not enter into UNDP central accounts but they none the less reflect the wide range of activities supported by field offices. In 1985, 89 offices reported assistance in the implementation of 1,475 non-UNDP-financed projects with total expenditures of nearly \$320 million (see addendum 4, table 1). Of this amount, major services were provided for 972 projects with expenditures amounting to \$230.6 million. A further 493 projects were assisted to a lesser degree.

3. Management services

23. In recent years, with the approval of the Governing Council, UNDP has assisted recipients of World Bank loans by placing at their disposal its existing field-based delivery system in order to support the implementation of Bank-financed technical co-operation projects. Under the same enabling legislation, these management services are also available to recipients of bilateral assistance. In the majority of arrangements concluded to date, these services, which originate in and extend the UNDP country-level service role world-wide, are provided through the offices of the resident representatives, supported by the Office for Projects Execution (OPE) and advised by the regional bureau concerned. Funds channelled through management services are treated separately from UNDP regular resources. Accordingly, as determined by clear Governing Council policy, services so provided are not subsidized by core resources. In 1985, the value of management services agreements entered into by UNDP amounted to \$95.49 million.

### C. Investment follow-up

24. The amount of reported investment commitments related to UNDP-assisted projects, both follow-up investment commitments and commitments supported by UNDP projects, totalled \$9.2 billion in 1985 as against \$10.2 billion for 1984. This represented a decrease of about 10 per cent in reported commitments over the previous year. Investment commitments reported as follow-up to UNDP-assisted projects amounted to \$8.6 billion in 1985 as compared with \$9.4 billion in 1984, a drop of about 8.5 per cent. Investment commitments in respect of those projects where UNDP provides technical assistance in execution, supervision, support, etc., amounted to \$641 million in 1985.

25. In contrast with previous years, the largest amount of reported investment commitments during 1985 came in the natural resources sector rather than in the transport/communications sector and amounted to \$4.3 billion and \$2.2 billion respectively. Next in importance was the agriculture/forestry/fisheries sector (\$1.2 billion), followed by the health sector (\$0.643 billion) and the industry sector (\$0.279 billion). In terms of reported investment commitments by sources of financing, developing countries themselves continued to lead the way as the most important source of financing, with a commitment of \$4.6 billion, amounting to about 50 per cent of the total reported commitments for 1985. The World Bank group's loans and credits remained the second largest source of follow-up financing, with \$2.5 billion in reported commitments, while bilateral agencies provided \$1.2 billion. The private sector, both in the developed and developing countries, provided \$663 million.

26. Investment commitments reported in relation to UNDP-assisted pre-investment projects and investment-oriented projects (excluding those involving technical assistance support activities) have risen from a combined total of \$6.6 billion in 1982 to \$8.6 billion in 1985. However, a comparison of annual figures from 1982 onwards, as detailed below, does not indicate any clearly discernible trend:

1982	-	\$6.6 billion
1983	-	\$6.4 billion
1984	-	\$9.4 billion
1985	-	\$8.6 billion

27. The number of development finance institutions with which UNDP maintains special interest arrangements increased in this period from 7 to 10, with the four largest contributors as regards investment commitments from this group of institutions, being the World Bank, the Asian Development Bank, the Inter-American Development Bank and the African Development Bank.

28. In 1985, UNDP reviewed the measures it is taking to strengthen its pre-investment role and a report on its activities and conclusions in this respect is being submitted to the Governing Council at its thirty-third session.

29. Among measures reviewed were: (a) UNDP special interest relationships with development finance institutions through which linkages between UNDP pre-investment activities and follow-up financing from various sources are promoted; (b) the co-operative arrangements UNDP has entered into with seven United Nations agencies, under which their managerial, technical and economic capabilities are brought to bear on assessing and promoting the investment potential of ongoing or completed UNDP-assisted projects; (c) the use of the umbrella project modality, under which several prospective pre-investment studies are packaged and approved as a single project financed from country programme resources. The principal virtues of this modality remain its flexibility and responsiveness, which permit the substitution of individual pre-investment studies as required by changing national priorities. The modality has met with particular success in four Asian countries whose experience UNDP can, where requested, bring to the attention of interested Governments in other regions; (d) UNDP support to project development facilities in the Caribbean and, most recently, in Africa. Experience to date indicates that these facilities have a significant role to play in identifying, preparing and arranging financing from previously untapped sources of investment in the private sectors of developing countries.

30. Other investment promotion activities of potential impact which were assessed in 1985 include the use by UNDP of two reimbursable aid mechanisms, one under IPF resources and the other from Special Programme Resources. In both cases, the costs of feasibility studies are to be reimbursed from any investment generated. A detailed progress report on UNDP pre-investment activities is contained in DP/1986/19.

#### D. Office for Projects Execution

31. Total project expenditures by OPE came to \$74.4 million in 1985, a 12.3 per cent increase over 1984. Project expenditures from UNDP core funds amounted to approximately \$40.2 million, an increase of 12.7 per cent over the \$35.7 million expended in 1984. Expenditures from other funding sources increased by 28.7 per cent, amounting to approximately \$34.2 million.

32. Projects executed by OPE from non-IPF sources continue to play a significant role in its operations, while flexibility has been maintained in accommodating special project needs under these arrangements. For example, OPE assists in the construction of a system of feeder roads in West Africa on behalf of United Nations Sudano-Sahelian Office, provides technical support and equipment procurement for the United Nations Capital Development Fund, and administers loans for selected projects on behalf of the International Fund for Agricultural Development. OPE also executes projects on behalf of the United Nations Fund for Drug Abuse Control, the United Nations Financing System for Science and Technology for Development, the United Nations Development Fund for Women, and the UNDP Energy Account, to mention only the most important funds.

33. As noted earlier, an expanding form of UNDP-supported project activity consists of providing management services, through which, at the request of recipient Governments, OPE assists countries in carrying out projects funded by a bilateral or multilateral donor. Such projects may be comprehensive,

entailing technical and managerial supervision of project operations or be strictly limited to administrative support, in which case OPE acts on behalf of Governments by contracting for the goods and services involved. Under management services, a full range of services, including procurement and financial services, can be provided. Apart from recipients of World Bank and IFAD assistance, countries receiving bilateral aid from Australia, Italy and the United States have taken advantage of these arrangements. By far the largest development under management services to date relates to bilateral programmes funded by the Italian Government in Ethiopia, the Sudan and Chad, for rehabilitation and development in these drought-affected countries.

34. 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.

35. The OPE portfolio includes projects in most sectors which tend to be specific in character, with clearly defined, often short-term objectives. Where more complex technical issues are involved, and depending on the magnitude of the task, OPE obtains advice from public and private sector consultants and from the specialized agencies. It can therefore adequately backstop projects without building up a wide range of technical capacities in-house; as a result, OPE administrative costs are kept relatively low.

36. The Governing Council has directed OPE to act as a focal point for measures to promote government execution. In response to demand, OPE will assist Governments and field offices in carrying out government-executed projects and in making better use of this facility. As co-operating agency, OPE can provide services involving specific component assistance such as sub-contracting, purchase of equipment, organizing training and workshops and providing advisory services on management and reporting matters.

#### E. Programme transitions: management actions and substantive trends

##### A. Overview

37. In all regions, comprehensive actions to assist Governments in making a stable transition to the fourth programming cycle remained the dominant management priorities of the Programme through 1985. By April 1986, in close consultation with UNDP and United Nations specialized agencies, Governments had developed a total of 44 new country programmes. Together with the considerable management attention devoted to these preparatory actions, UNDP continued to give high priority to measures for enhancing the co-ordination, surveillance and quality of current and planned programmes and projects. Committees for the appraisal of country programmes and individual projects were established within the regional bureaux and have been intensively engaged in quality-related efforts. Particular emphasis is being given to cogent programme and project design, more realistic project budgeting and closer financial monitoring. Recent in-depth evaluations, carried out in conjunction with UNDP Central Evaluation Office (CEO), now provide important additional inputs to this process of continuous improvement.

38. Substantial efforts were also made to align UNDP-supported activities with new directions in technical co-operation, flowing from critical changes in development policies and needs in the regions. While, in a number of cases, consequent adjustments and re-formulations affected the pace of programme implementation, their prospective medium-term benefits in the form of more rigorously defined and responsive technical assistance may prove to be more significant than these temporary constraints. Examples of project results in 1985 are presented by region in addendum 2, part I.

#### B. Africa

39. Watered by resumed rains and supported by important shifts in national agricultural policies and practices, the cultivation of staple foods rallied appreciably in several drought-stricken parts of the region in the latter half of 1985 which, for a number of countries, proved to be a better year in food production than 1984. In many countries, however, social and economic conditions remained critical as rooted structural imbalances continued to affect the pace of recovery. For UNDP, the operational challenge remained twofold: to continue its support for immediate relief and rehabilitation measures, while assisting Governments to address the issues underlying the continent's development crisis and sustain more durable, comprehensive and integrated solutions.

40. Aid co-ordination practices, accordingly, received concentrated management attention. Additional improvements in the round-table process; the linking of emergency aid with medium-term recovery measures; renewed support to resident representatives in their roles as resident co-ordinators; and specific inter-agency collaborative activities such as those conducted with the World Food Programme (WFP), the United Nations Children's Fund (UNICEF) and the United Nations Fund for Population Activities (UNFPA) under the Joint Consultative Group for Policy (JCGP), were among UNDP priority undertakings.

41. Conscious that co-ordinated action by all development partners remains essential in enhancing the effectiveness of assistance to countries of the region, in 1985 UNDP proceeded to initiate several measures for linking the funds it programmes in Sub-Saharan Africa to other resource flows. These included: (a) the issuance of supplementary guidelines for the preparation of new country programmes which stress the significance of the programming exercise as a framework for the more rational allocation of external inputs from a variety of sources; (b) support for activities which aim to build up national capabilities in co-ordinating technical and capital assistance; and (c) actions to evolve new mechanisms by which Governments can assess, identify and rank their most important technical co-operation requirements. In this latter connection, exploratory missions were fielded to six countries, following expressions of interest from their Governments in UNDP-organized National Technical Co-operation Assessments (NATCAPS), a new framework conceived principally to help define and meet the most urgent human resource development needs of the region.

42. In a related set of management actions, the developmental relevance, technical quality and rate of implementation of all 45 approved programmes of assistance in countries of the region were reappraised at headquarters. In most cases, in-country reviews were also conducted and, where required, programme reorientations were carried out. Factors contributing to low rates of resource commitment and programme implementation in some 15 countries were carefully studied in a special review which identified a range of remedial measures subsequently taken up with concerned executing agencies in UNDP-initiated consultations.

43. The furtherance of participatory development through grass-roots initiatives, including those involving non-governmental organizations (NGOs), was another area of increased attention. With support from the Programme, four Governments in the region have convened consultations with national and international NGOs. Through its involvement in the work of the Panel on People's Participation, a subsidiary body of the Administrative Committee on Co-ordination (ACC) Task Force on Rural Development, UNDP has embarked on a series of inter-agency grass-roots initiatives; it also plans to participate in World Bank-sponsored sectoral consultations on alternative modes of financing education in eastern and southern Africa.

44. In this context, it may be noted that the United Nations Volunteers (UNV) programme launched its Domestic Development Services (DDS) and youth activities in the region with the fielding of UNV DDS volunteers in Rwanda and Zambia and the endorsement of a UNV-executed regional DDS and youth project by 14 African countries. In addition, the recruitment of United Nations volunteers through a special Governing Council allocation of \$1.5 million enabled the 24 countries most affected by the drought situation to participate effectively in emergency relief aid operations mounted by both bilateral and multilateral donor agencies. In Botswana, for example, a food aid distribution network was set up, covering the entire country with the assistance of four United Nations volunteers. Document DP/1986/26 contains a full account of programme implementation in the region.

### C. Asia and the Pacific

45. The developing economies of the region continued to show remarkable buoyancy during 1985 despite the unfavourable aid climate and generally depressed commodity export prices. Gross national product (GNP) growth rates were maintained at an annual average of 7.1 per cent, 1 per cent below the previous year but well ahead of population growth and, for the most part, countries have avoided resorting to external borrowings they cannot shoulder. The region is generally characterized by the effective management of its extremely diverse and heterogeneous national economies by Governments which, despite their differences, are adopting development strategies and making basic economic adjustments of great similarity. This convergence is particularly evident in the drive for greater decentralization in economic management; the liberalization of internal and external barriers to the freer marketing of goods and services (including price reforms and the removal of inefficient subsidies); and a greater emphasis on private sector production;

and, to a certain extent, on the streamlining of the public sector (particularly inefficient state enterprises). In the least developed countries, the improvement of development planning and implementation capacities remains a common policy priority.

46. UNDP, where called upon to do so, has supported a number of countries embarking on these basic economic policy adjustments or administrative reform programmes. Whether this has been through the large number of country projects specifically designed to strengthen development planning capabilities, improve the collection, processing and analysis of economic and social statistics and expand economic and administrative management capacities; or whether more directly, through the round table process for certain LDCs in the region, the results have been encouraging. Such activities are normally undertaken by UNDP in consultation with the World Bank either through Bank-sponsored consultative groups or the UNDP-supported roundtable process.

47. Management of the UNDP programme in this region during 1985 has concentrated on:

(a) Preparing 16 country programmes totalling over \$500 million for submission to the 1986 Governing Council;

(b) Planning for country programme exercises in a further 11 countries and for the intercountry programme exercise in anticipation of submissions to the 1987 Governing Council;

(c) Improving the quality and timeliness of project preparation to ensure that third cycle IPF commitment targets are met;

(d) Strengthening the bureau monitoring and evaluation systems at the headquarters and field level to ensure that full compliance with UNDP requirements for project and programme reporting, monitoring and evaluation is maintained;

(e) Preparing for the round-table meetings of donors for Bhutan, Lao People's Democratic Republic, the Maldives and Samoa;

(f) Producing two special studies on implementation modalities: national professionals and government execution;

(g) Producing a second in-depth study of UNDP assistance over an extended period to one country, Nepal.

48. As a result of the effort to accelerate the pace of project approvals, new commitments to the value of almost \$200 million were entered into during the year so that, by the end of 1985, 95 per cent of third cycle resources had been fully committed. Such a result was only possible without sacrifice to the quality of project design by:



(a) Governments readily agreeing to the use of IPF resources for project identification, formulation and appraisal by UNDP-financed specialist consultants;

(b) The existence of a Project Appraisal Committee in the Regional Bureau for Asia and the Pacific, which considerably intensified its project scrutiny responsibilities during 1985.

49. The Regional Bureau now calculates that the programme has recovered from the commitment and delivery slump which resulted from the 1981-1982 IPF cutbacks and that steady maintenance of current levels of programming activity will ensure a smooth transition into and through to the end of the fourth cycle, provided IPFs remain unchanged. A full account of programme implementation in the region is contained in DP/1986/28.

#### D. Latin America and the Caribbean

50. Economic reactivation commanded mounting policy attention in many countries during 1985 as the most viable and equitable approach to addressing the all-pervading debt problems of the region. An evolution has taken place in the policy outlook of many Governments regarding debt issues, with a number now adopting reactivation measures in order to avoid the dichotomy of debt repayment and economic growth. By stepping up its support for national debt management and adjustment strategies and, through these, the pursuit of longer-term priorities in development, trade and economic growth, UNDP concentrated on adapting country programming to new, debt-defined realities in technical co-operation.

51. A notable example of the UNDP approach was its assistance in 1985 to Argentina. Under a cost-sharing arrangement with the Government, assistance is being provided on the control and management of debt, involving analyses of policies on foreign indebtedness. Advisory services on issues relating to international capital markets and studies of the relations between external variables and the behaviour of domestic economic variables are also features of this assistance. A second element of UNDP support to Argentina is being furnished through a World Bank-executed project which is helping to prepare a substantial Technical Assistance Loan (TAL) from the Bank. Designed to strengthen national economic management capacities, particularly in the expansion of exports and the improvement of domestic resource mobilization, the TAL will be used by the Government to support an integrated approach which links its stabilization programme to its development policy goals.

52. As part of the continuing UNDP drive to enhance the impact of its assistance, programme monitoring in the region was intensified during 1985. A total of 167 tripartite reviews, 21 mid-term evaluations and 22 country programme reviews were carried out in the region, providing specific insights into achievements and difficulties at the country level which have already helped in formulating new programmes and projects. The 17 country programmes being submitted to the Governing Council in 1986 reflect the preoccupations of Governments with economic reactivation, as well as the search for alternative

development strategies for coping with adjustment measures and promoting growth with equity. The Regional Programme, which is regarded by many Latin American and Caribbean Governments as an important instrument of intercountry co-operation and, potentially, a valuable catalytic mechanism for promoting self-propelling national growth, was also reviewed. Notwithstanding resource limitations in the third cycle, 131 projects have been implemented under this Programme, covering most major sectors and drawing upon a large diversity of regional and subregional partners in technical co-operation.

53. The year also confirmed the potential of UNDP support for innovative assistance co-ordination mechanisms such as the Caribbean Group for Economic Co-operation in Development (CGCED). At the end of initial assistance from UNDP and other donors for the Group's Project Development Facility, 24 private sector investment projects had been identified and formulated. Together, these bring an additional \$52.5 million from new sources to bear on the economic development of the subregion. A full account of programme implementation in the region is contained in DP/1986/30.

#### E. The Arab States

54. In partnership with UNDP, three Governments in the region held formal annual reviews of their country programmes during 1985. The experiences of a further 11 countries were assessed in the context of preparations for the fourth programming cycle. While continuing to reflect the specific requirements of countries as confirmed through these exercises, the orientation of country programming is becoming progressively more thematic as a result of greater selectivity in the choice of technical co-operation projects. Additionally, more cost-effective execution modalities, which stress increased reliance on national capabilities and institutional capacities, are being encouraged. Theme-oriented programming has also emerged as an appropriate form of UNDP support for intercountry co-operation, which has begun to concentrate on priority regional issues such as food security, human resources development, energy, the promotion of advanced technologies and Technical Co-operation among Developing Countries (TCDC).

55. Two countries, the Sudan and Lebanon, continued to experience acute drought- and security-related difficulties respectively, circumstances which severely affected the implementation of UNDP assistance in these countries for much of 1985. None the less, in the case of the Sudan, strong post-emergency efforts by the interim Government in the latter half of the year led to a resumption of UNDP-assisted activities in support of rehabilitation and longer-term development measures. Actions to resettle the displaced and step up food production featured prominently among these revived efforts.

56. Significantly, despite stringent budgetary regimes throughout the region, cost-sharing rose in value by 40 per cent over 1984 levels, indicating heightened interest by Governments in multilateral technical co-operation.

Moreover, in a number of Gulf countries faced with declining oil revenues, UNDP-supported country programmes incorporating substantial cost-sharing provided a focus for new national efforts to co-ordinate and integrate external and domestic investments in a more cost-effective manner. A detailed report on programme implementation in the Arab States is contained in DP/1986/27.

## F. Other programme developments

### 1. The Global Meeting of UNDP Resident Representatives

57. In October, senior field, headquarters and United Nations agency personnel assembled in Copenhagen to attend the 1985 Global Meeting of UNDP Resident Representatives, whose formal opening was presided over by Queen Margrethe of Denmark. A business-like gathering, the Global meeting focused the attention of working groups on six topics central to the management challenges facing the Programme. Papers submitted for discussion covered co-ordination, project quality, new orientations in country programming, the financial structures of the UNDP-administered system, monitoring and evaluation, programme delivery and operational issues relating to the fourth cycle. Many of the management actions and substantive perceptions which support new UNDP thrusts in programming, and which are described elsewhere in this report and in other documentation to the Governing Council, were reviewed and refined in the light of the field experience of participants.

58. Effective as a forum for the exchange of these experiences, the Global Meeting also afforded UNDP staff an occasion to examine specific operational constraints and options common to different country settings. Programming alternatives aimed in particular at lifting frequently encountered constraints on co-ordination, programme quality and delivery, and at maximizing and diversifying the impact of IPF funds, were identified in concrete terms. New modes of financing in development were also discussed. By promoting management interaction on priority issues in programme policy, the meeting was judged to have made a practical contribution to the renewal of Programme momentum and to the greater versatility of UNDP operations within the international development support system.

### 2. Technical Co-operation among Developing Countries

59. During 1985, UNDP maintained its thrust in implementing the decisions taken at the third session of the High-level Committee on the Review of Technical Co-operation among Developing Countries, and at the thirty-first and thirty-second sessions of the Governing Council.

60. The fourth session of the High-level Committee was convened in New York from 28 May to 3 June 1985. The Committee's deliberations resulted in eight recommendations and decisions aimed at further supporting and promoting TCDC. Of particular interest to UNDP were the recommendations on continuing the use of Special Programme Resources for supporting action-oriented TCDC activities

and on strengthening the staffing of the Special Unit for TCDC to enable it to discharge fully its functions. The Governing Council responded favourably to the first recommendation by allocating an additional \$1.5 million from Special Programme Resources for the balance of the third programming cycle and \$5 million in the fourth cycle for action-oriented TCDC activities. It took note of the second recommendation concerning the staffing of the Special Unit; and the Administration, while endeavouring to staff the Unit adequately in the face of current budgetary constraints, planned to make recommendations in this regard to the Council at its thirty-fourth session in the context of the administrative budget for the 1988-1989 biennium.

61. Considerable progress was registered during the period under review in the operation and expansion of the TCDC Information Referral System (INRES), which had launched its computerized inquiry service in the latter half of 1984. By the end of 1985, the INRES data bank contained information on the capacities of more than 2,400 institutions in 101 developing countries. This includes 55,000 line items with detailed information on the facilities and capabilities of these institutions in the areas of education and training, research and technology development, expert and consultancy services, and project-related experiences with multilateral and bilateral programmes. During this period, INRES processed 460 queries from 76 developing countries and international organizations. Each search has resulted in the referral of about 20 to 50 developing country institutions to would-be users in other developing countries.

62. In an effort to put INRES data to more effective use, in 1985 the Special Unit began reviewing projects in the formulation stage as contained in the Country Programme Management Plans of resident representatives in selected countries. Its purpose was to identify institutions in other developing countries with the potential to assist in the implementation of those projects. In each of 45 selected developing countries, between 50 and 100 institutions were referred to resident representatives for review with host Governments and executing agencies in order to pinpoint sources of expertise or training relevant to 160 pipeline projects. The new INRES service will continue to furnish such information for similar projects in other countries.

63. Assistance to various action-oriented TCDC activities in developing countries continued to be an active function of the Special Unit during the period under review. By the end of 1985, through a major interregional project started in October 1983, a total of 203 TCDC activities at an estimated cost of \$1,553,420 had been supported: 49 in Africa; 26 in Asia and the Pacific; 16 in the Arab States; 9 in Europe; and 103 in Latin America and the Caribbean. The projects covered problem-solving activities and the exchange of experiences and know-how in agriculture, forestry and fisheries, general economic and sectoral planning, rural development, natural resources, health, education, industry, transport and communications.

64. The number of countries using TCDC modalities in the implementation of their IPF-financed projects increased from 17 to 19 in 1985. The umbrella project approach, under which multiple TCDC activities are covered by a single project, remained the modality preferred by most developing countries in their IPF-financed projects. In early 1986, there were indications that a number of Governments were gearing up to applying TCDC methods in the implementation of projects in the fourth cycle as information on the TCDC capacities of other developing countries became available through INRES and other information sources, and as alternative and more economical means of implementation became increasingly desirable.

### 3. Evaluation activities

65. In 1985, the Central Evaluation Office concentrated on consolidating the UNDP new evaluation framework while broadening the base of the system. The office joined in field evaluation activities with regional bureaux, carried out two studies in two regions on measures required to strengthen the monitoring and evaluation capacities of Governments and reviewed substantial samples drawn from the 236 in-depth project evaluations conducted during 1983 and 1984. Beyond the project level, efforts were made to derive sectoral or programmatic conclusions by examining evaluations carried out in the forestry sector over a period of two and a half years. Thematic and ex-post evaluations were also initiated with interested Governments and United Nations agencies.

66. Through these exercises, the CEO was able to confirm clear cases of improvements in the terms of reference for, implementation of, and follow-up to more recent evaluations which had addressed issues raised by an earlier CEO assessment. At the same time, it was reconfirmed that improvements in the measurement of results have to be associated with improvements in the rigour of project design, including the relationships between individual project elements, between these elements and their particular institutional environments, and between their outputs and intended benefits. It is none the less instructive to note that, while a number of the 236 evaluations uncovered operational shortcomings in various projects, all the projects were found to have succeeded in making at least some positive contributions.

67. A significant preliminary conclusion reached through the CEO review is that, as the traditional mix of project inputs and the very priorities of technical co-operation change, so evaluation processes, instruments and criteria will need to evolve. An example is the greater use of short-term experts and the growing reliance on management by national personnel, both of which entail a shift in the operational responsibility for sustained achievement monitoring to Government departments and UNDP field offices; a shift which, in turn, underscores the importance of further strengthening national evaluation capacities.

68. Two conclusions emerging from CEO work echo the findings of thematic studies dating back to 1978. These refer to the importance of systematic information-sharing between technical agencies and to prevailing realities at the national level, under which institution-building needs to be approached as a sustained, long-term endeavour.

69. Accordingly, the training of operational partners in programme and project implementation continues to be stressed in CEO recommendations as a quality-related goal and as a measure for promoting effective evaluation results under changing conditions. As a first step in this direction, UNDP launched a new round of training for its deputy resident representatives, normally the principal co-ordinators of the evaluation network at the field level. Five courses on design and evaluation were held in each region served by UNDP and this form of training is being extended to other programme and support staff. Executing agencies are being encouraged to pursue parallel measures.

70. In the Joint Inspection Unit 1985 summary assessment of internal evaluation in organizations of the United Nations (JIU/REP/85/10), it was stated that: "UNDP has made substantial progress in the past two years to update and revise its internal evaluation policies, procedures and structures. However, the work required now to fully implement this revised system and firmly integrate it into operations will be a critical phase." The report goes on to refer in particular to the staff resources needed to fulfil essential system management functions. Detailed conclusions drawn from CEO-initiated activities in 1985 are contained in DP/1986/20.

#### 4. Inter-Agency Procurement Services Unit

71. During 1985, the Inter-Agency Procurement Services Unit (IAPSU) continued to place major emphasis on standardization and preferential discounts for items of common use, for the United Nations system. In addition, the preparation of technical bulletins continued to facilitate the direct ordering by both agencies and UNDP field offices of such items as motor vehicles and office equipment in accordance with UNDP policy of delegating such procurement to the field.

72. IAPSU also expanded its programme of increased procurement from developing countries. Information obtained on potential suppliers and manufacturers upon screening is entered into the IAPSU computerized data bank for dissemination to the United Nations participating and executing agencies on the basis of their traditional requirements.

73. A number of studies were undertaken on global insurance schemes, covering such diverse fields as personal effects, compensation for experts and consultants recruited under trust fund agreements and building insurance. Investigations were initiated into ways of reducing costs of transportation, including air travel, and a special study is under way on implications of liability and ownership of equipment and related services for United Nations agencies acting as sub-contracting agencies mainly under trust-fund arrangements. Finally, IAPSU chaired the Inter-Agency sub-group, which has now unified procurement procedures in a document entitled "Common Principles and Practices", which will be published in the annual issue of the General Business Guide.

## 5. Short-term advisory services

74. The UNDP short-term advisory services (STAS) programme was set up on a two-year trial basis following approval by the Governing Council in June 1985. The programme performs clearing-house functions to help developing countries meet pressing needs for top-level technical and managerial advice, which up to now has not always been readily available from traditional development sources. Drawn from the largely untapped commercial and parastatal sectors of donor and developing countries alike, STAS advisers are made available on request from developing countries for short-term assignments at minimal cost.

75. The programme matches developing country requests for technical and managerial expertise with highly skilled advisers from such sectors as agriculture, transport and industry. Advisers are identified by STAS with the help of business, academic, professional, trade and industrial associations, and non-governmental organizations world-wide. Assignments are then agreed upon bilaterally between the advisory and recipient organizations concerned.

76. STAS is initially focusing its problem-specific assistance on requests from manufacturing, transportation and agro-business sectors in developing countries. As demand grows, additional sectors will be added. In the meantime, skills that STAS can rapidly tap include the following:

(a) **Manufacturing:** pulp and paper, textiles and apparel, electronics, pharmaceuticals, metal die casting, data systems and industrial equipment;

(b) **Transportation:** railways, shipping, mass transit, ports and containerization;

(c) **Agro-business:** agro-chemicals, food-processing, fertilizers, the commercial seeds industry and packaging.

## 6. Projects Annotated Listing

77. Supplementary resources play a distinctive role in extending the scope of UNDP development services. Co-financing represents a substantial component of these supplementary resources. In order to pursue co-financing in a coherent and co-ordinated manner, in 1984 UNDP launched the Projects Annotated Listing (PAL), a compilation of project proposals, which emanates from a process of co-ordinated country programming and project identification carried out with prospective recipient Governments. PAL reflects unmet priority needs for technical assistance in developing countries. Cost-sharing and trust fund arrangements represent the two major financing modalities under which co-financing arrangements are pursued with UNDP. PAL projects may also be eligible for bilateral funding by interested donors.

78. Initial responses from interested donors confirm the utility of the PAL exercise as a stimulus and reference for additional project funding efforts. A working paper on the PAL modality is therefore being submitted to the Governing Council in 1986 to seek its formal endorsement of this modality.

## 7. Staff development and training

79. During 1985, some 142 career staff members on regular posts were reassigned to different duty stations. Of these, 27 were from headquarters to the field, 28 from the field to headquarters, 87 from one field duty station to another and 3 between New York and Geneva. Fourteen of the administrative trainees completed their on-the-job training and were assigned to their first regular assignments in the field. In addition, UNDP was able to reassign 3 UNFPA staff members with UNDP, while UNFPA was able to reassign 2 UNDP staff members. In all, 7 secondments/reimbursable loan arrangements from UNDP to other United Nations bodies were carried out. Three secondments to UNDP were also effected. Four staff members returned from secondment/reimbursable loan arrangements with United Nations and other entities.

80. The Junior Professional Officer (JPO) programme continued to provide UNDP with a valuable input, numbering 144 young professionals at the end of 1985. Of these, 62 (43 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 20 developing countries. Twenty-three JPOs were selected for drought-affected countries in Africa, involving 16 reassignments and seven initial placements carried out on a top priority basis.

81. UNDP also continued to administer JPOs for other organizations numbering 97 at the end of 1985. The organizations thus served were the United Nations Industrial Development Organization - 58; the United Nations Sudano-Sahelian Office - 17; the United Nations Fund for Population Activities - 5; the United Nations Capital Development Fund - 7; the United Nations Volunteers - 2; the United Nations Fund for Drug Abuse Control - 3; and one JPO each for the following organizations: United Nations Development Fund for Women; the World Conference to Review and Appraise the Achievements of the United Nations Decade for Women; the Centre for Social Development and Humanitarian Affairs; the United Nations Centre for Science and Technology for Development; and the United Nations Financing System for Science and Technology for Development.

82. The Administrative Trainee Programme, consisting of headquarters classroom 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. Thirteen in-service courses, attended by 192 staff members from all categories, were conducted in 1985, focusing on such topics as development policy, administrative policies and procedures, pre-investment programming, project design, programme management and financial management. New courses included the Development Seminar for Senior Staff in least developed countries, and workshops for evaluation co-ordinators on project design, monitoring and evaluation.



83. The Educational Assistance Programme helped 122 staff members to participate in various courses on administration, management and development-related subjects offered at accredited academic and technical institutions. In addition, 267 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 1,000 staff members with a range of in-house seminars and outside courses directly aimed at increasing job effectiveness. In over 53 field offices, staff participated in job-related language studies in host countries, organized within the field office or through enrolment in local institutions.

#### G. Associated Funds

84. The brief status reports which follow may be taken in conjunction with the individual reports of the Associated Funds which provide overviews of their programme activities in 1985 and detailed accounts of their year-end financial positions. Results from projects supported by these Funds are described in addendum 2, part II of this report, while addendum 6 tabulates contributions to, and expenditures by, the Associated Funds by donor and recipient countries respectively.

##### 1. The United Nations Capital Development Fund

85. Actual pledges to the United Nations Capital Development Fund general resources for 1986 amounted to \$22.1 million. Estimated contributions are expected to raise this total to \$24.0 million, an increase of 12 per cent over contributions for the previous year. New joint financing arrangements of \$4.0 million were concluded during 1985, bringing the total value of such arrangements through UNCDF since 1981 to \$32.1 million. In 1985, UNCDF approved 22 new projects worth \$29.2 million, while a further \$8.2 million was allocated for increases in current project budgets. Of the 182 UNCDF-financed projects ongoing at the end of 1985, 82 benefit from technical assistance financed by UNDP and by other Funds it administers, an indication of the complementarity which continues to characterize UNCDF relations with other sources of financing. Document DP/1986/50 contains further details on UNCDF activities in 1985.

##### 2. United Nations Sudano-Sahelian Office

86. Voluntary contributions to the United Nations Sudano-Sahelian Office for 1986 amounted to \$3.9 million. In addition, UNSO received \$13.32 million from Governments through direct financing arrangements, which permitted the continuation of support for activities under the two mandates conferred upon UNSO by the General Assembly.

87. Under its drought-related control mandate, UNSO continued to assist the eight member States of the Permanent Inter-State Committee on Drought Control in the Sahel (CILSS). The volume of funds thus mobilized by UNSO through the end of 1985 amounted to \$87.8 million. Within its desertification control mandate, UNSO serves altogether 22 countries. In addition to the Member States of CILSS, these countries are: Benin, Djibouti, Ethiopia, Ghana,

Guinea, Guinea-Bissau, Kenya, Nigeria, Republic of Cameroon, Somalia, the Sudan, Togo, Uganda. The United Republic of Tanzania was added to the second mandate of UNSO in 1985. A total of \$9.6 million was mobilized by UNSO for desertification control in 1985, bringing the total resources mobilized in this category of assistance since 1979 to \$65 million. Document DP/1986/53 contains further details on UNSO activities in 1985.

### 3. UNDP Energy Account

88. Notwithstanding limited core resources (only two donors pledged a total of \$56,497 for 1986 to the Account at the November 1985 Pledging Conference), the Energy Account continued to play a catalytic role in attracting the increased participation of bilateral and multilateral partners in energy activities in developing countries. The Djibouti Geothermal Exploration and Development Project, initiated by the Energy Account with a contribution of \$1 million, resulted in the mobilization of an additional \$15.5 million from the World Bank, African Development Bank, the OPEC Fund for International Development and the Italian Government. A small-scale hydropower project in the Dominican Republic, also started up by the Energy Account with a contribution of \$65,000, has led to the mobilization of \$435,000 from a donor institution and the equivalent of \$2 million from local resources. Similarly, activities under the joint UNDP/World Bank Energy Sector Management Assistance Programme in 41 countries, supplemented by contributions of nearly \$10 million from the Energy Account, have resulted in the identification of some \$250 million of investment possibilities, many of which have been taken for financing under various bilateral and multilateral arrangements. Document DP/1986/54 contains further details on the activities of the Energy Account.

### 4. United Nations Volunteers

89. In 1985, the UNV programme was marked by sustained growth, continued participation in emergency-related operations and the consolidation and expansion of its Domestic Development Service and youth activities. As at 31 December 1985, there were 1,816 established posts with 1,128 volunteers actually in service, representing an increase of 13 per cent and almost 20 per cent respectively, over the same figures for 1984. At the same time, 118 volunteers were en route to their assignment and 570 were at various stages of recruitment.

90. During 1985, the UNV Special Voluntary Fund (SVF), the only fund available to the programme to meet the external costs of United Nations volunteers originating from developing countries, received pledges and contributions from 21 countries amounting to \$0.796 million. Although this amount represents an increase of 9 per cent over the cash collections of \$0.72 million paid by 18 countries in 1984, the programme continues to experience serious financial constraints in responding effectively to the requirements of the developing countries. Document DP/1986/49 contains further details on UNV activities.

5. United Nations Revolving Fund for Natural Resources Exploration

91. The number of countries announcing voluntary contributions to the Revolving Fund for 1986 increased from five to nine. Contributions pledged for 1985 and 1986 totalled \$2.8 million. During the year in review, the Fund for the first time attracted substantial third-party co-financing of projects, amounting in value to \$3.3 million, a development which has enabled the Fund to extend its general programme resources to more countries. Also for the first time, the Fund allocated all of its cumulative financial resources available for programming in 1985. These resources support four new mineral exploration projects; the first feasibility study of the Fund; and its first two geothermal exploration projects, the largest number of new approvals by the Fund in any one year since it became operational in 1975. Document DP/1986/51 contains further details on UNRFNRE activities.

6. United Nations Development Fund for Women

92. Pursuant to General Assembly resolution 39/125, the United Nations Development Fund for Women, formerly the Voluntary Fund for the United Nations Decade for Women, was officially transferred from the United Nations Secretariat to autonomous association with UNDP on 1 July 1985.

93. Contributions to the general resources of the Fund, excluding special earmarked grants to specific projects, increased in 1985 by 6 per cent when compared to 1984. These contributions amounted to \$3.5 million and included a special donation of \$500,000 from one Member State at the Nairobi Conference to review and appraise the achievements of the United Nations Decade for Women. Taking into account estimated contributions from major traditional donors whose parliamentary timetables prevented them from announcing firm pledges at the November 1985 Joint Pledging Conference for Operational Activities of the United Nations, total contributions for 1986 are expected to reach \$4 million. Document DP/1986/55 contains further details on UNIFEM activities.

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

94. Although the Financing System has not received significant new resources through the pledging process during the past three years, it has actively pursued resource possibilities through trust funds and other arrangements with both public and private organizations, including co-financing and mixed-source financing. Resources realized through such non-core means have permitted the System to operate at a level of about \$10 million annually. This level has now been designated as a measure of the viability of the System by the General Assembly and it has become the target figure for a special pledging conference scheduled for April 1986. Based on the results of this pledging conference, the Secretary-General will give his views on the future of the Financing System. Document DP/1986/52 contains further details on UNFSSTD activities.

#### H. Emergency activities in 1985

95. Emergency and relief operations supported by UNDP in 1985 extended beyond its continuing and sizeable activities in Africa. In keeping with its practice in recent years, UNDP continued to collaborate with the United Nations Disaster Relief Organization (UNDRO) and other agencies in responding to a number of specific natural disasters in other regions, utilizing the facility of its Special Programme Resources. Some major examples of this support are described below.

96. Colombia. On 13 November 1985, after a period of increased volcanic activity in the Volcano Nevado del Ruiz, during which the temperature of the permanent ice-cap rose, the snow melted and formed a mass of ash, rock and water which descended rapidly along the Lagunilla river, already swollen by heavy rains. On reaching level ground, the mass spread out to form a destructive layer of mud which completely covered the city of Armero and part of Chinchiná.

97. It is estimated that 200,000 people were affected by the eruption of the volcano. About 90 per cent of the population of Armero and 4 per cent of the population of Chinchiná, approximately 22,000 people in all, perished in the disaster. Damage to physical, social and economic infrastructure was extensive.

98. UNDP responded immediately and the Resident Representative was designated the United Nations Disaster Relief Organization representative. In addition to performing co-ordination tasks associated with this function, the Resident Representative also led a United Nations system team working with the Government to assess damage and prepare documentation which was presented to the Informal Meeting on Assistance to Colombia of the Secretary-General, held on 13 December 1985. The Secretary-General subsequently named the UNDP Assistant Administrator and Director of the Regional Bureau for Latin America and the Caribbean as his representative to Colombia.

99. From its Special Programme Resources, UNDP approved two emergency allocations of \$30,000 and \$2 million for an umbrella emergency and reconstruction project covering the assessment of immediate technical co-operation needs and the provision of emergency salvage tools, medical supplies, water purification materials and transportation. This financing is also assisting the Government to develop and implement a major reconstruction plan relating to the installation of a permanent national disaster prevention and action system; the provision of new urban infrastructure; the restoration of agricultural productivity; and the creation of employment for resettled communities.

100. Mexico. On 19 and 20 September 1985, earthquakes measuring respectively 8.1 and 7.3 on the Richter scale struck Mexico City, inflicting heavy human and material losses in metropolitan areas. The States of México, Jalisco, Michoacán, Guerrero and Colima were also affected.

101. Over 4,000 people are estimated to have died in the cataclysm. Approximately 20,000 homes, 3,000 commercial and 200 public buildings were virtually destroyed or rendered in need of major repairs. Many buildings subsequently had to be demolished. At two key social welfare hospitals and the National Medical Centre, damage reduced capacities by over 5,000 beds. Seven hundred and sixty-one schools were also damaged and essential utility services were disrupted. Total reconstruction costs in the aftermath are conservatively estimated at over \$4 billion.

102. As the focal point of the United Nations in Mexico, the UNDP Resident Representative assumed the central co-ordinating role in the response of the Organization. In addition, a total of \$2.03 million was earmarked from UNDP Special Programme Resources for relief and reconstruction activities. A further \$32,000 was allocated from the IPF for Mexico.

103. Projects approved or under development for financing from these resources include the buttressing of emergency health facilities at a hospital in Morelia, Michoacán, to help it cope with expanded responsibilities: the re-design and reconstruction of health services in Mexico City based on small operating units; the provision of advisory services in seismography and reconstruction logistics; and the re-building of a damaged public training institution. Two further projects in telecommunications and urban development are also under preparation.

104. Vanuatu. A \$30,000 disaster relief allocation was made from UNDP Special Programme Resources to assist in clearing vital access roads following extensive damage caused by cyclones Eric and Nigel.

105. Viet Nam. In the wake of extensive floods brought on by recurring typhoons, including typhoon Agnes, three relief efforts and one rehabilitation project were approved at a total cost of \$290,000. The relief projects provided medical supplies and other emergency assistance to victims while, under a plan to reconstruct sea dykes in the Nghia Binh province, important flood control measures are also being financed. Other emergency activities supported by UNDP in 1985 are cited in DP/1986/78.

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