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P O L I C Y

Report of the Executive Director regarding  
the experiences gained by the Fund in using  
the present set of criteria for selecting  
priority countries

Summary

This report of the Executive Director is prepared in response to decision 83/17 I, paragraph 4, of the Governing Council at its thirtieth session, requesting a report on the experience gained by the Fund in using the present set of criteria for selecting priority countries. The report briefly reviews the evolution of the system of priority countries, provides an analysis of programme trends in priority countries, undertakes a synthesis of the Fund's experience with the use of criteria in the determination of priority countries and, finally, outlines a number of programme guidelines that the Fund would wish to follow in priority and non-priority countries. This report calls for action on the part of the Council in regard to proposed approaches in further strengthening of the system of priority countries.

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## INTRODUCTION

1. The current system for the designation of priority countries for UNFPA assistance, based upon a set of modified criteria, was endorsed by the Governing Council at its twenty-ninth session in June 1982 (decision 82/20 I, para. 4). Subsequently, at its thirtieth session, the Governing Council requested the Executive Director to provide to the Council at its thirty-third session a report regarding the experience gained by the Fund in using the present set of criteria for selecting priority countries (decision 83/17 I, para.4). A progress report on this matter has been provided in the annual report of the Executive Director to the Council for 1983 and 1984, as requested by the Council in decision 83/17 I, paragraph 4.
2. The present report, which is being submitted in response to the Council's request, briefly reviews the evolution of the system of priority countries, provides an analysis of programme trends in priority countries, undertakes a synthesis of the Fund's experience with the use of criteria in the determination of priority status of countries and, finally, outlines a number of programming principles with a view to further strengthening the system of priority countries.

### I. BACKGROUND

3. The issue of the distribution of UNFPA resources among countries has always been a central question, given that well documented requests for UNFPA assistance exceed the resources available to it to meet them and that the Fund's main programme thrust has been, and will continue to be, at the country level. While during the early years of the Fund's operation the allocation of resources among countries was based largely upon the extent to which Governments had made requests to the Fund, the types of programmes for which assistance had been sought and the extent to which internal and other external resources were available, the period since the convening of the 1974 World Population Conference has required a clear-cut strategy since the demand for assistance from Governments has far exceeded the available resources and since the international capability to deliver population assistance has also greatly improved.
4. In a policy report on priorities in future allocation of UNFPA resources (document DP/186), submitted to Governing Council at its twenty-second session in June 1976, the Executive Director examined in detail the various alternatives for a system of allocating resources on an equitable basis. The alternatives included in this analysis were (a) allocation of resources on the basis of indicative planning figures (IPF) for countries; (b) allocation of resources among major developing regions or regional IPFs rather than IPF for individual countries; (c) priority in the allocation of resources to least developed countries; (d) priority in the allocation of resources to countries designated as most seriously affected; and (e) allocation of resources based upon a system of priority countries for population assistance (PCPA). After considering the various alternatives, the Council approved, in principle, the PCPA system, according to which special attention was to be given to those with the most urgent population problems.

5. In recommending the adoption of a system of priority countries, the Executive Director proposed the following criteria as a way of identifying countries with the most urgent population problems: (a) rate of population growth of 2.5 per cent or more per annum; (b) level of fertility in terms of gross reproduction rate of 2.5 daughters per woman or more; (c) infant mortality rate of 160 infant deaths or more per 1,000 live births; and (d) population density on arable land of two persons or more per hectare. It was proposed that, in order for a country to be designated priority, it should satisfy at least two of the above-mentioned criteria as well as have a total population of one million or more and a per capita national income below \$400. The Governing Council, in decision 76/42, approved in principle the criteria for establishing priority countries with the specific modification that priority countries would be so designated irrespective of the size of their population. It reiterated its request that UNFPA resources be concentrated in countries with the most urgent population problems.

6. In the report on the application of criteria for establishing priorities (document DP/232) submitted to the Council at its twenty-third session in January 1977, the Executive Director recommended that the criteria previously suggested, excluding population size, be adopted and that the threshold levels for demographic indicators proposed earlier be raised by one tenth. Furthermore, the Executive Director recommended that up to two thirds of total programme resources available to UNFPA for activities at the country level be established as a target for assistance in priority countries as a group. The Governing Council, in decision 77/5, approved the recommendations and requested the Executive Director to apply them in a flexible manner, with due regard to the Fund's obligation to honour in full the commitments it had already made and the needs of all developing countries.

7. The Executive Director submitted a progress report to the Council at its twenty-fourth session in June 1977, on the application of criteria for establishing priorities (document DP/263). In his report, the Executive Director pointed out that the application of the revised indicators<sup>1/</sup> approved by the Governing Council at the twenty-third session yielded a group of 40 priority countries. It was further suggested that an additional group of 14 "borderline" countries be given special attention since those countries would have qualified as priority countries if a 2 per cent variance in the threshold levels was allowed. The Governing Council approved the criteria and requested the Executive Director to report to the Governing Council on further progress made in the application of the criteria for the establishment of priority countries, bearing flexibly in mind the need to apply the recommendations on priorities and the population needs of all developing countries seeking UNFPA assistance.

8. After three years of the operation of the priority country system, the Executive Director proposed to the Council at its twenty-eighth session in June 1981 five alternatives for updating the criteria through a combination of suggested changes in the threshold levels of the demographic and economic indicators (document DP/530). The Governing Council, in decision 81/7, requested a report from the Executive Director on the experience of UNFPA with the system of priority countries and requested him "to explore the possibilities for introducing additional criteria to be applied in a future revision", for submission to the Council at its the twenty-ninth session.

9. In response to this request, the Executive Director submitted to the Council, at its twenty-ninth session in June 1982, a report on the UNFPA experience with the system of priority countries (document DP/1982/30). The Fund's experience with priority countries was reviewed extensively in terms of distribution of resources to priority and borderline countries, their regional variations and programme differences. As requested by the Governing Council, the report also included a major section dealing with the possibilities for introducing additional criteria to be applied in the selection of priority countries.

10. In document DP/1982/30, 13 socio-economic and demographic variables<sup>2/</sup> were considered and an assessment was made of each variable in terms of its conceptual validity, multi-collinearity with other variables, its statistical discriminating power and availability and international comparability of data used for an indicator. After an extensive review, the Executive Director made three recommendations: first, that the priority country system be continued; second, that the priority countries as a group continue to receive up to two thirds of total UNFPA country programme resources; and third, that the criteria for the determination of priority countries be slightly modified by substituting annual increments to total population for the annual rate of population growth, as well as by an upward revision of the per capita income indicator from \$400 to \$500 and a downward revision in the threshold levels of the other three demographic indicators<sup>3/</sup> to accommodate the demographic and economic changes that had occurred since the indicators were initially adopted. The Governing Council endorsed the modified criteria in June 1982 (decision 82/20 I, para.4), which resulted in the current list of 53 countries for priority assistance by UNFPA. The Council reiterated that all efforts should be made to attain the target of devoting up to two thirds of country programme resources to priority countries. The current list of priority countries has now been in use for a little over three years.

11. It may be noted that, cumulatively, 72 countries have received the Fund's priority assistance during the period 1977-1985. Of the original 54 priority and "borderline" countries, 19 "graduated" out of the priority country list in 1982, with the revision of both the indicators and their threshold levels. An additional 18 countries became qualified for priority assistance, having satisfied the revised eligibility criteria. Mention should be made of the fact that, once a country is on the priority list, it will continue to remain on the list until such time as the system is updated or revised. During the interim period, any changes in economic or demographic indicators will not affect the status of countries -- priority or non-priority.

## II. PROGRAMME TRENDS IN PRIORITY COUNTRIES

12. The World Population Conference of 1974 heralded a new era of population concerns. Not only did it bring the population debate out of academic circles and place it on the political and economic agenda at national, regional and global levels, but it also provided a framework, in the form of the World Population Plan of Action, for the formulation, implementation and evaluation of population activities. In parallel with these operational and political developments in population, the 1970s also witnessed a great surge in the description of the population situation and its changing tempo in developing countries as a

consequence of the 1970 round of population censuses, especially in countries of Africa and in other least developed countries. The interaction of these two developments led to a rapid growth in demand for population assistance, far exceeding the available resources.

13. The Conference also demonstrated the existence of enormous national variations in the nature and perception of population problems within countries, in the willingness and commitment of nations to deal with them and in the economic and institutional capacities of countries to deal effectively with their population issues. It was thus obvious to the Fund that it could not provide assistance equally to all the developing countries, nor uniformly for all manifestations of population problems.

14. The system of priority countries, which the Fund proposed in 1976 to the Governing Council, was designed as a way of concentrating its limited resources in those developing countries which had the most serious population problems and which needed assistance most urgently. In addition to proposing the system of priority countries as a programming strategy, UNFPA also envisaged the priority country<sup>4/</sup> system to serve as a framework for the support of "minimum population programmes" in the most deserving countries.

15. The main emphasis in preparing minimum population programmes at the country level was to be on activities directly related to and required for the formulation and implementation of population policies. The types of activities in support of the formulation of population policies was to include (a) the promotion of awareness and understanding of population factors as related to economic and social development; (b) the determination of the demographic characteristics of the population; (c) the assessment of population trends and their interrelationships with socio-economic influences; and (d) the formulation of population policies. Activities to be supported in the implementation of population policies were to include those requested by Governments for spacing births, reducing fertility, reducing sterility and sub-fecundity, raising the age at marriage, influencing internal and external migration, redistributing population and other types of programmes requiring assistance.

16. In both the formulation and the implementation of policies, special attention was to be given to the attainment of self-reliance in the following areas: (a) human resource development through training programmes and transfer of skills; (b) institutional building at the national level; (c) strengthening of the country's managerial, administrative and productive capabilities; and (d) operational research and pilot projects exploring innovative approaches to the various population problems.

17. It was also suggested that the preparation of minimum programmes would first be completed for the population sectors falling within the UNFPA mandate in the priority countries and then in other developing countries requesting assistance. It was also proposed that support for population activities in "other", i.e., non-priority developing countries would be more selective.

18. In order to help to implement the minimum population programme, the Fund identified a "core" programme of UNFPA assistance comprising the collection of basic population data, research and training in population dynamics, formulation and implementation of population policies, family planning programmes and population education and communication activities in support of population programmes. Inputs were also made to special programmes related to population aspects of the status of women, youth, aging, etc., and various multisector and programme development activities.
19. The modus operandi followed by UNFPA in identifying the minimum population programme in priority and other developing countries has been through the needs assessment exercises, which have enabled the Fund to channel its assistance to individual countries, in a systematic fashion, within the framework of the country's national population policy, programmatic interests and needs for external assistance. By the end of 1985, the programmes in 48 of the 53 priority countries had benefited from such exercises.
20. Data on UNFPA assistance to developing countries during the period 1977-1985, presented in table 1, indicate that the Fund has progressively implemented the Council's directive that UNFPA concentrate up to two thirds of country programme resources in priority countries. In order to help to assess the changing trends in assistance to priority countries during the operation of the initial and modified systems, data on expenditures have been presented separately for the sub-periods 1977-1981 and 1982-1984.
21. The proportion of resources devoted to priority countries increased from 54.1 per cent during the period 1977-1981 to 70 per cent during the period 1982-1984. Indeed, financial data for individual years (not shown here) indicate that the two-thirds target has been achieved in every year since 1982 onwards. This progress has been made possible by a combination of concerted efforts by UNFPA to concentrate its country programme resources in priority countries and by the revised system of priority countries, as modified in 1982.
22. Table 1 also offers a comparison of expenditures in priority and other countries by region for the sub-periods 1977-1981 and 1982-1984. During the sub-period 1977-1981, expenditures to priority countries in sub-Saharan Africa and in Asia and the Pacific were already close to the two-thirds target -- 65.9 and 66 per cent respectively. This is explained to a large extent by the fact within these two regions were to be found 41 of the original group of 54 priority and borderline countries. However, in the sub-period 1982-1984, the proportion of expenditures to priority countries in both these regions further increased to 80.4 per cent for the Africa region and 87.3 per cent for Asia and the Pacific region. This is to be expected since 46 of the present 53 priority countries are located within these two regions.
23. The Latin America and the Caribbean region has recorded a decline in the proportion of resources devoted to priority countries -- from 24.2 per cent in the sub-period 1977-1981 to 8.2 per cent in 1982-1984. This is essentially due to the fact that currently there are only two priority countries in the region -- both in the Caribbean -- as compared to six priority and borderline countries during 1977-1981. Thus, allocations to priority countries in this region are relatively low.

**Table 1.**      distribution of expenditures in  
priority and other countries by region,  
 1977 - 1981 and 1982 - 1984  
 (Thousand of US dollars)

Region	e x p e n d i t u r e s							
	priority countries				other countries			
	1977 - 1981 <sup>a/</sup>		1982 - 1984 <sup>b/</sup>		1977 - 1981		1982 - 1984	
	\$	%	\$	%	\$	%	\$	%
Sub-Saharan Africa	38 020	65.9	35 581	80.4	19 630	34.1	8 386	19.6
Asia and the Pacific	118 589	66.0	111 876	87.3	61 023	34.0	16 343	12.7
Latin America and the Caribbean	16 726	24.2	2 826	8.2	52 419	75.8	31 579	91.8
Middle East and Mediterranean	19 784	41.4	13.746	52.7	28 057	58.6	12 338	47.3
Europe					2 963	100.0	1 760	100.0
All Regions	193 119	54.1	164 029	70.0	164 092	45.9	70 406	30.0

a/ Refers to 54 priority and boderline countries as identified in 1977.

b/ Refers to 53 priority countries as identified in 1982.



24. The Middle East and Mediterranean region currently includes five priority countries as compared to seven priority and borderline countries during the period 1977-1981. The proportion of expenditures devoted to priority countries increased substantially between 1977-1981 and 1982-1984, from 41.4 per cent of total country programming in the region to 52.7 per cent.

25. Table 2 below illustrates changes in the distribution of assistance to priority and to all countries according to UNFPA work plan categories. For the priority countries, the most noticeable changes are to be found in the family planning programme sector, where expenditures increased from 38.9 per cent of total assistance in 1981 to 56.8 per cent in the period 1982-1984. Concomitant with this increase was a fall in the proportion of expenditures to basic data collection, from 34.7 per cent of the total in 1981 to 13.2 per cent in the period 1982-1984. Small increases on the order of 0.5 to 1 per cent can also be seen for population dynamics, formulation and evaluation of policies, communication and education and multisector activities.

**Table 2. Percentage distribution of UNFPA assistance to priority and all countries by work-plan categories, 1981 and 1982-1984**  
(in percentages)

UNFPA Work-plan category	Priority countries <sup>a/</sup>		All countries	
	1981 %	1982-1984 %	1981 %	1982-1984 %
Family planning	38.9	56.8	38.3	53.8
Communication and education	8.2	9.3	8.2	9.8
Basic data collection	34.7	13.2	31.3	13.1
Population dynamics	6.8	7.7	4.2	4.2
Population policies	3.1	3.6	5.0	5.0
Special programmes	0.6	0.7	1.4	0.8
Multisector activities	7.7	8.7	8.9	10.0
All categories	100.0	100.0	100.0	100.0

<sup>a/</sup> Refers to 53 priority countries as identified in 1982.

26. The overall changes in sectoral distribution of resources going to all countries -- priority and other countries combined -- are also similar to those observed for priority countries. This is to be expected since close to 70 per cent of all country programme resources are expended in priority countries. It should thus be noted that the revised system of priority countries adopted in 1982 has increasingly enabled the Fund to implement the directives from the Governing

Council both to concentrate up to two thirds of country programme resources in priority countries (decision 81/7 I, para. 4 and decision 82/20 I, para. 4) and to emphasize family planning and population education and communication sectors (decision 81/7 I, para. 3).

### III. EXPERIENCE WITH THE USE OF CRITERIA

27. The question of which criteria to use to designate priority countries is central to the concept of a system of priority countries. Ideally, such criteria should faithfully reflect the explicit rationale as well as the objectives of the system. In the context of the Fund's system of PCPA, it may be recalled that the primary objective in instituting the system was to provide priority assistance to countries with the most urgent population problems and needs. Given that all developing countries are eligible to receive UNFPA assistance, the use of an economic indicator level to identify countries which should receive UNFPA's priority assistance seems reasonable. The actual definition of the concept of countries with the most urgent population problems, however, is beset with many analytical and empirical difficulties. While a large number of population issues could be listed among the criteria, it seems reasonable that the actual criteria used should be those that are critical in a large number of developing countries, measurable in the form of statistical indicators, reflective of basic demographic behaviour and amenable to activities covered by the UNFPA mandate.

28. The most common manifestations of population problems are the direct outcome of basic demographic variables such as population size, fertility, mortality and migration. Although a large number of indicators are available to highlight different dimensions of these demographic phenomena, the actual indicators to be used by the Fund should be those that are directly related to the type of population activities that the Fund could support given its own mandate, resources and the programmability of the particular variable.

29. In this broad analytical search, the indicators of the additional population increment to total population, the level of fertility as measured by the gross reproduction rate, the level of infant mortality and the agricultural population density on arable land are not only significant individually in depicting one of the basic demographic features, but together they cover a much broader spectrum of population issues -- population size and growth, fertility, mortality, migration, intensity of labour density on the agricultural sector, etc. Furthermore, these indicators are closely associated with UNFPA's major activities related to the incorporation of population data into development planning, maternal and child health and family planning programmes and, the integration of population and development strategies.

30. A related issue in the determination of priority status of countries is the question of the use of socio-economic indicators. While it is useful to examine, as was done in 1976 and again in 1982, the possibilities for incorporating some of the socio-economic indicators for the determination of priority status, the general inadequacy of such indicators and the lack of their availability at regular periodic intervals continue to restrict their usage. Furthermore, such indices are

not often directly related to the core programme activities of UNFPA. Indeed, the feasibility analysis of these variables undertaken in document DP/1982/30 is as applicable today as it was in June 1982. A possible exception, with potential for future introduction into the priority system, appears to be the indicator of female literacy rate. The availability of data on this variable has slowly but appreciably improved as the taking of regular population censuses is becoming nearly universal.

31. The periodic availability of indicators to help to identify priority countries during the last nine years has, in the judgement of UNPFA, been satisfactory. The data on per capita GNP and agricultural population density are updated annually by the World Bank and the Food and Agriculture Organization of the United Nations, respectively. The demographic indicators of gross reproduction rate, infant mortality rate and the annual increment to total population are similarly estimated once in every two years by the United Nations Population Division. Because of the periodic availability of indicators, the system of priority countries is potentially capable of being monitored once in two years.

32. It continues to be the intention of UNFPA periodically to review the experience with the priority country system and to suggest modifications, if any, at regular intervals. Too frequent a revision could jeopardize the necessary continuity in programmes that are so crucial for the attainment of self-reliance by the priority countries. Furthermore, the pace of change in demographic parameters is invariably slow. The system of priority countries would thus require a minimum period of operation before a revision of the threshold levels of the criteria would be meaningful. From past experience, it would seem that a major review and revision of the system once in every six years would be in order.

33. Since UNFPA's country programmes normally last four or five years and since they are prepared about one year in advance of their actual approval, the ongoing programmes in the present priority countries have been in operation for less than four years -- not long enough to show their full impact. In spite of this fact, the target of funding up to two thirds of the country programme resources to priority countries has been fully met during the period 1982-1985. However, for the reasons stated above, the continuation of the present system for the time being is desirable.

## VI. STRENGTHENING OF THE PRIORITY COUNTRY SYSTEM

34. A review of experience with the operation of the PCPA system during the past eight years, and especially since June 1982, indicates that the system has enabled the Fund to concentrate its resources in a group of countries that have had the most serious population problems. Although the Fund has successfully programmed two thirds of its country programme resources in the current group of priority countries, the priority countries as a group have received a smaller share of country programme resources, in per capita terms, than the group of "other" countries. This is essentially because the current group of priority countries accounts for close to three quarters of the total population of all developing countries, while it receives a little over two thirds of resources

reserved for country programmes. Similarly, the analysis indicates that there does not seem to be any significant difference between priority and "other" countries as regards the degree of success achieved in the attainment of national institutional capability or in human resource development.

35. While the priority country system has, in the past, served as a broad guideline for the concentration of up to two thirds of country programme resources in the priority countries as a group and while the individual country amounts, in priority and non-priority countries alike, are determined on the basis of the Council's directive (decision 81/7 I, para. 8), the system of priority countries should now be strengthened to influence programme strategies and UNPFA inputs, as described in detail below.

#### A. Programme priorities

36. Progress in the field of population since the 1974 World Population Conference has been substantial. There exists today a universal recognition of the relevance of population factors in development planning, of the programmability of the population sector and of the importance of political and financial commitments by nations to population activities. In the same vein, there exists a clear recognition that international co-operation in population is not a substitute for national commitment, but only a catalyst, a supporter of innovation, a provider of technical know-how and a promoter of self-reliance.

37. Demographically, the developing countries make up a heterogeneous group of countries. Population size, for instance, varies from less than 5,000 persons in a number of small Territories to 1.06 billion people in China. Similarly, the rate of population growth ranges widely. Despite an enormous variation in the rates of population growth in individual countries, according to the United Nations Fifth Population Inquiry, about 47 per cent of all developing countries consider their rates of population growth too high and desire reductions. One of the main reasons for the continued high rate of population growth in many developing countries is the persistence of high fertility after rates of mortality have declined substantially. As was the case with the rate of population growth, a substantial proportion of developing countries -- 48 per cent -- consider their national levels of fertility too high and would like them reduced. Furthermore, access to methods of fertility regulation is not limited in 95 per cent of developing countries and in a large majority of them, in 75 per cent, the Governments themselves are supporting such programmes either directly or indirectly.

38. One of the most important factors associated with high fertility is the inordinate level of infant mortality in the developing countries. There are currently 49 countries developing countries in which the infant mortality rate is over 100 infant deaths per 1,000 live births. In most Northern and Western European countries, by contrast, it is less than 12 per 1,000. Besides being a critical factor in the decline of fertility, the level of infant mortality is itself a major population problem in developing countries. Recognizing this, the International Conference on Population, held at Mexico City in August 1984, recommended that countries with high mortality set a goal of attaining an infant mortality rate of 50 per 1,000 live births by the year 2000. A simple analysis of current levels and

likely trends in infant mortality indicates that as many as 67 developing countries may fail to achieve this goal by the year 2000, unless accelerated progress can be realized in improving infant and child health.

39. One of the undesirable consequences of high fertility, with clear implications for infant mortality, is maternal morbidity and mortality. In a number of developing countries the level of maternal mortality is high, exceeding 100 maternal deaths per 100,000 births. One of the cost-effective measures to reduce maternal mortality will be the provision of family planning services.

40. Issues related to migration, urbanization and population distribution have emerged as major concerns in a large number of developing countries. There are many reasons, including the high rates of population growth, slow economic growth rates, wide interregional disparities in income and levels of living, differences in the degree of exploitation of natural resources and adverse effects on the environment. The urban concentration of population in developing countries continues to be phenomenal. While in 1950 there were only 287 million people residing in urban areas in those countries, close to two billion persons are expected to reside in urban areas of developing countries by the year 2000. This trend in urban concentration by itself provides formidable challenges to the developing countries, but it is in addition compounded by the growth of primate cities and metropolitan centres. Only five of the 13 metropolitan cities with a population of four million or more inhabitants were to be found in developing countries in 1950. Projections indicate that by the end of the present century 50 of the 70 agglomerations with four million or more inhabitants will be in developing regions. The implications of these demographic trends for the creation of employment opportunities for the growing labour force, for the provision of food, social services and infrastructure facilities for the rising urban population, and for the the protection of the urban environment will be staggering. Thus, in the United Nations Fifth Population Inquiry, over 60 per cent of developing countries considered their patterns of population distribution inappropriate and desired major or minor changes in them.

41. Another emerging population issue in the developing countries with socio-economic implications is the aging of population. With only 6.3 per cent of their population aged 60 and over, the developing countries currently already have more older people than the developed countries - 230 million as against 185 million. Also, the number of elderly will more than triple in the next few decades in developing countries. And changing trends in migration, urbanization, the role of women and family structure are likely to have an impact on the traditional systems of support accorded to the elderly in these countries, requiring the formulation of special programmes to deal with population aging.

42. In addition to eliciting national perceptions on the above-mentioned population issues, the United Nations Fifth Population Inquiry also throws some light on the degree of institutional development in population activities in developing countries. The analysis shows that progress has been the best in institutional development for data gathering (86 per cent of countries), followed by capacity to undertake population projections (79 per cent), formulation and co-ordination of population policies (56 per cent) and, lastly, the capacity to undertake research on population and development interrelations (53 per cent).

43. In a report (document DP/530) presented to the Governing Council at its twenty-eighth session in June 1981, the Executive Director proposed a range of activities for UNFPA support in the 1980s. The Governing Council took note of the Executive Director's recommendations. It also confirmed that the Fund should concentrate on supporting the following areas in the order of priority indicated: (a) family planning; (b) population education, communication, motivation and dissemination of information on family planning; (c) basic data collection; (d) population dynamics; and (e) formulation, implementation and evaluation of population policy (decision 81/7 I, para. 3).

44. The Governing Council reiterated these programme priorities at its thirty-second session in June 1985 and requested the Executive Director to continue the Fund's assistance in its core areas, as defined in decision 81/7, and to give increased emphasis to strengthening UNFPA activities at the national level (decision 85/19 III, para. 1) It should nevertheless be noted that issues related to migration, urbanization and population aging are becoming increasingly more serious in a large number of developing countries and the Fund has already started receiving many requests for support in these areas from many individual countries. The Fund feels that the concept of programme priorities should be a dynamic one, reflecting appropriately the changing population situation in the developing countries as well as accommodating the emerging population concerns in the developing countries.

#### B. Resource planning aspects

45. The original principle of concentrating UNFPA resources in a group of countries which have the most serious population problems is more relevant today than ever before, given the sharp increase in the number of countries seeking population assistance, the widening scope of population programmes in developing countries and the declining trend in available resources, in real terms, for population assistance.

46. The Fund is convinced that there is a need to continue the system of priority countries. In view of the increasing need to concentrate resources further in priority countries so as to help to achieve self-reliance in these countries, it is likely that the proportion of country programme resources devoted to priority countries may rise further in the future.

47. From past experience, it appears clear not only that more resources should be made available to priority countries, but also that such resources be used in the short run to help to enhance the absorptive capacity and strengthen institutional and human resource capability, which alone, in the long run, can lead to the attainment of self-reliance by priority countries. A number of recommendations in this regard are made in a later section of the present report.

48. The question of resource allocation to individual countries continues to be influenced by two principles -- a target for priority countries as a group and a set of eight variables to take into account in making project allocations, as endorsed by the Governing Council at its twenty-eighth session (decision 81/7 I,

para. 8). The Fund would suggest the inclusion of female literacy rate as an additional criterion to the existing eight criteria in the determination of the level of UNFPA assistance to a country. This is considered appropriate since the role and status of women in a society directly affect the achievement of both population and development goals. Furthermore, this criterion is a good composite indicator, strongly correlated with a number of demographic behavioural variables not included in allocation criteria, as well as with the level of social and economic development.

### C. Programming guidelines

49. In consonance with the principle followed by UNFPA to undertake periodic review, revision and updating of the system of priority countries, there would be a need for a corresponding modification of the Fund's programme focus and operational guidelines. Basically, the system of priority countries identifies two groups of countries - priority and others (non-priority). The actual membership of countries in the two groups could periodically change as a result of modified criteria. While the current criteria used for the designation of priority countries could be reviewed in June 1988, the Governing Council may wish to examine the proposed categorization of countries, within the existing system, and the corresponding suggestions for programme focus and guidelines made below.

50. The important principles in the system of priority countries for population assistance are the existence of urgent population problems and the need for international population assistance. According to the present system, there are two groups of countries: priority and others. The group of priority countries refers to those that have a per capita income of \$500 or less and meet any two of the following demographic criteria: annual increments of 100,000 or more persons to total population; a gross reproduction rate of 2.5 or more; an infant mortality rate of 160 or more; and an agricultural population density of 2.0 or more persons per hectare of arable land. While by definition all the priority countries are considered poor and needy, the very poorest of them, the least developed ones<sup>5/</sup>, are poorer than other priority countries and may, therefore, deserve to be treated with greater flexibility.

51. Similarly, among the second major group of countries "others" there are those that could satisfy the demographic eligibility criteria required for the designation of priority country status, but not the income criteria because the level of per capita income in such countries is higher than \$500. It would appear that they need to be treated differently from those that are neither poor (with per capita income of higher than \$500) nor have population problems (not satisfying the demographic eligibility criteria required for the designation of priority country status). In a broad sense, this distinction gives rise to a continuum of developing countries spanning across the spectrum of least developed or very poor countries, priority countries, countries with urgent population problems and other countries. It is the intention of UNFPA to adopt variant programmatic approaches and to exercise varying degrees of flexibility in the application of operational guidelines in respect of population programmes specific to these four groups of countries.

52. The primary objective of international population assistance, like any other development assistance, is to help to build national self-reliance. Broadly speaking, the attainment of national self-reliance would involve: (a) minimum levels of institutional development; (b) a critical mass of adequately trained human resources; (c) adequate capacity for the provision of services; and (d) financial commitment. The first two of these would require more than just resources; they would involve a transfer of technology, technical know-how and training. The Fund particularly recognizes that effective training is a complex task and is aware that population training is required at various levels, in diverse fields, for varying durations, and for different target groups. This is one activity to which the Fund will continue to give priority attention in all the countries it serves.

53. The substantive review undertaken above of the population situation in developing countries implies the existence of both international diversity and national multiplicity in the nature of the population problem. In turn, the type of UNFPA activities in any given country will obviously depend upon the specific manifestations of the population problem in that country, the UNFPA mandate and focus, the national ability for initiating population programmes and national capacity for absorption of international assistance.

54. In a broad sense, the four types of countries that were alluded to above do not exhibit identical needs in their efforts towards self-reliance. Also, in view of the widening gap between increasing demand and a levelling-off or decline in available resources, the Executive Director believes that the Fund's programme of assistance to these four groups of countries should be more focused. Specific recommendations in this regard are as follows:

1. Priority countries which are least developed or very poor

55. The very poor and the least developed among the priority countries continue to be handicapped by low levels of institutional and human resource capabilities and by inadequate levels of resources for population activities. Thus, the major emphasis of UNFPA activities in these countries would be on helping to build institutional and human resource development, supporting pilot projects and operations research and providing budgetary support to selected population activities. The Fund might initially wish to concentrate its assistance to sectors of highest priority in order to help these countries to build their capacities gradually to undertake comprehensive programmes, whenever appropriate.

56. The Fund might wish to consider providing assistance of a long-term duration, possibly up to 10 years, for local personnel costs, operation and maintenance of equipment, insurance costs and gasoline and construction or rental costs, particularly in maternal child health and family planning, information, education and communication and population research sectors. Furthermore, technical assistance would be ensured to these countries.

2. Other priority countries

57. The remaining priority countries, on the other hand, are generally better able to mount action programmes and are more advanced in so far as institutional and



human resource capabilities are concerned. These countries are the ones which are most likely to be able to undertake comprehensive multisector population programmes.

58. While, as is the case with the first group of countries, the Fund might provide a wide range of inputs to these countries and would be flexible in regard to providing assistance for local costs, operation and maintenance of equipment and construction, particularly in sectors of highest priority, the duration of UNFPA support for these inputs in these countries may need to be limited to a period of up to five years. It is to be expected that a Government would take over these inputs at the end of the fifth year at the latest.

### 3. Non-priority countries with population problems

59. By contrast, some non-priority countries, while having a per capita income of over \$500, do nevertheless meet two of the demographic criteria used for the designation of priority status. This implies that these countries although not as poor as the priority countries do have population problems.

60. The Fund's assistance to these countries would be selective and limited to the provision of technical assistance, training, research, specialized equipment and supplies needed for specific activities and supply of contraceptives. Only under exceptional circumstances would the assistance for local costs be considered by the Fund. Local personnel costs including salary support and recruitment costs, operation and maintenance of equipment and gasoline and insurance costs as well as construction costs would be the Government's financial responsibility.

### 4. Other non-priority countries

61. In the remainder of countries, the Fund might consider providing limited support to specific activities related to training, population research and information exchange and technical co-operation among developing countries (TCDC).

62. The Fund's assistance to these countries would be restricted to the provision of short-term technical assistance for specific activities, particularly through cost-sharing and funds-in-trust arrangements.

## V. SUMMARY AND CONCLUSIONS

63. The system of priority countries has enabled the Executive Director to transfer at least two thirds of the resources available for country programmes to a group of countries which have the most urgent population problems and which are in need of international assistance. While all the objectives of the priority country system -- fostering institutional development, improving human resource capabilities and undertaking successful programmes -- have not been achieved uniformly in all the countries, there has been notable progress in a large number of countries. Being aware of the trend towards a diminution of resources, in real terms, for population assistance and the increase in the quantity and changing character of requests for such assistance, the Executive Director feels the need to examine further the system of priority countries.

64. The system of priority countries needs to be continued. While a revision of the eligibility criteria for the determination of the priority status of countries may be undertaken and reported to the Governing Council in June 1988, after five years of experience with the current system, the programming experience with the system during the last several years indicates the need to refine the categorization of countries and to modify the Fund's activities correspondingly. Broadly speaking, a useful distinction could be made among the priority countries between those that are very poor and least developed and the remaining priority countries. Similarly, among the non-priority countries, a meaningful differentiation could be made between those that have population problems and other non-priority countries.

65. A number of funding guidelines in respect to activities specific to these four major groups of countries have been suggested in the present report. In general, the Executive Director would accord a greater degree of flexibility in respect to programmes in priority countries. In view of their limited capacities for population programmes, low levels of per capita income and serious population pressures, especially among the very poor and least developed countries, these countries would require assistance, among other components, for local costs. By contrast, the Fund's support to non-priority countries would be more limited and would not generally include local costs.

66. The Executive Director feels that the implementation of these principles and guidelines would enable the Fund better to fulfil the objective of concentrating its limited resources in poorer countries with the most urgent population problems.

67. The Executive Director believes that, if the present trends continue in the future, the proportion of country programme resources devoted to priority countries may need to remain at slightly higher than the two thirds level of country programme resources.

68. With the Council's endorsement, the Executive Director intends to implement the programming guidelines set out in paragraphs 49 to 62 for the next two years or with the beginning of new country programmes, where appropriate. He will make every effort to implement them in a smooth fashion in order to ensure that the ongoing activities in any country will not be disrupted.

#### Notes

1/ Per capita national income of 400 or less; annual rate of population growth of 2.75 per cent or higher; gross reproduction rate of 2.75 or more; infant mortality rate of 176 or more; and agricultural population density on arable land of 2.2 persons or more per hectare.

2/ (a) per capita national income; (b) proportion of labour force engaged in non-agricultural industries; (c) female labour force participation rate; (d) density of agricultural population on arable land; (e) female literacy rate; (f)

proportion of total population residing in urban areas; (g) population size; (h) annual rate of population growth; (i) annual increments to total population; (j) gross reproduction rate; (k) crude birth rate; (l) level of infant mortality; and (m) life expectancy at birth.

3/ Threshold levels were reduced as follows: gross reproduction rate from 2.75 to 2.5; infant mortality rate from 176 to 160; and agricultural population density on arable land from 2.2 to 2.0 per hectare.

4/ For a complete elaboration of this concept, reference is made to document DP/186, paras. 32 and 65; document DP/232, paras. 12-20; and document DP/263, paras. 8-10.

5/ The UNFPA list of 53 priority countries includes 31 of 37 countries currently designated as least developed by the General Assembly of the United Nations.

