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P O L I C Y

FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS  
TRUST FUNDS ESTABLISHED BY THE ADMINISTRATOR IN 1985

Report of the Administrator

Summary

This document contains information on those trust funds which were established by the Administrator in 1985 under the authority granted to him in 1981 by regulation 5.1 of the revised UNDP Financial Regulations. In an addendum to this document, summary financial information is provided on all trust funds established by the Administrator since 1981.

## INTRODUCTION

1. Regulation 5.1 of the UNDP Financial Regulations 1/, which were adopted by the Governing Council in 1981 at its twenty-eighth session (decision 81/28), gives the Administrator the authority to establish trust funds for specified purposes consistent with the policies, aims and activities of UNDP.
2. This report, which is prepared annually, covers all trust funds established by the Administrator during the preceding calendar year. A brief description of the activities of each trust fund is provided in part I of this document and summary information on each trust fund is contained in annex I to this document.
3. Annex II provides detailed information concerning individual projects financed by the USSR/UNDP Trust Fund for Training in the USSR of Specialists from Developing Countries, which was established in 1982, and the Bulgaria/UNDP Trust Fund for the Training in Bulgaria of Specialists from Developing Countries, which was established in 1984. This information is provided in response to the request made by some members of the Council at its previous sessions.
4. Addendum I to this document provides summary financial information on all trust funds established by the Administrator since 1981.
5. A separate document (DP/1986/62) contains the report of the Administrator on trust funds conditioned on procurement from the donor country.
6. Equally in accordance with regulation 5.1, which states that "trust funds established by the Administrator shall be reported in detail to the Governing Council through the Advisory Committee [on Administrative and Budgetary Questions (ACABQ)]." This report has been submitted to ACABQ.

### I. TRUST FUNDS ESTABLISHED BY THE ADMINISTRATOR

#### A. On behalf of the United Nations Development Programme

##### 1. Ethiopia-Italy Programme of Rehabilitation and Development (EIPRD)

7. This sub-trust fund of the UNDP Trust Fund to Combat Poverty and Hunger in Africa was established with funds contributed by the Government of Italy. The Fund will finance various projects connected with the rehabilitation and development programme for selected areas of the Harraghe and Wello provinces. The projects relate to assistance to the National Water Resources Commission (NWRC) in the investigation, design and construction of dams and hydraulic structures for medium scale irrigation schemes; assistance to the Ministry of Agriculture in irrigation development; assistance to the Co-operative Promotion and Agricultural Development Department for the supply of agricultural inputs, soil conservation and forestry, the construction of feeder/access roads, the provision of storage facilities; assistance to the Water Supply Department; and health related programmes.

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2. UNDP Trust Fund for Support to the Programmes of the  
Ministry of Planning of Costa Rica

8. The objective of this Trust Fund, which is being financed by the Government of Costa Rica is to assist the Ministry of Planning in its programmes of support to the stabilization and economic reactivation of the country and in the implementation of the structural changes aimed at improving the efficiency of the State, including the reduction of the public sector deficit. The Trust Fund will contribute to the formulation of a medium- and long-term strategy of economic and social development and to the consolidation of guidelines for master plans for regional development.

3. UNDP Trust Fund for Assistance to the Technical Co-operation  
Fund between Peru and Argentina to Administer Food Aid

9. The Governments of Argentina and Peru have signed an agreement for the provision of food aid from Argentina for the benefit of Peru. This agreement provides for the establishment of a Technical Co-operation Fund to finance projects, the main objective of which is to increase production in order to achieve self-sufficiency in food supply in the southern region of Peru. The purpose of the Trust Fund is to increase the available resources, and thereby the number of projects within the Programme, emanating from the Technical Co-operation Fund.

4. Australian Development Assistance Bureau/UNDP  
Programme Trust Fund

10. The Australian Development Assistance Bureau (ADAB)/UNDP Programme Trust Fund was established from funds contributed by the Government of Australia to UNDP for the purpose of expanding and strengthening the impact and usefulness of the UNDP Pacific Intercountry Programme. This is to be achieved through the financing of supplementary, clearly identifiable development activities of high priority to developing Pacific island countries.

5. Assistance to the Centre for the Physically  
Handicapped (Bamako, Mali)

11. This sub-trust fund of The Initial Initiative Against Avoidable Disablement (IMPACT) was established with private funding to equip an orthopaedic workshop which would provide equipment for the physically handicapped.

6. CIDA/UNDP Trust Fund for the Caribbean Project  
Development Facility

12. This Canadian International Development Agency (CIDA) Trust Fund contribution was combined with cost-sharing contributions from the United States Agency for International Development (USAID); the Inter-American Development Bank (IDB); other donors including the Caribbean Development Bank and the Netherlands Government; and a UNDP contribution from the Regional Indicative Planning Figure

(IPF) for Latin America and the Caribbean to finance activities designed to assist in the identification and preparation of suitable private and public sector investment projects and to obtain the necessary financing for such projects. The specific CIDA contribution was applied to the new phase of this project which began on 1 July 1985.

B. On behalf of the United Nations Capital Development Fund (UNCDF)

1. Suspension Bridges - Phase II, Bhutan

13. This project in Bhutan established with funds contributed by the Government of Switzerland for the purpose of providing the financial and technical means for the design and erection of 50 suspension bridges trails, further to the construction of 80 such trail bridges under an already completed UNCDF-funded project.

14. The project should directly benefit about 50,000 people by providing them with easier access to schools, health centres and other basic social and administrative services. The trail bridges will also facilitate access to markets for their agricultural produce and will therefore increase their participation in the cash economy of the country. A further 20,000 persons are expected to benefit from the use of the trail bridges on a sporadic basis.

15. The trust fund finances the purchase of imported and local building materials and construction tools. In addition to the trust fund, the donor will provide the services of one full-time expert to assist the Government in the day-to-day monitoring of the project.

2. Production of School Furniture, Nicaragua

16. The project was established with funds contributed by the Government of Norway for the purpose of setting up a factory which will produce simple wooden furniture for use in Nicaragua's schools, where inadequate seating is disrupting the teaching environment, especially in the rural areas. The trust fund will cover the cost of equipment, installation, commissioning of machinery and initial training as well as vehicles. At full capacity, the factory will produce 170,000 classroom chair and desk units annually. At the same time, techniques used in the factory will enable it to provide better quality furniture at lower cost.

17. The Ministry of Education and the Ministry of Industry have created a joint venture which will bear financial and operational responsibility. The Ministry of Industry will be responsible for the construction of the factory building, provision of personnel, working capital and raw material. The principal client, the Ministry of Education, will establish production targets for the factory and will initially purchase its total production. Eventually, as the shortfall in school furniture is eliminated, the factory will diversify its production.

C. On behalf of the United Nations Financing System  
for Science and Technology for Development

1. Computer-based Management Training Programme in China

18. This project, established with funds contributed by the Government of Norway, will assist China in modernizing and diversifying fundamental management capacities with respect to the operations of technical institutions and industrial production centres. The training programme, which emphasizes computer-based methods, is articulated in two activities: formal training abroad and workshops held in China over a period of three years for analysis and review of management-related issues in the Chinese context. The results of the workshops will provide inputs for adaptation and orientation of the training programme abroad. Graduates from this formal training are expected to constitute the nucleus of the middle-management training staff at the new National Management Training Centre. The trust fund will cover the costs of the required technical assistance, training courses and equipment.

2. Establishment of the Beijing National Food Technology Centre

19. This project was established with funds contributed by the Government of Italy. The immediate objective of the project is to establish the Beijing Food Technology and Quality Control Research & Development Centre as the nucleus of a national programme aimed at modernizing China's food industry. In addition to upgrading laboratory and plant facilities, developing R&D programmes, improving current levels of technical capability among scientific and research personnel and monitoring the effects of the pilot plant processes in nutritional quality, the project aims to stimulate a closer exchange between Chinese food scientists and their counterparts abroad in more recent and advanced aspects of the biochemistry of food products and components; the nutritional implications of production methods; food technology fundamentals and new processing operations. This exchange, which will be fostered through seminars, fellowships and lecture courses, is also intended to lead to the definition of possible collaborative research programmes between Chinese and international personnel.

20. The important feature of the project is the linking of research with pilot-scale production in selected processing operations. This is intended to familiarize laboratory personnel and industry practitioners with modern process-line technology and to provide a basis for evaluating the effects of operating conditions on food products.

3. Strengthening the Computer Education and Computing  
Capability at the Asian Institute of Technology (AIT)

21. AIT has acquired a unique position in Asia by providing post-graduate education, continuing education and training programmes open to candidates from all nations in the region. The main objective of this Trust Fund, which is being financed by the Government of Norway, is to upgrade the computer education and computing capability of AIT by strengthening the professional standards of the

faculty and staff, which will enable the Institute to play an increasingly important role in the transfer of computer technology to the developing countries in Asia. The Trust Fund will provide for the required hardware and software, technical assistance and fellowships for the training of the regional faculty and staff in the following main areas: computer graphics, computer communications, distributed data banks, fourth-generation tools, information systems, interactive knowledge-based systems, man-machine interface, operating systems and system architecture. Furthermore, the Trust Fund will help create a Project Software Library Service at the Computer Applications Division of AIT as a first step towards the creation of an Information Technology Centre to serve the region.

D. On behalf of the United Nations Sudano-Sahelian Office

1. Wind Energy Utilization for Electrification

22. One of Somalia's most abundant renewable energy sources is wind energy. This project established with funds contributed by the Government of Denmark, is designed to develop the utilization of wind energy and thereby limit the need for imported petroleum. The project contains two components, one for rural areas and the other for the urban centre of Mogadiscio. Up to five autonomous wind turbine systems will be installed in rural areas. In Mogadiscio, four wind turbines will be connected to an existing diesel-powered electrical generation system in order to reduce the consumption of petroleum. Two engineers and six technicians will be trained in all aspects of wind turbine operation, including maintenance and performance evaluation.

Notes

1/ DP/522 and addenda.

Annex I

TRUST FUNDS ESTABLISHED BY THE ADMINISTRATOR IN 1985

A. On behalf of UNDP

<u>Trust Fund</u>	<u>Date of signature</u>	<u>Duration</u>	<u>Donor(s)</u>	<u>Recipient(s)</u>	<u>Amount and currency of contribution<sup>a/</sup></u> (in US dollars)	<u>Executing agency</u>	<u>Support cost reimbursement arrangements<sup>c/</sup></u>
1. Ethiopia-Italy Programme of Rehabilitation and Development (EIPRD)	15 Dec. 1984 <sup>e/</sup>	39 months	Italy	Ethiopia	7 142 857	UNDP Office for Projects Execution	Trust Fund to be charged a total of 11% for executing agency and other UNDP support services
2. UNDP Trust Fund for Support to the Programmes of the Ministry of Planning of Costa Rica	28 Feb. 1985	18 months	Costa Rica	Costa Rica	1 013 158	Government	Trust Fund to be charged 2% for UNDP
3. UNDP Trust Fund for Assistance to the Technical Co-operation Fund between Peru and Argentina to Administer Food Aid	8 July 1985	Not specified	Peru through agreement with Argentina	Peru	405 494	Government	Trust Fund to be charged a total of 14% of which 4% for UNDP and 10% for the Government implementing agency.
4. Australian Development Assistance Bureau/UNDP Programme Trust Fund	12 Aug. 1985	Not specified	Australia	Pacific countries	1 135 243	OPE, World Bank and other executing agencies	Trust Fund to be charged a total of 13% for UNDP and executing agencies
5. Assistance to the Centre for the Physically Handicapped (Bamako, Mali)	21 Oct. 1985	12 months	Private funding	Mali	13 292	Government	-
6. CIDA/UNDP Trust Fund for the Caribbean Development Facility	20 Dec. 1985	Not specified	CIDA	Participating countries of the Caribbean Group for Co-operation in Economic Development	360 000	World Bank/ International Finance Corporation	Trust Fund to be charged a total of 14% for executing agency and UNDP

B. On behalf of the United Nations Capital Development Fund

<u>Trust Fund</u>	<u>Date of signature</u>	<u>Duration</u>	<u>Donor(s)</u>	<u>Recipient(s)</u>	<u>Amount and currency of contribution<sup>a/</sup> (in US dollars)</u>	<u>Executing agency</u>	<u>Support cost reimbursement arrangements<sup>c/</sup></u>
1. Suspension Bridges-Phase II	24 June 1985	2 1/2 years	Switzerland	Bhutan	990 000	Government/ UNDP Office for Projects Execution	Trust Fund to be charged 5% for OPE and 3% for UNCDF
2. Production of School Furniture	17 Oct. 1985	2 years	Norway	Nicaragua	998 000	Government/ UNDP Office for Projects Execution	Trust Fund to be charged 5% for OPE and 5% for UNCDF

C. On behalf of the United Nations Financing System for Science and Technology for Development

<u>Trust Fund</u>	<u>Date of signature</u>	<u>Duration</u>	<u>Donor(s)</u>	<u>Recipient(s)</u>	<u>Amount and currency of contribution<sup>a/</sup> (in US dollars)</u>	<u>Executing agency</u>	<u>Support cost reimbursement arrangements<sup>c/</sup></u>
1. Computer-based Management Training Programme <u>b/</u>	15 March 1985	3 1/2 years	Norway	China P.R.	1 999 900	UNDP Office for Projects Execution	Out of the total contribution, \$154,900 to be utilized for support costs
2. Establishment of the Beijing National Food Technology Centre <u>b/</u>	25 March 1985 <sup>d/</sup>	3 years	Italy	China P.R.	2 166 000	Government	Out of the total contribution, \$197,000 to be utilized for support costs
3. Strengthening the Computer Education and Computing Capability at the Asian Institute of Technology (AIT) <u>b/</u>	27 Aug. 1985	3 1/2 years	Norway	Asia and Pacific Region	3 683 000	UNDP Office for Projects Execution	Out of the total contribution, \$293,000 to be utilized for support costs



D. On behalf of the United Nations Sudano-Sahelian Office

<u>Trust Fund</u>	<u>Date of signature</u>	<u>Duration</u>	<u>Donor(s)</u>	<u>Recipient(s)</u>	<u>Amount and currency of contribution<sup>a/</sup> (in US dollars)</u>	<u>Executing agency</u>	<u>Support cost reimbursement arrangements<sup>c/</sup></u>
1. Wind Energy Utilization for Electrification <u>b/</u>	6 Feb. 1985	4 years	Denmark	Somalia	2 782 620	UNDP Office for Projects Execution	Trust Fund to be charged a total of 8% for executing agency and UNSO

a/ Where applicable, the United States dollar equivalent of amounts payable in currencies other than United States dollars have been calculated using the United Nations operational rate of exchange in effect at the time of the establishment of the trust fund or, if paid in 1985, at the rate in effect on the date of payment.

b/ These trust funds have been established on the basis of the authority granted by the Governing Council in decisions 82/5, 83/22 and 84/35.

c/ Percentage figures, where indicated, refer to percentage of project expenditures to be applied towards support services provided by an executing agency and/or UNDP.

d/ The date given represents the date of the donor Government's written commitment.

e/ The project document was signed on 29 May 1985.



Annex II

I. USSR/UNDP TRUST FUND  
FOR TRAINING IN THE USSR OF SPECIALISTS FROM DEVELOPING COUNTRIES

The projects described below were implemented in 1985 under this Trust Fund. Detailed information on the activities previously financed by the Trust Fund were reported to the Council at its thirty-first session (DP/1984/69) and again at its thirty-second session (DP/1985/59). As some of the projects mentioned below were still ongoing at the end of 1985, or had only recently been completed, a number of final reports by executing agencies had not yet been received by the time of the preparation of this report.

1. Interregional Demographic Training and Research Programme  
in Population and Development Planning

Total amount approved: 1985: R284,665 and \$48,438

Executing agency: United Nations Department of Technical Co-operation for Development/United Nations Fund for Population Activities

Location: Moscow State University and study tours, spring and fall 1985

Objective: To contribute to the increased capacity needed in developing countries for strengthening population planning units within their machinery for development planning

As in previous years, two training sessions and related study tours were held, one from 8 April to 6 July 1985 in which there were 23 participants, and the other from 3 October 1985 to 20 January 1986 with 24 participants. Of the 47 participants in these two seminars, 18 were from Asia, 14 from African and Arab States, 7 from Latin America, 6 from Eastern Europe and 2 from Western European States. Lectures were provided by consultants from Moscow State University and by United Nations expert lecturers. The courses given had a practical orientation in the field of population and development.

2. Interregional Seminar on the Vienna Programme of Action  
- Role of Information in Accelerating Scientific and  
Technological Progress in Developing Countries and Prospects  
for the Establishment of Two Global Information Systems

Total amount approved: R82,615 and \$15,198

Executing agency: United Nations Department of Technical Co-operation for Development (in co-operation with the United Nations Centre for Science and Technology for Development)

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Location: Moscow, 24 September-5 October 1985

Objectives: To assess the needs of participating countries regarding the activities of national, regional and international organizations dealing with scientific and technological information; to exchange experience on creating and strengthening the scientific and technological potential of developing countries; and to evaluate programmes and networks dealing with technology forecasts and assessments and with international exchange of information.

This seminar was planned for 20 high-level policy makers and planners with 7 coming from Asia, 6 from Africa, 4 from Latin America and 3 from Arab States.

3. Training Course on Patent Information

Total amount approved: 1985: R83,165 and \$20,584

Executing agency: World Intellectual Property Organization (WIPO)

Location: Moscow, 20 June-12 July 1985

Objectives: To provide participants with basic information on national and international aspects of industrial property; to discuss the role of patent information in the transfer of technological ideas and to review various means of access to technical information contained in patent documents.

Lectures during the course were given by WIPO staff as well as by two outside invited lecturers from the USSR State Committee for Inventions and Discoveries.

The course was planned for a total of 25 specialists from developing countries.

4. Interregional Seminar on Ports and Related Maritime Safety and Pollution Prevention and Combat Aspects

Total amount approved: 1985: R241,158 and \$88,526

Executing agency: International Maritime Organization (IMO)

Location: Odessa, USSR, 16-29 August 1985

Objectives: This project was approved in 1984 and implemented during 1985. The objectives of the seminar were as follows: (a) to acquaint senior shipping industry officials of developing countries responsible for maritime safety and pollution control with the practical implications of IMO Maritime Safety and Pollution Prevention Conventions; and (b) to provide them with information on how best to organize their national administrations in this regard. In addition, the seminar sought to establish safety in ports as an important contributory factor in the efficient operational performance of ships, the reduction of marine casualties and the protection of the marine environment.

The seminar participants, who came from 53 developing countries, were senior officials responsible in their home countries for maritime/port administration. Among the participants were port directors, harbour-masters, port administrators, pilots, hydrographers and search and rescue personnel.

5. Familiarization Visit and Seminar on Training Methodologies and Facilities for Civil Aviation in the USSR

Total amount approved: R140,290 and \$54,060

Executing agency: International Civil Aviation Organization (ICAO)

Location: Leningrad and other cities, 11-20 June 1985

Objectives: To strengthen the air transport subsector in developing countries of Africa, Asia and Latin America by providing adequate training for Civil Aviation personnel. This training is aimed at improving air service within developing countries in these regions and making these countries more self-reliant in air transport.

This training course was planned for 30-40 senior civil aviation officials from developing countries.

6. Training in Airport Management

Total amount approved: R53,200 and \$20,625

Executing agency: International Civil Aviation Organization (ICAO)

Location: Leningrad, 25 March-20 April 1985

Objectives: The upgrading of specialized manpower in the air transport subsectors in African and Asian countries by transferring of knowledge through a specialized course in commercial airport management. This course was planned for 16-18 airport managers.

7. Interregional Group Training Programme in the Field of Management of Human Resources Development for Industry

Total amount approved: R69,968 and \$23,715

Executing agency: United Nations Industrial Development Organization (UNIDO)

Location: Moscow, October 1985 (4 weeks)

Objectives: To systematize the training and development process of industrial manpower on a local scale, in order to accelerate industrial and economic development; to upgrade the knowledge and widen the experience of training professionals on management and administration of industrial training by developing an understanding of systematic training and its application in all fields of industrial work.

This training course was planned for 15 training managers or training co-ordinators responsible for the planning and co-ordination of training activities at regional or sectoral industrial levels. All regions were invited to send participants.

8. Development of Trade and Economic Co-operation between Latin American and Caribbean Countries and Socialist Countries of Eastern Europe

Total amount approved: R75,125 and \$53,468

Executing agency: United Nations Conference on Trade and Development (UNCTAD)

Location: Moscow, 17-21 June 1985

Objectives: The principal purpose of this training course was to acquaint selected officials and representatives of the business sector from Latin American and Caribbean countries with trade and economic co-operation opportunities in the Socialist countries of Eastern Europe and to widen and deepen their knowledge of the economic and trade policies and procedures of the Socialist countries of Eastern Europe.

This seminar was planned for 25 participants and constituted the first part of a two-week training course. The second part of the seminar was held in Sofia, Bulgaria and was financed under the Bulgarian/UNDP Trust Fund.

9. Development of Trade and Economic Co-operation between Least Developed Countries of Africa and Socialist Countries of Eastern Europe

Total amount approved: R74,500 and \$58,200

Executing agency: United Nations Conference on Trade and Development (UNCTAD)

Location: Moscow, July 1985 (one week)

Objectives: To acquaint officials and representatives of the business sector from the least developed countries of Africa with trade and economic opportunities in the Socialist countries of Eastern Europe.

The seminar was planned for 27 senior government officials (from Ministries of trade, planning, economy, etc.) representatives from Chambers of Commerce and business sectors of the least developed countries of Africa dealing with the preparation of the mid-term review of the Substantial New Action Programme for the Least Developed Countries (SNPA).

10. Training Course on Integrated System of Annual,  
Medium and Long-Term Planning

Total amount approved: R96,995 and \$38,913

Executing agency: Economic and Social Commission for Asia and the Pacific (ESCAP)

Location: Moscow, May-June 1985 (6 weeks)

Objectives: To contribute to the improvement of efficiency of planning in developing countries of the ESCAP region by their ability to carry out practical work in priority areas of development planning, such as integrated system of annual, medium and long-term planning, as well as to provide a forum for the exchange of information and experiences in the field of planning.

This seminar was planned for 25 participants.

II. BULGARIA/UNDP TRUST FUND  
FOR THE TRAINING IN BULGARIA OF SPECIALISTS FROM DEVELOPING COUNTRIES

This Trust Fund was established in 1984 and was reported to the Council at its thirty-second session (DP/1985/59). No activities took place under this Trust Fund in 1984. Below is a description of a regional seminar financed under this Trust Fund in 1985:

Regional Seminar on the Development of Trade and Economic  
Co-operation between Latin American and Caribbean Countries  
and Socialist Countries of Eastern Europe

Total amount approved: 48,380 leva and \$11,850

Executing agency: UNCTAD in collaboration with the Economic Commission for Latin America and the Caribbean (ECLAC)

Location: Sofia, June 1985

Objectives: To foster the economic development of Latin American and Caribbean countries through the expansion and diversification of their economic co-operation and trade relations with Socialist countries of Eastern Europe and specifically (a) to study the economic and trade policies, practices and modalities of trading with Bulgaria; (b) to review possibilities for further expanding economic, technical, scientific and industrial co-operation between Latin American and Caribbean countries and Bulgaria; (c) to identify unutilized trade opportunities existing in Bulgaria; (d) to acquaint the participants with various forms and instruments of trade promotion in Bulgaria; (e) to discuss the trade-creating potential of new forms of economic co-operation; (f) to study preference schemes of Bulgaria; (g) to give participants an opportunity to have bilateral consultations with Bulgarian foreign trade organizations; and finally, (h) to collect collate, update and disseminate practical information on trade and economic possibilities existing in Bulgaria.

The seminar was planned for 25 senior participants and was arranged jointly with a course in Moscow financed under the USSR/UNDP Trust Fund.

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