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PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH PROGRAMME FOR ECUADOR\*

<u>Programme period</u>	<u>Actual resources programmed</u>	<u>\$</u>
1986 - 1988	IPF for 1986-1990	4 800 000
	Other resources programmed	<u>5 176 000</u>
	Total	9 976 000

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES .....	1 - 17	2
A. Current economic trends .....	1 - 6	2
B. National development strategies .....	7 - 11	4
C. Technical co-operation priorities .....	12 - 14	5
D. Aid co-ordination arrangements .....	15 - 17	7
II. THE COUNTRY PROGRAMME .....	18 - 32	9
A. Assessment of current country programme .....	18 - 26	9
B. New programme proposal .....	27 - 32	10
<u>Annex.</u> Financial summary .....		15

\* Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of operational funds and programmes under the authority of the Administrator; (e) distribution of new country programme by sector.

## I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

### A. Current economic trends

1. Over the last 15 years the population growth rate has declined to about 2.9 per cent; however, the population is expected to continue to grow at a relatively high rate, and it is estimated that it will total 12.4 million in 1995 (1985 estimate: 9.3 million). The distribution of the population between country and town, which in 1980 was 54.3 per cent rural and 45.7 per cent urban and which by 1985 had evolved to an estimated 49.8 per cent rural and 50.2 per cent urban, is projected for 1995 at 43.1 per cent rural and 56.9 per cent urban, indicating increased urbanization. This significant shift in population distribution will bring important changes in the urban and rural economies and societies. The 1974 and 1982 census figures indicate a decline in the proportion of the economically active population (EAP) found in the rural sector (from 52.8 to 46.6 per cent). If this trend continues, employment problems in the towns will become increasingly acute. Furthermore, the EAP has been growing at 2.8 per cent (cumulative annual rate) and is expected to continue increasing; this will intensify the demand for jobs and training of human resources.

2. Since 1973 oil exploitation has been providing resources for the country's modernization. But these resources have proved inadequate, both in their volume and in the way they have been administered, to overcome the large social and economic deficits caused by low productivity and structural problems.

3. The first phase of the oil economy - 1973 to 1977 - produced rapid overall growth and significant increases and changes in such sectors as industry, construction, transport and services. This phase was followed by a slow-down in growth which became more marked in 1982-1983, when the total gross domestic product had an average annual variation rate of -1.0, and the economy began to show signs of crisis. This was caused by the big losses in the farming sector (which had a negative growth rate of -6.7 in 1982 and 1983) and in the infrastructure brought about by the severe winters in those years, by the sharp reduction of external credit, and by the deterioration in the terms of trade resulting from the decline in oil prices. It must be stressed that the impact was harshest on the sectors most closely linked with the domestic economy, while the efforts to increase oil production to offset in part the fall in international prices of hydrocarbons had good results. But these results, while easing the effects of the crisis - especially in its financial aspects - induced greater dependence on oil resources, which in 1978 accounted for 42.4 per cent of exports of goods, and in 1984 this figure had risen to 74 per cent. Given the instability of the international crude-oil markets, the situation described above renders the economic structure more fragile and makes more difficult, but at the same time more necessary, the task of formulating, implementing and monitoring plans, programmes and public policies.

4. In order to combat the crisis, the country initiated a policy of adjustment and restoration of the basic balances, the main features of which can be summarized as follows:

(a) A major effort to increase exports of goods and services. From a total of \$2,817 million in 1980 exports climbed to 2,916 million in 1984, despite the lower oil prices. Reductions were also achieved in imports of non-financial goods and services, which, after reaching \$2,921 million in 1982, declined to \$2,146 in 1984. This meant that the current-account deficit of the balance of payments, which amounted to \$1.064 million in 1982, causing a significant loss of reserves, has declined in recent years, despite the heavy interest payments, to an annual average of about \$200 million in 1983 and 1984;

(b) A similar effort was made to contain and rationalize budgetary and public expenditure and to improve the collection of income taxes; this has produced a continuous decline in the fiscal deficit from 1983;

(c) An attempt has also been made to contain and sharply reduce inflation. In 1983 - when agricultural production fell owing to the severe winter - the cost-of-living index rose to 50 per cent, but it was brought down to 25 per cent in 1984;

(d) In 1984-1985 the foreign debt was renegotiated on terms and conditions which should produce an improvement in the foreign-exchange balance. But this balance may be seriously affected if oil prices continue their downward trend.

5. However, the adjustment policy mentioned above has caused domestic demand to weaken. This development, while contributing to the success achieved in balancing the economy, has not encouraged the expansion of productive economic activities directed towards the domestic market or the creation of jobs. The unemployment rate showed a significant increase, moving from 4.6 per cent in 1982 to 10.4 per cent in 1984; in the first five years of the 1980s the per capita gross domestic product (GDP) fell by an average of 0.7 per cent, while total GDP increased by 2.2 per cent, supported by an increase of 5.7 per cent in the value added for oil and 1.7 per cent for the rest of the economy. Per capita personal consumption also declined at an average annual rate of 0.1 per cent. Furthermore, investment has fallen in the last five years, a development aggravated by the natural disasters of 1983 and the suspension of foreign loans (their share of GDP dropped from 23.7 per cent in 1980 to 16 per cent in 1984). Per capita disposable income declined by 3.7 per cent a year in the period 1982-1984 after the growth of 1970-1981 (4.4 per cent a year).

6. The economic expansion of the last 15 years, based mainly on oil production and exports, brought about improvements in the living standards of some strata of the population and in the range of cover of some services, such as education, health, drinking water and social security. For example: in the period 1970-1985 the number of students completing primary and secondary schooling rose from 1,638,000 to 2,450,000; the number of inhabitants per doctor fell from 2,666 to 793; the number of people served by basic drinking-water facilities rose from 62.5 to 79.4 per cent of the population in urban areas and from 6.5 to 27 per cent in rural areas, and the number provided with sewerage facilities increased from 56.5 to 74 per cent in urban areas and from 0.7 to 22 per cent in rural areas; finally, the number covered by social security increased from 377,000 to 720,000.

## B. National development strategies

7. Despite the improvements, problems still exist with respect to the quality of life of large sections of the population who are still left out of the country's development process. The policy adopted by the new Administration in August 1984 to deal with the situation described above stipulates as an essential condition the reordering of the economy and its direction and dimensions in the light of concrete objectives matched by pragmatic criteria and flexible mechanisms. This approach forms the basis of the 1985-1988 National Development Plan (NDP) which was approved on 24 October 1985 by the President of the Republic. The Plan identifies seven strategic areas: productive sectors; integration and organization of the country; human resources; science and technology; public administration; international economic policy; and the involvement of society in the implementation of the Plan and the 22 basic programmes. Concrete goals have been set for these programmes, with specification of the internal and/or external financing required, the external technical co-operation and the actual projects (a total of 2,046).

8. In its first part the Plan document presents an analysis of the problems to be given priority: food deficit; housing deficit; unemployment and underemployment; quality defects in the education system; economic imbalances (various deficits and continuing inflation); insufficient national and regional integration; continuing migration from the country to the town; steady deterioration of natural resources and the environment; inefficiency and high cost of public administration; inadequate application of basic scientific and technological knowledge; and lack of security. In its second part the Plan sets out the general strategy, which starts from the basic premiss that in both the short and medium term, the conditions must be established for: (a) securing a growing improvement in the production of export goods and goods and services for the domestic market, especially those of an essential nature; (b) securing an improvement, again a growing one, in private and public investment and in the productivity of the economic sectors and the most important social sectors; (c) consolidating the stabilization and overall balance of the economy, with reductions in the internal and external deficits and in inflation. On the basis of this strategic policy it should be possible to increase the supply of food, jobs and housing to satisfy the essential requirements of the lower-income sectors.

9. In the economic field, attainment of these objectives depends basically on the combined driving force and performance of the following four basic productive sectors, which complement each other and stimulate the other sectors: (a) oil and electricity production, which, on the one hand, will lead to increased exports of crude and refined oil and, on the other, will facilitate the export of other goods as well as meeting the domestic demand for energy; (b) agriculture and livestock which, in addition to making further increases in exports, will step up the supply of fresh goods for the food and consumer-goods industries; (c) manufacturing industry which, as well as increasing food production for the domestic market, will augment the supply of inputs for construction and other activities and increase and diversify its exports; (d) construction, which will contribute to the building of housing and the solution of housing problems, as well as to the implementation of public investment works and projects.

10. In the social field, the strategy is based on the development of human resources in the following group of sectors: (a) education, where the main aim will be to improve the quality, especially in primary and technical education, and the quantity - in terms of the numbers completing their courses of primary and technical education; (b) training of specialist workers, for primary and rural as well as industrial and urban work; to this end, more attention will be given to adult, apprentice and teacher training services, with emphasis on specialization in the farming, manufacturing and services sectors, which complement those productive activities; (c) health services, especially the programmes for improvement and protection of the health of mothers and children, control of drug trafficking and use, and drinking-water and sewerage facilities.

11. The prospects are not overly optimistic with respect to the country's relations with the subregion. The Plan states the policy of a comprehensive review of the integration process, pointing out its shortcomings and proposing remedies. Specifically, it proposes the establishment of a new foundation for the country's participation in the process of subregional integration, stipulating that this process must respond to the challenges of the new circumstances of international industrialization, trade and financing. It proposes likewise that the country should participate in the modification of the Cartagena Integration Agreement, with a view to specifying therein the new objectives and mechanisms of integration and the preferential treatment to be accorded to Ecuador.

### C. Technical co-operation priorities

12. The requirements for external co-operation, both technical and financial were determined during the preparation of the 1985-1988 NDP as part of an integral process of identification of global needs. The NDP document identifies these needs in terms of projects and amounts and, in almost all cases, specific sources of external co-operation. With the help of a consultant, a preliminary assessment was made of the NDP's total requirements for external technical co-operation and this led to the identification of certain areas in which the external input will have to be increased and at the same time it suggested alternative sources of financing of which the country has so far made little use or about which little was known. On this basis, the National Planning Council (CONADE), in close collaboration with the local UNDP office, drew up a complete inventory of the specific technical co-operation projects deemed necessary for the attainment of the goals and objectives of the seven strategic areas and 22 basic programmes included in the NDP, arranging them by source of external co-operation and by programme priority, so as to be able to identify possible areas of duplication and/or co-ordination. This inventory will be used later as the basis of the National Programme of Technical Co-operation. During this exercise account was taken of the suggestions made both by the short-term missions requested by various government bodies which were carried out recently by agencies in the United Nations system: for example, the suggestions made through their local representatives by the World Food Programme (WFP), the United Nations Fund for Population Activities (UNFPA), the United Nations Children's Fund (UNICEF), the United Nations Educational, Scientific and Cultural Organization (UNESCO), the Food and Agriculture Organization of the United Nations (FAO), and the International Civil Aviation Organization (ICAO).

13. Accordingly, the resources of the UNDP Indicative Planning Figure (IPF) and those provided by the Government or by third parties on a cost-sharing basis have been concentrated mainly in four of the seven strategic areas laid down in the National Development Plan, namely:

#### Development of productive sectors

The programmes, projects and actions in this area have been drawn up on the basis of the essential premiss that the attainment of the goals of increased supplies of food and housing for the people are closely linked with increased production and productivity, improvement of the quality of goods and services and distribution and marketing, rationalization of costs and prices, and improved intersectoral integration. These same conditions are needed for the increase and diversification of exports. Special emphasis has been placed on the farming, mining and energy sectors, since they are the most important in ensuring the essential supplies required by other sectors and in generating surpluses for export.

#### Integration and organization of the country

Although the process of national integration has been a concern of all Governments to a greater or lesser extent, the NDP proposes a set of coherent policies, programmes and actions for the development and integration of backward areas and the completion and improvement of the country's systems of communications and transport, both along the north-south axes and by linking the coast, the mountains and the eastern region at various points. Special attention will also be given to the transport and telecommunications links with the Galapagos Archipelago and between the various inhabited islands.

#### Development of human resources

UNDP's social policy is based on four lines of action. First, the concern to raise the level of productive employment by creating a climate of confidence conducive to investment and good worker-employer relations; second, improvement of the quality of education, with emphasis on the sector's yield and the training of human resources along technical and humanistic lines; third, adoption and implementation of a food policy aimed at increasing production and improving distribution of and access to foodstuffs, especially among the ordinary people; and fourth, protection and assistance for vulnerable social groups facing situations which are critical for their development.

#### Rationalization of the public administration

The capacity of the State of stimulate and manage economic growth and equitable distribution of the benefits of development has been eroded by a large number of administrative and financial problems. The NDP therefore proposes that the structure of the Central Government should be rationalized and the Administration's management capacity substantially improved; this will entail modernizing and boosting the morale of the public administration, and priority will be given to the attainment of these goals in the customs services in particular, in the revenue service, in the services supplying equipment and materials for

administration organs, and in the management, processing and execution of contracts. To this end, the rationalization and control of budgetary expenditure, the provision of adequate financing for the budget and its effective use will be the permanent rule. Furthermore, technical criteria of modern business management will be introduced, financial programming and administration will be used, together with the most up-to-date techniques to ensure their profitability, with respect both to production and to marketing and transport, and a system will be devised for the gradual removal of subsidies.

14. Finally, it must be pointed out that the paucity of resources available under the IPF and the additional cost-sharing financing makes it impossible to satisfy all the technical co-operation requirements, and a list has therefore been prepared showing additional projects for which UNDP will act as a vehicle for mobilizing additional resources from the international community.

#### D. Aid co-ordination arrangements

15. Other criteria were also taken into account in the formulation of the fourth country programme, such as the possibility of building on existing situations, adaptation to UNDP-financed subregional, regional and global projects, relationship with pre-investment or investment activities, and the possibilities of technical co-operation among developing countries (TCDC). Within the strategic framework established by UNDP an attempt will be made in the forthcoming national technical co-operation programme to co-ordinate, systematically and concretely, the activities of all the other external sources of technical co-operation.

16. The fourth country programme covering the areas described above does not intend to undervalue the priority attached to other of the country's co-operation needs. The Government means to achieve, through close collaboration between the Co-ordinator of the United Nations system in Ecuador and the agencies which have their own representatives in the country, greater co-ordination and maximum mutual support among the various sources of assistance, including multilateral and bilateral sources. For example, in the social sector priority actions are being co-ordinated with UNFPA, UNICEF and WFP, with emphasis on mother and child care, nutrition and vulnerable groups, in accordance with the agreement to strengthen practical collaboration and co-ordinate programming between these bodies and UNDP.

17. The activities planned and/or under negotiation with other organs of the United Nations system are indicated below:

(a) The technical co-operation of the International Atomic Energy Agency (IAEA) will provide continued support during the period of the fourth country programme through 10 projects. The planned assistance amounts to almost \$1.1 million (\$550,000 in 1986; \$460,000 in 1987; and \$85,000 in 1988);

(b) The World Bank will also furnish technical co-operation during the programme. By means of a loan intended exclusively for this purpose assistance will be provided for the general strengthening of the public sector and, in particular, support will be given to the Ministry of Finance and to some of the

country's main public enterprises. In addition, a technical co-operation component of \$2 million is envisaged in the recently approved loan of \$100 million for the farming sector;

(c) In the second programme the United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE) made an important contribution to the country's mining development by discovering a silver mine in San Bartolomé which will be put into operation in 1986 with foreign investment, bringing the country major benefits. The Fund is studying with the relevant national authorities the possibility of further co-operation in the near future;

(d) The United Nations Fund for Population Activities (UNFPA) will continue to furnish assistance with mother and child care to the Ministry of Public Health, to the National Development Council (CONADE), in order to lay the foundations of a population policy, and to the Division of Population Studies in the University of Cuenca;

(e) In 1986 the World Food Programme will supply foodstuffs valued at more than \$5 million through two specific projects: food aid for mothers and children, and construction of rural infrastructure and support for productive activities in peasant communities;

(f) The United Nations Children's Fund (UNICEF) is planning to provide assistance in the following areas: primary health care in two medium-sized cities; pre-school education; development of marginal areas in the Municipality of Quito; continuation of the immunization campaign; and a rural development programme in Cañar and Nazón.

(g) The Pan American Health Organization (PAHO/WHO) will continue its collaboration with the Ministry of Health, with an estimated amount of \$2.5 million for 1986, in the following areas: epidemiological control and monitoring; disease prevention and control; health promotion and protection; mother and child health (with UNFPA); environmental health; animal health and public veterinary health; development of the health system; and development of human resources;

(h) Ecuador will also have the benefit of an extended programme of co-operation with the United Nations Fund for Drug Abuse Control (UNFDAC). Four basic programmes are planned for implementation in the period 1986-1989: National Programme on Illicit Trafficking in Narcotic and Psychotropic Substances; National Programme on Control of Illicit Trafficking in Narcotic and Psychotropic Substances; National Programme on Prevention of Drug Abuse; and National Programme on Treatment and Rehabilitation of Drug Addicts;

(i) The United Nations Disaster Relief Office (UNDRO) is considering assistance with volcanology and prevention of natural disasters;

(j) The Food and Agriculture Organization of the United Nations (FAO) will continue its technical assistance to the farming sector to the extent that its regular resources allow and it will co-operate in identifying additional sources of financing for specific farm projects;



(k) UNESCO's Office of the Regional Communications Advisor for Latin America, which has its headquarters in Quito, is planning technical assistance activities in its field;

(l) The Inter-American Development Bank (IDB) will continue its assistance to the National Development Bank, and an effort will be made to arrange new joint activities.

## II. THE COUNTRY PROGRAMME

### A. Assessment of current country programme

18. In the review of the third country programme an analysis was made of the results of the projects on the basis of project progress reports, direct knowledge of the projects, and the reports of such evaluation missions as took place.

19. The third programme was a response to the priorities laid down in the 1980-1984 National Development Plan approved by the previous Government. The principal objectives were the attainment of social justice and economic development based on domestic growth. It was calculated that the increase in oil exports in 1979-1981 would finance economic growth in those terms, but, as was pointed out in Section I.A., the national economy began to show clear signs of weakness in 1981.

20. The third country programme included specific projects for the three-year period 1982-1984 which coincided with the NDP, but this left the two other years (1985 and 1986) without major commitments to meet the technical co-operation needs of the new Government which took office in August 1984.

21. Project activities in the third country programme were focused mainly on the following needs: selective short-term strengthening of institutions; training of human resources in priority economic and social sectors; and improvements in certain basic services, the existence and quality of which were rapidly perceived by the people as an important benefit. Taking as its context the three basic areas described above, the programming was organized in such a way that the strength of various State institutions was improved, and is still being improved by almost all the implemented and/or ongoing projects. Next in order of importance was the improvement of human resources, and here too specific projects were carried out. Activities for the improvement of basic services have been much more limited, owing to the nature of projects of this kind, which require an adequate domestic capacity to mobilize resources and absorb technology and, at the same time, a national budget which allows an expansion of research and technical studies and their practical application. A large number of the projects in the third country programme provided assistance, to a greater or lesser extent, in all three of these areas.

22. The IPF available for the third country programme was originally \$15 million, but the available balance from the second UNDP programming cycle was \$383,000. When the programme was approved in May 1982, an illustrative IPF of 80 per cent was authorized, but this was later reduced to 55 per cent, i.e. \$8,633,000. Greater

government participation was also obtained in financing the costs of technical co-operation, its contribution doubling from \$2 million in the second programme (1977-1981) to \$4 million in the third (1982-1985).

23. The increase in the cost of external inputs and the growing demand for technical co-operation prompted a search for and application of new methods of project implementation, such as: (a) cost-sharing: in addition to the considerable increase in cost-sharing, use was made of the technical co-operation components included in the external credits or loans granted to the Government; (b) the use of short-term consultants: this practice showed a significant increase - designed to meet ad hoc needs and respond to a higher level of sophistication in the demand for external technical assistance; this innovation injected a greater degree of flexibility into the programme; (c) study tours for training purposes by individuals or groups were encouraged; they were frequently made possible through TCDC.

24. The programme was constantly reviewed and adjusted to achieve maximum efficiency, so that those projects which excessively delayed the delivery of inputs or those in which the objectives and results were not in keeping with the Government's policies were revised so as to free funds for the necessary reprogramming of resources.

25. Throughout the implementation of the programme, actions had to be consolidated into fewer projects with a greater impact, and similar activities of a single body had to be concentrated in a single project. Although the objectives of the third programme had been designed to meet the priorities laid down in the 1980-1984 NDP, these priorities were not retained in the same form, for the successive IPF reductions forced changes both in the initial objectives and in the size of the projects in operation, and the negotiation of new projects which were considered to be important supplements to the NDP was broken off.

26. However, this was the exception rather than the rule and, thanks to use of the tools of flexibility, adjustment and reprogramming, the quality of the programme as a whole was not affected. On the contrary, it must be stressed that the design of the projects and the support provided by the national counterpart organizations, in both financial and staff terms, were decisive factors which ensured the attainment of the immediate objectives.

#### B. New programme proposal

27. In contrast to the past policy of adapting the country programme exactly to the UNDP programming cycles, the fourth country programme for Ecuador is adapted to the 1985-1988 UNDP cycle with the exception of the first year - 1985 - and will therefore cover the period 1986-1988.

28. In accordance with the general policies, the development strategies and the overall priority needs for external technical assistance, the new programme proposal focuses on four of the seven UNDP strategic areas: (a) development of productive sectors; (b) integration and organization of the country; (c) development of human resources; and (d) rationalization of the public

administration. It must be made clear that since the change of Government in August 1984 CONADE, in conjunction with the UNDP office in Ecuador, has carried out a careful study of the programme's projects. Thanks to the flexibility of the third country programme, which left the last two years unprogrammed, and use of the technique of continuous programming, the programme was brought more closely into line with the Government's objectives as stated in the current National Development Plan. Parallel with the drafting of the NDP, a series of new projects was prepared and they went into operation in the second half of 1985 and early part of 1986, a year which is now included in the fourth country programme. This explains why a high percentage of the programme is committed in projects in operation.

29. Within the framework of the priorities laid down in the National Development Plan, the programme proposal is designed to attain the following goals:

#### Development of productive sectors

The following subprogrammes and projects have been selected as means of attaining this goal:

##### Basic infrastructure subprogramme

ECU/81/003: Civil aviation

ECU/85/010: Modular wooden bridges

ECU/85/007: Strengthening of maritime infrastructure

ECU/85/004: Development and management of the Telecommunications Administration of Ecuador

##### Farming subprogramme

ECU/86/014: Integrated mangrove management

ECU/86/015: Irrigation management at the farm level

ECU/86/016: Agriculture, forestry and grazing system in the Amazon region

ECU/86/017: Determination of post-harvest indices and losses

##### Manufacturing subprogramme

SI/ECU/85/801: Industrial statistics

ECU/20/56: Promotion of non-traditional export goods and development of new products for export

ECU/85/13: Investment promotion centre and data collection system

Energy subprogramme

ECU/85/011: Maintenance plan for refineries

Development of geothermal resources

Under the UNDP regional programme technical support will continue to be received from the Latin American Energy Organization (OLADE) through project RLA/82/011: Support for the Latin American Programme on Energy Co-operation (PLACE).

Integration and organization of the country

For the purposes of this goal UNDP's technical assistance will be concentrated on the following subprogrammes and projects:

Regional development subprogramme

ECU/86/012: Support for the Colonization Institute of the Amazon Region of Ecuador (INCRAE)

Integrated development plan for the Amazon region

Galapagos Islands master plan

Housing subprogramme

ECU/86/004: Development of rural housing of social benefit and use of appropriate technologies

In addition, consideration is being given under the UNDP regional programme to assistance for the Latin American Organization for Housing and Development of Human Settlements (OLAVI).

Rural development subprogramme

ECU/79/007: Integrated rural development (IRD)

ECU/84/U01: Emergency activities in the Jipijapa and Valdivia IRD projects

Natural resources and environment subprogramme

ECU/86/006: Meteorology and hydrology for farm development

ECU/86/002: Flood analysis in the River Guayas basin

ECU/86/005: Management and conservation of the River Paute hydrographic basin

Tourism subprogramme

ECU/86/011: DITURIS

Development of human resources

For the purposes of this objective UNDP's technical assistance will be concentrated on the following subprogrammes and projects:

Employment subprogramme

ECU/85/006: Support for the Guayaquil Foundation

ECU/86/010: Institutional development of SECAP

ECU/85/015: Assistance for the SECAP Planning Department in the equipment of vocational training centres

ECU/86/009: Statistical support for the planning system in the formulation of policies to increase employment

Education and culture subprogramme

ECU/79/003: National System for Improvement of Human Resources in the Education Sector - DINAMED

ECU/86/003: Training development for ports and shipping

In cultural matters support will continue to be received from the regional project

RLA/83/002: Preservation, conservation and enhancement of the cultural heritage.

Health, welfare and social security subprogramme

ECU/85/003: Administration and information technology in the Social Security Institute of Ecuador (IESS)

ECU/86/007: Integrated rehabilitation of disabled persons

Social participation subprogramme

ECU/86/008: Improvement and promotion of co-operative education and planning

Policies for the rationalization of the public administration

The following specific projects will contribute to the attainment of this goal:

ECU/80/001: National Development Bank (NDB)

ECU/85/002: Formulation of policies and plans

ECU/86/012: Programme support

ECU/86/013: Assistance for the Ministry of Foreign Affairs in the economic field

30. The majority of the projects mentioned above are not limited to their own sector or subprogramme but contribute as well to the development of other strategic areas. For example, the projects on formulation of policies and plans (ECU/85/002), programme support (ECU/86/012) and conservation and management of the River Paute basin (ECU/86/005) extend beyond the limits of the strategic areas in which they are classified and furnish knowledge and suggested solutions to problems in other strategic areas.

31. With regard to the resources available for this programme, attention must be drawn to the great effort made by national institutions to bear part of the cost of the technical assistance by cost-sharing in specific projects. This effort will result in a further increase over the amounts contributed in the past. Moreover, as the fourth country programme is implemented, assessments will be made of the possibility of incorporating additional co-financing. Efforts will also be made to extend the collaboration, which has so far been limited but successful, with international financing bodies such as the Inter-American Development Bank (IDB) and the World Bank. Subject to the stringent national budgetary restrictions, the Government will examine the possibility of making an additional cost-sharing contribution to the programme as a whole, in order to strengthen its financial base and thus facilitate the implementation of those specific priority projects which have not been included in this programme for lack of IPF resources and which the Government considers suitable for implementation by the United Nations system. An additional reason for this additional contribution is that the programmed resources absorb 100 per cent of the available IPF, leaving no reserve for additional unforeseen activities.

32. It must be stressed that, in addition to its participation in the projects referred to in the paragraphs above, Ecuador will take an active part in the global, interregional and regional projects of interest to the country. In particular, special emphasis will be given to participation in those regional projects which foster subregional integration and offer solutions to regional problems as well.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

<u>A. UNDP-administered resources</u>	<u>\$</u>	<u>\$</u>
Third cycle IPF balance	1 500 000	
Fourth cycle IPF	3 300 000	
Subtotal IPF		4 800 000
Special measures fund	-	
Special programme resources	100 000	
Government cost-sharing	5 500 000	
Third-party cost-sharing	-	
Operational funds under the authority of the Administrator	20 000	
UNDP special trust funds	-	
Subtotal, UNDP non-IPF funds		5 120 000
 <u>B. Other sources</u>		
Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise	56 000	
Parallel financing from non-United Nations sources	-	
Subtotal, other sources		<u>56 000</u>
 TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		<u>9 976 000</u>

II. USE OF RESOURCES

Programmed

Ongoing projects	6 961 000	
New project proposals	3 015 000	
Programmed reserve	-	
Subtotal, programmed resources		9 976 000
Unprogrammed reserve		-
 TOTAL USE OF RESOURCES		<u>9 976 000</u>

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