Thirty-third session
2-27 June 1986, Geneva
Item 5 (b) of the provisional agenda

PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR NICARAGUA*

<table>
<thead>
<tr>
<th>Programme period</th>
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<tr>
<td></td>
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<tr>
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* 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. The steady decline of the Nicaraguan economy since 1982 caused by the international economic crisis, the increasing military hostilities, the trade embargo and the problems themselves of transforming the country's social and economic structures within the framework of a mixed economy has produced a series of phenomena which can be summarized as follows:

   (a) Marked decline in the supply of goods and services when the economic effects of the continued armed conflict and the acute foreign exchange crisis began to be felt;

   (b) Accelerated deterioration of installed physical plant and transport;

   (c) Growing inflation in recent years;

   (d) Excess of liquidity resulting from the levels of fiscal deficit, the foreign exchange losses and the expansive credit policies for economic activities;

   (e) Decline of labour productivity, especially in the farming sector, with a consequent rise in costs and drop in production.

2. In 1985 the Government initiated a programme of stabilization and adjustment designed to check, at the lowest possible social cost, the negative trends in the economy and make economic policies more consistent with the demands generated by the tasks of national defence. In general terms, the main lines of economic policy have been reformulated in the following areas:

   (a) Foreign exchange. In view of the overvaluation of the córdoba against the dollar, the aim is to gradually establish more realistic exchange rates, in order to guarantee producers an adequate profit on their products and reduce foreign exchange losses by adjusting the internal/external pricing structure;

   (b) Financial. The aim is for credit policy to play a more active role but without loss of flexibility when production really requires it; a strict policy of loan recovery is also needed;

   (c) Fiscal. The policy is to limit the pressure from the fiscal deficit by checking the present financial imbalances through an increase in tax revenue and restriction of expenditure, principally by discontinuing the policy of production and consumption subsidies;

   (d) Wages. The real value of wages, taking inflation into account, is to be maintained as far as the serious economic situation allows, as an incentive to production and productivity.

3. In addition to the measures described above, certain institutional changes are being made at the higher levels of economic management, with the formation of the National Planning Council, the Ministry of External Co-operation, and the Planning and Budget Secretariat under the Office of the President of the Republic.
4. The 1985 programme initiated a gradual process of reducing domestic imbalances, but this was severely limited in scope owing to the trade embargo imposed on the country, the armed conflict which diverts the meagre material and human resources to defence tasks, and, lastly, the lack of a sufficient volume of financial assistance, which would come essentially from the multilateral development banks.

B. National development strategies

5. The programme of economic stabilization will remain an essential task in coming years so that the foundation can be laid for subsequent growth, without the distortions and imbalances in economic and social activities which cause blockages in the production system leading to further deterioration.

6. In the medium term the recovery and expansion of the economy and the export sector will depend fundamentally on:

(a) Primary production, through the development of more productive activities which bring greater returns and economic benefits in relation to external costs and through intensive and rational exploitation of national resources;

(b) The subsequent development of agro-industry;

(c) The development of the social and economic infrastructure in order to improve the country's living standards and basic services.

7. Furthermore, the consolidation and extension of what has been achieved by way of agrarian transformations and satisfaction of basic domestic-consumption needs, including education and health, are fundamental cogs in the development strategy for the next few years. These changes have taken place within the context of a policy for rational allocation of resources among the various sectors of economic activity, prevention of competition for the meagre resources available, attainment of higher levels of productivity and efficiency, and institutional consolidation of the mixed economy.

8. With regard to investment programmes, attention will continue to be focused on the utilization of installed capacity and the protection and maintenance of existing investments, as well as on productive and infrastructure projects designed to eliminate internal and external bottlenecks.

9. When considering the tasks for the next five years, one important point to be established when setting the country's economic course is that the scarcity of resources makes it vital to avoid competition among sectors and make them mutually supportive.

10. A national development strategy necessarily implies consideration of the two sources of basic resources: the land, with its farming, forestry and mining opportunities; and water, with its hydraulic and fisheries potential. From the utilization of these sources stems a whole series of major and complementary economic activities which require big investments and rigorous planning to ensure greater coherence in the use of the resources.
11. Nicaragua's development strategy is based on the industrialization of its farm production as a means of integrating the economic sectors and, most importantly, as a way of overcoming dependence on external supplies of basic consumer goods and at the same time strengthening the farm-exports sector as a traditional source of foreign exchange. The choice of the agro-industrial route to development does not however imply any disregard of the parallel need for progress in the development of other economic branches, such as the mining, processing and transformation of minerals, to the extent that technological progress allows.

12. The general objective of the five-year period, which is part of a longer-term strategy, is to strengthen the primary economic bases of the farming sector, with a view to increasing its production and productivity.

13. **Farming sector.** The aim is to achieve greater efficiency in the sector and better integration with the other sectors; to this end, the following actions with which the Government of Nicaragua would require external assistance are envisaged:

   (a) Raising the technical level of farming by more rational use of mechanization and development of an effective system for maintenance and repair of farming machinery;

   (b) Co-ordinating the distribution of agricultural chemicals and seeds, and irrigation and harvesting, in order to improve the organization of production and reduce post-harvest losses;

   (c) Further organizational strengthening of a marketing system to stimulate and inject energy into the farming sector, with respect both to export products and domestic consumption;

   (d) Rehabilitation, maintenance and extension of farm-infrastructure works which support the sector's production.

In the case of export products the aim is to restore and raise the traditional levels of production and productivity, introduce new export lines and make optimum use of subproducts. In the case of products for domestic consumption, the basic policy is to secure food self-sufficiency in basic grains. For this purpose, support will be given to projects in operation such as the "contingency plan" to increase production of basic grains, which are a fundamental item in the Nicaraguan diet. Consideration is also being given to the introduction of soybean cultivation as a major source of vegetable fat and proteins, and projects for the improvement of livestock production are under consideration.

14. **Forestry and fisheries.** It is envisaged that programmes will be carried out to produce timber for export and to meet the requirements of the domestic construction industry, and that basic forestry studies will be undertaken, especially on the ecological aspect, in order to secure intensive utilization without affecting the balance of the ecosystem. The diversification of the economy and of exports also rests on the development of fishery resources, and here the programmes are concerned both with the revival and restoration of the traditional catch levels and with the diversification of this activity, with particular emphasis on subproducts, deep-water fishing and species not exploited at present.

...
15. **Industry.** The general policy for the manufacturing industry sector is to concentrate on satisfying the population's needs, generating exports and securing greater integration in the economic system. To this end, and given the shortage of foreign currency for the purchase of raw materials, the need is to recycle materials, repair and maintain the existing industrial stock and direct it to new uses, and make optimum use of the installed capacity. Another medium-term aim is to establish quality standards and controls, especially in the foodstuffs and pharmaceuticals branches; this latter area will be of particular importance during the period in question. Small-scale industry must be supported and reorganized so as to contribute effectively to development.

16. **Mining.** It is envisaged that old metallic and non-metallic mining operations will be rehabilitated as a means of supporting the national industry, including the construction branch. Mining prospecting and evaluation will also be stepped up, in order to determine the presence of minerals which can be exploited in the longer-term.

17. **Energy.** This sector occupies a priority position in the Nicaraguan strategy of identifying energy sources which the country can use as alternatives to imported oil. Projects are already in operation for the utilization of geothermal and hydroelectric energy, in conformity with the national energy plan, which is designed to meet the country's considerable energy needs. An effort is also being made to secure maximum use of non-traditional energy sources such as farming and forestry residues.

18. **Transport and communications.** The policies under consideration are concerned with the maintenance and repair of the existing road networks and the completion of the projects in operation. The repair and maintenance of the vehicle stock is a consequent requirement of the current stage of development and the rationalization of development through the organization of the country's transport system. Minor changes are planned in the other means of internal communication, mainly the replacement of equipment.

C. **Technical co-operation priorities**

19. Since its establishment at the beginning of 1985 the Ministry of External Co-operation has been working, within the framework of the national development strategies, on the task of assessing the sectoral requirements for international technical co-operation. Account has been taken of potential bilateral and multilateral donors, and the operating methods have ranged from negotiations in mixed bilateral committees to sectoral project identification and formulation missions sent by specialized international bodies. Direct negotiations have also been held with donor countries and organizations during tours by Nicaraguan delegations headed by very senior government officials.

20. The result of this process is that the country's needs and priorities for technical co-operation have been grouped in three main areas: (a) support for the formulation, orchestration and administration of general and specific public policies designed to check and eventually reverse the most serious trends in the...
present economic crisis; (b) support for technical production processes designed to improve efficiency or productivity in the most vital areas of the economy; and (c) support for pre-investment research and studies on the extension and opening-up of the productive base and its related infrastructure, in order to sustain solider and less vulnerable economic and social development. UNDP would assist with these requirements and act as a vehicle for mobilizing resources to meet these needs. A comparison of the global priority needs in the three main areas of technical co-operation with the available sources reveals shortfalls in each area, and this means that the Government must make great efforts to secure additional co-operation resources.

21. The three main groups of requirements and priorities for technical co-operation are based on the national development strategies described above.

22. The strengthening of the policies for stabilization at the lowest possible social cost and of the short-term programming tools, including the statistical and information support systems, is the area of the first shortfall in technical assistance, and this shortfall is closely related to UNDP's planned allocation. The very nature and complexity of this problem, with its broad intersectoral scope and many secondary effects, means that the Government must have a discretionary capacity to select qualified personnel, a capacity which is not always provided for satisfactorily by means of bilateral or other more restricted modalities of technical co-operation.

23. The efforts to secure technical production improvements to boost economic efficiency are also impeded by a shortage of technical co-operation, and here the problem is closely related to the selective nature of UNDP's backstopping support. The farming sector has priority needs with respect to cultivation and exploitation of basic products and training in agricultural specialities, and the priority need of agro-industry is for technological improvement with respect to fats and oils, proteins, carbohydrates, dehydration of milk and derived products, canning, handling and packaging, animal feeds and the processing of marine products.

24. In the industrial branches of engineering, textiles, pharmaceuticals, construction materials, timber, and recycling there are many technical co-operation requirements which relate to better organization and rationalization of production, including the improvement of quality controls and the production of spare parts. These various branch requirements include the following:

(a) **Engineering**: design of machines and parts, metallography, thermic processes, rolling processes, salvage of residues, and production organization;

(b) **Textiles**: spinning, weaving, dyeing technology and finishing;

(c) **Pharmaceuticals**: extraction of active elements from natural raw materials, formulation of pharmaceutical preparations, quality control, pharmacology and biological control, and synthesis of simple pharmaceutical products;
(d) **Construction materials:** clay technology, ceramic engineering, quality control, cement technology, additives for building materials;

(e) **Timber:** extraction of oils and resins, manufacture of plywoods and chipboards, industrial production of charcoal and derivatives;

(f) **Recycling industries:** paper, scrap iron, glass, plastic, non-ferrous metals, lubricating oil.

25. In mining, priority is given to improving the processing and enrichment of ores and the reopening of mines. In energy, the emphasis is on improvement of efficiency in the generation, transmission and rational use of energy from imported sources. There are also requirements in the areas of hydrology, geology and seismic dangers, environmental and social impact of hydraulic works, transmission and distribution lines, geothermal exploration and drilling, and design of geothermal generating plant.

26. The transport, communications and other networks also have major needs for technical co-operation on problems of raising efficiency. At a more general level, priority requirements have been identified with a view to preventing the deterioration of the existing physical plant and improving the systems for maintenance and repair of machinery, equipment and various other installations, and for storage and packaging facilities.

27. No less important is the shortfall in the area of basic development research and study and with regard to more specific urgent pre-investment studies, which require a large input of sustained technical co-operation; the results are less immediate or obvious but they are essential to the advancement of the development process: basic studies on natural resources and specific studies on their economic use are two examples of this kind of technical co-operation requirement.

II. THE COUNTRY PROGRAMME

A. **Assessment of current country programme**

28. The third national programme was fitted to the time frame of the UNDP programming cycle - 1982-1986 - and was approved for a three-year period: 1983-1985. This period was adopted in the light of the situation prevailing since 1979, which made it inadvisable to programme the country's requirements for international technical co-operation beyond 1985. It should be mentioned here that in the first three years after the revolution of July 1979, UNDP's activities operated on the basis of annual programming.

29. The programme concentrated support on projects in five sectors: farming, other productive spheres, energy, social, and planning. However, during the programme's implementation resources were reallocated within the sectors as a result, *inter alia,* of the incorporation of cost-sharing contributions, the implementation of projects in unforeseen sectors, and over-implementation, in two sectors in particular.
30. During the first two years of the programme there were major discrepancies between what was programmed and what was implemented. Nevertheless, the implementation index climbed steadily during the period. Cost-sharing also increased significantly from year to year. The total share of expenditure rose from 10 per cent in 1982 to 22 per cent in 1984 and 26 per cent in 1985. With regard to the form in which the resources were used during this period, 61 per cent was spent on personnel, 24 per cent on equipment, 7.3 per cent on training, and 4.3 per cent on subcontracts.

31. In general terms, the third country programme undertook a package of projects which, with a single exception, were all implemented during the programme period. Of the total of 21 projects implemented during the period 85 per cent were small-scale projects (less than $400,000), and the remaining 15 per cent were projects of less than $700,000. The proliferation of small-scale projects was a result of the atypical circumstances in which the third country programme was prepared and carried out. This was due to the specific situations which arose and to requests by the Government for small-scale ad hoc assistance. The projects made a valuable contribution, as will be explained below.

32. It is accepted that, given the country's social, political and economic situation, the third country programme was not based on a development plan or a medium-term programme, but was rather, as the document puts it a "programme of projects", the majority of them already in operation, which were designed to meet legitimate technical co-operation needs in individual sectors but were also consistent with the Government's recognition of the need for optimum and integrated utilization of international technical and financial assistance.

33. It emerges from the review of the third programme that its overall contribution to the country's institutional development was valuable. A large number of projects were for assistance with sectoral planning and institutional development (industry, agro-industry, energy, foreign trade and education), and although ad hoc and short-term needs were decisive in the carrying out of the activities, working methodologies, tools and techniques were introduced which lasted beyond the situation of the moment; today they constitute an institutional foundation for more general actions and will facilitate even broader utilization of assistance from UNDP and other sources. This point is illustrated by projects which attained their objectives and have continued to give a high-quality performance in keeping with UNDP's fundamental goal of promoting a country's self-sufficiency and its technical, managerial and administrative capacities. These projects are Fiscal reform (NIC/79/006), National energy plan (NIC/80/021), artificial insemination (NIC/80/015) and Meteorology (NIC/82/005). In addition, the projects in the productive sectors contributed to the country's goals of securing supplies of essential goods, export promotion and substitution of imports. The Government was also given assistance with the formulation of pre-investment-project proposals for submission to the main donor countries, as well as with ad hoc emergency technical assistance, which was an important support in the efforts to revive the productive sector. As a result of these actions, during the period 1982-1985 resources totalling $2.6 million were mobilized in the form of multilateral assistance. These resources were allocated to education, vocational training, transport and maritime security.
34. There were some delays in the delivery of equipment which affected the implementation of certain projects, a problem which can be overcome in the next country programme by means of a more flexible system for equipment requests and equipment delivery by United Nations organs. There were also problems connected with the identification and continuity of national counterparts and the institutional location of certain projects.

B. New programme proposal

35. In the light of the general policies, the development strategies, the global priority needs for technical co-operation, and the shortfalls noted above, the new programme proposal is aimed at three main goals: (a) to contribute to the instrumental aspects of public policies and the strengthening of state institutions; (b) to improve the technical production situation in selected areas of the economy; and (c) to contribute to a number of specific priority studies which are given priority on the ground that they will facilitate further progress.

36. The strengthening of the instrumental aspects of the statistical and data bases and of the systems for rapid computation and assessment of the implications of one or more options and for measuring the results obtained is given high priority in the efforts to enhance the formulation of decisions on such public policies as short-term stabilization and programming. To this end, and in keeping with the Government's intention to upgrade in the short and medium term the institutional capacity of the State to formulate, orchestrate, apply and evaluate development guidelines and secure improved efficiency in the management of the current economic situation, the Government is seeking UNDP's assistance in two strategic areas of national development:

(a) Economic policy and global and sectoral planning, through two projects:

(i) Development of the operational aspects of planning (NIC/85/018), to be implemented by the Planning and Budget Secretariat, with the objective of improving the tools for defining and evaluating economic policy and enhancing the Secretariat's technical capacity with respect to short-term planning;

(ii) Technical assistance for the development process (NIC/85/011), the purpose of which is to offer technical assistance for the solution of individual problems that arise from the dynamics of the development process itself;

(iii) Support for industrial rationalization and development (NIC/85/022), which seeks to promote increased productivity in the sector by rationalization at the branch and enterprise level to strengthen the sector's organizational structures and establish suitable management procedures;
Support for the rationalization and development of Nicaragua's small-scale industries (NIC/85/019), which is intended to provide advice, methodologies and action programmes for the development of the small-scale textiles, food and leather industries;

(b) The external institutional sector, through two projects:

(i) Institutional strengthening of the Ministry of External Co-operation (NIC/85/010), where the aim is to enhance the operational capacity of the Ministry in order to maximize the impact of technical and financial co-operation;

(ii) Development and optimization of foreign trade (NIC/85/016), designed to contribute to the improvement of the country's trade balance by increasing, promoting, penetrating and making optimum use of the markets for export goods. Support will also be given to mechanisms to reduce the cost of imported supplies.

37. At the same time, an effort will be made to devise projects for the modernization and rationalization of the machinery of administration and public management in these strategic areas, and here it is the state apparatus which is able to mobilize domestic and foreign resources with greatest efficiency and effectiveness, incorporate the various social and economic sectors in the development process, and increase the capacity of the central Government to manage public policies.

38. The study and removal of bottlenecks which obstruct the productive processes, with widespread disruptive effect, and the study and introduction of technical organizational improvements accompanied by in situ training is another area of priority activities in which it is considered that the United Nations system has exceptional experience and a broad frame of reference, factors of very great importance in the effort to increase efficiency and productivity and show visible results in the short term. To this end, the Government requires UNDP's assistance in the implementation of the projects mentioned below, the aim of which is to increase the production of priority items with a view to improving the foreign trade balance and boosting the domestic supply of basic consumer goods to the population; the projects take the form of direct support and strengthening of organizational and business capacities at the various levels of the production process, and the emphasis will be on making maximum use of the installed productive capacity by introducing appropriate modern technologies:

(a) Technical assistance for the "El Limón" mine (NIC/85/013) to exploit the Panteón gold seam, increase the mine's productivity and reduce and control water seepage;

(b) Technical assistance for non-metallic mining (NIC/85/024); Technical assistance for small-scale mining (NIC/85/025), and Assistance for the Technical Information Centre of the Mining Institute of Nicaragua (NIC/85/026). These projects give priority to the institutional strengthening of the sector in conjunction with improvements in the processing and enrichment of ores and reopening of mines;
(c) Study on containers and packaging (NIC/85/021), which will seek to define the future development of the manufacture of containers and packaging for the following industrial branches: foodstuffs, beverages and tobacco, chemicals and pharmaceuticals, and miscellaneous industries;

(d) Strengthening of the production capacity for farm equipment (NIC/85/027), which seeks to upgrade the country's capacity to manufacture farm equipment;

(e) Transfer of technology (NIC/85/028), Agro-industrial development (NIC/85/029) and Seed production (NIC/85/031) are intended to contribute to the production of basic consumer goods in the farming sector, save foreign exchange by reducing imports of seeds and secure genetic improvements in them;

(f) For the second priority area - the improvement of the technical production situation - the Government is requesting UNDP's assistance with the extension of the project on strengthening support for the National Meteorological Service (NIC/82/005) in order to improve the agro-meteorological network, establish new stations and strengthen the central facilities of the hydrometeorological service, with a view to providing information and data to limit the effects of climatic hazards and maximize farm yields;

(g) To avoid the kind of production losses which occurred during the epidemic of dengue fever in March-October 1985, the Government is seeking UNDP's assistance for a new project designed to eliminate dengue in five years by means of a community action campaign, an anti-larvae campaign, insecticide-sensitivity tests, and establishment of a system of epidemiological monitoring.

39. With respect to the large shortfall in technical assistance for urgent studies and research to facilitate further progress, UNDP's assistance is requested for a number of activities which have been identified:

(a) National inventory of irrigation systems (NIC/85/030), with a view to formulating a strategy for the development and modernization of irrigation;

(b) Institutional support for farming research (NIC/85/032) which seeks to promote the sector's modernization on the basis of high-technology farming;

(c) Institutional support for the Technical Information Centre of Nicaragua (NIC/85/014) to increase its technical capacity and the quality and quantity of its services to users.

40. This request for UNDP's technical assistance in the areas and projects described above does not imply any disregard of the priority attached to the country's other co-operation needs. It is the Government's wish to achieve, by means of close collaboration with the Co-ordinator of the United Nations system in Nicaragua and the agencies which have representatives in the country, as much co-ordination and mutual support as possible in the assistance provided from various sources, including multilateral and bilateral ones. Thus, priority actions in the social sector are co-ordinated with the United Nations Fund for Population Activities (UNFPA), the United Nations Children's Fund (UNICEF), the World Health
Organization/Pan American Health Organization (WHO/PAHO) and the World Food Programme (WFP), with emphasis on mother and child care, nutrition, vulnerable groups, and hospital infrastructure. Of particular importance in this area is the co-ordination between UNICEF and WHO/PAHO and the Governments of the Central American subregion in the health priorities scheme for Central America and Panama which envisages investments totalling approximately $512,945,700 in seven selected areas: support for health services, human resources, essential medicines, food and nutrition, tropical diseases, infant survival, and public health. This Central American initiative was inspired and is supported by the Contadora Group (Colombia, Mexico, Panama and Venezuela). Nicaragua will receive $6.2 million under the scheme in external resources, and additional resources are being negotiated in an amount of $37.7 million. WHO/PAHO will supplement the UNDP project to combat dengue fever by providing a permanent technical officer in Nicaragua. The Inter-American Development Bank (IDB) will support the anti-dengue campaign with a national/subregional project on tropical diseases, in particular malaria and dengue (*Aedes aegypti*).

41. The Government has also requested technical assistance from the Food and Agriculture Organization of the United Nations (FAO) in areas such as the seed research and production for the main food crops, intermediate storage centres for basic grains, artificial drying of basic grains in co-operatives, popular extension services and technical assistance, fisheries, swine fever and institutional support. In some of these areas the assistance will be combined with the assistance financed by UNDP. In others, use will be made of funds in trust of donor countries.

42. In the industrial sector the collaboration with the United Nations Industrial Development Organization (UNIDO) will be concerned with institutional support for the sector, strengthening of the existing basic infrastructure, and improvement of the technological capacity of the production centres.

43. In conjunction with the United Nations Capital Development Fund (UNCDF), the Government will support a series of investment projects, in conformity with the strategies of selective recovery, transfer and development, aimed especially at the rationalization of energy use in the engineering sector and the construction of a transmission line at Bluefields, an important sea port on the Atlantic coast. UNCDF is in the process of finding additional funds to finance agro-industrial project proposals for the production of farming inputs and consumer goods.

44. WFP will contribute about $18 million for 1986-1991 to support rural and forestry development and provide assistance for hospital patients and destitute and displaced persons.

45. The activities of the Office of the United Nations High Commissioner for Refugees (UNHCR) will be focused on the support of projects to promote social integration and economic self-sufficiency among refugees, and in this area co-ordination with WFP is of great importance.

46. It must be pointed out that Nicaragua will take an active part in the global, interregional and regional projects which are of benefit to the country. In
particular, special attention will be given to participation in those regional projects which foster subregional integration and offer solutions to regional problems as well.

C. Unprogrammed reserve

47. In the programming of the funds of the fourth country programme a reserve equivalent to 10 per cent of the available IPF funds has been set aside to meet any urgent needs for technical assistance which may come up during the programme as a result of specific circumstances brought about by the dynamics of the country's development process.
Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

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<td>UNDP special trust funds</td>
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<td>Subtotal UNDP non-IPF funds</td>
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<td>B. Other sources</td>
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<td>Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise</td>
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<td>Parallel financing from non-United Nations sources</td>
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<td>Subtotal, other sources</td>
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<td>TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING a/</td>
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II. USE OF RESOURCES

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<td>New project proposals</td>
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<td>Subtotal, programmed resources</td>
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*a/ The country programme was prepared on the basis of total available IPF resources of $1.08 million from the third cycle and $7.19 million for the fourth cycle, as approved by the Governing Council. Arrangements have been made to pay during the last two years of the fourth cycle the sum of $3 million borrowed from the third cycle on the authority of resolution 80/2 adopted at the special session of the Governing Council in February 1980, repayment of which was deferred to the fourth cycle in resolution 80/12 adopted by the Governing Council at its seventeenth session in June 1980. Depending on the level of implementation of the programme presented in this document, the Government may request a loan of resources from the fifth cycle, for use in 1990/91, subject of course to authorization by the Governing Council for such a request.*