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PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR THE PHILIPPINES

Note by the Administrator

I. PROCESS OF THE PROGRAMMING EXERCISE

1. The UNDP Office participated actively in the entire country programming process, particularly in the preparatory stage, which culminated in the submission of the Resident Representative's note to the Government in mid-July 1985. In addition to the suggestions on the desirable orientation of the new country programme, the note made reference to recent policies calling for renewed emphasis on better prepared and more relevant projects. The views and suggestions of the Resident Representative were fully considered in the deliberations on the numerous project proposals received and in the selection and prioritization of these proposals for UNDP assistance.

2. In the preparation of the note, account was taken of the assessment of the third country programme, which was carried out by a national consultant selected jointly by the Government and UNDP. A comprehensive, in-depth qualitative analysis of third cycle programme performance could not be carried out, because in late 1983/early 1984 the programme had undergone some significant adjustments on account of the country's severe economic and

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financial crisis. A full impact analysis was therefore premature, and the assessment was limited to a more factual, quantitative review and an identification of the major factors which accounted for implementation delays, including some suggestions for expediting certain actions. The major conclusions of the assessment were the following: (a) there is value in having flexibility in the use of the country programme to meet urgent and unforeseen technical co-operation needs and to adjust to shifts in programme orientation; (b) there was concern as to the extent to which new phases or spin-offs of earlier projects tend to take up considerable proportions of IPF resources and consequently limit the development of new projects; (c) there is importance in having a strong pipeline and paying early and increased attention to project development and improved project design.

3. The formal country programming process started with a letter from the aid co-ordinating entity, the National Economic and Development Authority (NEDA), to approximately 39 Government entities, including line ministries and agencies. The submission of project proposals was requested in accordance with guidelines, the selected development thrusts and the nature and type of inputs that were eligible for UNDP assistance. To ensure co-ordination and facilitate the selection and prioritization of project proposals, the Government decided to have specific project proposals from United Nations system agencies channelled through their counterpart Government entities. The UNDP office also communicated with some 32 agencies of the United Nations, defining the modality of their participation in the programming exercise. In addition, the UNDP office had discussions with the local representatives of United Nations agencies and the major bilateral donors on the programming exercise, indicating the desirability of complementary or supplementary assistance and possible co-financing arrangements. Although neither agency nor sectoral programming missions had been planned, a few agencies such as HABITAT and the World Intellectual Property Organization (WIPO) took the initiative of fielding programming missions.

4. Of the 137 proposals received, 90 were considered to be significantly relevant to the development thrusts selected for UNDP assistance and which were based on the country's economic recovery programme. To this end, it was decided that a significant portion of the fourth cycle IPF resources should focus on pre-investment activities, especially in support of the Balanced Agro-industrial Development Strategy (BAIDS) embodied in the updated Philippine Development Plan (1984-87); by so doing, the use of foreign loans for this purpose would be kept to a minimum. On the basis of the established substantive criteria and resources available, and as confirmed by a joint NEDA/UNDP workshop held in late August 1985, 37 proposals were finally selected for inclusion in this new country programme. In addition, in the process of taking a decision on the final list of project proposals, account was taken of areas where UNDP assistance had in the past demonstrated relative advantages over other sources of assistance, as well as the possibility of using other sources of technical assistance funds. With regard to the balance of the 90 proposals which could not be accommodated in the new country programme, their relative priority has been determined by NEDA for possible submission to other funding sources.

II. THE FOURTH COUNTRY PROGRAMME

5. The current economic backdrop against which the fourth country programme was formulated is considered to be of unprecedented severity in the country's post-war period. To an adverse external environment of falling prices for the country's main export goods, increased interest rates and oil prices, one must add the structural weaknesses of the economy, aggravated by a drought in 1983, which resulted in further reduction in the volume of agricultural exports; and an industrial sector faced with excess capacity and an inability to compete in the international markets. A short-term economic recovery programme was devised to focus on the structural reforms and policy measures that would need to be implemented to provide the basis for a more sustained long-term growth.

6. The fourth country programme has been deliberately designed to support this recovery programme by helping the Government to acquire greater self-sufficiency through the development of indigenous resources and capabilities. The country programme will focus largely on the two-pronged thrust of agricultural and industrial development, which is fully in line with the Government's long-term strategy of balanced agro-industrial development for more sustained socio-economic growth and development. Consequently, the bulk of the IPF resources has been programmed in the two major development thrusts of agricultural and industrial development. The other two development thrusts related to energy development and conservation and improved planning and management of development programmes at the national, provincial and local levels have also been designed to support this strategy.

7. The other major characteristics of the country programme are its support to capacity-building, prudent use and management of resources, and concentration on a few high-impact, short-gestation projects, primarily in the areas identified above, where technical co-operation inputs of the kind provided by UNDP are considered to have a greater potential to produce maximum results. In addition, human resources development will continue to maintain a high priority and is consistent with the Government's determined efforts to attain self-sufficiency and self-reliance in both the technical and managerial fields. This approach, including the use of a focused, as opposed to a diffused or scattered approach, and the programming of resources by development thrusts rather than by sectoral objectives, is considered to have sound technical rationale and justification.

8. The decision to have a number of ongoing projects continue into the fourth cycle was based on a careful review of whether or not they could contribute to an important degree to the development thrust under which they were classified. Consideration was also given to the need to ensure the consolidation of results and the attainment of the envisaged objectives. As a result of this review, twenty-one projects (including those which will be approved and start operations in 1986) qualified for inclusion in the fourth country programme; they will require resources equivalent to 23.7 per cent of the net programmable IPF for the 1987-1991 period. It will be noted, however, that eleven of these projects are scheduled to end during the first year of the fourth cycle.

III. MANAGEMENT OF THE COUNTRY PROGRAMME

9. At the December 1985 annual review of the ongoing country programme, the importance of conducting these reviews for purposes of improving the overall management of programme implementation and performance and programme development was emphasized. It was agreed that these reviews should be held at least twice a year and should be institutionalized. In addition, a mid-term review of the country programme will be scheduled for 1989, the results of which will be used as inputs to the in-depth assessment of the fourth country programme.

10. In the light of a new country programme for which new projects and new project phases or extensions will have to be prepared, the need to have Government personnel adequately trained in project design and formulation takes on added significance and poses special challenges, particularly for 1986 and 1987, when the major portion of the projects are expected to be formulated. Possible measures are being discussed with the Government to respond to this important requirement in an expeditious and satisfactory manner.

11. The bi-annual reviews, together with the constant dialogue UNDP maintains with the Government, will serve to facilitate the process of allocating the programmed and unprogrammed reserves to priority projects, according to the changing technical co-operation requirements that may arise during the course of implementing this country programme and in line with the concept of continuous programming. The fact that the programmed reserves are adequately supported by specific objectives and activities should reduce the difficulties and time period of the project development and preparation process: experience has shown they can be a very lengthy and time-consuming exercise. The recognition of the need to improve project design to ensure better monitoring of programme implementation and better project results is satisfying and greater attention will be given to this aspect of programme management.

12. In addition, it has been agreed with the Government to systematize and arrange project evaluations for all projects with IPF resources in excess of \$1 million and also for those projects where technical complexity requires in-depth evaluation. In this regard, closer and more frequent monitoring actions are envisaged to help in the early identification of serious bottlenecks in project progress and consequently in the taking of early measures towards their elimination.

13. On the other hand, the configuration of the programme by development thrusts should enable the fielding of multi-sectoral evaluation missions which hopefully will not only produce greater overall results but will also prove to be cost effective.

IV. RECOMMENDATION BY THE ADMINISTRATOR

14. In light of the foregoing, I am pleased to endorse the fourth country programme for the Philippines and recommend its approval by the Governing Council.