



**Governing Council
of the
United Nations
Development Programme**

Distr.
GENERAL

DP/CP/RWA/4
8 April 1986
ENGLISH
ORIGINAL: FRENCH

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 RWANDA*

<u>Programme period</u>	<u>Actual resources programmed</u>	\$
1987-1991	IPF for 1987-1991	30 852 000
	Other resources programmed	<u>6 111 000</u>
	Total	36 963 000

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES	1 - 23	3
A. Current economic trends	1 - 10	3
B. National development strategies	11 - 17	5
C. Technical co-operation priorities	18 - 22	6
D. Aid co-ordination arrangements	23	7

* 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.

CONTENTS (continued)

	<u>Paragraphs</u>	<u>Page</u>
II. THE COUNTRY PROGRAMME	24 - 91	8
A. Assessment of current country programme	24 - 29	8
B. New programme proposal	30 - 90	10
C. Unprogrammed reserve	91	23
<u>Annex.</u> Financial summary		24

I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

1. Rwanda's past economic performance and its growth prospects are still determined largely by the country's basic characteristics: small size, land-locked situation, high population density, lack of natural resources, an infrastructure which is still inadequately developed, and the majority of the key economic and social indicators which have caused Rwanda to be classified by the United Nations among the least developed countries (LDC).

2. Up to 1981 Rwanda had a real growth rate of about 4 per cent a year - a very positive trend which was attributed, notably by the World Bank in its economic reports, to a number of favourable internal and external circumstances. However, the situation deteriorated markedly from 1981, and the Government was obliged to institute in 1982 a series of stringent austerity measures to stabilize the economy, faced as it was with a worsening of the terms of trade, a reduction in real terms in foreign aid, a slowing-down of growth in the gross domestic product (GDP), a relatively large increase in the domestic and foreign debt, and a decline in exports which produced an imbalance in the balance of payments. In August 1985 the Government began to prepare a programme to stabilize and relaunch the Rwandese economy.

3. In mid-1982 the population of Rwanda was assessed at approximately 5.5 million and the annual growth rate at 3.6 per cent. With some 390 inhabitants per km² of agricultural land Rwanda is the most densely populated country of continental Africa. The Government has taken major steps to establish a population policy, but the effects will be visible only in the long term. Whatever view is taken of the way in which the population growth rate will evolve, the population will reach 10 million by about the year 2000.

4. The population increase will certainly make the present food balance even more precarious. The rural sector has 95 per cent of the population. Each family has about one hectare of land on average and engages mostly in traditional subsistence farming, marketing one third of production. Five per cent of the land is used for export crops, mainly coffee and tea. Subject to the disclaimer that production statistics are not very reliable, it does seem that the food supply has so far kept up with population growth, owing to an increase of about 40 per cent in the cultivated area over the last 10 years. However, this considerable result must be judged in the light of other factors: stagnation of yields for the majority of crops; deterioration of nutritional standards (less protein); soil erosion; decline of grazing land and cattle herds; and increase in food aid and imports of food products.

5. Despite the existing possibilities for intensifying agriculture, this sector, in which the rate of under-employment is estimated at about 30 per cent, will not be able to absorb usefully a large part of the 100,000 persons who come onto the labour market every year. The tendency for exodus to the towns can only grow stronger, while the jobs capacity of the tertiary sector will be very small: the

civil service has already filled all its posts and commerce and services will be hit by the restrictions which will probably be placed on imports.

6. The Government has placed great hopes in industrial development, to which the Third Plan, 1982-1986, gives high priority. Up to the beginning of the 1980s this sector had a remarkable growth rate (9 per cent a year in real terms between 1977 and 1982) and in 1982 it accounted for 17 per cent of GDP. It employed 43,000 persons, with one third of the value added coming from State or quasi-public enterprises and the rest from small private enterprises. Apart from the packaging of coffee and tea, industry works almost exclusively for the domestic market, which remains small in size. The general policy is to give priority to export-substitution activities. It is very probable that fewer than 6,000 new jobs will be created during the Third Plan, for the reserve projects have a very high capital cost per job created. The type of industrialization proposed in the Plan seems difficult to pursue in the new conditions prevailing as a result of the worsening of the economic situation in 1982-1983. The restrictions which the Government had to impose with respect to taxes, prices and credit are having a negative influence. Moreover, a large number of big capital-intensive modern enterprises are facing serious financial difficulties and uncertain economic profitability, a situation which the Government is countering with its programme for stabilizing and relaunching the economy.

7. Rwanda consumes very little energy, owing to the population's weak purchasing power and the high cost of imported energy: oil from Kenya, and a part of the electricity from Zaire. Firewood, the traditional fuel, is becoming increasingly scarce, and reforestation is having to compete with food and export crops for the allocation of land. However, the country is not entirely lacking in resources (it has hydroelectricity, methane and peat), but it lacks expertise, and many technical problems have not been solved. Nevertheless, the consumption of non-traditional fuels is increasing with urbanization, at a higher rate than the gross national product (GNP). The planned hydroelectric investments should reduce imports a little.

8. The main means of internal transport is by road. The network has recently been developed, and Kigali is connected by asphalt roads with the country's main centres and with the frontiers. In 1984 the total number of vehicles was 18,500, belonging mainly to small landowners, businessmen and transport operators. Traffic seems to be increasing regularly at a higher rate than the GNP increase, and competition is producing an improvement in services. The Government devotes considerable resources to the maintenance of the network from the national budget and from foreign financing. It is also endeavouring to break down the obstacle of the isolation of a land-locked country situated more than 1,500 km from the Indian Ocean.

9. Rwanda's medium-term export prospects are not very promising. They are made very vulnerable by the small number of export products (coffee, tea, minerals), which are sensitive to weather hazards and the uncertainties of world prices. They have a ceiling of about 10 billion Rwanda francs. In order to reduce the trade deficit the Government has already taken steps to limit imports, but the structural deficit in the trade balance may worsen in the future.

10. The contraction in the flows of foreign trade will reduce State income, which relies to a large degree on import and export taxes. State resources will be used to meet payments on the internal and external debt which, without having reached a dangerous level, does still represent a considerable sum. Since there is a limit to the cuts that can be made in ordinary expenditure, which have already been undertaken, it is to be feared that Rwanda will encounter increasing difficulty in financing its development and that the lack of local resources will have the effect of limiting public investments.

B. National development strategies

11. Rwanda is carrying out its Third Economic, Social and Cultural Development Plan (1982-1986), which in January 1985 underwent a mid-term evaluation for the first years, 1982-1984. Some objectives were revised downwards owing to the crisis which has been affecting the country since 1982-1983, but the strategies have not been fundamentally changed. The Ministry of the Plan has begun the preparatory work for the Fourth Plan (1987-1991), the period of which will coincide with the fourth programming cycle. The main directions of development can be defined during the present phase, with an effort being made to look beyond the medium term and consider more distant problems. The Plan will also have to take into account the programme for stabilizing and relaunching the country's economy, which is at present under discussion by the Government and which will present measures and actions designed not only to improve economic management but also to correct the structural defects in production as well as the big economic imbalances.

12. With the special emphases indicated by the President of the Republic the development strategy will confirm the great tasks which Rwanda was set in the Second and Third Plans, namely: (a) food self-sufficiency; (b) improvement of the people's living conditions through increased production and productivity; (c) development of human resources through jobs promotion and training; (d) strengthening of national institutions and their intervention capacity; (e) development of economic and social infrastructures.

13. Satisfaction of the population's food needs remains the first development priority, made necessary by the population explosion. This means giving priority in the allocation of available human and financial resources to food crops, stock-raising and fisheries. Up to now a substantial effort has been made in this sector, involving 20 per cent of development-budget expenditure and between 20 and 30 per cent of external aid. The results have not measured up to the effort made, and this effort will have to be continued, with greater attention given to the co-ordination of a whole series of actions relating to the technical aspects of production, the legal régime for agriculture, prices policy, marketing, storage, and farm credit.

14. The improvement of the people's living conditions is a vast objective which in present circumstances must take the form of a greater concentration on the development of production in all sectors, in order to increase the domestic supply, reduce imports, broaden the tax base and thus increase the State's income, and distribute purchasing power more widely, especially in the rural areas. Owing to

the high levels of recurring costs, the promotion of the social sectors will not receive all the attention it needs, at least in the medium term.

15. The development of human resources means increasing both numbers and quality. The first aspect relates to the promotion of jobs and implies development based on labour-intensive techniques whenever possible. The second aspect concerns the whole of the teaching sector and the continuation of the reform begun in the 1979-1980 school year; it also involves non-school training and in-job training which is needed to improve the population's technical standard and its productivity.

16. The strengthening of national institutions, especially those concerned with development, is a long task. During the period of austerity imposed by circumstances, which requires a general intensification of effort, there will have to be a stricter allocation of State resources, especially human resources, to these institutions, and they will be required to improve the quality of their management. This applies very particularly to a number of public services and to certain quasi-State companies in the production sectors.

17. Finally, infrastructure development means above all the infrastructures of transport, both internal and international, telecommunications and the postal service. It constitutes an essential support for the country's economic activity.

C. Technical co-operation priorities

18. In recent years the amount of technical co-operation enjoyed by Rwanda has been in the order of \$100 million a year, an amount which seems certain to decline in coming years. This bilateral and multilateral technical co-operation was carried out by some 700 foreign experts and volunteers in 1984, with the emphasis on agriculture and education. A high proportion of the foreign experts work directly on the implementation of projects at very technical levels. Observation of the forms and modalities of technical assistance in Rwanda prompts a number of general comments.

19. The quality of a project's planning and preparation is a decisive factor for the success or failure of its implementation. It can be seen that different donors use very different methodologies and sets of criteria in project planning and implementation. Consequently, it frequently happens that projects which are almost identical in their objectives have very different formats. The requirements for counterpart staff and the recurring budgetary implications are estimated very inconsistently, and they are usually underestimated, when they are not forgotten altogether. The problem of long-term institutional development and the need to establish relevant and durable organizational procedures and systems in the institutions seem sometimes to be relegated to the background.

20. It appears therefore that particular efforts should be made to enable the Government to exercise better control over the identification and planning of technical co-operation projects and that these efforts should focus equally on the central ministries such as the Ministry of Planning, the Ministry of Agriculture, Livestock and Fisheries, the Ministry of Transport and Communications, and the ministries responsible for education.

21. Although considerable efforts have been made in recent years to increase and improve technical and professional skills in the various areas of the national economy, Rwanda still suffers from a lack of management and technical staff in sufficient numbers to plan and carry out its development plans and for some years to come it will have to rely on the support of bilateral and multilateral technical assistance. The National University of Rwanda produces an average of 175 graduates a year in all disciplines, to which must be added a few graduates who complete their courses in foreign institutions.

22. In conclusion, three main priorities can be noted:

(a) The functioning of the institutions should be improved by establishing appropriate management mechanisms and working procedures;

(b) The co-ordination of foreign aid, especially technical assistance, still runs up against a number of difficulties which have still to be smoothed out;

(c) Rwanda has a general shortage of professional technical and management staff.

D. Aid co-ordination arrangements

23. The World Bank is UNDP's principal partner in Rwanda. For the fourth programming cycle it plans to provide co-financing or financing paralleling the UNDP IPF in an amount of almost \$23 million. This World Bank financing will mainly be used to strengthen UNDP's assistance with macro-economic planning and institutional back-up in the agriculture, road transport and education sectors. As for the participation of the other partners in the United Nations system, the assistance programme of the United Nations Capital development Fund (UNCDF) will reach \$10 to \$12 million before the end of the new cycle in 1991. The United Nations Fund for Population Activities (UNFPA) and the Food and Agriculture Organization of the United Nations (FAO) are contributing jointly to financing of \$500,000 for project support to an IPF grain production project. FAO and the Danish International Development Agency (DANIDA) are planning a project of \$400,000 for the supply of fertilizers for activities under the same IPF project. At the bilateral level, the Governments of Switzerland and the Netherlands have made a commitment for joint or parallel financing for UNDP projects on agricultural diversification and fisheries development. The African Development Bank (AfDB) has undertaken to co-finance the construction of vocational training institutes. This would be integrated in the activities of the UNDP planning and education project. The International Development Association (IDA) has undertaken to finance the purchase of computers for investment programming in collaboration with the UNDP project in the Ministry of Planning.

II. THE COUNTRY PROGRAMME

A. Assessment of current country programme

24. UNDP made available to Rwanda as its IPF for the third cycle an amount of \$24.75 million, which provided financing for 25 development projects. This relatively small number of projects is the result of a concerted effort made in conjunction with the national authorities to concentrate available resources on a limited number of key sectors and to give each project sufficient scope to make a real impact.

25. The review of the third country programme which took place during the first half of 1985 in collaboration with the representatives of the Ministry of Planning and the representatives of several technical ministries resulted in a number of comments:

(a) It seems that the projects of the current cycle which have received major resources have on the whole produced much greater impacts and results than the other projects;

(b) The attempt to achieve a better correlation between the quality of the technical assistance staff and the nature of the project activities is producing very positive results. Mention must be made in this connection of the excellent results obtained by the United Nations Volunteers, who will have increased in number from 4 to 21 during the current cycle, and of the very encouraging experience of using national experts;

(c) The current cycle has seen some promising experiments in collaboration with non-governmental organizations (NGOs) and private voluntary organizations. The wise use of the funds allocated and the results obtained argue in favour of extending this form of collaboration;

(d) The experience gained of the direct execution of projects by the Government, in view of the specific nature and characteristics of the two projects in question (RWA/79/004: Assistance for fellowships, and RWA/84/003: Rehabilitation of the pyrethrum refinery), indicates very satisfactory levels of control and skill on the part of the executing organs;

(e) The efforts made during the third programming cycle to secure investments from bilateral and multilateral donors have generally produced positive results, but owing to the delays inherent in this type of exercise they are having their best effects in the programming of the fourth cycle, where for an IPF of \$30,852,000 the total programming amounts to \$63,679,000;

(f) Additional efforts will nevertheless have to be made with respect to the quality of project formulation and the need to adapt them realistically to the goals which they are supposed to meet;

(g) Similarly, steps will have to be taken to ensure that training credits are fully used and with even greater efficiency;

(h) The review of the third country programme underlined the need to help the Government to optimize its capacity for management, control and co-ordination of external assistance: a number of the projects listed in the fourth country programme will seek to meet these very objectives.

26. With respect to the co-ordination of development assistance, the UNDP office at Kigali has initiated a number of actions for collaboration and co-ordination among all the donors represented in Rwanda. These actions include:

(a) The meetings of donors for exchange of information which are held every two months; UNDP provides the permanent secretariat and the 10 principal donors represented in Rwanda take part: the Papal Nunciature, the embassies of the United States, the Federal Republic of Germany, Canada, Switzerland and Belgium, the Commission of the European Communities, the World Bank and UNDP. Co-ordination and information meetings have been held on various topics, such as: Rwanda's economic situation; the evolution of Rwanda's food strategy, and food aid to Rwanda; co-operation in the health sector; family planning in the context of mother and child health; policy and co-operation in the education sector; and co-operation in the forestry sector;

(b) The regular meetings of the agency heads of the United Nations system: World Bank, International Labour Office (ILO), United Nations Conference on Trade and Development (UNCTAD), FAO, UNFPA, Office of the United Nations High Commissioner for Refugees (HCR), World Health Organization (WHO), United Nations Industrial Development Organization (UNIDO), World Food Programme (WFP), United Nations Children's Fund (UNICEF). These meetings take place every three months at UNDP in Kigali, and other ad hoc working meetings are held as needed.

27. All these meetings are designed to increase collaboration and the exchange of information among the partners and the co-ordination of actions for the development of Rwanda, and thus to avoid duplication of activities in one and the same sector. One of the results of this collaboration is the co-financing of certain programmes and projects, which is an effective means of co-ordination and should be extended.

28. Since 1984 the Government has had an internal co-ordination machinery, and it is now operating smoothly; it consists of the Interministerial Co-ordination Committees. These Committees provide a forum for discussion in which the ministers concerned are supposed to meet with a view to putting their heads together and harmonizing their positions on the policies to be adopted, the strategies to be pursued and the programmes to be carried out.

29. The round-table mechanism is another aid-co-ordination tool, and Rwanda has adopted this method as a principal means of dialogue with the donor community and a mechanism for mobilizing the additional resources needed for the country's development. The latest foreign-assistance round table was held at Kigali in December 1982 and it identified a number of priority projects, many of which have been or are being carried out with technical and financial support from various donors, both bilateral and multilateral. The projects supported by UNDP include the following: Intensification of food production; Education reform; Assistance to the National University of Rwanda; Road maintenance; Development of civil aviation;

Assistance with telecommunications; further training courses in various fields, and projects to strengthen institutional capacities, such as the fund for project studies and assistance to the National Office for the Study of Projects (BUNEP). In addition to the multisectoral round table organized in December 1982, UNDP will have contributed during the current cycle to the organization of three sectoral consultations - on NGOs, water and education. The Government envisages organizing a fourth multisectoral round table towards the end of 1987.

B. New programme proposal

30. As a result of the assessment of the current programme 15 projects were terminated before 31 December 1986, three others will be ended during 1987, the number of projects extended beyond 1987 will be reduced to five, and the remainder of the available resources will be concentrated on 14 new projects. The total number of projects will therefore be less than in the current programme, despite the IPF increase.

31. Two ongoing projects - RWA/78/007 (Planning assistance) and RWA/80/009 (Fund for project studies) - will be discontinued in their present form; a detailed analysis of the needs of the institution in which they operate is to result in a redefinition of their contribution, in both form and funds. The new projects represent in financial terms 68 per cent of the IPF. The new programme will seek to assist the Government in the attainment of four development objectives:

- (a) Strengthening the capacity to manage the economy;
- (b) Broadening of the productive base;
- (c) Development of human resources;
- (d) Reducing geographical isolation.

32. The strengthening of the capacity to manage the economy and development activities is one of the means of attaining one of the principal strategic goals set by the Government (see paras. 12 and 16): strengthening of national institutions and their intervention capacity. UNDP's aim is to strengthen the key ministry - the Ministry of Agriculture, to develop Rwanda's capacity to prepare pre-investment fact sheets and programme its investments, and to co-ordinate external aid for maximum effectiveness. These actions relate to two of the priorities established for technical co-operation (see para. 22).

33. The broadening of the productive base relates to the second strategic objective (see paras. 12 and 14), which is to improve the people's living conditions through increased production and productivity. The programme will make a direct and concrete contribution to the intensification of food crops, fish production, the industrial production of consumer goods, and small-scale mining production. A series of diversified mini-projects will have the advantage of being implemented directly in the locality of the recipients and with their active support. This objective relates to the first technical co-operation priority, referred to in paragraph 22 (c).

34. The development of human resources relates to the objective of the same title in the national strategy (see paras. 13 and 16) and is focused on a single aspect of the problem - training/education; an effort is being made to help with the reform of education as a whole and to furnish the economy quickly with the technical and professional staff which it needs most urgently. This objective is connected with priorities (a) and (c) referred to in paragraph 22.

35. The programme's fourth objective will be to help to reduce the country's geographical isolation. It relates to the Government's strategy for the development of economic and social infrastructures (paras. 12 and 17). The programme will make a contribution, although a modest one, to equipping the country with road infrastructures (with aid from UNCDF) and co-ordinating transport and telecommunications. The selected projects will support certain activities undertaken in the framework of regional projects - RAF/83/034 (Transit/transport assistance) for the land-locked subregion of East and Central Africa) - which are to be determined later, in the light of the availability of additional resources.

Strengthening of the capacity to manage the economy

Ongoing project

RWA/77/009: Assistance to BUNEP

36. The National Office for the Study of Projects was set up by the Government to fill an obvious gap in the preparation of fact sheets for investments, which had hitherto been carried out entirely by foreign offices. Since its establishment the Office has received assistance from UNDP to enable it to organize itself and attain fairly quickly a certain standard of quality in feasibility or pre-feasibility studies. In August 1985 an evaluation mission noted the results achieved and expressed the view that between that time and its conclusion, planned for December 1986, project RWA/77/009 could succeed in putting in place a modern computerized management system. Beyond that point, in view of the other aid received by BUNEP, it does not appear necessary to retain the permanent experts, and for 1987 alone, before it is finally terminated, the project will furnish the services of consultants in specialized fields. The amount proposed for UNDP's contribution (1987) is estimated at \$100,000, which will be shared among statistical, planning, investment and pre-investment studies.

New projects

37. The need was accepted long ago for better co-ordination of the various elements which contribute to an integrated and planned development process. In the past UNDP has given its support to the efforts to improve the institutional framework, notably at the central level of the Ministry of Planning, for the preparation of the development plans, in order to increase Rwanda's capacity to absorb economic and social investments. UNDP's support took the form of two projects:

(a) RWA/78/007 (Planning assistance), which helped the Government to prepare the general framework of economic development and integrate the sectoral components

in it; and (b) RWA/80/009 (Fund for project studies), co-financed by UNDP and the World Bank/International Development Association (IDA), which is designed to increase the number and improve the quality of the project proposals submitted by the Government to external financing bodies.

38. The two projects were evaluated in 1985 and the need was perceived for comprehensive and systematic reconsideration of the requirements of the Ministry of Planning, with regard both to the definition and discharge of its permanent functions and to the planning work as such. A study is to be carried out, with the results expected in March/April 1986, to identify ways of defining action programmes focused on the requirements in pre-investments, investment programming, macro-economic statistics, information technology, and project monitoring and evaluation. IDA might be able to provide a part, to be determined, of the financing for information technology and the establishment of an economic data bank. The conclusions of this study will provide the basis for the definition of new projects grouping together a set of coherent activities and furnished with sufficient resources to make a real impact. The amount proposed for UNDP's contribution is estimated at \$4.25 million, of which \$1,650,000 are earmarked for investment/pre-investment studies and \$2.6 million for statistical and planning studies.

RWA/80/010: Programme backstopping

39. This project was the only effective means available to the Government and UNDP to meet new or emergency needs which fell within the Government's priorities but could not be satisfied from the resources of ongoing projects alone. The project was also used to support the implementation of certain governmental development policies - the formulation, reformulation and evaluation of UNCDF and WFP projects, assistance with surveys or studies carried out as part of the Decade for Women, the Transport Decade, the Industrial Development Decade, etc.

40. The project has given assistance to a large number of missions of agencies in the United Nations system by furnishing them with the logistical and technical support necessary for their proper functioning: transport, secretariat services and communications. For example, in 1984 the project supported more than 30 consultant missions and various activities connected with several projects under the FAO Technical Co-operation Programme (TCP), as well as helping with the formulation and evaluation of subregional projects within the framework of the Economic Community of the Great Lakes Countries (CEPLG), the Kagera Basin Development Organization (OBK), and the Preferential Trade Zones (ZEP), and with the formulation of UNCTAD projects on transit/transport problems.

41. The Government wishes this project to be continued, and in its new phase it is intended to serve as an even better vehicle for Rwanda's global, regional and subregional co-operation. The project will also furnish the Ministry of Planning and the technical ministries with the financial, human and logistical means needed for the evaluation of the technical assistance needs of the country's programmes (NATCAP) in the light of the existing development priorities and human resources. This exercise might be carried out at the mid-point of the fourth country programme. The amount proposed for UNDP's contribution is estimated at \$200,000.

Assistance to the Rwanda Development Bank (BRD)

42. The Rwanda Development Bank (RDB) is a financial institution which makes loans in the sectors of manufacturing industry, agro-industry, agriculture and stock-raising, tourism, trade and services. Fifty-five per cent of the Bank's shares are held by the State and the remainder by a group of Rwandese enterprises, the Central Fund for Economic Co-operation (CCCE), the German Investment Financing Corporation (DSEG), the Netherlands Finance Corporation (FMD), the Belgian State (AGCD) and the Bank of Tokyo.

43. For the period of the next cycle a number of new loans have been obtained: from the World Bank - \$9 million; from the Swiss Government (DDA) - \$2.2 million; and from the Government of the Federal Republic of Germany (KFW) - \$0.7 million. Other loans are under negotiation.

44. The Government is requesting technical assistance for BRD for a period of four years. The purpose of this technical assistance will be to ensure that best use is made of the Bank and to improve the procedures for the granting and monitoring of loans during the period in question, when it is estimated that the Bank will make 90 loans and monitor 140 already made.

45. The project has four components: (a) technical assistance; (b) training of bank staff; (c) supply of information technology equipment; (d) ad hoc local technical assistance. In the monitoring of the loans made by BRD it is envisaged that the project should have recourse, as necessary, to local technical assistance, either through BUNEP or through other private national study organizations. Frequent communication among the experts available in the projects and the study offices will produce secondary effects in training and in improving the offices' performance.

46. The Government has also shown a very keen interest in the joint UNDP/AfDB/SFI proposal to establish a promotion and development service for investments in Africa (APDF). An official request has already been made. The project for assistance to BRD ought to provide a perfectly adequate structure for APDF operations in Rwanda. The amount proposed for UNDP's contribution is estimated at \$750,000.

RWA/85/007: Institutional strengthening of the Ministry of Agriculture, Livestock and Forests

47. A detailed study carried out jointly over the past two years by the World Bank and the Government has highlighted the need to strengthen the management capacity of the Ministry of Agriculture, Livestock and Forests (MINAGRI) as a pre-condition for the effectiveness of government action and foreign aid in the agriculture sector.

48. The project prepared by the Government and the World Bank concerns the Ministry's general secretariat and will institute activities designed to improve the organization and efficiency of the central administration through rationalization of procedures, and co-ordination and integration of the project planning, monitoring and evaluation of projects and agricultural services. The

technical assistance will also be used to establish a rigorous programme for the recruitment, selection and training of personnel, and to introduce information technology and other vital logistical support.

49. The World Bank will establish a training and advisory fund to assist with policy analyses and pre-feasibility studies; it will finance the purchase of computer and other logistical equipment; and it will set up a central documentation office, with subsidiary offices in the prefectures. UNDP will take charge of a part of the technical assistance for the period 1986-1990 equivalent to 15 man/years and a part of the training of Ministry staff. Another part of the technical assistance will be financed from bilateral aid. The contribution of the International Bank for Reconstruction and Development (IBRD) is \$2.77 million. The amount proposed for UNDP's contribution is estimated at \$2,816,000.

RWA/85/007: Support for the main departments of MINAGRI

50. Convinced of the need for effective strengthening of all the Ministry's services, the Government has asked UNDP for backstopping assistance for the main technical departments in the Ministry in connection with the co-ordination role of the general secretariat. This project, which is to be carried out in parallel and in close collaboration with project RAW/85/007, is to begin with a preparatory phase to identify the human and material needs of the four main departments and determine the assistance requirements.

51. Subject to the conclusions reached in the preparatory phase, the technical assistance needs identified so far are in the areas of popular dissemination, hydro-agricultural developments, animal health and forestry. The project will also furnish specific support and ad hoc actions through expert consultants and it will include a very substantial short- and long-term training component. The amount proposed for UNDP's contribution is estimated at \$2 million.

Relationship with other programmes

52. The new statistics and planning project will most probably include a large information technology component. IDA has confirmed that it is interested in participating in this project, the details of which will be specified in due course - early in 1986 on the conclusion of the study on the requirements of the Ministry of Planning. The new investment and pre-investment project, co-financed by UNDP and the World Bank, will give its support, by means of a study entrusted to BUNEP, to the renovation of the shantytown quarters of Kigali, for which UNCDF has planned a contribution of \$2 million. The two projects for the institutional strengthening of the Ministry of Agriculture, Livestock and Forests are complementary. The one affecting the Ministry's general secretariat involves UNDP, the World Bank and bilateral aid; the other, aimed at the Ministry's main departments, involves UNDP and parallel bilateral aid.

53. The technical assistance for BRD is part of the multisectoral development supported by the World Bank, AfDB, the Swiss Government, the Government of the Federal Republic of Germany, the Central Fund for Economic Co-operation (CCCE), the Netherlands Finance Corporation (FAD) and the Belgian State (AGCD). This project is also intended to support the activities of APDF.

Programmed reserve

54. The programmed reserve for the strengthening of sectoral and regional economic planning and management is \$1 million.

Broadening of the productive baseOngoing projectsRWA/81/001: Promotion and intensification of food production and soil restoration in the prefecture of Gikongoro

55. Project RWA/81/001 is designed to meet the objective of improving the living conditions of the peasants by increasing agricultural production. The project's present phase was approved in January 1983 and covers six communes in the prefecture of Gikongoro, an area particularly affected by the decline in agricultural yields, which has 30,000 farmers and a total population of about 200,000.

56. The immediate goals are to improve the foodstuffs balance and the incomes of the region's peasant farmers and they are defined as follows: increase of food production by introducing and distributing all the necessary inputs for the promotion and intensification of food production and soil restoration (fertilizers, selected seeds, improved stock, reforestation, farm credits, etc.); establishment of an effective system for gaining popular acceptance of the changes. UNDP's contribution for this phase of the project amounts to \$2,990,357.

57. WFP is financing supplementary actions under project RWA/2269 (Food for work). Its contribution for the period 1980-1984 is \$2,383,600 and for the period 1985-1987 \$2,398,800. UNCDF will contribute to the improvement of storage facilities and seeds by furnishing the project with silos at a cost of \$400,000.

58. The intensification of grain production component is executed under a separate project - RWA/84/U.01 - financed from emergency funds and focused on the dissemination among small farmers of improved farming practices for wheat, maize and triticale which can have an immediate impact on the yields of these crops. The contribution from emergency funds is \$522,000. This component will be financed in 1986 from the resources of the programme for agricultural recovery in Africa, managed by FAO/TPC, in an amount of \$185,000. Its activities will be fully integrated in project RWA/81/001. The Government is requesting the continuation of these two projects, combined into one, for the fourth programming cycle, with a view to strengthening their effectiveness, consolidating the results already obtained and ensuring a greater impact on the inhabitants of the communes in question. The amount proposed for UNDP's contribution is estimated at \$2.5 million during the fourth cycle.

RWA/77/010: Development of Lake Kivu Fisheries

59. The aim of this project is to contribute to the improvement of the people's diet by making good the food deficit in animal protein. It began in 1978 with assistance from UNDP to determine the fisheries potential of the Rwandese waters of

Lake Kivu and establish fishing techniques suited to the Lake's particular conditions. UNDP's contribution for the period 1978-1986 amounts to \$1,247,778, with \$964,992 coming from the IPF and \$282,786 from WFP funds. The Government of the Netherlands has already made a substantial contribution of \$1,411,000 to the project.

60. The Government wishes the project to be continued in order to complete the important work already done by improving and extending the fishing methods which have been established and by continuing the fisheries research programme which is to produce a reliable assessment of stocks. The Government of the Netherlands has already stated its intention to increase its contribution with a view to continuing and intensifying the project during a further period of three years. The amount proposed for UNDP's contribution, which will mean that the project can continue to be co-financed with the Netherlands Government, is \$500,000.

RWA/78/004: Development of small-scale stock-raising

61. Project RWA/78/004, which was approved in 1977, started up in 1978 by continuing the activities carried out under project RWA/74/009 (Development of pig production) and it has gradually taken over the activities of the three FAO/TCP programmes (Poultry farming, pig farming, rabbit farming). The project is concerned with the extension of small-scale stock-raising in rural areas and its main goals are: (a) to improve the people's diet; (b) to integrate stock-raising with arable farming; (c) to increase the incomes of farmers-stock breeders. Its immediate aims during the present phase, with which the project will end in 1987, are: (a) to complete and improve the physical infrastructure of the national small-scale stock-raising centres; (b) to produce breeding animals for extension of the scheme; (c) to create the necessary infrastructure for the training of extension workers, butchers/pork-butchers and slaughterers; (d) to train staff in the extension techniques which are needed for the establishment of small-scale stock-raising in rural areas. UNDP's contribution to this project for the period 1977-1986 amounts to \$3,246,822, of which \$2,086,791 are from the IPF and \$1,160,031 from WFP. UNCDF has made a contribution of \$783,000 for the construction and equipment of a hatchery.

62. The tripartite meeting held in September 1985 recommended the continuation of the project until 31 December 1987, at which date UNDP's participation will end. This continuation will mean that the project's achievements can be consolidated and that the extension component will be strengthened as a result of training and NGO activities. The amount envisaged for UNDP's contribution is \$250,000.

RWA/84/006: Industrial development

63. Project RWA/84/006, approved in July 1985, is a continuation of project RWA/75/011 (Industrial promotion) and its principal goals are: (a) to strengthen and develop Rwanda's industrial fabric; (b) to promote new projects; (c) to help to improve the industrial environment. UNDP contributed \$1,552,918 to project RWA/75/011.

64. The present phase, with which the project will conclude in December 1987, was adopted following the recommendation of the evaluation mission for the activity to be continued in a form which would facilitate greater participation by civil servants and promoters and enable nationals of Rwanda eventually to take full charge of the project. UNDP's contribution to this phase is \$749,600, of which \$323,000 will be available in 1987. UNIDO has made a contribution of \$200,000 for the current phase. The amount proposed for UNDP's contribution is estimated at \$350,000.

New projects

Support for small-scale mining

65. Faced with the continuing decline in the small-scale production of tin ore and the difficulties encountered by the Mining Corporation of Rwanda, the Government has decided to launch a programme to revive mining activity which is focused on the development of small-scale mining operations. In 1985 the Government signed a financing agreement with the Commission of the European Communities (EC) for technical assistance and light mining machinery in an amount of \$2.2 million. An assistance project of UNCDF in an amount of \$339,000, also for mining machinery, is in the process of evaluation and approval. Finally, the Austrian Government has given its approval for the amounts left over from earlier financing to be used for the purchase of machinery for independent small-scale mining operations and it is studying the modalities of additional financing.

66. In this context UNDP has been studying a supplementary programme of support for small-scale mining. This programme will supplement the contributions of the EC and UNCDF, and possibly that of the Austrian Government, by furnishing experts in mining geology and in the operation and development of small- and medium-sized opencast mines. These experts will provide technical assistance for co-operatives in the geological surveying of deposits, evaluation of reserves, operating techniques, organization of mining work, and processing and salvage of ores. They will also assist the national technical staff responsible for the management and control of machinery and equipment inputs, and with the organization of transport and the marketing of the co-operatives' output. The amount proposed for UNDP's contribution is estimated at \$760,000.

Support for mini-projects

67. The EC and the Canadian International Development Agency (CIDA) have successfully carried out a number of actions in support of mini-projects in Rwanda. Furthermore, the many NGOs present in the country, which are taking a very active part in its development, the well-established structures of community institutions, the handicrafts groups and the pre-co-operative and co-operative groups all help to provide a very favourable framework for mini-projects. At present some of these projects are concerned with the improvement of the social infrastructure. In agreement with the Government, the programme of support for mini-projects which is under preparation, with a first phase concerned with the definition of goals and means, will be a programme of mini-projects concentrating on the production of goods and services and the creation of small, economically

viable production units which will generate jobs. The support, depending on the case and the applications received, will take the form of technical backstopping, assistance with equipment or the establishment of reimbursable or renewable working-capital funds. A number of applications have been processed with the help of the Ministry of Youth and the Co-operative Movement and other technical ministries. They cover many different kinds of possible projects, including: welding workshops; farming groups; clay processing; fisheries groups; charcoal burning; improved-performance ovens; and production of school furniture. The amount proposed for UNDP's contribution is estimated at \$2.3 million.

Diversification of exports

68. Rwanda has to cope with a structural deficit in its trade balance, for exports cover only about 40 per cent of imports. According to forecasts, the deficit will worsen in coming years. Measures are planned to improve the management of imports, but the action to be taken will also have to include an extension of the exports base, for at present 80 per cent of earnings comes from three products: coffee, tea and tin. The new project financed by UNDP will supplement a Swiss bilateral-aid project on imports. It will try to find new export products and new outlets for present exports, improve export techniques and train and inform exporters with respect to problems of exporting. The amount proposed for UNDP's contribution is estimated at \$550,000.

Relationship with other programmes

69. The actions carried out by UNDP in the prefecture of Gikongoro for the promotion and intensification of food production (RWA/81/001) include work financed not only from the IPF but also by UNCDF, UNFPA, WFP and UNICEF. This prefecture also acts as a magnet and focal point for many NGOs and for a joint project carried out by the Danish International Development Agency (DANIDA) and FAO which has sought to increase food production by using fertilizers, with an expenditure of about \$400,000 for 1987-1988.

70. In connection with the broadening of the productive base mention may be made of the UNFPA project RWA/85/PO1 (Information, education and communication on population matters), in an amount of \$500,000; the contribution of the Government of the Netherlands for the continuation of the Lake Kivu fisheries project; the \$58,000 of financing provided by UNCDF from the loan fund as part of the small-scale stock-raising project; UNCDF's contribution of \$339,000 to the small-scale mining project; and that of the Swiss Government in the exports field, where UNDP is contributing to the exports diversification component. In addition to the activities of a number of NGOs in connection with mini-projects, the UNCDF project for the establishment of small hydroelectric power stations in rural areas, with an investment of \$1.5 million, should facilitate in many locations, by providing energy, the creation of small production units and engineering and carpentry workshops, etc. Finally, the UNCDF financing for school furniture for the Centres for Integrated Rural and Craft Training (CERAI) will be used in a project for the manufacture of school furniture by local craftsmen financed by FAC (Fund for Aid and Co-operation) in an amount of \$500,000.

Programmed reserve

Assistance to quasi-public and industrial sectors

71. The industrial strategy adopted in the 1982-1986 Plan has not produced the expected results; this is recognized in the evaluation of the implementation of the Plan for the years 1982-1984 which asks the fundamental question of whether the existing policy is really relevant. It seems accepted that industrialization, viewed from a new angle, will remain one of Rwanda's major strategic objectives and that it will require technical assistance. UNDP will not be able to determine the forms of its contribution until some time in 1986. The programmed reserve is \$2 million.

Development of human resources

Ongoing projects

RWA/79/003: Education planning and renovation

72. Since 1980 this project has supported the reform of the education system undertaken by the Government. This reform has been dealing first with primary education and it will turn to higher education in 1986-1987. The actions taken in primary education have extended basic and practical education more widely and improved the teaching standards in secondary schools, with priority given to science and technology in conjunction with economic and social development. In previous years UNDP's assistance has covered education planning and policy and school building. The Government has requested UNDP to continue its assistance until the end of 1988 in order to consolidate the initial results obtained and develop the work on the planning of the reforms to be made in higher education. The extension of the assistance will also make it possible to continue and complete the school building programme, which is supported by additional funds from credits opened for education in Rwanda by AfDB and the World Bank and made available to the project through cost-sharing with the Government. The amount proposed for UNDP's contribution is estimated at \$900,000.

RWA/79/004: Support for fellowships

73. This project has provided suitable training for staff of the central public administration, with a view to preparing them better for the country's development tasks. Under the project qualified staff attend specialized study courses on the country's priority development sectors. Although the project has made a very positive contribution to the training of staff in various sectors, Rwanda is still facing an increased need for qualified personnel, and it is envisaged that the project should continue throughout the fourth cycle. The amount proposed for UNDP's contribution is estimated at \$850,000.

RWA/81/004: Road transport sector: training component

74. Since 1973 UNDP has contributed to actions to improve the road network in step with the actions taken in this field by other sources of bilateral and multilateral co-operation, including EDF, the World Bank/IDA, the Federal Republic of Germany,

France and Belgium. The technical assistance projects financed by UNDP under successive roads programmes has included a training-assistance component of varying size. The human resources available for implementation of the sixth roads project are still insufficient today. Rwanda has only 12 civil engineers and 7 public works engineers. The various technical categories - heavy-machinery operators, site managers, foremen, maintenance mechanics or electricians - are still inadequately staffed from the standpoint of both professional qualifications and numbers.

75. A training programme has been established for the period 1986-1989 which should improve the standards of the various categories of staff. Particular emphasis will be given to further professional training for existing staff, covering all of the sector's activities, not just the technical professions. The aim of the programme is to train some 50 assistant mechanics and 25 mechanics, 13 heavy-machinery operators, 70 truck drivers, 10 site managers, 15 foremen, 50 secretaries, bookkeepers and storemen, 60 apprentice mechanics, 13 supervisors and 2 training managers.

76. While the World Bank/IDA, EDF, the Federal Republic of Germany, France, and the Kuwaiti fund are participating in the financing of the whole of the sixth roads programme, the Federal Republic of Germany is also making a very substantial investment in training. The contribution of the Federal Republic of Germany to the training component of the sixth roads programme is \$1.71 million, and that of the World Bank/IDA \$700,000. UNDP's contribution has been redirected to help to meet the training needs and it will therefore consist mainly in the provision of additional resources by taking charge of the co-ordination of training activities as the programme develops and by furnishing expert consultants for the training structure. The amount proposed for UNDP's contribution is estimated at \$710,000.

New project

National centre for vocational training and further training

77. Enhancement of the primary sector is one of Rwanda's major priorities in development policy. An analysis made in collaboration with the national authorities by the preparatory mission for the World Bank's third education project highlighted the need for versatile personnel to help the rural inhabitants, who are by far the largest population group in the country. The training of specialized staff, in response to labour-market pressure, requires the establishment of a national centre for accelerated training for the age-groups graduating from the Centres for Integrated Rural and Craft Training. This national centre must respond directly to the demands of the labour market, and it has therefore been planned to operate as an enterprise subject to market forces and not as an educational institution.

78. The analysis lead to the adoption for training purposes of inter alia, the formula of an automobile maintenance shop, since maintenance work in this sector requires several complementary craft skills which can be grouped together in a flexible training course that includes book-keeping, woodworking, stitching and saddlery, engineering and building-construction. The centre will have two training

systems: a continuous nine-month course and flexible refresher courses of four or eight weeks, or three or six months. The World Bank will contribute \$3,444,000, of which \$2.5 million will be for construction and furniture and \$944,000 for the training component. The Austrian Government is studying the possibility of providing finance for teaching materials in an amount of \$700,000. The amount proposed for UNDP's contribution is estimated at \$1.3 million.

Relationship with other programmes

79. Under project RWA/79/003 (Education planning) the necessary technical assistance has been provided for the establishment of 15 Centres for Integrated Rural and Craft Training, and UNCDF has committed \$500,000 of the financing. Up to 1988 the project will furnish the necessary technical-assistance resources for the building of schools financed with funds from AfDB and the World Bank, and as in the past it will continue to contribute to the implementation of programmes financed from bilateral aid. The project has also entered into contractual relationships for the subcontracting of studies and prototype projects with two Rwandese NGOs - the Association of Baptist Churches of Rwanda and the Adventist Church in Rwanda - for the provision of school furniture and energy supplies for school groups. This procedure will certainly be expanded in the coming period.

80. Project RWA/79/004 (Support for fellowships) will have a positive effect on a number of projects in the fourth country programme by upgrading the skills of personnel in the central administration. There will also be secondary beneficial effects for some non-IPF projects: for example, the training in social economy given to staff of the National Population Office will be of benefit to the UNFPA projects operated by that Office.

81. A reminder may be given here of the co-financing committed for the RWA/81/004 projects (Road transport sector) and the new project for a national centre for training and further training. As far as support for the Ministry of Higher Education and Scientific Research is concerned, CIDA has stated its readiness to participate, on terms to be decided, in activities in the field of higher education.

Programmed reserve

Support for the Ministry of Higher Education and Scientific Research

82. The Ministry of Higher Education and Scientific Research was set up in 1981 and it is responsible, *inter alia*, for the planning and co-ordination of higher education and scientific and technological research in Rwanda. Since 1979 the Government has been engaged in the reform of the education system with a view to adapting it better to the country's development needs; one of the urgent tasks assigned to the Ministry is to prepare and carry through this reform in higher education, beginning with the 1987-1988 academic year.

83. UNDP has already financed an advisory mission on the evaluation and planning of higher education in Rwanda, and this mission provided preliminary materials to serve as guidelines for the subsequent actions required. A programme for the restructuring of higher education is now under study in the Ministry, and its

implementation will require human and financial resources beyond the country's present means. The Government is therefore requesting UNDP assistance to strengthen the Ministry's capacities in the planning of higher education, with a view to improving the implementation of this reform. Assistance is also needed to support this Ministry in the planning, programming and co-ordination of scientific and technological research activities. The current studies will be continued until the sectoral consultation meeting planned for 1986, and a concrete programme will be determined at a later stage. The amount proposed for UNDP's contribution is estimated at \$1.5 million.

New projects

Assistance with the construction of the Busoro causeway

84. UNCDF has signed a project agreement with the Government in an amount of \$3,306,240 for the purchase of heavy vehicles, civil-engineering machinery, spare parts and materials needed for the construction of road works. Almost all of the budget has already been spent, but some \$250,000 remains for the purchase of construction materials in 1987. The project has three objectives: construction of a causeway 1,200 metres in length over a swamp formed by the Akanyaru river; improvement and elevation above the water level of an 18-km stretch of road along the Nyabarongo river; and upgrading of 130 km of local tracks in the pyrethrum-growing area in the north of Ruhengeri. The construction of the Busoro causeway will link two neighbouring regions, Bugesera and the prefecture of Butare, which are at present totally cut off by the Akanyaru. The linking of Bugesera with Butare is part of a planned Butare-Kibungo link (Kibungo is located on the main highway to Tanzania).

85. The construction of the causeway does pose a number of technical problems, for the bedrock underlying the swamp is covered in places with layers of unstable peat up to 20 or 25 metres in depth. The Government has therefore requested the technical assistance of two experts for a period of two years. This project will be executed by the Government through the Ministry of Public Works. The amount proposed for UNDP's contribution is estimated at \$450,000.

Support for the Ministry of Transport and Communications

86. In 1984, as part of the fifth roads project, UNDP supplied the Ministry of Public Works with an expert to improve transport planning (project RWA/81/004: Road transport sector). During the preparation of the sixth roads project progress has been made towards an integrated programme for the construction of new roads, the upgrading or repair of existing roads and road maintenance.

87. In the future transport planning will be concentrated on the annual evaluation and updating of medium-term programmes, and the main activity will be concerned with the problems of international transport. Rwanda's economic relations with the outside world are in a precarious state, not only because its exports are affected by the major fluctuations in the international markets but also because its exports and imports are burdened with the very high cost of transport over the long distances to the seaports. The distance problem is augmented by other factors

which directly or indirectly affect the cost of international transport and there is no doubt that these costs can be reduced in several ways. In order to lessen the effect of the problems of international transport, it is important to determine a set of cost-reduction measures, and this will concern transit operators in particular. The basic data and the analytical capacity also need improvement.

88. The technical assistance furnished by UNDP, sharing the cost with the World Bank under the sixth roads programme, will be to provide the Ministry of Transport and Communications with a transport economist for a period of five years and additional expert consultants for missions of 3 to 10 months. The amount proposed for UNDP's contribution is estimated at \$750,000.

Relationship with other programmes

89. The assistance with the construction of the Busoro causeway is in addition to the equipment provided by UNCDF. The support for the Ministry of Transport and Communications comes under the sixth roads project. The total financing for this project amounts to \$82.3 million, with participation by: the World Bank (\$31 million); EDF (\$7.05 million); the Federal Republic of Germany (0.83 million); the Kuwaiti Fund (\$5.38 million); the Arab Bank for Economic Development in Africa (ABEDA) (\$7.6 million); and WFP (\$2 million).

Programmed reserve

Pre-investment and investment assistance for the telecommunications sector

90. Many bilateral and multilateral aid sources have contributed to the reconstruction and extension of Rwanda's telecommunications network. Some of these sources are at present considering participation in a new programme of pre-investment studies, in particular for the development of the rural telephone network and the improvement of international services. UNDP will play a co-ordinating role, the form and content of which are still to be determined. The programmed reserve for this project is \$700,000.

C. Unprogrammed reserve

91. The unprogrammed reserve totals \$3,426,000.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

A. UNDP-administered sources

Third cycle IPF balance	\$	0	
Subtotal IPF			\$ <u>30 852 000</u>
Special Measures Fund for the least developed countries			N.A.
Special programme resources		0	
Government cost-sharing		234 000	
Third-party cost-sharing (Netherlands, Switzerland)			N.A.
Operational funds under the authority of the Administrator		5 047 000	
UNDP special trust funds		0	
Subtotal, UNDP non-IPF funds			\$ <u>5 281 000</u>

B. Other sources

Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise		830 000	
Parallel financing from non-United Nations sources		0	
Subtotal, other sources			\$ <u>830 000</u>
TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING			\$ 36 963 000

II. USE OF RESOURCES

Ongoing projects		7 732 000	
New project proposals		20 605 000	

/...

Programmed reserve	5 200 000	
Subtotal, programmed resources		\$ 33 537 000
Unprogrammed reserve		\$ <u>3 426 000</u>
TOTAL USE OF RESOURCES		\$ <u><u>36 963 000</u></u>
