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SUPPORT

PROGRAMME PLANNING

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Implementation of selected country programmes in the Arab
States region 1986

Report of the Administrator

Summary

This report is presented in accordance with Governing Council decision 81/15, of 27 June 1981, which endorsed the Administrator's proposal to submit to the Governing Council annual progress reports on the implementation of various country programmes, highlighting significant developments.

Transition to the fourth programming cycle constituted a major element of thrust for the United Nations Development Programme in the Arab States region in 1986. While three country programmes were approved by the Council in 1986, another nine were ready for its consideration in 1987. The note from the Regional Bureau for Arab States on the fourth cycle intercountry programme for the region was submitted to Governments, executing agencies, and Arab regional institutions.

The adjustment process necessitated by the drastic fall in oil prices in the oil-exporting capital-surplus countries substantially influenced resource availability and programming in the middle income and the least developed countries of the region because of reduced remittances and lower aid flows as well as from the shrinking job opportunities for their workers.

The concern for programme and project quality has come to the forefront. It has been clearly recognized that realistic planning, appropriate project design with clearly defined objectives and timely monitoring are essential for delivering the technical assistance of the desired quality and impact.

INTRODUCTION

1. In Sudan, a country programme evaluation mission was fielded during the last quarter of 1986, preparing the ground for a country programme needs assessment mission, which took place in early 1987. In Lebanon, the Government and the United Nations Development Programme (UNDP) agreed to continue the ongoing programme by approving UNDP funds on a project-by-project basis.
2. The country programmes for Tunisia, Somalia and Saudi Arabia were approved by the Governing Council at its thirty-third session in June 1986, and the country programmes for Egypt, Iraq and Syria were finalized for submission and eventual approval by the Governing Council at its special session in February 1987.
3. Cost-effectiveness continued to be a major concern both for UNDP and the Governments. Programmes in general, and specific projects in particular, were carefully scrutinized in order to meet government priorities and to improve the quality of the technical assistance delivered by UNDP. A relative shift to short-term expert/consultant services and greater reliance on national expertise, including the utilization of national professionals, started to yield positive results.
4. Future UNDP assistance in Arab countries will follow the general trend of concentrating external assistance on clearly identifiable development themes. For instance, in Tunisia, the programme focuses on three such themes: improvement of the balance of payments; investment promotion and economic sectorial and regional integration; and assessment of natural resource potential for future development. In Somalia, the selected themes were: enhancing the planning and monitoring capacity of the Government; strengthening manpower development; increasing the production of staple foods, livestock, and fisheries by small farmers, herders and fishermen; enhancing environmental management and ensuring the balanced exploitation of natural resources; improving the quality of life of rural people; expanding and improving communications in remoter areas; and lastly, strengthening the productive capacity of selected industrial enterprises. In Saudi Arabia, the programme emphasizes the following four themes: Saudization and human resources development; enhancement of the planning and management capacity of government institutions; orientation towards high priority production areas; and the development of scientific research capabilities.
5. The slump in oil prices and the consequent dramatic decline in the oil income of the capital-surplus countries of the region adversely affected their own developmental efforts and in an indirect manner, those of the least developed and other low-income countries of the region as well. For the latter group of countries, the benefits from spending less on their oil bill may have been more than offset by: (a) a reduction in the intra-regional aid flow from the capital surplus countries; (b) a worsening debt service ratio because of falling export prices; (c) the return flow of emigrant workers retrenched owing to cutbacks in projects in the capital-surplus countries; and (d) a significant fall in the workers remittances caused by reduced numbers and cuts in wages.

6. The combined effect of having to grapple with the economic adjustment process and the insistence on the quality of programmes and projects made the programming exercise more demanding, but at the same time more realistic. The cancellation of many contracts with foreign companies and budgetary austerity measures in oil-exporting countries has generated a greater interest in acquiring indispensable technical assistance through UNDP.

7. In the programming for intercountry assistance, country concerns have found their reflection in the following five themes: food security; human resource development; energy; transfer of know-how in science and technology; and technical co-operation among developing Arab and Latin American and Asian countries. Food security maintains its place as first priority, because policy-makers of the region have grown increasingly aware that this is an essential long-term guarantee for sound development and social welfare. Complex issues such as revising consumer food subsidies and pricing policies, streamlining food import/export strategies and striking a balance between technological modernization and reduced availability of investment funds are faced by many countries in the region and solutions could be found through common approaches developed by intercountry co-operation. Similarly, energy policies and strategies for petroleum-based industries will need careful review and Governments in the region will co-operate in this respect with UNDP and the World Bank.

8. With the intensification of the search for more realistic projects and because the period under review has been the terminal year for the third cycle, the implementation rate was expected to be at least as good as in the preceding year. Despite budgetary difficulties in the countries of the region, government cost-sharing contributions increased by 8.7 per cent, from \$21.5 million in 1985 to \$23.4 million in 1986. This was a clear vote of confidence in multilateral technical co-operation.

II. THE COUNTRY PROGRAMMES REVIEWED

9. Formal country programme reviews were carried out in 1986 in Iraq, Yemen and Libya.

10. In Iraq, the third country programme was reviewed during February and March 1986, in the context of the prevailing situation and with a view to preparing the fourth country programme. The view, which was assisted by an independent consultant, highlighted important aspects of country programming such as consistency with national development planning, strategy, substance, its formulation process, and the implementation modality.

11. While lauding the consistency of the third country programme with the national planning strategy and priority, the review laments an absence of development planning.

12. UNDP assistance in the areas of standardization and quality control, management development, public administration and vocational training has been assessed as effective.

13. The analysis of recent developments and the immediate development prospects of the country, of the contents and experience of the third country programme, of the resources likely to be available for the fourth country programme and of the indications from the Government about the development themes and priority needs led to the determination of the key objectives of the fourth country programme. They are: (a) enhancement of agricultural output i.e., food and industrial crops; (b) improvement of industrial performance in terms of efficiency, production and quality; (c) development of infrastructure; (d) development and efficient utilization of human resources; and (e) mobilization of resources towards the creation of self-reliance.

14. In Yemen, an independent evaluation of the third country programme was carried out in 1986. The Mission, headed by a senior former Resident Representative, included an agriculture sector specialist and one health sector specialist. The UNDP team was augmented by mission members deputed from the Federal Republic of Germany.

15. The special attention given to the review of the third country programme of UNDP in the Yemen Arab Republic resulted from: (a) the keen interest of the Government in the evaluation of the programme; (b) the status of the Yemen Arab Republic as a least developed country (LDC); and (c) the UNDP country programme having been a relatively large source of technical assistance for the country.

16. The main objective of the evaluation was to draw lessons about the manner in which the country programme in the Yemen Arab Republic was conceived, prepared, presented and implemented and to assess its impact on the development effort of the country. It was a forward-looking endeavour aimed at producing findings and practical recommendations that could be used by the Government and UNDP for the preparation of the fourth country programme.

17. It was agreed that the new UNDP guidelines for the formulation of country programmes should be strictly adhered to in such exercises.

18. Agreement was also reached on estimating potential resources and clearly distinguishing them from actual resources. A pipeline of projects listed in order of priority is to be prepared for over-programming to the extent potential resources materialize.

19. To achieve maximum impact, it was agreed to concentrate UNDP technical assistance on a limited number of priority areas. Institutional support should be limited to specific subject-matters and objectives. Multisectoral projects for fellowships and/or short-term consultants should be considered for implementation according to predetermined annual workplans.

20. The agricultural sector is to be given highest priority and the Ministry of Agriculture and Fisheries encouraged to establish a data bank, prepare an agriculture strategy document, and strengthen extension services.

21. More emphasis should be placed on pre-investment activities in clearly identified projects which, after proper economic/technical assessment, show

potential for a satisfactory rate of return and for which investors have indicated interest.

III. CONCLUSION OF THE REVIEWS

22. The country programme of Yemen will end in 1987 and that of Iraq was scheduled to be completed in 1986. The intention has also been to build the fourth country programmes in both the countries on the experience described in the review.

23. In Yemen, the need for continued UNDP assistance in institution-building was recognized. In order to move towards self-reliance, full use of national talent and institutional resources, first by establishing a data bank, has been advocated. Multiple twinning arrangements to ensure more optimal use of national capacity, was also recommended.

24. The lack of concentration in critical areas has been cited as a reason for less than optimal impact, and dispersion is discouraged in future.

25. In Iraq, emphasis has been reiterated on proper and careful design of projects. The assumption regarding resource availability was to be made on more realistic considerations. In order to expand the resource base, the possibility, amongst others, of increasing the government cost-sharing contribution by converting funds-in-trust arrangements to cost-sharing was recommended.

26. In both countries, the practice of continuous programming did not operate fully, since the resources were fully committed midway through the life of the country programmes with very little programme reserves to respond to changing priority needs.

27. Project personnel came under serious scrutiny. The timely recruitment of well-qualified international personnel proved to be difficult. It was recommended that efforts continue to improve the situation. The timely appointment of qualified national counterpart staff was recognized as a prerequisite to ensure the transfer of technology. Greater interaction between the international and the national staff, as mandated by UNDP, was also singled out for special attention.

28. Logistic support by the concerned partners and substantive backstopping of projects by executing agencies of the United Nations system should be stepped up. Monitoring should be more effective.

IV. REVIEW OF INTERCOUNTRY PROGRAMME

29. Within the range of approved priorities for the third cycle, the regional programme financed projects in 1986 that were geared specifically to meeting the manpower needs of the region, with particular attention paid to the needs of the LDCs. Assistance under such regional projects complemented national efforts in such sectors as development planning and statistics, public administration and education. Regional needs with regard to water resources and natural resources

exploration and utilization were met by a number of projects. Other projects addressed common problems in agriculture and fisheries and in the packaging and iron and steel industries. Following the initiatives taken by the Regional Bureau for Arab States (RBAS) since 1984, Technical Co-operation among Developing Countries (TCDC) was enhanced between Arab countries and Latin American and Asian countries in such fields as mini-hydropower stations, bio-technological research, and packaging. Highly specialized projects in support of the Household Survey Capability Programme in the West Asia subregion, the Arabization of telecommunications glossaries, and the Arab Documentation Centre of the League of Arab States formed part of regional activities.

30. Increasing reliance on the services of United Nations volunteers in the region continued in 1986. The regional project, United Nations Volunteers Assistance to Least Developed Countries in the Arab States (RAB/84/027), saw the peak of its operation in fielding United Nations volunteers in 21 different areas of expertise to Djibouti, Democratic Yemen, Somalia, Sudan and Yemen. The United Nations modality proved so effective that the project has been extended by one year, i.e., to 1988.

31. A meeting of the steering committee of the regional food security held in New York in January 1986 was attended by the World Bank, the Food and Agriculture Organization of the United Nations (FAO), the International Fund for Agriculture Development (IFAD), the Arab Fund for Economic and Social Development (AFESD) and UNDP representatives. It scrutinized the reports prepared by a French consulting firm and identified specific areas for further investment-oriented studies in cereals, livestock and structurally important aspects such as pricing, marketing, distribution and storage of food grains.

32. Owing to a late start to the second, ongoing intercountry programme, it became apparent from the in-depth evaluations of specific projects, the tripartite reviews, and, more importantly, from the review of the programme itself carried out in 1986, that an extension of the programme through 1987 was essential. A request for extension was accordingly approved by the Governing Council at its special session in February 1987.

33. The intergovernmental meeting planned for October 1987 is expected to endorse the draft third intercountry programme, which is to be presented to the Governing Council in 1988. It is anticipated that the main orientation of the new intercountry programme will be in areas such as human resource development, water resource management, promotion of new and advanced technology and TCDC.

34. In order to achieve these programme objectives, it is intended to strengthen co-operation with the World Bank investment programmes, as well as with those of regional funding organizations, some of which have already begun to make contributions available either through parallel funding or through the cost-sharing mechanism. RBAS has been co-operating with the World Bank in a project that assesses the training capacity and future needs of vocational technical training institutions in eight countries. In a UNDP/FAO project, the two organizations are combining investment and technical assistance programmes with a view to improving range management techniques in North African and Middle Eastern countries. It is

also intended to set up a project concerning the Arab Information System which will be cost-shared by the League of Arab States and will work closely with similar information systems established by Pan-African Documentation and Information System (PADIS) of the Economic Commission for Africa (ECA), the United Nations Centre on Transnational Corporations (UNCTC), and the United Nations Industrial Development Organization (UNIDO).

35. AFESD, based in Kuwait, has provided cost-sharing contributions to a project which undertook a series of feasibility studies for pre-investment projects. One of these was the joint Yemen Arab Republic and People's Democratic Republic of Yemen geological mapping project for which AFESD provided funding for the capital inputs, with UNDP financing the necessary technical assistance. Further co-operation between UNDP and AFESD has been discussed in the field of human resources development, water resources, and the development of informatics. Project proposals which would be funded with cost-sharing contributions in the field of packaging and for the preparation of feasibility studies of new industrial technologies are under active consideration by the Arab Industrial Development Organization (AIDO).

V. REVIEW OF PROJECTS

36. RBAS had 321 large-scale projects under implementation in 1986. Most of these projects were considered in the tripartite review process in one form or the other. Traditional tripartite reviews were supplemented in some countries by local review mechanisms such as joint management reviews or meetings of panels of experts. Eight in-depth evaluations were carried out, mostly for projects at or near completion and for which the Government had requested continuation of UNDP assistance.

37. In this report, three of the projects evaluated in depth during the year have been cited since their findings and conclusions seem to have general interest and relevance.

38. All but two of the projects evaluated were in the second or third phases of UNDP assistance to the agencies/institutions that have received assistance for more than 10 years. Even institution-building projects were turned into direct support projects because of the exigencies of the situation; the consequence was, however, that the transfer of skill/technology either did not take place or take place too slowly. In the more recently developed projects, the trend has been towards technical support to institutional programmes and projects.

39. On the other hand, two countries of the region relied more on national professionals, provided for better training opportunities to their technical staff, and offered attractive remuneration to the trained. In these instances, UNDP support concentrated more on technical backstopping and skills-upgrading of national personnel through the use of highly specialized, short-term expertise consultancies and training activities.

40. The Jordan project, Strengthening of Development Planning Capacities (JOR/84/002), provides a typical example of UNDP technical assistance which the Government found useful; it is also an excellent instance of the stated immediate objective having to be changed because of the changing perceptions of the counterpart institution. UNDP assistance in the field of planning in Jordan started in 1972 by implementing a cluster of projects aimed at enhancing the capabilities of the National Planning Council. These aimed both at institution-building and direct support. A follow-up, comprehensive project, Strengthening of Development Planning and Follow-up (JOR/75/023), explicitly stated its primary function to be direct support, and put institution-building as a secondary-level function. In fact, the consultants and advisers acted more as operatives than advisers. In the latest project in the series, Strengthening of Development Planning Capacities (JOR/84/002), three of the four stated immediate objectives aim at assisting the National Planning Council in (a) formulating a five-year development plan, 1986-1990; (b) identifying and appraising projects under that plan; and (c) monitoring and implementing these projects. The fourth immediate objective addresses the enhancement of development planning skills but has no explicit output for that purpose. Needless to say, assistance in the formulation of a plan and in the appraisal and monitoring of projects under the plan are supposed to lead to an enhancement of planning skill capability but there does not seem to be enough appreciation of this concern.

41. A finding of the in-depth evaluation has naturally pointed to the inadequacy of not having structured modules with a substantive training content, based on specific needs, for the institutional strengthening of the National Planning Council.

42. The Somali project, Strengthening of Agricultural Research (SOM/81/015), is also a project of general interest, both in terms of relevance to national development objectives and as lessons for the future. The agricultural sector contributes only 8 per cent of the Somali gross domestic product (GDP) and engages only a fifth of its population. The importance of the sector, however, far outweighs its size because of its export earnings the role it plays in import substitution, its potential for new entrants to the labour force and as a supplier of inputs to the manufacturing sector. UNDP assistance has been provided to this sector for more than a decade. Strengthening Agricultural Research (SOM/72/014) started in 1975 by providing institutional support to the Central Agricultural Research Station (CARS). In 1981, a UNDP/FAO programme development mission identified crops research as the most important activity in agriculture and the project recommended additional UNDP inputs worth \$3.3 million. Strengthening of Agricultural Research (SOM/81/015) was consequently approved in 1984 for three years. The project made significant contributions in (a) planning, monitoring and co-ordinating crop research; (b) developing inter-disciplinary co-ordination and strengthening organized research activities; (c) developing improved production techniques, improved soil and farming system management; and (d) training.

43. An appropriate example of unrealistic project objectives has been provided by Implementation of the National Aviation Plan (SUD/80/002). The project originally started in 1980 with the objectives of upgrading 14 airports and improving the physical, infrastructural and manpower resources to do so. In 1982, the objective

was scaled down to upgrading two airports, an overall objective which had been only partially achieved by end of 1986. The evaluation mission found that funding problems and personnel difficulties early in the life of the project reduced its capacity. Remedial steps in commissioning subcontracting services worked in some, but not all, fields. The project did meet (a) aerodrome engineering requirements; (b) flight operations requirements; and (c) some basic airworthiness needs.

44. In-depth evaluation of some of the ongoing projects has once again brought to the forefront the validity of the concern for quality. It has been clear that realistic planning and appropriate project design with clearly defined objectives are essential for delivering technical assistance of the desired quality.

VI. OTHER MANAGEMENT ACTIONS TAKEN

45. During the year under review, field offices continued to computerize management information. Hardware was installed in all but five offices. Some offices arranged for local staff training and used various application systems. Some field offices have exchanged some of the systems they set up based on their own efforts, and preparations are under way to use, on a region-wide basis, the programme, and project management system developed at headquarters and the field office accounts system.

46. As in previous years, RBAS organized a regional staff training course in October. This year, the subject was programme resource management for field-office staff members who record financial programme data for the resident representatives. It is expected that this upgrading of skills will assist in improving financial forecasting and monitoring and will subsequently contribute to improved programme delivery.

VII. CO-ORDINATION OF ASSISTANCE

47. High-level efforts at improving co-ordination between various United Nations-funded programmes, between UNDP and the World Bank, and between bilateral donors and UNDP were intensified during 1986. Governments also initiated and, in some cases, increased efforts at country-level co-ordination between aid-using government bodies on the one hand, and between themselves and donors on the other. The combined result has had a positive influence on co-ordination at the country level.

48. In the five LDCs of the region, each Government has seen UNDP's co-ordination role in a different fashion. In the Sudan, the Resident Co-ordinator was called upon to assist the Government in co-ordinating the massive external emergency assistance programmes following the drought and famine and the influx of refugees from neighbouring countries. Such co-ordination efforts extended well beyond the assistance provided by the United Nations system, since the Government of the Sudan set up a Relief and Rehabilitation Commission reporting to a high-level Relief and Rehabilitation Committee, chaired by the Prime Minister, which channels all emergency assistance to the affected regions of the country and monitors its

distribution and utilization. The Resident Co-ordinator, in his capacity as Special Representative of the Secretary-General, has assisted this Commission in its work, paying particular attention to the need for complementarity between bilateral aid packages and speedy delivery of multilateral aid. Longer-term rehabilitation and development efforts are now concentrated on the region of North Darfur through the UNDP/Italian management services programme; there, a small sub-office has been set up in El Fasher to facilitate on-the-spot co-ordination among the various sources of assistance. In Somalia, the Resident Co-ordinator assisted the Government in a similar way to co-ordinate external assistance to drought-affected areas and ensured the prompt provision of medical supplies during a brief outbreak of cholera. Co-ordination with regard to longer-term development assistance was greatly facilitated by the joint UNDP/World Bank technical co-operation assessment mission report, which was one of the conference papers of the last Bank-sponsored Consultative Group Meeting in Paris, in November 1985. As one result of such enhanced aid co-ordination, there are now donor group meetings at the country level under the alternate chairmanship of UNDP and the Bank which regularly discuss various issues of external aid co-ordination.

49. In Yemen, the Government followed a two-pronged approach. UNDP and the World Bank were requested to strengthen the appraisal and monitoring ability of the Central Planning Office. UNDP was also asked to convene sectoral co-ordination meetings for agriculture and for water development, each chaired by the Central Planning Office and bringing together all multilateral and bilateral donors providing assistance in these two sectors.

50. In Democratic Yemen, discussions continued for the organization of a round-table meeting, while Djibouti started preparations for the organization of another round-table meeting for its energy sector development.

51. In most of the middle-income countries, Governments have assumed the co-ordination function for their various external assistance programmes. Consequently, UNDP efforts concentrated on joint programming of programmes funded by United Nations agencies, especially the United Nations Fund for Population Activities (UNFPA), the United Nations Children's Fund (UNICEF), and the World Food Programme (WFP) under the Joint Consultative Group on Programming. Other ways of co-ordinating external assistance to the benefit of development efforts of these recipient countries are parallel financing or third party cost-sharing with other donors, in particular the World Bank.

52. Still another situation prevails in the Gulf countries, where projects are closely linked to sectoral priorities. Requesting ministries are thus motivated to make cost-sharing contributions available for projects they consider high on their agenda. Co-ordination in the sense that individual projects should become a part of an overall programme governing external assistance has, however, posed a problem in the past. Though faced with declining revenues, Governments in this subregion are nevertheless taking a fresh look at their overall technical assistance needs and have shown increased interest in using the country programming exercise as a frame of reference for planning purposes.

53. Circumstances did not permit the Annual Consultation Meeting in 1986; it will take place in 1987.

54. A co-ordination meeting of the Government representatives and the Resident Representatives of Algeria, Mauritania, Morocco and Tunisia, held in Tunis in November 1986, was organized and participated in by RBAS. The meeting proved very useful in exchanging ideas and experience in development co-operation and, more particularly, in identifying complementarities in the subregion. Based on comparative advance, the four countries agreed to take the lead role in specific sectors towards establishing a co-ordinated approach to development throughout the subregion.

55. Donor meetings in Somalia have become a very lively forum for effective co-ordination of all aspects of external assistance flowing into the country. The meetings held in Mogadiscio in the last quarter of 1986 took stock of the existing level of delivery/performance and identified potential problems in vast areas, including food aid co-ordination, salary supplements/support, and education.

56. In conclusion, it would appear justified to say that country programme management actions concentrated on reviewing the programmes and projects for (a) a smooth transition to the fourth cycle and (b) improving monitoring and evaluation efforts for enhanced quality. In keeping with the policy of improved co-ordination among the countries of the region to enhance socio-economic development, joint efforts previously made with UNFPA, UNICEF, WFP and other United Nations agencies are now being extended to multilateral and bilateral donors for concerted action to ensure maximum results.

