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SUPPORT

PROGRAMME PLANNING

Country and intercountry programmes and projects

Implementation of selected country programmes in the
Asia and the Pacific region

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 annual progress reports to the Council on the implementation of various country programmes, highlighting significant developments.

Information is provided on: (a) the various programme management actions taken by the Regional Bureau for Asia and the Pacific to maintain the quality of programme and project performance and particularly to sustain the momentum of programme implementation between the third and fourth programming cycles; (b) the third meeting of Government Aid Co-ordinators and resident representatives of the United Nations Development Programme held in the region; (c) the commitment, delivery, content and modalities, as well as the monitoring and evaluation, of the programmes, including the intercountry programme; (d) aid co-ordination activities undertaken in the region; and (e) the periodic country programme reviews and the assessments of country programmes preparatory to a new programme.

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INTRODUCTION

1. This annual report coincides with the end of the third indicative planning figure (IPF) cycle and the start of the fourth programming cycle of the United Nations Development Programme (UNDP). The situation facing the Programme in the region at the beginning of this cycle could not be more different than when the third cycle started in 1982. Then, against a background of mounting import bills, high inflation and stagnant growth for the countries of the Asia and the Pacific region, UNDP's decision to cut IPFs by 45 per cent was a source of considerable disappointment and dislocation. Country programmes, so painstakingly put together, had to be severely pruned back to contain expenditures within the reduced resources available. Although the Programme in the region is now restored to health, it is worth noting that it took a full five-year cycle to complete the adjustment process. The upswing started in 1984/1985 when project expenditures rose from \$177 million to \$191 million, a trend which continued into 1986 when expenditures at the time of writing were estimated to have exceeded \$228 million. Thus only in 1986 did delivery in dollar terms surpass the level of \$200 million achieved in 1982.

2. Central to the strategy of the Regional Bureau for Asia and the Pacific (RBAP) to sustain this recovery was to have as many country programmes as possible approved and operational before the fourth cycle began. By June 1987 95 per cent of the region's fourth cycle programmes will have been presented to the Governing Council. The larger programmes - India, China, Bangladesh, Viet Nam and Indonesia - were all approved in 1985 and 1986 so that, as the new cycle opened in 1987, these programmes had already established a strong pipeline of projects. This was possible because, at the Council's behest, the country programmes were more project-specific than hitherto. The 30 programmes already prepared have a total value of almost \$800 million and make specific mention of some 1,000 projects. This concentrated aggregation permitted the Bureau to take collective and co-ordinated action with its executing agency partners to ensure timely and well-designed project formulation. Consultations opened with the agencies in June of 1986, and in the first two months of 1987 a series of project consultations were held in New York with seven of the agencies responsible for executing about 75 per cent of the Programme in the region. A drill was established for project preparation in each country so that a steady flow of good quality projects would be maintained throughout 1987 to keep the Programme moving strongly through the rest of the cycle.

3. As regards the quality of the ongoing Programme, the region continues its extensive and careful monitoring and evaluation services. In the field, in 1986, the resident representatives of the region carried out several hundred tripartite reviews and individual, in-depth project evaluations. A similar number of projects were refined and revised after the field reviews of last year. At headquarters, a similar vigilance continued to be applied. During 1986, the Bureau's Project Appraisal Committee (PAC) reviewed over 90 projects worth almost \$200 million. The Administrator's Action Committee within the first three months of its existence reviewed and endorsed some 92 projects from the Asia and the Pacific region worth over \$115 million. With this double appraisal at headquarters, accountability to the Governing Council for qualitative improvement has been immeasurably strengthened without impeding the quantitative flow of the Programme.

I. PROGRAMME MANAGEMENT ACTIONS

A. Management of project formulation

4. After the shock of the 1982/1983 cutbacks it was a measure of their restored confidence in UNDP that the Governments of the region, over the last two years, collaborated so early and so actively in formulating their new country programmes for the fourth cycle. As a result, by June 1987 practically all of the new country programmes of the region will have been prepared and submitted to the Governing Council. In fact, as planned by RBAP, three quarters of the country programmes were prepared and approved before the beginning of the cycle, including five of the six largest country programmes in the world. Not all of these programmes cover the full period of the fourth cycle, that is to the end of 1991, but taken together with the region's intercountry programme, they account for over 70 per cent of the total 1987-1991 IPFs of \$1.18 billion available to the region.

5. The reason for maintaining this programming pressure in the last two years of the third cycle was to ensure against a hiatus in project commitments and delivery at the beginning of the fourth cycle. Thus this early start to programming was accompanied by an equally active and intense effort to translate these programmes into viable, fundable projects. Because, in value, almost a quarter of the region's country programmes were submitted to, and approved by, the Governing Council in June 1985, it was possible to achieve a head start on the tasks of project formulation, appraisal and approval in 1986. In that year, RBAP added to the stock of project commitments at the rate of \$21 million per month, or \$252 million for the full year. This compared to \$204 million in 1985. The three largest programmes alone (India, China and Bangladesh) produced \$123 million of new project commitments in 1986. It is important to note that this acceleration in the rate of project preparation and approval was accompanied by measures to inject greater discipline into the project appraisal process. RBAP's Project Appraisal Committee, under the chairmanship of its Deputy Director, considered 94 large-scale projects of over \$1 million each during the course of 1986. PAC supplements the resident representatives own field level appraisal mechanisms by inviting the scrutiny of technical advisers and project specialists not associated with the country or project in question. The recommendations for improved project design are sent back to the field for incorporation into the project document before its final approval. This smoothly running machinery is now considering projects to the value of \$10 million per week.

6. The introduction, in November 1986, of the Administrator's Action Committee has lent another most welcome development to the project appraisal process. The result in the Asia and the Pacific region has been to reinforce the Bureau's own efforts to improve the speed and quality of project formulation: the Action Committee, in its first three months of operation, reviewed 92 RBAP projects valued at \$115 million representing 57 per cent of all projects presented. Meanwhile, the pace of new project commitments rose to a level of \$26 million per month in the same period (November 1986-January 1987).

7. Despite this record of achievement in 1986, RBAP remained acutely aware that the bulk of project formulation work arising from the new fourth cycle programmes

still remained to be done and would have to be tackled in a major way in 1987 if projects were to "get on the books" early enough in the cycle to maintain the smooth upward pattern of delivery being aimed for. To set things in motion, the Bureau Director and Deputy Director visited the two largest European-based executing agencies, the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Industrial Development Organization (UNIDO), in June 1986 just after the thirty-third session of the Governing Council of UNDP at Geneva. These agencies, which together will be responsible for implementing 50 per cent of the fourth cycle programme in the region, were invited to draw up their own project formulation management plans based upon information available to them from resident representatives through correspondence, Country Programme Management Plans (CPMPs) or the country programmes themselves. These two agencies responded enthusiastically to this initiative and submitted their project formulation plans to the Bureau in October 1986.

8. In the meantime, RBAP, on the basis of the new, project specific, fourth cycle country programmes, had prepared a complete listing of over a one thousand pipeline projects valued at approximately \$800 million for which project formulation work might be needed. This "master list" was then refined by the Bureau's area divisions in close consultation with the resident representatives, and the projects were categorized by country, sector, degree of preparedness and prospective executing agency. It was decided to invite as many of the executing agencies as practicable (in the event FAO and UNIDO from Europe plus the North American-based agencies - the International Civil Aviation Organization (ICAO), the World Bank, the Department of Technical Co-operation for Development (DTCO) of the United Nations Secretariat and the Office for Projects Execution (OPE) - which, taken together, are responsible for over three-quarters of the programme) to attend a series of working sessions in the Bureau early in 1987 to establish agreed project formulation master plans for 1987. This round of meetings was completed in February 1987 so that the Bureau then obtained a complete picture of what projects would be formulated, when, by whom and at whose cost during the course of 1987. Similar plans, at the time of writing, were being developed for the other, smaller agencies through correspondence. These plans will be updated at mid-year and, at the end of the year, stock-taking will be done to determine the extent to which goals set have been achieved and what remaining project formulation work needs to be done in 1988.

B. Meeting of aid co-ordinators

9. As was reported to the Governing Council at its special session in February 1987, the Bureau convened a meeting of the Directors of Foreign Aid (Government Aid Co-ordinators) from the developing countries of the region in Bangkok in October 1986 to review and endorse the fourth cycle intercountry programme. This meeting lasted two days and was, as on previous occasions, followed by a working session of the Directors of Foreign Aid with resident representatives and UNDP headquarters officials to discuss programme operational matters. The week concluded with a two day "in-house" session of resident representatives devoted to reviewing the results of the programme discussions as well as UNDP administrative and financial matters. The Administrator of UNDP was

present throughout. This was the third such regional meeting of its kind in the Asia and the Pacific region; it is the only forum where those responsible for the day-to-day co-ordination of development assistance at the field level, both within the recipient Governments and in the United Nations development system, have the opportunity to meet, exchange experiences and discuss mutual problems associated with the management and co-ordination of aid. Among the main areas of agreement were the following:

- (a) UNDP's leading role in assisting Governments in aid mobilization and co-ordination through "in-country" consultative groups, round tables, the annual development co-operation reports and project co-financing arrangements was warmly welcomed;
- (b) Government participants and resident representatives were unanimous in expressing their disappointment at the inability of the United Nations development system to come to terms with the role of the United Nations Resident Co-ordinator;
- (c) The resident representatives project approval authority, which has remained unchanged since 1977, should, with Governing Council agreement, be raised;
- (d) UNDP's time-consuming programming procedures need to be simplified and, once established, should no longer be subject to constant amendment, revision and expansion;
- (e) Rapid, flexible and responsive project implementation should be given the same priority as project preparation;
- (f) Executing agencies should be required to improve their expenditure reporting systems, expert selection process and fellowship administration;
- (g) Suggestions were made for resolving some of the problems associated with government execution and national experts;
- (h) The use of United Nations Volunteers (UNVs) and in particular the Domestic Development Services (DDS) project were singled out as especially valuable development instrumentalities;
- (i) Governments confirmed that national development plans were drawn up with the full participation of the private sector which generated 75 to 80 per cent of the region's Gross National Product (GNP), and that UNDP's country programmes should similarly involve the private sector, including non-governmental organizations;
- (j) Training government personnel in project formulation, implementation and monitoring and strengthening over-stretched UNDP field offices were considered priority tasks for the future.

C. National experts and national project management

10. The Bureau's report on national professional project personnel has generally been endorsed and its recommendations now form the basis for the field offices'

management and administration of this feature of the region's programme. However, there still continue to be problems, for example, the growing practice of donors, both multilateral and bilateral, to finance national staff at rates exceeding those UNDP is prepared to allow. The Bureau will continue to monitor closely the employment of national professionals and keep the Administrator informed. As far as national management of projects is concerned, Governments and resident representatives are being encouraged to build into their project budgets provision for the executing agency to train and backstop national project managers more effectively than is possible at present.

D. Women's issues

11. Traditionally the need to heighten the role and involvement of women has been dealt with at the programming stage. Thus special projects have been designed to promote and strengthen women's participation in various sectors and in different economic and social activities; projects which were not specifically designed to do this have been reappraised and reformulated to build in women's interests. What was missing was action during implementation to promote women's involvement. Accordingly, the Bureau decided that it would ask all resident representatives and executing agencies to take affirmative action in ensuring that first consideration be given to female candidates for all UNDP-financed training opportunities. A survey undertaken in 1986 by the Bureau showed that only 11.6 per cent of UNDP fellowships in the region were awarded to female candidates. In only one country, the Philippines, did the level of female participation exceed 20 per cent. The Bureau has written to all executing agencies and resident representatives asking them to include a paragraph reminding and requesting Governments to give prime consideration to eligible women candidates as a matter of course in all communications inviting nominations for UNDP-financed fellowships. It is hoped that this very practical measure will result in a significant increase in women's participation in UNDP-funded training programmes. Its effect will be monitored and reported to the Governing Council next year.

II. PROGRAMME PERFORMANCE

A. Commitment and delivery

12. By the end of 1986, of the total IPF resources of \$US 1,111.6 million available to the Asia and the Pacific region for the third programming cycle (1982-1986), some \$US 1,067 million or 96 per cent had been spent and/or committed for approved projects.

13. For reasons already explained, programme delivery in region-wide terms was below desirable levels in the first three years of the third cycle. From 1982 to 1984, total IPF expenditures declined from \$US 199 million to \$US 177 million. However, starting in 1984 and throughout 1985 and 1986 there was a sustained effort by Governments, UNDP field offices, agencies and UNDP headquarters to improve the delivery process while at the same time maintaining project and programme quality. Expenditures in 1985 totalled \$US 191.1 million and are expected to reach

\$US 228 million in 1986. Therefore, total third cycle programme delivery for the Asia and the Pacific region is expected to be \$US 973 million, almost \$US 200 million more than second cycle delivery.

B. Content

14. At the end of 1986 there were 2,077 (500 more than in 1985) ongoing projects in the Asia and the Pacific region, of which 1,801 were country and 276 intercountry projects, with UNDP assistance budgeted at \$US 1.3 billion.

15. The sectoral distribution of UNDP assistance to the region during 1986, the last year of the third programming cycle, continued the changing pattern seen throughout the cycle. While the share of agriculture, forestry and fisheries has remained constant at around 23 per cent of the total, the share of industry, science and technology has climbed from 19 per cent in 1982/1983 to 24 per cent in 1985/1986. Natural resources have remained at 14 per cent and transportation and communications at 11 per cent. Sectoral distribution among pipeline projects reflect this changing pattern so that, for the first time, projects in the industry, science and technology sector are likely to predominate over agricultural projects in the fourth cycle. This phenomenon, which reflects changes in the state of development of countries in the region, has obvious implications for the two major executing agencies concerned, namely FAO and UNIDO, as well as for RBAP. The fact that UNIDO has now become a specialized agency should enable it to prepare itself better for the increased project implementation responsibilities that it will have in the Asia and the Pacific region in the fourth cycle. For its part the Regional Bureau has, with the co-operation of the Division of Personnel, taken steps over the last two years to modify the staffing pattern of the Bureau to strengthen its capacity to review and appraise the increasing number of technologically complex and industrially sophisticated projects that are now flowing through the pipeline.

16. A component breakdown of UNDP inputs in the third programming cycle reveals an increase in expenditures on training activities and a declining rate of expenditure on equipment, a significant change from the pattern of the second cycle. The record for 1986 is consistent with the third cycle trend with personnel and subcontracts accounting for 48 per cent, training 20 per cent and equipment 29 per cent of total project expenditures.

C. Modalities

17. Many of the new concepts and modalities endorsed by the Governing Council of UNDP to meet the changing technical assistance requirements of developing countries have been, and continue to be, a growing feature of the programmes in the Asia and the Pacific region.

18. The number of government-executed projects continues to increase, from 56 such projects in 1982 at the start of the third cycle to 165 at the end of 1986. Although in terms of actual resources, government-executed projects still only accounted for a modest 7 per cent of total commitments in the region in 1986, in

terms of UNDP assistance world-wide, the Asia and the Pacific region accounts for 45 per cent of all government-executed projects world wide. Among individual country programmes in the region, China, with 42, still has the largest number of government-executed projects, followed by India with 12 and the Philippines with 11.

19. A related trend is the increasing number of projects coming under fuller national direction and control with national project co-ordinators replacing expatriate project managers. In 1984 there were 305 projects with national project co-ordinators in the Asia and the Pacific region; by 1986 the number of nationally managed projects increased to 360, accounting for over 20 per cent of all projects in the region.

20. There has also been a sharp increase in the use of national professional project personnel in the region, although the level still varies among countries, with the main users being Bangladesh, Indonesia, Malaysia, Nepal, Pakistan, the Philippines, Sri Lanka and Thailand. In 1982, at the beginning of the third cycle, national experts and consultants accounted for 367 man-months or 4 per cent of the total man-months of expertise provided under all UNDP-assisted projects in the region. By the end of 1986, such national professional project personnel accounted for 2,696 man-months or 23 per cent of the total man-months of expertise provided. The results of the Bureau's special study on national professionals were reported on in last year's report (see para. 10).

21. The Asia and the Pacific region continues to be the principal user as well as by far the largest supplier of United Nations Volunteers. At the end of 1986 there were 316 UNVs (28 per cent of all UNVs in service globally) serving in 26 countries in the region, while 472 volunteers (42 per cent) serving throughout the developing world come from the Asia and Pacific countries. In some countries of the Pacific, such as the Cook Islands and Vanuatu, most of the technical assistance staff of UNDP-assisted projects consist of UNVs, enabling these Governments to obtain maximum benefit from the UNDP funds available to them.

D. Review, monitoring and evaluation

22. As in previous years, programme review and project monitoring and evaluation activities were intensively carried out throughout the region in 1986. These exercises, involving UNDP, recipient Governments and agencies, are undertaken to ensure the effectiveness and impact of UNDP assistance.

23. At the project level, a total of 448 tripartite reviews were held. In addition, 109 in-depth evaluations took place. These figures, which include regional projects, compare with 457 tripartite reviews and 99 evaluations respectively, in 1985. These management activities are essential for the effective monitoring of ongoing projects and for the design of future projects.

24. Twenty-two of the 34 UNDP-assisted country programmes were the subject of formal or informal review exercises. These reviews normally take place annually to assess the relevance and effectiveness of the programmes as a whole, to adjust

specific project allocations within programmes and to commit unprogrammed resources in accordance with government priorities. In nine of these countries, the reviews were conducted as an integral part of the assessment of the ongoing country programmes in the context of the preparation for new country programmes to be submitted to the Governing Council in 1987. The content and results of the reviews are described in greater detail in sections V and VI of this report.

25. Among the countries that did not hold programme reviews in 1986 were seven which had just had new country programmes approved in June 1986 and three where the modest size of the programmes makes them more suited to review and monitoring on a project-by-project basis.

E. Investment promotion

26. Pre-investment and investment-oriented projects remain an important part of the Programme in the Asia and the Pacific region. Investment commitments generated by such activities totalled \$US 4.4 billion in 1982, \$US 6 billion in 1983, \$US 4.9 billion in 1984 and \$US 5.2 billion in 1985. Figures for 1986 are not yet available. The data for 1985 indicated that the largest amount of such follow-up commitments was generated in the natural resources sector (\$US 3.6 billion), followed by \$US 637 million in the transportation and communications sector and \$US 370 million in the agricultural, forestry and fisheries sector; this is a distinct change from previous years when there was an equal distribution of investment among these three major sectors. In terms of source of investment, public and private investments made in the developing countries themselves constitute the largest source at \$US 3.2 billion. The second largest source was the multilateral agencies, with the World Bank, the International Development Association (IDA) and the Asian Development Bank (AsDB) accounting for \$US 1.7 billion, while bilateral sources provided some \$US 300 million.

27. Measures continue to be taken to strengthen the Programme's pre-investment support role, including co-operative arrangements with agencies to realize the investment potential of UNDP-assisted projects, strengthened relations with sources of finance through special interest arrangements and training courses in investment development to improve UNDP and host Government staff capabilities.

F. Technical co-operation among developing countries (TCDC)

28. TCDC activities continued to be encouraged and supported at all levels - country, intercountry, interregional and global. Besides the intercountry programme which, based on the concept of the promotion of collective self-reliance, fully incorporates TCDC in its activities, five countries (China, India, Indonesia, Pakistan and Sri Lanka) of the Asia and Pacific region have earmarked allocations totalling \$US 20 million from their country IPFs for TCDC activities. In addition to this, as of the end of 1986, 13 TCDC activities benefiting 10 countries in the Asia and Pacific region had been partially financed from the Special Programme Resources (SPR)-funded interregional TCDC project.

29. As a follow-up to the successful Asia and Pacific Intergovernmental Consultations for the Formulation and Implementation of TCDC programmes held with the support of UNDP and the Economic and Social Commission for Asia and the Pacific (ESCAP) in Beijing in 1983, an Intergovernmental TCDC Programming Exercise was held in Beijing from 24 to 29 November 1986. Twenty-five developing countries, from within and outside the Asia and the Pacific region, took part in the meeting, which resulted in 146 TCDC projects agreed upon bilaterally between China on the one hand and 24 invited developing countries on the other. In addition, 61 TCDC projects were agreed upon bilaterally among the participating countries other than China. Besides UNDP, 11 organizations of the United Nations development system also participated in the meeting.

G. Transfer of Knowledge through Expatriate Nationals (TOKTEN)

30. UNDP has been assisting a number of developing countries in Asia and the Pacific to counter the effects of the "brain drain" by bringing back skilled expatriates to their countries for short consultancies. To date, a total of seven developing countries (Bangladesh, China, Democratic People's Republic of Korea, India, Pakistan, Philippines and Sri Lanka) have TOKTEN projects with UNDP assistance totalling over \$US 5.2 million. By the end of 1986, 836 TOKTEN consultancies had been completed since the initiation of the programme in the region in 1980.

III. CO-ORDINATION OF ASSISTANCE

31. Besides the meeting of aid co-ordinators in the region mentioned above, the Bureau's principal contribution to the more effective planning and co-ordination of development assistance in 1986 was the convening of four separate round-table meetings for four of the region's least developed countries (LDCs), namely, Bhutan, the Lao People's Democratic Republic, Maldives and Western Samoa. Although each round table was held independently of the others, they were, for reasons of economy and maximizing attendance, all convened during the same week of April in Geneva. These meetings were successful in achieving their two main objectives: (a) a frank, constructive dialogue with major donors on macro-economic and sectoral policy issues, development constraints, investment strategies and external assistance requirements; and (b) statements of donor external assistance intentions at levels potentially consistent with planned requirements. A short report on these round-table meetings is attached as an annex to the present document.

32. The Regional Bureau has been actively following up these round tables through country level consultations, a mini round-table review meeting of representatives from the aid co-ordinating ministries of the round-table countries in October, held in Bangkok, and through correspondence with donor round-table focal points. At the end of the year it issued a report on round-table follow-up activities to all concerned and will continue to do so at six-month intervals.

33. During 1986 resident representatives from the region participated in six World Bank Consultative Group meetings. It is now the practice that the UNDP resident

representative represents the entire United Nations development system at Consultative Groups and, in future, will have the lead role in discussions on technical assistance. Irrespective of whether a consultative group or round-table arrangement is in effect, a majority of resident representatives now perform a significant role in supporting country level aid co-ordination. Arrangements for this, formal or informal, exist in Bhutan, China, Fiji, Indonesia, the Lao People's Democratic Republic, Maldives, Nepal, the Pacific Islands, Sri Lanka and Western Samoa. In addition, within individual technical assistance projects, UNDP is strengthening Governments' own aid co-ordinating machinery in Bangladesh, China, the Lao People's Democratic Republic, Maldives, Pakistan, the Philippines and Sri Lanka. An additional instrument for promoting aid co-ordination at the country level - UNDP's annual development co-operation reports - is being developed as a forward-looking, aid-to-planning document. In several field offices its preparation has been computerized, facilitating its continuous updating and distribution to all users throughout the year.

34. One of the results of UNDP's co-ordinating role is that it opens up co-financing possibilities with other donors. In 1986 some 7.3 per cent of delivery of UNDP assistance in the region was attributable to Government or third-party cost-sharing, more than twice the amount recorded in 1985. In addition, some \$40 million of parallel financing by other donors was recorded, raising the total co-financing level for the region in 1986 to well over \$55 million. In December 1986 a special Programme Cost-sharing Fund for Human Resources Development was established with UNDP by the Government of Japan. This fund, with an initial amount of \$US 1 million, will support human resources development projects in the Asia and the Pacific region. It is understood that additional contributions will be made by Japan over the next four years. The Japanese Government also indicated its intention to establish with UNDP a replenishable \$US 2 million Special Trust Fund for the South Pacific to promote economic co-operation for the development of the South Pacific island developing countries.

IV. REVIEW OF THE INTERCOUNTRY PROGRAMME

35. A major activity during 1986 was the finalization of the intercountry programme for the fourth cycle. The extensive process of consultations with Governments, ESCAP, executing agencies, subregional groups and the UNDP resident representatives was described in Governing Council document DP/RAP/1 of 14 October 1986, on the basis of which the intercountry programme for the fourth cycle was approved by the Council at its special session in February 1987 (decision 87/4).

36. In order to respond to the changing needs expressed by the Governments of the region, the new programme emphasizes the entire area of applied technology, including micro-electronics, industry and development management. Transport and communications will continue to be the largest sector with a 20.8 per cent share of the total resources. The importance of this sector was highlighted by the commencement of the Decade for Transport and Communications in Asia and the Pacific in 1985, for which UNDP allocated \$US 6 million from its Special Programme Resources fund.

37. Most of the activities in the new intercountry programme fall under the heading of human resources development and technology transfer, which are themselves interlinked. Within the above themes, there are three areas of special focus in the new programme: (a) the first is to assist countries to improve management of their own development programmes; (b) the second involves the private sector, where UNDP will co-operate with government-sponsored activities to upgrade the skills and productivity of private enterprise; and (c) the third area of special attention is assistance in mobilizing and effectively utilizing resources at the community and local level with special reference to the role of women and to the involvement of non-governmental organizations. These projects are expected to pinpoint substantive areas where women and youth are primarily involved and provide assistance to help ameliorate their special problems.

38. Over 50 per cent of the fourth cycle programme consists of new projects. In addition, the programme contains a substantial element of programmed and unprogrammed reserve. In making this provision, it has been recognized that programming is a continuous process and that while the programme was prepared for a five-year period, it must be sufficiently flexible to respond to emerging needs and priorities. Through continuous review and monitoring, adjustments and refinements, UNDP will proceed to accommodate projects to be worked out at a later stage and to meet unforeseen needs.

39. It is the intention of the Bureau to make every effort, in co-operation with the executing agencies, to ensure that all projects in the fourth intercountry programme, are formulated, approved and start implementation during 1987. With this in mind, preparatory work began well before the end of 1986 and will be continued throughout 1987 as part of the Bureau's overall project formulation campaign for that year. During 1987 and future years, the programme is geared to continue to focus on increasing cost effectiveness, spreading the benefits of the projects to as many countries as possible and improving programme quality and delivery through continuous monitoring and review.

V. ASSESSMENTS PREPARATORY TO A NEW COUNTRY PROGRAMME

40. During 1986, eight countries in the Asia and the Pacific region - Burma, the Democratic People's Republic of Korea, Malaysia, Pakistan, the Republic of Korea, Singapore, Sri Lanka and Thailand - were preparing new country programmes for submission to the Governing Council at its sessions in 1987. In each case an assessment was made of the current country programme as an input for the preparation of the new country programme.

41. Although the individual assessments differed in method and process, depth and scope, depending on the size and nature of the programme, they were in all cases thorough and well documented, and their recommendations fully taken into account and utilized in formulating the next country programmes. In some countries agencies of the United Nations system were fully associated with the exercise; in Burma the major donor countries were consulted; and in the Republic of Korea the assessment was part of a comprehensive evaluation of UNDP assistance covering the previous two country programmes as well. In all cases the Governments were fully

involved, and in every case the main objective was to assess the accomplishment of the terminating country programme measured against its stated objectives and to draw lessons for the new programme.

42. The full results of these assessments will be reported to the Governing Council as part of the respective new country programme documents, and the following is limited to a general summary.

A. Programme orientation and relevance to national development plans

43. The assessments of the programmes indicated that UNDP assistance in all cases had been effective and had made valuable contributions to the development efforts of the Governments. In the Democratic People's Republic of Korea, for example, the impact of the programme was assessed as already significant even though it was the first country programme of UNDP co-operation to be implemented there. Three projects in the transport sector, which accounted for one fourth of the total UNDP assistance, contributed to technological advancement in several key areas of the country's transportation network. In Burma, the programme made notable contributions to the modernization of the agricultural sector, the development of civil aviation and telecommunications and the introduction of modern technology, particularly computer technology. In the Republic of Korea, UNDP assistance, although relatively modest in monetary terms, proved effective in helping to build institutional capacity within several priority sectors.

44. Where the recipient country's development needs had undergone changes, it was seen that UNDP assistance was able to respond and remained consistent with Government priorities, a flexibility made possible by the maintenance of unprogrammed reserves and the continuous programming process. Thus in Sri Lanka, the assessment particularly noted that the UNDP programme had been able to continue reflecting the priorities of the Government's Public Investment Programme, which is updated annually and covers a five-year period on a rolling basis. The annual reviews held during the course of programme implementation were also valuable for improving operational or managerial deficiencies and in some cases for redressing potential imbalances in the sectoral distribution of resources.

B. Programme content and characteristics

45. In comparing actual assistance delivered with what had been planned, it was seen that, for most of the countries reviewed, the actual programme that developed closely resembled the programme outlined in the country programme document, and those sectors which had been given priority did actually receive the envisaged proportion of assistance. In Sri Lanka, projects have been or are being implemented in 90 per cent of the subject areas identified in the country programme document. In Thailand, implementation adhered closely in the themes set forth in the programme except in the one case of energy, where the Government's success in lowering energy imports and consumption, as well as the availability of assistance from other donors, reduced the need for UNDP assistance. Where there were substantial deviations, as in the case of Pakistan and the Democratic People's

Republic of Korea, this was due to changing Government priorities as well as to the effects of the global cutback of IPF resources to 55 per cent of what had been envisaged for the third UNDP programming cycle. In the Democratic People's Republic of Korea, for example, planned assistance in the national resources sector failed to materialize as a result of the reduction in the IPF.

46. As reported last year (see DP/1986/28, sect. III.B), a significant trend in most, but not all, of the third cycle country programmes of the Asia and the Pacific region was the increasing use of "new dimensions" modalities. A distinctive feature of the programme in Sri Lanka was the substantial increase in the number of national project co-ordinators as well as national experts. In Pakistan, a systematic effort was made to utilize national expertise. In the Republic of Korea, most projects have been managed by national project co-ordinators without resident expatriate project managers. Government-executed projects, TCDC activities, and UNVs were present in almost all of the programmes reviewed.

C. Programme implementation

47. The record for eight of the nine programmes assessed was very positive with an average delivery rate expected to be around 98 per cent of programmed resources.

48. The global reduction of the IPF to 55 per cent of what had been planned for the third cycle, and the general uncertainty about the availability of UNDP resources during the first year of the cycle, had an adverse effect on the planning and implementation of all the programmes reviewed. In Malaysia, for example, 12 out of a total of 49 projects included in the country programme had to be withdrawn or held in abeyance as a result of the cutback. In Sri Lanka, rather than deleting projects, the strategy adopted was to reduce allocations across the board for all planned projects. This scaling down of project budgets also had a negative impact in that, in some projects, certain important inputs could not be provided.

49. All the assessments included useful analyses of those factors impeding programme implementation. In the Democratic People's Republic of Korea, the problems encountered resulted from overly ambitious objectives which did not sufficiently take into account local absorptive capacity and skills and the delays to be expected in securing sophisticated technology from abroad. In Malaysia, the less successful performance in some projects was also attributed to weakness in project design, as well as to problems in the provision of counterpart personnel and lack of adequate technical backstopping by executing agencies. In Thailand, while projects were generally of high quality, in certain cases implementation was delayed by budgetary constraints in counterpart funding and difficulties in nominating fellowship candidates because of language requirements; in other instances, delays were attributed to executing agencies in the appointment of experts, procurement of equipment and the timing of consultant inputs. In Pakistan, one basic constraint to a higher rate of implementation was found to be the large number of small-scale projects. At one time, as many as 117 projects were operational during the period of programme implementation. In each of the aforementioned countries, as well as in the other countries, the lessons drawn from the assessments were used in the formulation of the new programme.

VI. REVIEWS WITHIN THE PROGRAMME CYCLE

50. Country programme reviews carried out in the Asia and the Pacific region in 1986 generally followed the pattern of previous years. The reviews ranged in frequency from quarterly meetings, as in India, to biannual meetings, which has been the practice in the Philippines and Viet Nam, to annual intensive meetings covering two to three days, as was the case in Indonesia and Niue.

51. The level of Government representation has been high, involving Government Directors and Co-ordinators of Foreign Aid as well as representatives from concerned sectoral ministries at the director level. RBAP was frequently represented by the Division Chief or Area Officer concerned, and there has been active participation by the executing agencies, through headquarters or field representatives. In some of the Pacific island developing countries, such as Niue and Samoa where certain neighbouring bilateral donors are the major development partners, the latter's representatives also participated. In Samoa, representatives of private sector organizations and non-governmental organizations were also invited to the programme review meeting, which provided an opportunity to establish a dialogue between the private sector and Government and aid donors in the framework of development co-operation.

52. Programme reviews generally covered a wide range of subjects with the main focus being on the implementation of ongoing projects, the status of pipeline preparation and the IPF resource situation. Other items normally taken up included the basic direction of the country programme, particularly in relation to national development plans, management issues pertaining to programme implementation and general policy issues. In some countries, particularly those Pacific island developing countries which are covered by a UNDP field office based in another country, the programme review meeting provided an opportunity for briefings on current UNDP policies and procedures.

53. Preparations for the reviews were, in all cases, thorough. Comprehensive and detailed documentation was prepared and circulated prior to the meetings, which allowed for focused discussions and contributed to fruitful exchanges and effective decision-making. A typical example was in Bangladesh, where the documentation for the programme review included the financial summary of overall resources, tables describing the financial position of each ongoing and pipeline project grouped by sector, sectoral briefs prepared by agencies and the UNDP office, project briefs prepared by project directors or chief technical advisers, and supplementary documents and data pertaining to operational and policy issues.

54. Where the reviews were held formally, the objectives, scope and methodology of the review were in each case clearly defined and agreed on with the Government. Consultations were normally held with agencies, particularly in those countries where agencies were not represented at the actual review meeting. In the Philippines, these agency consultations were carried out extensively by the resident representative who, together with the Government's Aid Director, visited the headquarters of 12 agencies and met with some 100 agency officials prior to the review.

55. Since almost all of the reviews covered programmes which were either ending or just beginning, they did not result in any significant programme shifts overall. Sectoral adjustments were required in only two countries. In the Lao People's Democratic Republic, it was agreed that there was a need to build up pipeline projects in the industrial sector for which priority had been given in the Government's Second Five-Year Plan. In the Cook Islands, it was noted that there was some deviation from the percentage distribution of resources planned for the agriculture sector, and steps were agreed on to redress this so that the programme would more accurately reflect the importance attached to this sector by the Government in its Second Development Plan.

56. The relevance of the ongoing country programme to national development plans was most closely examined in Indonesia and the Philippines, countries faced with changing economic situations - in Indonesia resulting from the weakening of oil prices and in the Philippines resulting from the establishment of a new Government with new policies and priorities for that country's economic recovery. Both reviews indicated that the respective country programmes were in accord with the evolving priority needs of the countries and, in both cases, while there were deletions and additions to the portfolio of ongoing and pipeline projects, the overall sectoral allocation of programme resources remained essentially unchanged with only minor shifts occurring between sectors.

57. Central to all the country programme reviews was the assessment of the performance of ongoing projects and the scrutiny of pipeline projects, with subsequent decisions on continuation or changes and the commitment of available resources for new projects or project revisions. The review in Indonesia, for example, resulted in the deletion of nine pipeline projects in the areas of fisheries, livestock development and support for training institutions in order to avoid duplication with activities of other donors. On the other hand, in order to respond more to changing priority development needs, eight on-going projects were expanded and 12 new projects included with the objective of promoting employment generation, investment, export and trade and regional economic planning.

58. Management discussions were mainly centered on expediting project delivery and project formulation. In the Lao People's Democratic Republic, steps were agreed on to facilitate internal travel of experts and delivery of equipment to project sites as well as to synchronize better the presence of experts with the availability of national counterparts. Noting the protracted project formulation and approval process, the Government of Viet Nam and the resident representative agreed to make more use of agency technical missions as well as UNDP's Project Development Facility. The need for training of Government personnel in project design and formulation and project monitoring and evaluation was emphasized in several countries.

59. Modalities of delivering the programme were on several agendas. The review in the Philippines devoted considerable time to government execution, a growing modality of project execution in that programme, and agreement was reached on standardizing consultant contracts and simplifying fellowship arrangements under government-executed projects. In Samoa, innovative project design and mix of inputs were proposed to maximize the utilization of a small IPF, including greater

use of UNVs, national experts and other cost-effective means of project implementation.

60. Finally, policy matters that were discussed covered a wide scope of concerns, ranging from negotiations on the Standard Basic Assistance Agreement to questions on support costs for programme cost-sharing and funding of local recurrent costs, to the strengthening of aid co-ordination. One common concern brought up at all the reviews in the small Pacific island developing countries was the need to formulate strategies to supplement and to maximize utilization of relatively small IPFs.

Annex

SUMMARY REPORT ON ROUND-TABLE MEETINGS FOR THE LAO PEOPLE'S
DEMOCRATIC REPUBLIC, WESTERN SAMOA, BHUTAN AND MALDIVES,
HELD AT GENEVA FROM 21 TO 25 APRIL 1986

1. Round-table meetings were held in 1986 at the United Nations conference facilities in Geneva for the Lao People's Democratic Republic (21 April), Western Samoa (22 April), Bhutan (24 April) and Maldives (25 April). These meetings were successful in achieving their two main objectives: first, a frank, constructive dialogue with major donors on macro-economic and sectoral policy issues, development constraints, investment strategies and external assistance requirements; and secondly, clarification of donor external assistance intentions at levels potentially consistent with planned requirements. The meetings were also able to help achieve donor viewpoints on follow-up measures to improve country aid utilization and absorptive capacity.

Preparations for the round tables

2. Preparations for the four round-table meetings followed the new round-table procedures, stressing a continuing process of consultations, information and negotiations with external donors. The preparatory work for these meetings included the following specific measures:

(a) Preparation of comprehensive, timely background documentation:

Consultants from the United Nations Development Programme (UNDP) assisted Governments in preparing background documents, inter alia, covering the current economic and social situation, investment strategy objectives, macro-economic and sectoral policy framework, external assistance requirements and project profiles in a timely and effective manner, enabling submission to donor participants in the round-table meetings almost three months in advance of the meetings. (In the case of the Lao People's Democratic Republic, delayed Government clearance permitted distribution only about one month in advance);

(b) Preparation of UNDP aide-memoire/Executive summary: UNDP prepared an aide-mémoire document which summarized the Government's background documentation, provided updated information and economic analysis, and offered alternative suggestions for follow-up activity at the country level intended to facilitate increased aid flows;

(c) Collaboration with the World Bank, the International Monetary Fund (IMF) and the Asian Development Bank (AsDB): UNDP consultants and staff collaborated closely with the World Bank, IMF and AsDB, which provided helpful comments and suggestions on the round-table documentation at the draft stage;

(d) Donor sensitization missions: Three of the Governments (Bhutan, Maldives and Western Samoa) undertook pre-round-table visits to five to six key donor capitals to discuss investment strategies and external assistance requirements. These meetings were welcomed and contributed greatly to donor understanding of, and receptivity to the circumstances and assistance needs of the least developed countries (LDCs);

(e) Measures to improve aid absorptive capacity: During the preparatory period for the round-table meetings, a number of initiatives were taken at the country level to bring about structural adjustments, improved economic management, more effective planning and plan implementation monitoring and other measures to facilitate increased aid absorptive capacity and, in the longer run, expanded aid flows;

(f) Restriction of round-table invitations to main donors: In order to help focus round-table discussions on main investment strategy issues and realistic external assistance requirements and expectations, attendance at the round-table meetings was restricted largely to main Development Assistance Committee (DAC) bilateral donors, multilateral financing agencies and other third world countries with major ongoing or significant future potential for financial and technical assistance to the LDC concerned. Particular efforts were also made to help keep these countries and multilateral financing agencies informed of progress with preparatory arrangements.

Conduct of round-table meetings

3. The round-table meetings themselves were conducted so as to help focus donor and recipient LDC attention on initial development policy issues and external assistance requirements.

(a) Agenda for the round-table meetings: The agenda included two main items: (a) discussions of the current economic situation, development constraints and investment strategy; and (b) external assistance requirements and donor intentions. These agenda items were introduced by the leader of the LDC delegation. The leader of the LDC Government delegation also delivered a comprehensive reply to comments, suggestions and queries made by donors in the course of their statements. The main policy issues raised in the discussions and future donor assistance indications were summarized by the Chairman in a final session of the round-table meetings.

(b) Round-table discussions: The donor statements under each agenda item were led off by the World Bank, IMF and AsDB, which had been most involved with the background documentation from the early draft stages. This helped to focus discussions on the most critical development issues, and to emphasize the importance of investment strategies giving adequate priority to key economic and social development requirements, taking into account external assistance likely to be available. These initial interventions tended to establish an analytic, problem-solving, generally supportive tone to the discussions which followed, and to reinforce the content of the background documentation, which was generally acclaimed to be comprehensive, useful and of high quality.

(c) Donor intentions: Various donors explained current assistance commitments and gave indications of future aid intentions or possibilities. A further projection of existing aid commitment levels through Government investment strategy periods indicated potential assistance at, or in excess of, external assistance gap levels in the case of Western Samoa and Maldives, and close to requirement levels in the case of the Lao People's Democratic Republic and Bhutan.

It was evident, however, that a very considerable continuing effort at project formulation and improved aid utilization was required to ensure a high degree of investment strategy implementation.

(d) Round-table follow-up: Various suggestions for round-table follow-up at the country level were made in the UNDP aide-mémoire and in donor statements. These proposals were accepted as the basis for further consultation with the LDC Governments, concerned in order to determine follow-up measures most likely to facilitate best utilization of donor assistance, including any increased aid flow.

(e) Round-table administration: A number of administrative procedures for the round-table meetings in some cases based upon successful experience at the first round of meetings for these countries in May 1983, helped to ensure the most cost-effective use of meeting time. In particular, the restriction of each round-table meeting to one day, scheduled back-to-back in Geneva, with the expectation of any more detailed sectoral or other subject-matter discussions warranted being undertaken later at the country level, proved to be advantageous. Holding the meetings back-to-back in Geneva saved considerably on the participation costs of donors, who in most cases attended more than one round-table meeting, and of the UNDP staff backstopping the meeting. Also, UNDP chairmanship of the meeting helped to ensure proper moderation of discussions while the LDC Government delegation leader and staff concentrated full attention on introductory statements and responses to comments and questions posed by donor participants.

