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PROGRAMME PLANNING

Country and intercountry programmes and projects

IMPLEMENTATION OF COUNTRY AND REGIONAL PROGRAMMES IN EUROPE IN 1986

Report of the Administrator

Summary

This report, submitted in accordance with Governing Council decision 81/15 of 27 June 1981, covers events that have occurred in the European region and actions taken to improve programme delivery. The report focuses on changes in priorities in country programmes and provides an overview of programme implementation and trends, including factors affecting programme performance. It describes the composition of project inputs and the impact of certain project evaluations conducted in 1986, while presenting conclusions on programme performance in the third cycle in order to derive lessons for the fourth cycle programmes. It also describes (a) the implementation of the regional programme in Europe, which involves most participating European countries, including those that do not receive an indicative planning figure (IPF); and (b) the initial process of developing the fourth cycle programme.

Part One

THE COUNTRY PROGRAMMES

I. INTRODUCTION

Special developments

1. The implementation of the United Nations Development Programme (UNDP) country programmes in Europe during 1986 was generally satisfactory and there were no major events that seriously affected delivery. Following the decisions by the Governments of Czechoslovakia and Greece to forego their IPFs after the third programming cycle, successful attempts were made to complete all necessary adjustments to ongoing projects and approvals of new projects before year-end, and 1986 therefore witnessed an upsurge in programme activity in both countries. As a result of Governing Council decision 86/31, of 24 June 1986, the fourth cycle IPFs for Bulgaria and Poland were adjusted upwards. This resulted in increased programming activity in the two countries. In Portugal, on the other hand, there was a certain slowing-down of programme activity as a result of internal institutional changes, including the designation of a new co-ordinating authority for technical co-operation.

Measures taken to enhance implementation

2. The principal measures taken to enhance the effectiveness of programme implementation included a seminar in project design conducted by the United Nations Industrial Development Organization (UNIDO) for the benefit of national project directors in Yugoslavia, where poor project preparation resulted in low approval and implementation rates. Other measures included stringent controls by the field offices aimed at ensuring that (a) the executing agencies undertook the timely implementation of the individual components of projects and (b) the early rephasing of project budgets by the agencies. Such steps were coupled with the application of organization-wide measures to improve programme delivery and the application of system-wide measures to improve programme delivery. The latter included the preparation of a timetable for the attainment of target budget levels in each country. Since past implementation rates in the countries were considered when these budget levels were established, the elements were provided for the accurate forecast and adequate accomplishment of delivery levels. The timetable is being closely monitored by both field offices and headquarters.

Scope of the report

3. In view of the limited number of programmes in Europe, the present report does not single out any country as an example, but instead offers the following region-wide overview.

II. GENERAL OVERVIEW OF THE REGION

Changes in priorities

4. There were no significant changes in priorities in any of the country programmes in 1986. However, some adjustments were made in the programmes for Cyprus and Turkey. In the Cyprus programme, there was a reduction in the emphasis on the general development sector, while the human settlements and agriculture sectors were given increased priority. It is also noteworthy that efforts continued to be successful in Cyprus in implementing a satisfactory level of programme activity for the North. As a result of social and economic adjustments in Turkey, UNDP assistance was focused more on research and development institutions, which provide invaluable support to the growth of technology-based and export-oriented industries. It is intended that fourth cycle IPF assistance to Turkey concentrate more on the poorer segments of the population, in close co-ordination with activities of other United Nations agencies such as the World Health Organization (WHO) and the World Food Programme (WFP).

Programme trends

5. Since most programmes were at an advanced stage of implementation at the end of the third cycle, there was little change in implementation modalities. All programmes in Europe tend to have the same basic characteristics: nearly all projects have small UNDP inputs, though most have sizeable government inputs; each tends to constitute part of a much larger government undertaking, UNDP supplying only those elements that are not available locally. These elements, be they expertise, equipment or training, are invariably specialized and sophisticated in nature, complementing the capabilities of the countries themselves.

6. Government execution of projects, however, is not a prominent feature in Europe, although Bulgaria, Cyprus, Greece and Yugoslavia employ this modality to a limited extent. In nearly all countries, projects are managed by national project co-ordinators, who have demonstrated a high degree of managerial ability.

Availability of resources

7. IPF levels in the European region are small, ranging from \$1,375,000 in Malta, the smallest recipient country, to \$11 million in Turkey, the largest. Since the IPF inputs are small, the Governments have ensured maximum effect from the country programmes by providing significant counterpart contributions. It is worth noting that in 1986 in Albania the authorities frequently provided counterpart inputs far beyond the levels stipulated in the project documents. Cost-sharing was of significance in many of the countries, notably Cyprus, Czechoslovakia, Greece, Portugal, Turkey and Yugoslavia. Together with cost-sharing in the regional programme, cost-sharing budgets totalled \$1,072,000 in 1986. This amount would probably have been even higher but for the shortage of convertible currency in many of the countries concerned. In such countries, high counterpart in-kind contributions perform in a sense the same function as cost-sharing in others.

Delivery of resources

8. The average commitment rate at the end of the third cycle, as recorded at the end of January 1987, represents 103.4 per cent of programmable resources for 1982-1986. This illustrates that the approval of projects was conducted in a timely fashion, and that all third cycle funds were programmed before the end of the cycle.

9. For a variety of reasons, however, the actual level of delivery is expected to be about 65 per cent of the approved budgets for the year, as estimated at the end of December 1986. For example, in Albania, the pace of implementation decreased during the last year of the 1982-1986 country programme, mainly because the fifth large-scale project, Research Reactor (ALB/85/001), originally foreseen for implementation during 1986, was not in fact formulated since a number of preliminary decisions the Government had to make regarding its own sizeable contribution were delayed. In addition, some delays occurred in starting up the large-scale Industrial Process Control project (ALB/84/001). In Bulgaria, Czechoslovakia, Hungary, Romania and Turkey, timely implementation was hampered by various causes, notably difficulties faced by agencies with the timely fielding of consultants; difficulties faced by the Governments with the timely submission of nominations for fellowship training; and difficulties by agencies in placing fellows in specialized training institutions as well as arranging export licenses for advanced equipment items. It is to be noted that in Romania, an experiment to place orders of equipment directly through local agents of transnational suppliers met with a degree of success, but greater experience with this approach is required before it can be applied across the board. In Cyprus, delays were mainly due to the need to rethink the project strategies for some of the major projects, requiring reprogramming missions and agency discussions. In Portugal, implementation delays resulted from the prolonged process of restructuring the public sector, initiated in late 1985, which only neared completion at the end of 1986. In Yugoslavia, project delays in several instances were due to the late approval of new projects as a result of poor initial project preparation.

Effectiveness of project reviews and evaluations

10. In all countries, frequent tripartite reviews were held as scheduled during 1986. For the countries handled by the United Nations Office in Geneva, the reviews provided effective monitoring in the absence of resident UNDP staff. As an example, a detailed tripartite review of the Information Network project (ALB/81/001) in Albania resulted in a framework for the orderly completion of the most important project in the country. An important terminal review of the forestry project (GRE/78/003) in Greece provided the Government with concrete recommendations for a forestry development programme to be implemented upon completion of the UNDP project.

11. Five in-depth project evaluations were held during 1986. One was conducted on the National Water Plan project (POR/82/004) in Portugal, highlighting the unsatisfactory results of the project to date and proposing measures for future improvements. A second, on the Agricultural Institute project (ALB/81/007) in Albania, confirmed that the project was proceeding well towards implementing

measures to increase productivity in the areas of agriculture and livestock. This evaluation was very timely, as it brought out the necessity to consolidate and build upon project achievements before the formulation of a second-phase project to be implemented in the fourth programming cycle. Three projects were evaluated in Turkey. The first, on the Extension Services for Small Industry project (TUR/80/010), resulted in recommendations that had a bearing on the utilization of technical assistance components in a proposed World Bank activity in the order of \$1 million. The evaluation of the Assistance to the Packaging Centre project (TUR/81/013) resulted in recommendations aimed at ensuring that the packaging centre would become the focal point for research and development in the field of packaging. Finally, the evaluation of a Pulp and Paper project (TUR/81/018) brought out inadequacies in the design and implementation of the project, and identified the steps to be taken to redress the situation.

III. COUNTRY PROGRAMMES REVIEWED

12. Formal or informal reviews of country programmes were held in all countries of the region during 1986, with the exception of Czechoslovakia and Greece, where the third cycle programmes, the final ones in these countries, are scheduled for completion during 1987. A primary purpose of all of the reviews was to determine the effectiveness of third-cycle objectives and modalities, in order to derive lessons for the fourth cycle programmes.

13. The major overall conclusion emerging from these reviews was enhanced priority to projects in the science and technology sector. The countries themselves are conscious of the need to take account of advances in these areas so as to accelerate the process of socio-economic development in the present highly competitive international environment.

14. There is also heavy emphasis on the provision of specialized training, considered of paramount importance for sustained and self-reliant growth and transformation.

15. The scarcity of skilled labour in some of the countries reinforces the emphases mentioned above and highlights the need for making use of capital intensive and labour-saving technologies. This also accounts for the relative importance of equipment in several of the programmes. It is stressed that the equipment in UNDP country programmes in Europe is directed at strengthening the national capacities for teaching and applied research, and is utilized to research and demonstrate advanced and more efficient techniques in a variety of important sectors such as agriculture, industry, telecommunications and health. None of it constitutes investment for production per se, which in any case is not feasible, given the very small size of the individual IPFs in European countries.

16. Given the nature and quality of the European programmes, there is considerable potential for bringing the results to bear on development questions in other parts of the world under the modalities of Technical Co-operation among Developing Countries (TCDC). Several of the fourth cycle programmes in Europe will follow up such opportunities.

Part Two

THE REGIONAL PROGRAMME

I. PROGRAMME RESULTS AT THE END OF THE THIRD CYCLE

17. There were 21 projects implemented in the third cycle, 14 of which each involved the expenditure of \$400,000 or more from UNDP and 7 each involving less than \$400,000. The reduction, early in the cycle, in UNDP resources for the programme from \$14.36 million to \$10.437 million, meant that there were only 6 new projects, half of them in the priority area of energy. A total of 12 projects were concluded during the third cycle and the remaining 9 will be extended into the fourth cycle, including regional programme support to the interregional World Maritime University project. In all, 12 projects, including 10 of the projects over \$400,000, were evaluated during the cycle. Programme delivery was generally timely and appropriate. The conclusions of the Administrator regarding the third cycle programme are essentially the following:

Programme preparation and management

18. The preparation of the third cycle programme consisted of a correspondence process with Governments and executing agencies leading to the consultation of May 1981. While this was considered relatively successful, it was felt that Government involvement in programme management could be enhanced to produce a greater sense of ownership of the programme and to arrive at stronger interconnections between the projects.

Priority areas

19. Those which received the greatest attention included energy, the environment, science and technology, and transport and communications. The second and fourth areas proved particularly conducive to regional approaches, and each of them provided learning experiences applicable to projects elsewhere. The conclusion was that they should be sustained, with the addition of management as a new, fifth priority area. In formulating the fourth cycle programme, it was confirmed that each area is distinct, cohesive, suitable for network approaches and relevant to country priorities.

Working principles

20. Five principles were put into effect during the third cycle:

(a) Projects should be of common priority: an average of 6 or 7 IPF countries participated in each of the 21 projects, despite the fact that several (such as Mediterranean Aquaculture) were not necessarily of region-wide interest. For the most part, mutual intercountry co-operation, rather than a one-way flow of assistance was the focus. Systems adaptation rather than the creation of new systems was emphasized;

(b) Permanent networks of existing institutions should be encouraged: 14 of the 21 projects were of this kind and very encouraging experiences resulted from this approach, such as the Trans-European Motorways and Toxic Chemicals projects;

(c) European and Arab countries that are not IPF-recipients should, where relevant, participate jointly in programmes. This proved highly worthwhile and provided wider frameworks of greater impact which were essential to the viability of various projects;

(d) Project results should be shared with countries in other regions: only late in the cycle were suitable systems materials available; various projects, however, have now started a process of outreach, and interest in other regions for such sharing seems confirmed;

(e) Non-UNDP resources should be attracted to the programme: the recurrent expenditure and downstream investment of participating Governments has been exceptionally high for a majority of the projects. Executing agency contributions increased throughout the cycle. In general, it was concluded that these principles, slightly modified, should be sustained in the fourth cycle.

Project modalities and components

21. Although 14 projects exceeded \$400,000, and only 7 did not, it was concluded by all parties that Governments could have readily contributed proportionally more and UNDP less, if project targets and requirements had been thoroughly clarified in advance. The conclusion was that most fourth cycle projects, from their inception, should more deliberately address both networking needs and the application of existing systems in permanent functional relationships. With regard to UNDP-funded components, the profile was as follows: personnel - 58 per cent; training - 23 per cent; equipment - 7 per cent; sub-contracts - 6 per cent; and miscellaneous - 6 per cent. In short, it was concluded that, while the balance of these components is acceptable, more UNDP resources should be available for specialists from participating countries and for sub-contracts awarded within the countries. Preferably, project management should be a function of the countries, at least located physically in the countries, rather than a function of an expert at an executing agency headquarters.

Results of completed projects

22. A total of 7 of the 12 completed projects, including projects related to seismic risk reduction, olive production, agricultural genetic resources and problems of migrants, exceeded \$400,000 in UNDP funding. These and other projects, such as the control of malaria, power distribution in the Balkans and public enterprise management, developed systems and permanent organizational arrangements, in several cases, networks, now being sustained by the countries themselves. The seismic risk reduction projects paved the way to a new fourth cycle project; several others have led to national follow-up projects in different countries. The general conclusion was that project selections and approaches had been appropriate, but might perhaps have benefited from earlier emphasis on networking.

Extensions of ongoing projects

23. UNDP resources proposed for extensions constitute about 25 per cent of the total available for the cycle - on average, a low percentage. Five of the nine projects commenced only late in the third cycle, and a sixth consists of support to the World Maritime University. The remaining three, in the areas of toxic chemical control, trans-European motorway development, and Mediterranean aquaculture, are all ambitious projects which, having piloted technical approaches, are now entering phases of consolidation of the respective networks. The conclusion of the parties to the programme is that the nine extensions are well justified for the specific purposes indicated in the regional programme for the fourth cycle.

II. PREPARATION OF THE FOURTH CYCLE PROGRAMME

24. Subsequent to the regional programme review, carried out late in 1985 by a UNDP mission, and in the light of its findings, the following programme actions were completed in 1986: (a) development of new project proposals; (b) an Inter-Governmental Consultation; (c) five priority-area project-development Task-Force meetings; (d) finalization of the regional programme document for the fourth cycle; and (e) initiation of preparatory activities. In this context, the nine third cycle projects to be extended into the fourth cycle were extensively analysed, discussed, and reprogrammed.

Part Three

CO-ORDINATION ACTIVITIES

25. In Europe, the co-ordinating role of the resident co-ordinator is of relatively limited significance. A total of 8 of the 12 third cycle country programmes are being handled by an office located in another country. In addition, as the countries are at a relatively advanced stage of development, there are only a few resident United Nations agency missions or bilateral aid missions in most of the countries. The co-ordination of technical co-operation activities is most significant in Turkey, the largest IPF-recipient country, where inter-agency meetings of the various organizations of the United Nations system are convened regularly to ensure a co-ordinated and integrated approach to development activities in the country.

26. For the countries that are members of the World Bank, a certain amount of complementarity exists between the UNDP and Bank-financed programmes. Possibilities of improvements in this respect were limited in 1986 because the third cycle IPFs were largely committed. However, opportunities for co-operation in the fourth cycle are being explored, and the Bank will be executing three of the fourth cycle regional projects. It may be noted that Turkey is the largest single World Bank borrower in the Europe, Middle East and North Africa (EMENA) region, and Yugoslavia the third largest.