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PROGRAMME PLANNING

Country and intercountry programmes and projects

SECOND COUNTRY PROGRAMME FOR THE DEMOCRATIC PEOPLE'S
REPUBLIC OF KOREA

Note by the Administrator

I. PROCESS OF THE PROGRAMMING EXERCISE

1. Since this country programme is only the second for the Democratic People's Republic of Korea, and because of the country's relative lack of exposure to the United Nations development system, a particularly careful assessment was made jointly by UNDP and the Government of experience with the first country programme. Preparatory work for the assessment started with the annual review of the country programme in 1985. The assessment took into account many previous discussions with the Government on the implementation of individual projects during tripartite reviews and monitoring visits and of the programme as a whole. The country programme review also considered tentative priorities for the second country programme.
2. Subsequent to the review, a comprehensive exchange of views on the objectives and content of the possible new projects for implementation in the second country programme was held with the government co-ordinating body and representatives of the technical ministries. These discussions resulted in agreement with the Government on the elements of a strategy for the implementation of the country programme. This strategy is based on the assessment of the existing country programme which reflected, inter alia, the recognition by the Government and UNDP of the constraints that had hindered the implementation of certain large-scale, complex and technically advanced projects in the industrial sector.

3. A working group for the preparation of the country programme was established, composed of representatives from the UNDP office and the government co-ordinating body. Agency programming missions were also undertaken by the International Civil Aviation Organization (ICAO), the United Nations Industrial Development Organization (UNIDO) and the Food and Agriculture Organization of the United Nations (FAO). The final selection of projects was made by the joint working group, taking into account the findings of the assessment and of the agency sectoral missions. The selection criteria included the projects' relevance to the areas of programme concentration, their ability to produce outputs in a relatively short time, as well as the absorptive capacity of the recipient institution.

4. The United Nations Children's Fund (UNICEF) and the United Nations Fund for Population Activities (UNFPA) have only recently begun programmes of co-operation with the Democratic People's Republic of Korea. It is expected that assistance from these organizations in the social sector will complement the assistance being provided through this country programme.

II. THE SECOND COUNTRY PROGRAMME

5. The country programme has two main features. One is that UNDP resources were programmed according to a limited number of carefully selected objectives consistent with the Government's policy goals. The second significant feature is that UNDP co-operation is to be tailored more realistically than during the first country programme to the capabilities of the United Nations system and of the prospective implementing agencies. An example of this change in emphasis is that, following agreement between UNDP and the Government, two complex project proposals that would have involved the transfer of unduly advanced technology were deleted from the draft programme. In comparison with the first country programme, therefore, this programme is marked by a move towards more basic forms of technical co-operation, covering a wider field of activities, including agriculture, where projects will be easier to manage and monitor.

6. The second country programme places considerably more emphasis than the first on improvements in agricultural productivity. The sectoral allocation for agriculture, forestry and fisheries amounts to 41.5 per cent of programmed resources in the second country programme, compared with 11.8 per cent in the first. This increased allocation is consonant with the Government's overall development objectives of building a self-reliant economy and improving the standards of living of the people. The sectoral allocation of 29.6 per cent for industry in the second country programme is less than the 35.5 per cent allocated in the first programme, but still remains significant. This reflects the continuing priority attached to improvements in industrial productivity through the application of modern technology, the development of domestic resource-based industries and the further expansion of the consumer goods industry. The activities planned for the industrial sector serve to further all three of the overall objectives set by the Government for the third seven-year plan (strengthening the basis for an independent national economy, improving living standards, and accelerating and broadening the technical revolution).

7. It is expected that equipment will receive a lower share of UNDP resources in the second country programme than in the first: this share will be less than 50 per cent. More careful attention will be paid at the design stage to the need to ensure that the provision of equipment meets the technical co-operation purposes of the projects concerned.

8. Another feature of the activities planned for this country programme is that linkages will be developed during the coming programme period between UNDP activities financed at the country level and those financed under the UNDP regional programme. An example of these linkages is the proposed co-operation in diversifying vegetable production, which will reinforce the assistance being provided under the regional project, Vegetable research and extension, RAS/86/003.

9. Out of the total available resources of \$15.44 million, \$12.269 million are programmed for specific activities. The programmed reserves for each objective amount to \$1.375 million, or 9 per cent of available resources. The unprogrammed reserve amounts to \$1.5 million, or approximately 10 per cent of total available resources. The Administrator therefore considers the size of the programmed and unprogrammed reserves within acceptable limits.

III. MANAGEMENT OF THE COUNTRY PROGRAMME

10. The delivery rate during the third IPF cycle (1982-1986) averaged 62 per cent, which is below average for the Asia and Pacific region as a whole. The Administrator considers that the nature of the new activities planned for this country programme will facilitate their implementation and improve the rate of programme delivery. It will also enable improved monitoring of projects by the Government and the UNDP office. Compliance during the third cycle with UNDP's requirements for tripartite reviews and terminal reporting has been satisfactory and the Administrator is confident that this record will be continued in the current cycle.

11. Careful attention will be paid during the design phases of future new projects to the capability of the United Nations system to deliver the assistance proposed and the capacity of the perspective counterpart agency to absorb the assistance. The government agencies that are likely to benefit from proposed projects will be identified as clearly as possible so that they are involved in their implementation and share in the technology transferred through them. Project management capabilities of counterpart organizations for UNDP projects will be further strengthened, building on the results of the project management seminar held in Pyongyang in 1985. Efforts will be made to ensure that more background economic and statistical information is made available so as to ensure that good quality project documents can be prepared as early as possible.

12. In order to maintain the highest possible level of commitment with respect to the resources available, a plan of action for the formulation of the new projects proposed in this country programme has been agreed with the Government. This will enable commitments to be made as soon as possible against the UNDP resources available to the Democratic People's Republic of Korea, with the exception of the

unprogrammed reserve. The use of the unprogrammed reserve will be considered jointly by UNDP and the Government during the first annual review of the country programme, which will probably take place during the first quarter of 1988.

13. Three government-executed projects are under way in the Democratic People's Republic of Korea. The possibilities for expanded use of this modality will be explored, taking into account the execution capabilities of the prospective government-executing agencies. At the same time, the capacity of the government aid co-ordinating body to monitor the UNDP programme will be built up during this programme period.

IV. RECOMMENDATION OF THE ADMINISTRATOR

14. The Administrator recommends that the Governing Council approve the country programme for the Democratic People's Republic of Korea.
