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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

FOURTH COUNTRY PROGRAMME FOR SRI LANKA

Note by the Administrator

I. PROCESS OF THE PROGRAMMING EXERCISE

1. A significant feature of this programming exercise was that it was preceded by a comprehensive assessment of experience with the existing country programme based on a particularly thorough analysis of programme and project implementation, notably two reviews of the country programme that had taken place in December 1984 and January 1986. It took into account the in-depth evaluations and tripartite reviews of individual projects. Following the assessment, UNDP and the Government reached agreement on a strategy for the fourth country programme focusing on measures to improve the quality of UNDP assistance and to increase the rate of delivery.

2. The programming exercise involved a careful screening of proposals for UNDP assistance under the new country programme. The criteria for selection were developed jointly by UNDP and the Government. They took into account the capacity of the United Nations system to deliver the assistance proposed, as well as the capacity of the prospective government implementing agency. Other criteria included the potential for linkages with co-operation from other donors and whether the proposal reflected a real need of the country rather than the particular interest of a United Nations agency or government body. Whenever the continuation or expansion of previous UNDP assistance was proposed, an attempt was made to identify those proposals that past experience had shown most likely to succeed. The 120 proposals for new UNDP assistance on hand at the beginning of the programming exercise, including extensions of existing projects, were reduced to 52.
3. The considerable technical co-operation being made available to Sri Lanka by other multilateral and bilateral sources necessitates close co-ordination among donors in preparing and implementing their programmes. UNDP has for some time played a leading role in these co-ordination efforts, and the preparation of this country programme included consultations between UNDP and the representatives of the major donor stationed in Colombo. The Administrator notes that these consultations brought to light several opportunities for mutually supportive technical co-operation activities and also helped to eliminate possible duplication between UNDP co-operation and that of other sources.

II. THE FOURTH COUNTRY PROGRAMME

4. Because the Government's planning is carried out in the context of three-year rolling investment plans updated every year, there is no explicit statement of national development objectives that covers the whole of the fourth country programme period. However, it is clear from government policy statements, among them the annual Public Investment Programme in particular, that the country programme reflects the general thrust of government policy.

5. Following the large investments in major projects and the marked changes in the economic situation that took place after the election of the present Government in 1977, a period of consolidation was anticipated to bring these investments to their full productive capacity and to train Sri Lankans for operating and maintaining them efficiently. The need for consolidation is reinforced by present political uncertainties and the country's current economic difficulties, one consequence of which is that very few new large-scale government investments are planned in the near future. The Administrator therefore concurs with the Government's decision that the UNDP programme should not venture into too many new areas, but should concentrate on the continuation of those lines of activity that have proved successful in order to ensure maximum benefit from earlier human and physical investments. The main thrust of UNDP's programme will therefore remain in agriculture and industry. UNDP feels that this conservative approach towards the programming of its resources is justified by the circumstances described above. The emphasis on the consolidation of existing activities also accounts for the relative absence of pre-investment projects.

6. Notwithstanding the importance given to the consolidation of existing activities in this country programme, the Administrator wishes to point out that adequate flexibility is provided through the use of programmed and unprogrammed reserves, which together amount to about 20 per cent of available resources. These reserves will enable UNDP to respond rapidly to the anticipated requests for assistance in the implementation of the Government's recently announced proposals for administrative devolution to provincial councils and to the needs for assistance in rehabilitation in the north and east of the country that are likely to materialize when a solution to the present ethnic conflict is found. When circumstances permit, the programme reserve will lead to greater geographical balance in the programme, benefiting all of the country's communities.
7. The Government's policy of encouraging the private sector in order to improve efficiency in resource allocation is fully supported by UNDP. It is reflected in the country programme by a significant number of projects and project proposals that are intended to make the services offered by various government-established training, advisory and services centres more responsible to the needs of private entrepreneurs. The Government is currently considering how best to use the resources of the private sector for Sri Lanka's development, given the problems posed by the present weak financial market and political uncertainties and the unprofitability of many public sector corporations, which may reduce their attraction as targets for privatization. In this context the Resident Representative is discussing with the Government and bilateral donors how UNDP may improve the effectiveness of its assistance to the private sector.

8. The potential for utilizing the productive capacities of women for economic and social development has always been considered important by the Government. In addition to the projects in Sri Lanka currently funded by the United Nations Development Fund for Women, the Government intends to request IPF assistance during this cycle to expand the role of the United Nations system in the integration of women in development. The focus will be on rural self-employment activities for women. The Administrator believes that this proposal is particularly opportune. It is expected that the programmed reserve mentioned in paragraph 6 above will be tapped to identify additional activities benefiting women. The Administrator also welcomes the proposal for UNDP co-operation in developing entrepreneurship, which will serve to increase the impact of UNDP's programme in small-scale community development activities of direct benefit to those in rural areas and also offer potential for the involvement of non-governmental organizations in the country programme.

III. MANAGEMENT OF PROGRAMME IMPLEMENTATION

9. The management of the country programme will be facilitated by the efforts made by the Government and UNDP to minimize the dispersion of UNDP resources over many scattered activities. The Administrator is pleased to note that UNDP resources will be concentrated on a limited number of objectives and on fewer larger projects than in the third country programme, in order to maximize the impact of UNDP assistance and economize on the scarce staff resources available for project preparation and monitoring. Nevertheless, some small-scale projects that promise to have a significant impact, such as the proposed UNDP assistance in the implementation of the recommendations of the Administrative Reforms Committee, will be included in the country programme. The Administrator considers the number of projects and project concepts contained in the country programme well within the implementation and monitoring capacities of the Government and the UNDP office.

10. Sri Lanka's country programme is reviewed jointly with the Government every year, and this practice will continue through the fourth cycle. This will be particularly important in view of the current uncertain economic climate, and the additional UNDP co-operation likely to be required once administrative devolution is fully implemented and the resolution of the present ethnic conflict permits carrying out rehabilitation measures. The programme will be subject to in-depth...
review at approximately the mid-point of the cycle. Compliance with UNDP's requirements as to the periodicity and coverage of tripartite reviews and in-depth project evaluations have been very satisfactory in Sri Lanka. The last project evaluation of the third cycle programme will have been completed by the time this programme is submitted for approval and the Government is represented in all such exercises.

11. As the Governing Council is aware, efforts are being made to improve the rate of delivery of the UNDP programme as a whole. In Sri Lanka, the steps being taken jointly with the Government include more careful examination, at the stage of project formulation, of the implementing agency's capacity to provide the necessary staff and physical facilities. This will help to avoid implementation problems once projects are approved. Preparatory assistance and other measures are being used to ensure a rapid build-up of commitments, while at the same time enhancing the quality of draft project documents.

IV. RECOMMENDATION OF THE ADMINISTRATOR

12. The Administrator recommends that the Governing Council approve the fourth country programme for Sri Lanka.