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PROGRAMME PLANNING

Country and intercountry programmes and projects

FOURTH COUNTRY PROGRAMME FOR URUGUAY\*

<u>Programme period</u>	<u>Actual resources programmed</u>	\$
1987-1990	IPF for 1987-1990	4 400 000
	Other resources programmed	5 836 000
	Total	10 236 000

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\* Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of the funds and operational programmes under the authority of the Administrator; and (e) distribution of new country programme by sector.

## I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

### A. Current economic trends

1. The Uruguayan economy has been going through an acute crisis since 1982, when the gross domestic product (GDP) declined by nearly 10 per cent. The recession continued, although at a slower pace, during the two-year period 1983-1984 and ended in 1985, when the GDP was comparable to its 1977 level. The latest available indicators for 1986 show that the stalled economy is beginning to move forward again.

2. From the point of view of the composition of the GDP, the sectors most affected in recent years have been construction, commerce and manufacturing. The agricultural sector has for many years accounted for a relatively small share of the GDP - about 12 per cent on average - although it is directly responsible for almost three quarters of domestic exports. Recently its basic sluggishness has continued.

3. The seriousness of the economic situation is reflected in what is a common denominator for nearly all the Latin American countries: high external indebtedness. This debt rose from \$1,365 million in December 1980 to \$4,757 million by the end of 1985, of which \$3,551 million (75 per cent) was public sector debt and \$1,206 million (25 per cent) private sector debt.

4. In international trade, the balance of goods and services was consistently in deficit until 1982, although performance in the past four years has been encouraging. However the terms of trade have been continually deteriorating.

5. In addition to the seriousness of the current situation, and from a longer historical perspective, the economic trends have shown clear signs of overall stagnation, going back to the mid-1950s for the industrial sector and the 1930s for the agricultural sector.

6. In the social sector, the economic situation of recent years has meant a widespread decline in the standard of living of the population, brought about, inter alia, by a process of concentration of income and continued deterioration in the purchasing power of earnings. In this respect, the current level of private consumption is comparable to that of the early 1970s.

7. Early in 1985, the country returned to an institutional system after more than a decade of authoritarian rule. Together with the restoration of traditional democratic practices, the new Government proposed the comprehensive objective of reactivating the long-stagnant economy, which was also going through an economic crisis without precedent in recent history. A review of the behaviour of the most important economic variables during the first year of democratic rule yields the following general conclusions about the performance of the economy in 1985:

(a) The GDP grew by 0.7 per cent, reversing the declines recorded in 1982 (9.4 per cent), 1983 (5.9 per cent) and 1984 (2.4 per cent);

(b) Although inflation shot up suddenly (consumer prices rose by 83 per cent in 1985, as against 66.1 per cent in 1984), the general level of wages rose in real terms by 14 per cent. Through careful management of fiscal policy the public sector deficit was brought down substantially, thereby overcoming fears of hyperinflation;

(c) The external sector maintained practically the same trade surplus as in 1984, despite a decline of approximately 8 per cent in total exports;

(d) Investment levels remained very low, especially private sector investment.

### B. National development strategy

8. The objectives of the national development strategy are as follows:

(a) To support the results of the National Agreement signed on 1 April 1986 between the Government and the other political parties, which provides that the country should put an emphasis on its economic growth and social development, for which co-ordinated efforts will be needed. Accordingly, it was agreed that, without prejudice to the Government's policies and the positions of the various political groupings, a series of accords should be reached to facilitate and promote these higher objectives;

(b) To modernize the economic apparatus and increase the national output, without undermining the progress already achieved in increasing real wages, reducing the fiscal deficit and lowering unemployment. This is an essential condition in order to continue meeting the social needs of a population whose income and social protection system have markedly deteriorated.

9. To achieve these objectives, the Government has designed a series of political, economic and social guidelines which, on the basis of medium- and long-term indicative planning, will begin to be implemented in the three-year period 1986-1988. In addition to these general guidelines, more concrete and specific policies will be carried out on the short term.

10. The main objective of the Government's programme is to achieve sustained growth in production, the necessary basis for economic and social development. Growth will be stimulated by exports of goods and services through: (a) an increase in the exportable supply of agricultural goods, incorporating the highest possible industrial added value; (b) a growth in services related to the country's productive base, and their incorporation into an integration scheme; (c) stimulation of marketing, mainly through regional integration; and (d) promotion of a vigorous technological modernization process.

11. With a favourable turn in external trade and the long-term rescheduling of the external debt, the purchasing power of the population can be expected to increase which will encourage production for the domestic market. To achieve these aims a stable economic, juridical and social framework will be needed. It is clear that the State cannot be either absent or neutral, but must intervene to achieve the

stated objectives, by guiding the activity of individuals through an explanation and coherent implementation of its economic policy, promoting the private sectors of highest social priority through incentives and other similar measures, and participating directly in sectors which are considered strategic.

12. In substance, these guidelines take the form of strategic proposals in the following sectors:

(a) Agriculture and fisheries: to increase exportable agricultural output and to augment fish exports by 70 per cent, through a diversification of catches;

(b) Industry and energy: to incorporate the highest possible value added into agricultural commodities; to develop and promote the use of more appropriate technology in productive areas, with the participation of the private sector; to rationalize the system of guarantees and maintain systems of free access to domestic and international credit; to support the development of the handicrafts industry; to investigate all renewable sources of energy in order to reduce dependency on outside sources for these inputs;

(c) Trade and finance: to increase exports by adapting marketing conditions to the policies of the potential buyer countries; to negotiate medium-term agreements for the supply of domestic products; to develop a capital market so that the contribution of the financial system to economic development encourages the habit of saving and improves the macro-relationship between self-financing and indebtedness;

(d) Transport, communications and tourism: to maintain the highway system and expand the network of secondary roads; to complete the redevelopment plan for the port of Montevideo; to cope with the indebtedness of the road transport sector; to revitalize the depressed railways sector; to develop maritime and air transport under the national flag, both international and domestic; to modernize the communications network, in particular the telephone system; and to diversify tourist services;

(e) Construction and housing: to meet, on a priority basis, the needs of low-income groups;

(f) Social sector: to improve the social security system; to increase employment by creating and encouraging small businesses; and to formulate specific projects of a social nature for the most vulnerable groups, such as children and the elderly;

(g) Education and vocational training: to improve the level of teaching and research in basic sciences; to update technological and vocational instruction; and to provide training for workers and middle management;

(h) Health: to modernize and strengthen all medical institutions, so that they can function as an integrated national system for improving the health of the population, especially low-income groups;

(i) Public administration and institution-building: to increase the efficiency of the public sector by improving the quality and increasing the quantity of services to production and social areas, without increasing the tax burden;

(j) Territorial development: to design development programmes for each area of the country in accordance with their comparative advantages and within the context of national integration.

### C. Technical co-operation priorities

13. On the basis of the foregoing sectoral description, and taking into account the scarce resources available for international co-operation, funding should be concentrated on the main development objective: the sustained growth of production and the meeting of social needs. The formulation of the Fourth National Technical Co-operation Programme was completed following a sectoral survey carried out and co-ordinated by the Budget and Planning Office. Consequently, international technical co-operation is conceived of as a tool which supplements, but never replaces, national effort, and which involves a needed element of innovation, taking local conditions duly into account in each of the activities carried out at the national level. The technical co-operation of UNDP and the various agencies of the United Nations system with their distinctive features are regarded as effective contributions towards achieving the above-mentioned development objectives.

14. In view of the foregoing, the Government intends to channel international technical co-operation from UNDP, the specialized agencies of the United Nations, other multilateral agencies and bilateral sources, towards the following areas:

(a) Economic affairs: Promotion of the growth of private sector exports; provision of special assistance to private enterprises producing exportable goods and services, the infrastructure and services directly related to production, investment and exportation; modernization of public administration;

(b) Science, technology and vocational training: Emphasis on brief technical training in priority sectors; development, adaptation and transfer of technology; promotion of basic research for the medium- and long-term;

(c) Social affairs: With special emphasis on the social security system, upgrading the quality and efficiency of health services; promotion of small businesses, co-operatives and appropriate educational programmes targeted to the most vulnerable groups.

### D. Aid co-ordination arrangements

15. The co-ordination of international technical and economic assistance received by the country from multilateral and bilateral sources, as well as the establishment of public investment policies and selection of financing sources, fall within the competence of the Budget and Planning Office, the State body

entrusted with the formulation of development plans and programmes. The Ministry of Foreign Affairs is entrusted with negotiations for the adoption of legal instruments specifically regulating international co-operation, without prejudice to the role which other public agencies may have in specific areas within their spheres of competence and that of the Budget and Planning Office as the advisory body.

16. The Budget and Planning Office is responsible for determining priority areas and issues in the field of international co-operation, technical and financial analysis of the proposals submitted by national institutions and the follow-up and evaluation of projects. In that connection, it has been decided to support and strengthen the project design capacity of national institutions in an effort to maximize programme quality.

17. Given the relative scarcity of international co-operation resources in comparison with the many needs arising from the Government's development strategy, it is especially important for flows of external financial and technical resources from multilateral and bilateral sources to be closely co-ordinated and harmonized with national programmes for economic adjustment and recovery, so as to eliminate any inconsistencies and overlapping.

18. Accordingly, apart from identifying specific lines of action for UNDP co-operation in the period under consideration, this document provides an overall framework within which the Government will concentrate and co-ordinate international co-operation provided to the country, channelling it towards the areas outlined above.

19. In that respect, UNDP will co-ordinate the operations of the entire United Nations system within the country, for which purpose specific arrangements for co-operation at the international level already exist, such as the Joint Consultative Group on Policy set up by agreement between UNDP and the United Nations Children's Fund (UNICEF), the United Nations Fund for Population Activities (UNFPA) and the World Food Programme (WFP), which deals with technical assistance activities and co-operation agreements with the World Bank, the International Finance Corporation and the Inter-American Development Bank (IDB).

20. In this connection, in addition to the specific programmes in the respective spheres of the agencies of the United Nations system represented in Uruguay - the International Labour Organisation (ILO), the Economic Commission for Latin America and the Caribbean (ECLAC), the Food and Agriculture Organization of the United Nations (FAO), the United Nations Educational, Scientific and Cultural Organization (UNESCO) and the World Health Organization/Pan-American Health Organization (WHO/PAHO) - the UNDP Office will co-ordinate with the Government, through the Budget and Planning Office, activities financed with resources from other funds of the system placed under the authority of the Administrator, such as the United Nations Fund for Science and Technology for Development and the United Nations Development Fund for Women (UNIFEM) and, in general, the activities of all those agencies of the system, such as the United Nations Industrial Development Organization (UNIDO) and the International Atomic Energy Agency (IAEA), which, while not having offices in the country, carry out technical co-operation programmes and projects.

21. In addition, given the flexibility and efficiency with which it operates. UNDP has an essential catalytic role to play in harnessing and mobilizing resources from other bilateral and multilateral sources, primarily through its co-operation with the Government in the identification, formulation and promotion of projects selected for submission for funding by the international community, especially multilateral financing agencies.

22. In the last few years of the current programme, some activities have already been undertaken under this arrangement in co-operation with IDB, the World Bank and IFC, and the results so far have been very favourable. It is hoped that they will before long result in investment loans for the country. By way of example mention may be made of the following projects currently being executed directly by various government agencies.

(a) In co-operation with IDB: formulation of a programme for housing with popular participation (URU/86/009); pre-feasibility study for the development of the rice-growing basin (URU/86/003); formulation of a project for road improvement (within the framework of project URU/82/017, "Technical co-operation among developing countries (TCDC)");

(b) In co-operation with the World Bank: preparation of a project for municipal development in Montevideo (within the framework of the projects "technical assistance services for development" (URU/81/001) and "TCDC" (URU/82/017)), the establishment of a post-graduate centre for business studies (URU/84/005);

(c) In co-operation with IFC: feasibility study for the modernization of a textile factory (URU/84/008) with a view to establishing a revolving fund to finance this type of pre-investment project in the private sector.

23. With respect to bilateral donors, specific mention should be made of the technical assistance agreements recently concluded with the Governments of Argentina, Brazil and Mexico. In this connection, a wide variety of joint activities have already been undertaken under the broad umbrella of the project on technical co-operation among developing countries (URU/82/017). Technical and economic co-operation agreements have also been concluded with the countries of the European Economic Community (EEC).

## II. THE COUNTRY PROGRAMME

### A. Assessment of previous country programme

24. The third country programme was approved for a four-year period (1983-1986). Owing to the UNDP financial crisis during the third cycle, the indicative planning figure (IPF) was reduced to 80 per cent and later to 55 per cent of the original figure; so that the available IPF funds for the period 1983-1986 amounted to \$5,223,000. Given the situation, the Government in office at the time decided to pledge a total contribution of \$2 million, \$650,000 of which has been paid thus far. The reduction affected the entire programme, with the result that some

projects were cancelled. Furthermore, as the country returned to a democratic system and in the expectation that the new Government would set its own priorities, programming came to a complete halt for 18 months. In March 1985, the process of identifying new priorities for the execution of the last part of the third programme was initiated, and the priorities decided on began to be put into effect in 1986.

25. When the third programme was drawn up, the country had no national development plan, and therefore only general guidelines were laid down for the areas of planning, health, labour and human resources, agriculture and fisheries, education, industry, infrastructure, transport and communications, and economic and social policy. In addition, the following criteria were established for technical assistance: (a) the recruitment of long-term experts should be limited; (b) technical co-operation among developing countries should be developed as much as possible; (c) purchases of equipment and administrative overheads should be reduced as much as possible; and (d) the Government should be encouraged to execute projects.

26. The following facts can be provided with regard to the implementation of the basic criteria: (a) during the first half of 1986, of a total of 59 project experts, 39 (66 per cent) were Uruguayan nationals; (b) of a total of 37 projects executed in the third cycle, 9 (24 per cent) were executed directly by the Government; (c) in the absence of long-term international staff, project management was assigned to counterpart institutions; (d) owing to the political situation facing the democratic authorities who took office in 1985, the recruitment of national professionals was financed from the budgets of the agencies to which they were assigned, a procedure that ought to be avoided in the execution of future technical co-operation programmes.

27. A review of the completed or ongoing projects which are felt to have had the greatest impact during the third country programme, arranged by sector, is presented below.

28. Health. The project "Health system" (URU/82/001) was carried out. The project has proved significant because the conclusions that came out of it are being used by the Government and all the political parties as the basis for a discussion of proposed alternatives for restructuring the health sector, which is beset by serious difficulties.

29. Labour and human resources. Under the project "Employment and wage policies" (URU/85/004) a model for the operation of the labour market is being developed as a basis for devising employment policies, and guidelines are being established for the economic revival of small- and medium-sized enterprises.

30. Agriculture and fisheries. The activities carried out during this period had no direct bearing on the sectoral development objectives initially set under the programme, except in the fisheries subsector, where the project "National Fisheries Institute" (URU/81/015), representing the third phase of assistance to that Institute, was executed. Research conducted and equipment purchased during the two earlier phases of the project resulted directly in a threefold increase in the



sector's output and in a fivefold increase in the value of exports between 1977 and 1981. In addition, UNDP co-operation complemented a \$10 million loan from IDB for the construction of a fisheries research vessel to provide the Government with a basic tool for planning activities in the sector, which has been shown to have a large, but as yet underexploited, productive potential.

31. Education. Technical assistance was given to the Faculty of Veterinary Medicine through a scholarship programme for study abroad (URU/82/027), which made it possible to train six instructors in post-graduate courses and offered 70 months in short-term scholarships. Also, the project "Marine sciences" (URU/82/009) supported university programmes in oceanography, from which 40 professionals were graduated. In 1984, the Basic Science Programme (URU/84/002) was initiated after preparatory assistance and concluded with the preparation of a project document on strengthening research and teaching in the basic sciences. By way of complementary assistance, UNDP drew up and adopted the project "Establishment of business training" (URU/84/005) to help the Government prepare an application to the World Bank for a loan of some \$2 million.

32. Industry. The project "Feasibility study for a textile company" (URU/84/008) initiated a new form of partnership with the World Bank. On the basis of a feasibility study for the reactivation of a private textile company, the plan is to establish a revolving fund for the continuous financing of the feasibility studies needed to apply for IFC loans. This will make it possible to meet the objectives of industrial reconversion, modernization and efficiency established in the country programme.

33. Infrastructure, transport and communications. A transport master plan (under project URU/78/011) was drawn up, wind and solar radiation charts were prepared for use in exploiting alternative sources of energy (project URU/82/021), and technical co-operation with the National Telecommunications Administration continued (project URU/78/007), primarily for the installation of digital exchanges and the development of rate-setting schemes.

34. Economic policy and planning. In this sector, as a legacy of the serious economic crisis that began in 1982, the anticipated objectives changed radically, and as a result the programmed projects became unrelated to the objectives. Support was given for a permanent system of household surveys on family income and consumption that would furnish basic information for planning purposes (under project URU/82/018). Starting in 1985, the project "Economic and social analysis and forecasting" (URU/85/005) developed a macroeconomic model for studying the operation of the Uruguayan economy and trained 90 civil servants in economic and social planning techniques. The Foreign Trade Department was provided with the infrastructure for setting up an information system which will make it easier to carry out studies needed to promote non-traditional exports (project URU/82/025). Lastly, there was the execution of a project to promote technical co-operation among developing countries (project URU/82/017), the second phase of project URU/78/012, one of the first projects of this type in Latin America. Noteworthy among the major activities under this project were the conclusion of an agreement on co-operation with Argentina on aspects of production, trade and technology, training, and institution-building in the agricultural and livestock sector.

35. Social policy. During 1985, the new Government received assistance to execute an emergency social programme (URU/85/001) for the distribution of food and clothing to the neediest groups of the population. Also, under the project "Technical co-operation for development" (URU/81/001), social welfare activities were undertaken, neighbourhood committees and low-cost day-care centres were set up, and the problem of abandoned children was addressed.

36. Because of the institutional changes in the political arena referred to earlier, the project "Technical co-operation for development" (URU/81/001) was used as a flexible and effective tool for providing co-operation to various national institutions in a very special set of circumstances, when a complete overhaul of the operation of the public administration was needed in order to bring it into line with a new political system. The most important activities under this programme were: the provision of economic advice on foreign investments; the preparation of market profiles to promote exports; the introduction of computers in the legislative branch; the provision of advice on social policy to the Office of the Mayor of Montevideo; analysis of economic and social policies pursued during the past decade; and many specific co-operation activities for the Ministries of Economic Affairs, Foreign Affairs, Agriculture, Justice, Education and Culture, Industry and Energy, and others.

#### B. New programme proposal

37. The Fourth National Technical Co-operation Programme will cover the period 1987-1990 so that it can be kept consistent with the current Administration's basic economic and social strategies; this will allow the next Government, which will take office in 1990, to formulate its own proposals.

38. Programmed resources for this period total \$10,236,000, consisting of: IPF - \$4.4 million; Special Programme Resources: \$50,000; total Government contribution to the programme - \$1,234,900; Government cost-sharing for specific projects - \$3,167,000; operational funds under the authority of the Administrator - \$180,500; funds from other United Nations agencies - \$106,000; and contributions from bilateral donors - \$1,097,600.

39. In order to make optimum use of available resources, the following criteria have been established with regard to the principal modalities for implementing the fourth programme:

(a) The undue extension of projects beyond scheduled deadlines is to be avoided, as are any revisions which may result, directly or indirectly, in a modification of original project objectives;

(b) The recruitment of experts for extended or extremely brief periods is to be avoided. Preference should be given to local consultants, provided they possess the required level of expertise; this does not mean, however, that international co-operation should be channelled towards activities that require only financial support;

(c) Technical co-operation among developing countries should be encouraged, particularly in any new projects that may be approved;

(d) Administrative and equipment costs should be limited;

(e) Direct government execution of projects should be encouraged.

40. The new programme will be centered about the four main objectives set out below:

(a) Support for private enterprises producing goods and services for export and strengthening of the basic institutional infrastructure directly linked to those activities;

(b) Promotion of scientific and technological development and applied research in the productive sectors, mainly through the training of researchers and teachers;

(c) Participation in public-sector efforts to strengthen and modernize State management, making it more efficient, and to organize, in the medium and long terms, an institutional and normative framework for those systems which meet the basic needs of the population, e.g. social security, health, housing and the creation of employment for those most in need;

(d) Reinforcement of certain specific priority areas of the Fourth National Technical Co-operation Programme with specific, ad hoc activities in addition to regular project activities; extension of the system of technical co-operation among developing countries, through which Uruguay will continue to offer and seek assistance.

Support for private enterprises producing goods and services for export and strengthening of the basic institutional infrastructure directly linked with these activities

#### Ongoing projects

##### Innovation and creation of enterprises (URU/86/007)

41. The project will continue to encourage and support new private-sector ventures that may lead to investment projects. IPF: \$21,000.

##### Reactivation of the economy and investment promotion (URU/86/002)

42. This project, which is currently providing preliminary assistance, will involve the setting up, operation and consolidation of a system for the promotion of domestic and foreign investments which will identify opportunities and limitations, provide advice regarding potential investments and help channel resources and formalize contacts between companies. IPF: \$200,000.

Alternative sources of energy (URU/83/013)

43. This project will consider how renewable energy resources can best replace conventional sources of energy, with the dual purpose of achieving import substitution while helping to increase the competitiveness of the country's industrial sector by reducing production costs. IPF: \$321,000.

New projects

Agro-meteorology (URU/87/006)

44. The National Meteorological Service will be provided with the trained staff and equipment it requires to improve its services to the agricultural sector. IPF: \$90,000.

Hydrology for development (URU/87/007)

45. A national data bank and hydrological forecasting service will be set up to cover irrigation, energy production, drinking-water supply, environmental protection, river navigation, the operation of reservoirs and flood control. IPF: \$89,500; cost-sharing: \$121,500.

Mussel research programme (URU/87/008)

46. The project seeks to rationalize the management of this fishery resource. IPF: \$69,000.

Development of maritime transport (URU/87/010)

47. The Foreign Trade Department in the Ministry of Economic Affairs and Finance and the Uruguayan Council of International Shippers will be assisted in strengthening their statistical and analytical capacities as regards freight rates, surcharges and other fees in increasing the negotiating capacity of users in improving port administration by means of training programmes. IPF: \$300,000.

Economic information system (URU/87/012)

48. Basic economic data are to be supplied for use in international negotiations directed at the conclusion of bilateral agreements and the expansion of the export sector; this will be of help in the establishment of a working group in the Ministry of Foreign Affairs. IPF: \$83,500.

Development of civil aviation (phase II) (URU/87/009)

49. The ability of the National Office for Civil Aviation and Aeronautic Infrastructure to plan, operate, regulate and supervise air transport services and civil aviation in general is to be enhanced. The National Office will also be equipped with a civil aeronautical training centre to train the technicians required by support services. IPF: \$222,000.

Programmed reserve

50. A reserve of \$330,000 is being earmarked for the development of other projects in this area.

Linkages

51. Approval of the project for the restructuring of the textile industry, submitted by the United Nations Fund for Special Industrial Services, is currently being negotiated with the United Nations Industrial Development Organization (UNIDO); this project is linked to the manufacture of knitted fabrics and the production of cotton and synthetic fibres. Two other project proposals have been submitted to UNIDO for consideration; they involve the setting up of a quality-control laboratory for metal/mechanical products (submitted to the United Nations Industrial Development Fund (UNIDF)) and institutional strengthening of the Industrial Projects Advisory Unit in the Ministry of Industry and Energy. In so far as UNDP regional activities are concerned, an effort will be made to maximize the benefit to the country programme of the following projects in particular: "Promotion of international trade" (RLA/86/022); "Training in international trade for Latin America" (RLA/86/026); and "Regional Civil Aviation Institute" (RLA/82/013).

Promotion of scientific and technological developmentOngoing projectsDevelopment of the industrial property system and technical data and support services (URU/86/008)

52. The national industrial property system is to be strengthened, its legal framework refined and its institutional structure bolstered. IPF: \$80,000; cost-sharing: \$40,000.

Basic sciences programme (URU/84/002)

53. A permanent infrastructure for scientific research and the training of biologists, physicists, computer scientists, mathematicians and chemists will be established. IPF: \$796,000; cost-sharing: \$1.2 million.

Faculty of Veterinary Medicine (URU/82/027)

54. The project will provide support for teaching, research and extension activities relating to the production and health of ruminants. IPF: \$9,000; cost-sharing: \$32,000.

Programmed reserve

55. A reserve of \$165,000 is to be established for the execution of a number of as yet unformulated projects relating to: the modernization of technological and vocational instruction directly related to the productive sectors; skills training

through mini-courses; conservation and protection of the environment and the national cultural heritage; and any other projects submitted during the programming cycle geared towards the objective of promoting scientific and technological development.

#### Linkages

56. The United Nations Fund for Science and Technology for Development will continue the project to inactivate the virus that causes foot-and-mouth disease in meat and meat products (URU/81/T01). The project objective is the development of technological processes which can be applied in industry and are consistent with international standards of hygiene and sanitation. This objective is being pursued at the regional level through Uruguay's active participation in the following projects: "Latin American regional biotechnology programme" (RLA/83/009); "Co-operation network for the training of scientific and technological researchers in Latin America and the Caribbean" (RLA/86/037); "Latin American conference on industrial property" (RLA/86/038); and Modernization and strengthening of industrial property systems" (RLA/82/018).

#### Strengthening and modernization of State management

##### Ongoing project

##### Employment and wage policies (URU/85/004)

57. Collaboration with the Government will continue on the analysis of the methodology used to harmonize prices, wages, productivity and employment.  
IPF: \$250,000; cost-sharing: \$150,000.

##### Computerization in the Office of the President of the Republic (URU/86/004)

58. This project will cover the introduction of a computerized information system for use in decision-making in the Office of the President of the Republic.  
IPF: \$172,000; cost-sharing: \$80,000.

##### Strengthening of the Department of Agricultural Planning and Policy (URU/83/007)

59. The project's final output will be the preparation of a macro-economic model of the agricultural sector and the expansion and appropriate organization of the data-processing systems of the Department of Agricultural Planning and Policy and of the Department of Agricultural Economic Research, thus putting in place the planned training programme. IPF: \$30,000.

##### Building lots with utilities (URU/86/009)

60. Under this project a programme of housing for low-income families will be carried out through the provision of building lots with utilities and by encouraging the system of construction through mutual assistance. IPF: \$30,000; cost-sharing: \$750,000.

Inventory of Uruguay's needs for skilled personnel and the supply of such individuals living abroad (URU/86/006)

61. This will identify needs for skilled personnel in the public and private sectors and the supply of Uruguayan professionals living abroad. IPF: \$27,000.

New Projects

Censuses, surveys and economic indicators (URU/87/001)

62. The aim of the project is to obtain basic statistics on the following sectors: manufacturing industry, mining, trade, transport, construction, electricity, gas, water, and macro-economic data on the general economy, including in the short term. It will also undertake statistical analyses on the basis of the data obtained. IPF: \$151,000.

Technical assistance to the Department of Agrarian Policy (URU/87/013)

63. The project provides for continued co-operation in the design of a macro-economic model for the agricultural sector and in the harmonization of the data-processing systems of the Department of Agricultural Planning and Policy and the Department of Agricultural Economic Research. IPF: \$235,000.

Modernization of the legislative branch (URU/87/003)

64. The project will assist in creating a system for improving and expediting the political decision-making process through the application of modern communications technology. Parliament will be assisted by means of short-term consultancies on specific issues. IPF: \$300,000.

Rationalization of the work of services involved in the administration of justice (URU/87/004)

65. The project will entail a diagnosis and evaluation of the current situation of the administration of justice, propose reforms in the Codes of Civil and Criminal Procedure, develop training programmes for the administrative, technical and professional staff of the judicial branch and set up a system for providing information to the public on the various legal recourses available and how individuals can avail themselves of them. IPF: \$80,000; Government cost-sharing: \$500,000; third-party cost-sharing (United States Agency for International Development): \$100,000.

Social tourism (URU/87/015)

66. The project will help to develop domestic tourism for the benefit of broad population groups, reduce its seasonal character and stimulate greater employment in the sector. IPF: \$30,000.

Social security system (URU/87/011)

67. Under the project a technical proposal will be prepared to serve as the basis for the political evaluation and formulation of a draft law on social security. Cost-sharing: \$53,000 to be provided through a loan from the International Bank for Reconstruction and Development (IBRD).

Comprehensive integrated social development (URU/87/018)

68. This project will contribute to the implementation of the social policy of Montevideo's Municipal Administration. It will create and consolidate different means for community participation by encouraging income redistribution, supporting the system of family farms and enhancing the quality of life of the lowest income groups, particularly by reducing the rates of infant morbidity and mortality. IPF: \$154,000; third-party cost-sharing (W. K. Kellogg Foundation): \$997,600.

Programmed reserve

69. A reserve of \$300,000 has been set up for additional proposals not yet translated into technical co-operation projects, such as the improvement and co-ordination of institutions providing health services; encouragement of co-operative development; community action; the advancement of youth; the participation of women in development; and, generally speaking, specific projects of a social character aimed at the most vulnerable population groups.

Linkages

70. The United Nations Fund for Population Activities will continue to finance two projects started during the third cycle, one on Support for the General Directorate of Statistics and Censuses in the processing of data from the population and housing census (URU/84/PO1) and the second analysis of certain factors influencing the reproductive behaviour of the population within the framework of the project on determining factors in femal fertility (URU/85/PO1). In addition, a start will be made on the project on family planning (URU/86/PO2), designed to encourage natural birth control. UNICEF will finance two projects, one on control of summer diarrhoea and a second on the co-ordination of departmental health committees. The United Nations Development Fund for Women will complete the project on the integrated development of the role of women (URU/82/WO1), involving the organization of integrated groups of women into a federation of handicrafts and producers' co-operatives. In addition, it is considering three new initiatives for the participation of women in health; a data bank on women in Uruguay; and a foundation to assist women. Special Programme Resources will finance the project on assistance for school rehabilitation in the department of Rocha (URU/86/026), involving repairs to some of the school facilities damaged by flooding in the eastern and central-eastern areas of the country at the end of 1986. It is considered that the goal of the UNDP regional programme can be supported by the following projects, inter alia: "Support for the external services in Latin America" (RLA/86/002); "Revision and updating of planning in Latin America" (RLA/86/013); "Programme for the development of management capability in the public sector" (RLA/86/020); "Co-ordinated income policy options for selected countries"



(RLA/85/016); "Regional seminar on consumer protection" (RLA/86/010); "Critical poverty" (RLA/86/004); "Cultural heritage and development" (RLA/83/002); and "Social sciences, crisis and the need for new patterns in the state-society-economy relationship" (RLA/86/001).

#### Support for fourth cycle programme

##### Ongoing projects

##### Technical assistance services for development (URU/81/001)

71. A number of ad hoc activities in support of public institutions and the private sector will continue to be developed. IPF: \$86,000.

##### New projects

##### Support for the preparation and implementation of the fourth country programme (URU/86/016)

72. The necessary human and material resources will be provided in order to facilitate the identification and preparation of specific projects relating to the objectives of the present programme, and their implementation will be supported through complementary global and sectoral ad hoc activities. IPF: \$200,000; cost-sharing: \$200,000.

##### Technical co-operation among developing countries (Phase III) (URU/87/017)

73. The country's well-established tradition, dating back to 1978, of promoting TCDC activities will continue and in that connection Uruguay will be both a supplier and a recipient. IPF: \$90,000; cost-sharing: \$40,000.

##### Linkages

74. From an outside perspective, it is understood that the global objective of the continued expansion of TCDC as a form of technical co-operation will be supported by similar national projects programmed by other countries of the region, for example, Argentina, Chile, Peru as well as by interregional project INT/83/904.

#### C. Unprogrammed reserve

75. In addition to the funds earmarked for each of the objectives set in the fourth programme, the Government has decided to establish a reserve of \$723,000 with the aim of building flexibility into the programme.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		
A. <u>UNDP-administered sources</u>	<u>\$</u>	<u>\$</u>
Third cycle IPF balance	-	
Fourth cycle IPF	4 400 000	
Subtotal IPF		4 400 000
Special Measures Fund	-	
Special programme resources	50 000	
Government cost-sharing	4 401 900	
Third-party cost-sharing	1 097 600	
Operational funds under the authority of the Administrator	180 500	
UNDP special trust funds		-
Subtotal, UNDP non-IPF funds		5 730 000
B. <u>Other sources</u>		
Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise	106 000	
Parallel financing from non-United Nations sources	-	
Subtotal, other sources		<u>106 000</u>
TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		<u>10 236 000</u>
II. USE OF RESOURCES		
Ongoing projects	4 494 500	
New project proposals	4 223 200	
Programmed reserve	795 000	
Subtotal, programmed resources		9 512 700
Unprogrammed reserve		<u>723 300</u>
TOTAL USE OF RESOURCES		<u>10 236 000</u>