Thirty-fifth session
6 June-1 July 1988, Geneva
Item 5 (b) (i) of the provisional agenda

PROGRAMME PLANNING

Country and intercountry programmes and projects

Implementation of selected country programmes

ASIA AND THE PACIFIC

Report of the Administrator

SUMMARY

The present report is submitted 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 the status of programming for the fourth cycle; the resources and delivery picture, with breakdowns by sector, spending type and executing agency; special themes in the programme (women, non-governmental organizations, private sector, economic reconstruction and Technical Co-operation among Developing Countries); and support to aid co-ordination arrangements in the region. Finally, there is a section on the status of the intercountry programme.
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I. PROGRAMMING

1. During 1987, nine country programmes and the intercountry programme for the region were approved by the Governing Council, leaving only one country programme (Maldives) remaining to be approved by the Council at the current session.

2. The programming of assistance and improved project design and appraisal are of growing importance. In several cases, the country programmes for the new cycle were drafted on the basis of needs assessment exercises conducted in individual countries. Programme reviews are to be a continuing feature throughout the cycle. In 1987, the first major mid-term country programme assessment was undertaken in Indonesia and, among the larger programmes, China and India will be conducting mid-term reviews during 1988. Besides these, every country programme will be subject to annual review in 1988, involving a reappraisal of programme objectives and an evaluation of the contributions of projects to them.

3. The design and appraisal of projects is also being given much greater attention in the new cycle commensurate with an increase in delegated authority of resident representatives to approve projects. All 23 United Nations Development Programme (UNDP) offices in the region have appraisal mechanisms to screen projects at the formulation stage in order to determine the appropriateness of their design, their internal consistency, and relevance to development objectives. In order to facilitate appraisal, comprehensive new guidelines for project formulation were instituted early in 1988, and several country and subregional training courses on project formulation and appraisal are being organized during the year.

4. The quality of project implementation and the impact of projects on the developmental process are of continuing concern. During 1987 more than 600 tripartite reviews and almost 100 evaluations of projects were scheduled, and a similar number are expected to be held during this year.

5. For the intercountry programme, meetings of government aid co-ordinators (MACs) have been held every two to three years for the purpose of examining and approving regional projects. The third such meeting (MAC III) in October 1986 marked the first time that bilateral donors had been invited to observe and participate. Preparations are under way for the fourth meeting (MAC IV) in 1989.

II. RESOURCES AND DELIVERY

6. UNDP provides approximately one third of multilateral grant technical co-operation to the Asia and Pacific region, and a significantly higher proportion to some individual countries. These proportions will be largely maintained during the fourth five-year programming cycle, which earmarked total resources of US$1,180 million of assistance to the region, 11 per cent higher than for the previous cycle. Of this total, US$997 million (84 per cent) will be for country-specific projects, and US$183 million for intercountry projects.
7. These figures do not provide the total picture, however, since they leave out of account cost-sharing contributions. For 1987, cost-sharing expenditure on projects by recipient countries and third parties, in hard currency terms, amounted to approximately 3.5 per cent of total funds disbursed in the region. UNDP resources for the region are also supplemented by special funds. Following its establishment in 1986 of a fund for human resources development in Asia and the Pacific, the Government of Japan set up in 1987 with UNDP the Programme Cost-Sharing Fund for the South Pacific worth an initial $1.5 million.

8. At the beginning of 1988, there were 2,900 country and regional projects ongoing in the region. In 1987, projects delivered assistance valued at $234 million, of which $201 million was delivered through country projects and $33 million through regional projects. These figures compare favourably with the record levels of 1986, when UNDP assistance to the region reached approximately the same level.

Fig. 1. UNDP project spending in the Asia/Pacific region
9. Committed indicative planning figure (IPF) resources reached a peak of $319 million in November 1987, indicating that a healthy pipeline is being steadily built up during the fourth cycle. If delivery rates can be maintained, disbursements of assistance will increase further in 1988 and beyond.

10. The data in figure 2 reflect the variegated needs and the breadth of the development priorities to which UNDP resources respond in the region. As expected, figures for 1987 confirm the stability of the sectoral allocation of resources over time, and the continuing prominence of support to primary activities (agriculture and natural resources), which absorb one third of budgeted funds.

Fig. 2. UNDP project spending by sector, 1987
II. More revealing are the trends in expenditure components. The data in figure 3 show the growing importance of training in UNDP assistance in the region, largely at the expense of equipment. Spending on personnel has been generally stable as a proportion of total funds if the "personnel" and "subcontract" components are taken together. However, these aggregates conceal the ever-widening utilization of local, as opposed to foreign, expertise in UNDP technical co-operation, as well as the increasing use made of United Nations volunteers. This trend is expected to continue through the fourth cycle and it is this process of "localization" of personnel which renders UNDP assistance more cost-effective and allows for a continuing expansion in the total scope of the programme in the region at a rate faster than is indicated merely by monetary totals.

Fig. 3. UNDP project spending by budget component
12. More control and supervision of projects by recipient Governments is coming about through the growing proportion of UNDP projects that are Government executed. For 1987, Government-executed projects were expected to account for over 6 per cent of total spending, including cost-sharing (see figure 4). This proportion is expected to increase during the fourth cycle as more new projects are chosen by Governments for self-execution and as new phases of ongoing projects are converted from agency to Government execution.

Fig. 4. UNDP project spending by executing agency, 1986

13. From the United Nations system, the Food and Agriculture Organization of the United Nations (FAO), the United Nations Industrial Development Organization (UNIDO) and the United Nations (mainly the Department of Technical Co-operation for Development, DTCD) remain the principal executing agencies for UNDP-funded country projects in the region, together accounting for nearly one half of total project spending, while the Economic and Social Commission for Asia and the Pacific (ESCAP) executes the largest share of the regional programme, with $40 million earmarked for 1987-1991.
III. SPECIAL THEMES

14. Some special themes are assuming more importance in the region during the fourth cycle, including the promotion of women in development, the wider utilization of non-governmental organizations, private sector facilitation, and assistance to economic reconstruction:

(a) Women in development. Commensurate with UNDP's growing concern to reach the victims of underdevelopment more directly, resources are to be utilized to promote the role of women in development, both as participants and as beneficiaries. Part of this effort will materialize as two subregional workshops on the promotion of women, to be held (jointly with the Division for Women in Development) in Malaysia and India during 1988. Priority will be given to the role of field offices. Training is to be provided to UNDP Professional staff in Asia and the Pacific so as to help translate a concern with the promotion of women into concrete action through projects. The Regional Bureau for Asia and the Pacific has continued to monitor the proportion of women in the region going on fellowships and study-tours abroad. The average for 16 countries was 15 per cent with only two countries recording over 20 per cent (China and Viet Nam).

(b) Support to non-governmental organizations (NGOs) is also in line with UNDP's concern to improve contact with the beneficiaries of development. With the Division for Non-Governmental Organizations, two subregional workshops will be organized in 1988 in Bangladesh and Indonesia to catalyse this process. During 1988, UNDP will be supporting a workshop in Beijing for NGOs interested in China. Individual field offices will also be looking for ways to encourage NGO involvement through UNDP-funded projects or through support from the new NGO Partners in Development Fund. In some countries (e.g., Indonesia and Nepal), UNDP involvement in local NGO forums greatly facilitates contacts.

(c) Private sector facilitation arises from the desire to promote independent and decentralized initiatives in the cause of development and render public sector enterprises more efficient. In December 1987, representatives of eight countries of the region met at a conference in Singapore at which concrete proposals for increasing UNDP support to the private sector in Asia and the Pacific were discussed. During 1988 there will be a number of smaller country-level meetings and four subregional meetings, including one for ASEAN, held under UNDP sponsorship, bringing together representatives of public and private sectors.

(d) Economic reconstruction. UNDP is providing support of a strategic kind to Sri Lanka in its efforts to rehabilitate the economy. A major capital spending programme, concentrated on rebuilding infrastructure, is being funded by the World Bank and other major aid partners. UNDP is providing the technical co-ordinator of the programme, out of reserve funds specifically set aside for the purpose.

(e) Technical Co-operation among Developing Countries (TCDC). UNDP's role in respect of TCDC is catalytic, since primary responsibility for the identification and funding of TCDC opportunities belongs to the countries themselves. China held an Intergovernmental TCDC Programming Exercise in Beijing in November 1985 and implementation of the projects identified is expected to continue until the end of
1988. Similar exercises, also with UNDP support, have been initiated by Pakistan and Indonesia and are scheduled to take place in 1988. Both will focus on specific themes. Pakistan's programme will concentrate on industry and science, while Indonesia's will emphasize co-operation in the area of community self-reliance. Other countries in the region are considering the holding of TCDC programming exercises.

In addition to the above activities, UNDP's objective in the region is to inculcate TCDC concepts into the whole gamut of activities supported by its funding. More Government execution and the wider use of national experts are contributing to the cause of collective self-reliance in the broadest sense.

IV. AID CO-ORDINATION

15. More Governments of the region are recognizing the importance of aid co-ordination. One way in which UNDP can provide support is through the convening of round-table meetings for least developed countries. Two rounds of such meetings were held for Bhutan, the Lao People's Democratic Republic, Maldives and Samoa in 1983 and 1986. A third round of meetings is planned for 1988/89 for the same countries, as well as for additional Pacific countries if they so request. In 1986 and 1987, UNDP also helped to organize special donors' meetings in Kiribati, Solomon Islands, Tuvalu and Vanuatu. Another round of meetings has been planned for 1988 and work is under way on the analytical reports that constitute the main discussion material.

16. UNDP will also be playing an enlarged role in the aid co-ordination meetings convened by the World Bank, the so-called consultative groups. Traditionally these consultative group meetings have focused mainly on capital assistance and particularly on each country's public investment programme. In the future more emphasis will be given to an examination of technical assistance and agreement has now been formally reached with the World Bank that, in all consultative group meetings in which the Governments desire it, the country's specific technical assistance requirements will be discussed. In accordance with UNDP's lead role among donors for technical assistance assessment and co-ordination, and to help prepare for these meetings, UNDP will, where appropriate, be undertaking detailed technical assistance reviews during the next 12 months. These reviews will assess the impact of past assistance and make proposals for the orientation of future assistance so as to match the needs of each country with the preferences of donors.

17. The first such technical assistance review is being undertaken in Bangladesh. The objectives of the review were explained to the consultative group meeting in April 1988 and the full results will be presented to the consultative group meeting next year. The review in Bangladesh is likely to be followed by similar exercises in other round-table meeting and consultative group countries.

18. Bangladesh is also undertaking a major agriculture sector review during 1988, with UNDP assistance intended to provide an independent assessment of the performance, problems and prospects for this sector. While this review will meet an urgent government requirement to identify causes for the recent deceleration of
growth in the agriculture sector, it is also expected to produce policy and strategy recommendations for the next Five-Year Plan (1990-1995) and over the next 20 years. It is the intention to report on progress of work to the consultative group meeting in April 1988. The findings and recommendations will be discussed as an agenda item at the 1989 consultative group meeting.

19. Whether they are designed to facilitate aid co-ordination in the systematic sense, or merely to keep Governments and donors informed about aid activities, UNDP's development co-operation reports are recognized as playing a valuable role. In the Asia and Pacific region, a special effort is being made to prepare the 1988 editions of the 24 development co-operation reports (covering 34 countries, including the Pacific) to a higher standard and on a more timely basis. It is expected that in 1988 and in future years, these reports will gain currency as aid co-ordination tools in intergovernmental meetings.

V. INTERCOUNTRY PROGRAMME

20. The year 1987 marked the beginning of the fourth intercountry programme (ICP) cycle. The programme for Asia and the Pacific (1987-1991) was approved by the Governing Council in February 1987 and efforts by the Regional Bureau have been focusing on two objectives: the appraisal and approval of as many as possible of the projects endorsed at the third meeting of aid co-ordinators (MAC III); and the attainment of the highest possible delivery rate of approved projects. The latter objective required a special effort being contingent on the rate of approvals and on the executing agencies' ability to get new projects started in the first year of the cycle.

21. Following the submission of mandatory revisions and project delivery reports by agencies in April 1987, the expenditure figures for 1986 were finalized in June 1987. Project delivery in 1986, previously estimated at $35 million, exceeded expectations by posting a final figure of $41.2 million, or 15 per cent over target. The delivery rate achieved was 79.7 per cent on a peak budget of $51.6 million.

22. Approvals for the fourth ICP reached $144 million by the end of 1987, representing 85 per cent of the programmed resource level of $170.1 million. This better than expected rate of approval places the programme in a good position to undertake the mid-term assessment of the fourth cycle (MAC IV) scheduled for the spring of 1989.

23. The regional programme in the fourth cycle comprises 97 ongoing projects and 108 project proposals, a total of 205 projects altogether with an approximate value of $170 million. (This total includes nine projects in support of the Transport and Communications Decade for Asia and the Pacific which are financed from Special Programme Resources.) All projects in the programme pick up one or both of the two themes of Technology Transfer and Human Resources Development decided on by the large majority of the countries of the region, and endorsed by ESCAP at its fortieth, forty-first and forty-second sessions.
24. Under these two themes, three areas of special focus were chosen: development management, private sector development and grass-roots development. Projects of the first type include support to the Asia and Pacific Development Centre for activities in public administration and management, and economic forecasting and in-country statistical training at the Statistical Institute for Asia and the Pacific. Projects to promote private sector involvement in national development reflect the trend towards more open economies in a number of countries and the increasing liberalization of public sector activities. There are projects to create export-oriented joint ventures, assist small and medium-size enterprises to increase their exports, develop a Regional Market News Service, and provide training and advisory services to Pacific country development banks. Grass-roots development projects involve assistance to volunteer organizations through "Domestic Development Services", to small farmers engaged in livestock and crop production, for vocational training and for youth self-employment promotion programmes. Projects in this area will also support rural women, unemployed youth and other disadvantaged groups in society.

25. The regional programme encompasses all the major development sectors. In the present cycle the largest share - 21 per cent or $35 million - is reserved for support to transport and communications, in keeping with the regional Decade, which is also supported by country IPFs. Other sectors receiving major shares are agriculture, forestry, fisheries, natural resources, development planning and science and technology.

26. The programme also includes important subregional components. The Association of South-East Asian Nations (ASEAN) completed its second decade in 1987 and continues to enjoy growing support. In addition to regional projects in which ASEAN countries individually participate, the ASEAN subprogramme has been allocated $10.27 million, as compared with the previous cycle's allocation of $7.55 million. In the current programme, $7.21 million has been earmarked for new projects and $3.06 million for rephasing or extending third cycle projects. At the end of 1987, most of the allocation had been committed. Programme reviews were held in Jakarta in April and July in which the Secretary-General of ASEAN, UNDP headquarters representatives and the Resident Representative of UNDP in Jakarta participated. The UNDP Office in Jakarta has also established a computer-based monitoring and reporting system on the ASEAN subprogramme, which provides the project management information required for these reviews.

27. For the Pacific countries, the regional programme has special importance because their development progress depends heavily on their joint efforts. In February 1987, a subregional meeting of the aid co-ordinators of the island developing countries of the South Pacific endorsed 29 projects to form the South Pacific component of the programme, amounting to $28.8 million, which is more than the combined country IPFs of these countries.

28. In addition to the regular monitoring and evaluation of regional projects, numerous consultations have been held with Governments, ESCAP and the specialized agencies in New York, Bangkok and in agency headquarters. With ESCAP, UNDP has held two joint reviews in addition to UNDP representation at the session of the Commission in Jakarta in April 1988 and visits made to UNDP headquarters by ESCAP
staff and project personnel. During the first quarter of 1988 individual consultations have also been held with donor representatives and recipient Governments.

29. Approximately 120 projects have been submitted by Governments and executing agencies since the third meeting of aid co-ordinators (MAC III) in October 1986; they form the pipeline of project proposals to be considered for funding in the mid-term review, for which about $48 million is available. The same rigorous screening and consultative process with Governments, ESCAP, UNDP field offices and the specialized agencies will be followed, as it was for the third meeting.

30. Preparations for the fourth meeting of aid co-ordinators (MAC IV) are already in progress. This meeting will constitute the mid-term assessment of the current programme and provide an opportunity to examine and approve pipeline projects. The preparation of evaluation missions and the processing of pipeline projects are already under way.