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PROGRAMME PLANNING

Country and intercountry programmes and projects

Implementation of selected country programmes in the
Arab States and Europe region

Report of the Administrator

SUMMARY

This report is prepared in accordance with Governing Council decision 81/15 of 27 June 1981, which endorsed the Administrator's proposal to submit to the Governing Council annual progress reports on programme implementation in each region.
INTRODUCTION


2. In 1987, responsibility for the Arab States and for the European Programmes was once again vested in a single organizational unit within UNDP: the Regional Bureau for Arab States and European Programmes (RBASEP). The Council will recall that this had been the organizational arrangement until 1978 when the coverage by the Bureau for Europe, Mediterranean, and the Middle East was divided between two organizational units: the Regional Bureau for Arab States (RBAS), and the Unit for Europe (UFE). The reconstituted Bureau concentrated on consolidating the new organizational arrangements and intensifying the activities already started on programme formulation and finalization for the fourth cycle (1987-1991).

3. Efforts were made to ensure that country programmes prepared within the framework of Government development plans would also fit, to the extent possible, within the time-frame of the programming cycle. By the start of the new programming cycle, 8 country programmes (those for Bulgaria, Hungary, Malta, Poland, Saudi Arabia, Somalia, Tunisia and Yugoslavia) had been approved. It was therefore clear to Bureau management that urgent attention would be required to finalize as many programmes as possible for presentation to the Council in 1987 and to prepare the remainder, including the Regional Programme for the Arab States, for consideration by the Council in 1988.

4. As a result, 13 country programmes were presented to, and approved by the Council in 1987: those for Albania, Egypt, Iraq, Syria and the Regional Programme for Europe at the special session in February; and those for Algeria, Democratic Yemen, Djibouti, Kuwait, Morocco, Oman, Turkey and the United Arab Emirates at the June session. Of the remaining 10 programmes, those for Libya, Jordan, Yemen Arab Republic, Portugal, and Romania were to be ready for presentation to the Council at its session in February 1988, while those in Bahrain, Qatar, the Sudan, and the Regional Programme for the Arab States were to be presented at the June session.

5. Bearing in mind the internal situation in Lebanon, the Council renewed, at its thirty-fourth session (1987), the ad hoc arrangement whereby it had authorized the Administrator to approve the use of United Nations Development Programme (UNDP) funds from the IPF on a project-by-project basis. By the end of the year, however, there was a perceptible improvement in the situation within the country and the General Assembly, by resolution 42/199 of 11 December 1987, instructed the Secretary-General and the United Nations organizations to respond to the needs of Lebanon and to ensure adequate staffing of their offices in the country at the senior levels. Consequently, the Administrator requested the Regional Director to visit Lebanon to consult with the Government on how best to reactivate the role of UNDP in Lebanon. Based on the favourable outcome of these consultations, it was decided that a UNDP Resident Representative/Resident Co-ordinator would be assigned to Lebanon and that he would, at the same time, act as the Special Representative...
of the Secretary-General. However, the Resident Representative's assignment has been delayed following the serious deterioration of the security status in the country.

6. Activities under the new cycle were started with renewed vigour, with special attention during the formulation stage to the qualitative aspects of country programmes. A case in point is that of the Libya programme, where improvements considered necessary for the preparation of a good quality programme were introduced in the course of in-depth discussions between the Government and the office of the Resident Representative, even though the submission and approval were delayed for a whole year as a result. Another example is the Qatar country programme, where the programming process started off with the fielding of a high-level team of consultants requested by the Government to initiate a dialogue on development priorities with their officials at the highest levels of decision-making. It may be recalled that Qatar had relinquished its indicative planning figure (IPF) in the third cycle (re-established for the fourth cycle) and consequently had not had a country programme since 1976.

7. In addition to the central UNDP mechanisms that ensure programme and project quality i.e., the Programme Review Committee, the Action Committee and the Central Evaluation Office, the Bureau strengthened its own appraisal and approval procedures by issuing clearer guidelines and by closer contact with its field offices on these matters, including more frequent exchange of visits between staff at headquarters and in the field. Because of staffing changes and constraints, however, it was unfortunately not possible to undertake consultations with agencies with the desired frequency. During 1987, the Bureau programme/project appraisal committee considered 98 projects and 11 country programmes; a review of the work of the committee has shown that there was a marked improvement in quality of both programmes and projects. The time taken for processing them was also found to have been reduced. There is no doubt that quality control concerns at headquarters are percolating to the field offices, where projects approved within the authority of the Resident Representative are also improving.

I. GENERAL OVERVIEW OF THE REGION

8. Adverse economic factors continued to influence developments in the region during 1987. With respect to the Arab countries, the hostilities between Iran and Iraq and the security situation in the Gulf countries deteriorating, the economic situation for many became much worse, especially for those already affected by the continued fall in remittances from their workers abroad. And for those directly or indirectly affected by the hostilities, national security requirements demanded a higher priority over many of their other socio-economic policies. Thus, a significant portion of the wealth of this region had to be allocated to those objectives at the cost of outlays for longer-term economic development objectives.

9. There were, nevertheless, positive developments in certain Arab countries. The general economic recession and the drastic shortfall in revenues prompted some countries, Kuwait, Oman, and Bahrain among them, to reduce expenditures and work harder towards diversifying their economic base. In non-oil producing countries,
the strained resource situation encouraged concentration on small-scale medium-term investments, reviews of institutional structures, and greater attention to the development of indigenous manpower. Among the Arab countries in Africa (the Sudan, Somalia, and Djibouti), there was an amelioration of the conditions that had resulted in the emergency situation of the preceding years. Morocco, Tunisia and Somalia entered into in-depth consultations with the International Monetary Fund (IMF) and the World Bank on their structural adjustment needs, while Egypt and Yemen initiated a dialogue on this subject with these institutions.

10. On the European side, the majority of the 10 country programmes reflected the evolutionary nature of their projects, with many of them approaching a level of development that would lead to a change in their status as UNDP recipient countries. This is reflected in the highly sophisticated nature of the technologies involved in many of the projects as well as activities that focused on management and evaluation concerns. As many of the Eastern European countries sought their own economic reforms in 1987 towards economic reconstruction, improved technologies both for agriculture as well as for industry were seen as a key input to the economic development plans of these countries.

11. It was possible to perceive in the country programmes a greater receptiveness to new approaches, e.g., a greater role for non-State-run activities, environmental concerns, women in development and Technical Co-operation among Developing Countries (TCDC) activities. Poland joined the World Bank and initiated discussions on credit arrangements which are expected to be finalized in 1988. The application of Turkey for membership to the European Economic Community (EEC) resulted in a number of new country programme activities designed to upgrade Turkey's product quality standards in a number of areas to ensure their compatibility with EEC regulations.

12. Changes of Government in Malta and Portugal slowed implementation of their programmes of co-operation with UNDP as the new Governments took stock of their priorities.

13. Advantage was taken of the interest and willingness of the European countries to share the expertise they have acquired with UNDP assistance over the years with other developing countries in an effort to strengthen linkages between Arab and European countries; planning was begun for missions in 1988 to determine the needs of the Arab countries and how European countries could share their experience and technologies with them. In this connection, focus was placed on co-operation between the countries that border the Mediterranean rim and that share a similar culture and resources.

II. ASSESSMENT OF NEW COUNTRY PROGRAMMES

14. Three country programmes were approved by the Governing Council at its special session in February 1987.

15. The country programme for Egypt (1987-1991) is the end product of a continuous process of consultation and reviews between the Egyptian authorities, UNDP, and the
United Nations agencies as well as the World Bank. The main thrust of this programme is the introduction of advanced and innovative technologies both in the new areas to which certain projects are directed (data management, development of information systems for national policy formulation and decision-making, etc.), as well as in the more traditional area of agricultural, industrial, and manpower development. After many years of UNDP co-operation, the programme emphasizes use of highly specialized short-term expertise - external where necessary, but preferably national.

16. Iraq prepared its country programme (1987-1991) against the backdrop of the continuing war with Iran, the crash in oil prices, and the overall economic recession. The sharp drop in gross domestic product (GDP), the large deficit in trade balances, and the increasing external debt were compounded by the acute manpower shortage for production. All these factors had to be carefully considered in laying down national priorities which served as the framework for the country programme formulation exercise that had been preceded by an in-depth evaluation of the third programme in 1986. To respond to the increasing demand for agricultural products, the Government has assigned high priority to activities aimed at enhancing the levels of agricultural output; to cope with the shortage of manpower and labour, emphasis was put on how to integrate women better into the socio-economic fabric of the country. The objective of diversifying the economy in order to reduce the chronic dependence on oil exports is to be addressed through projects in the industrial sector aimed at introducing internationally accepted standards and quality control measures as well as new and advanced technologies.

17. The overall performance of the economy of Syria had witnessed a considerable slowing down in the first half of this decade compared with the previous decade. From an average growth rate of above 10 per cent, the increase in gross national product (GNP) had dropped to around 3 per cent annually, mainly because of the fall in revenues from petroleum exports and a drop in production levels in the oil and mining sectors. The country programme (1987-1991) was formulated with these concerns in mind and with the main objectives of introducing new technologies in agriculture and small- and medium-scale industry; the development of natural gas production; the building-up of intermediate-level cadres through objective-oriented training; and the strengthening of the planning, monitoring and evaluation process of the national economy.

18. Country programmes of eight countries were presented to, and approved by, the Council at its thirty-fourth session (1987). Two of these were from least developed countries (LDCs), three from oil-exporting countries, two from North Africa, and one from Europe.

19. The formulation and the content of the country programme (1987-1991) for Democratic Yemen was influenced to a great extent by the very limited natural resources of the country, the consequences of the severe floods in 1981 and 1982, the inadequacy of essential investment capital, and the disruptions caused by the civil strife of 1986, when the country programming process was about to get under way. Taking these factors into consideration, the Government decided to concentrate UNDP assistance in the following main areas: strengthening national planning capability; maximizing returns on new investments in the productive
sectors; improving the efficiency of investments already made in infrastructure, especially in transport and communications; and for addressing basic human needs.

20. The prospects for the economic and social development of Djibouti are severely constrained by the scarcity of human resources, the absence of any exportable natural resources, and the efforts required to overcome the consequences of the crippling drought that has not only affected land and livestock but has also brought the socio-economic problems of refugees from neighbouring countries. Bearing these circumstances in mind, the country programme (1987-1991) focuses on the development of water and non-conventional energy resources, and on strengthening the trained manpower base. During the programming exercise, other areas of technical assistance were identified to complement investment projects. Given the small IPF, the Government also proposes to address these requirements through assistance from other multilateral sources and under third-party cost-sharing arrangements with bilateral and other interested donors.

21. The formulation of the country programme for Algeria (1987-1991) took into account experiences and lessons learned from projects under previous programmes and an assessment of the relative impact from resources allocated to various sectors. It is to be noted that a significant proportion of these resources is through cost-sharing. The national strategies as expressed through development plans and major policy decisions were also prominent factors in determining the direction and content of the programme. These considerations, together with an in-depth sector-by-sector assessment undertaken by the Government and the office of the Resident Representative in co-operation with the principal agency partners led to the conclusion that the new programme should address broad, thematic concerns requiring multi-sectoral approaches rather than the traditional, narrow project conceptualizations of the past programmes. The principal aim is to develop sectoral linkages within national institutions through integrative project design for agro-rural development; enhanced and innovative utilization of existing productive capacity; prospective studies; and the integration of planning instruments. The Government attaches great importance to UNDP technical co-operation as it continues to allocate its own resources through cost-sharing amounting to more than one and one half times the IPF.

22. The rather heavy external debt of Morocco and the related structural plans formulated in consultation with the World Bank have to a great extent shaped the content and the substance of the five-year development plan, which has naturally influenced, in turn, the country programme for 1987-1991. As significant external aid flows in the form of loans at favourable terms, and financing agreements on market terms have been concluded to support the adjustment plans and to finance the infrastructure and equipment needed for development, the country programme concentrates on selected activities in support of and complementary to these national restructuring efforts. Among these are hydro-geological research for the development of ground-water resources; the planning and preparation of studies for investment in the forestry, water, soil, pastoral, and fisheries sectors; increased agricultural productivity and maximization of labour output; the management and development of budgetary and fiscal planning; public enterprise management, advice to the private sector, and establishment of small- and medium-sized enterprises; and research in the mining and renewable energy fields.
23. The country programme for Kuwait is for three years only (1987-1989) and has the main objective of continuing the activities already under way in the country with UNDP assistance, in such areas as statistics, demography, research in agriculture and livestock, development-related information systems, and manpower development. The Government has indicated that the identification of additional areas for UNDP technical co-operation will be undertaken during the life of the programme. It should be noted that Kuwait is not an IPF country and all UNDP assistance is funded on a fully reimbursable basis.

24. The development of Oman dates back less than two decades and the country programme (1987-1991) addresses the need for consolidating the benefits from investments in physical and human resources in that period. Assistance will be concentrated on ways of removing bottlenecks to the implementation of developmental activities through better management systems in central institutions and through more effective co-ordination among them; improved outreach capacity of state institutions, particularly in the rural areas; establishment of data banks at the sectoral and national levels; and creation of the capacity to support the growing and active private sector.

25. In the United Arab Emirates there is considerable autonomy within the federated structure for local (municipal) institutions within the individual emirates. The country programme (1987-1991) has been formulated with the main objective of strengthening the capacity of these institutions to manage their planning and operational responsibilities. Activities consist of surveys and studies on human resource needs and development, the introduction of automation systems in order to meet the shortage of trained nationals, and the imparting of know-how in physical and socio-economic planning within the municipalities.

26. The third country programme for Albania (1987-1991) reflects the determination of the Government to achieve self-sufficiency in a number of sectors. Training and the provision of key items of related equipment are seen as essential ingredients towards attaining the Government objectives of upgrading the scientific and technological infrastructure and strengthening teaching and applied research. The UNDP programme is consistent with the current level of development in Albania and promises a high degree of efficiency of expressed Government priorities.

27. The country programme for Turkey (1988-1992) takes into account the level of development of the country and addresses the need to introduce advanced technologies and know-how in key sectors of the economy. Co-operation with the United Nations system is considered essential if Turkey is to maintain its status as a food-surplus/food-exporting country. Similarly, it is felt that assistance in the field of energy can help reduce the dependence of Turkey on imports by better and fuller utilization of its indigenous resources. The industry and science and technology sectors will benefit through enhanced export capabilities and greater self-reliance in their own skills.


28. The regional programme for Europe, which involves all 33 member-Governments of the Economic Commission for Europe, was developed by task-forces of specialists in
the priority areas of energy, the environment, science and technology, transport and communication, and management. It was approved by the Governing Council in February 1987. The main principles of the programme, as determined by the participating Governments, are that high-priority technologies should be carefully selected for development and application, that the substantive workload should be divided among the countries according to their specific comparative advantages, and that (in most cases) self-sustaining networks should be created to continue the development process. By the end of the year, 27 of the 35 projects were either well into their preparatory phase or already in their main phase.


29. The fourth intercountry programme had been drafted by the end of 1987 for review by seven Arab high-level experts invited to a workshop in New York in January 1988. The finalized programme, reflecting their views, was to be placed before the participants from the 20 Arab States for endorsement at an intergovernmental meeting scheduled for March 1988 in Casablanca, Morocco. The programme is to be presented for consideration and approval by the Governing Council at its thirty-fifth session (1988).

30. The Arab States region, perhaps unlike other regional groupings is characterized by a long-standing interstate organizational arrangement with the League of Arab States and its secretariat at the apex and the numerous specialized agencies in all fields of economic and social development - much like the United Nations and its system of agencies. This unique regional structure has been borne in mind in formulating the UNDP intercountry programme for the Arab States. Through a full process of consultations with Member States and regional organizations during the programming exercise, it is expected that the programme will be able to respond to the most urgent and focused priority needs of the region and also to link the regional concerns with the national development goals of the participating countries. One of the ways in which this could be brought about is by limiting the areas of concentration to those few in which there is found to be genuine and demonstrable interest and support of those countries.

IV. REVIEW OF SELECTED PROJECTS

31. As the year under review was largely taken up with country programming exercises, it was also considered opportune and advisable to undertake in-depth evaluations of selected projects. It was hoped that the results of such exercises would give some useful insights to Governments and UNDP about the effectiveness of the third-cycle activities. Some 35 projects were, therefore, the subject of in-depth reviews or evaluations. Some illustrative examples are given below.

32. In Somalia, the project Strengthening of the Geological Survey (phase II) (SOM/82/003), was reviewed in order to have a basis for deciding whether the assistance provided since 1982 had helped to achieve the stated objectives and what deficiencies needed to be overcome if the continuation of the project in the new
programme were to have the required impact. The review showed that the project had encountered problems caused by the unavailability of qualified counterparts and certain shortcomings in infrastructure, e.g., power supply for operation of the laboratory, but that the immediate objectives had been achieved, i.e., institution-building, building-up of a national geological map, transfer of some know-how, and creating interest among bilateral donors for continuing assistance to the counterpart agency.

33. An in-depth review of project for Training in Post-Investment Maintenance in Morocco (MOR/85/003) showed that while there had been a successful transfer of know-how through the project, its origial design had been somewhat ambitious, particularly with respect to the framework within which the goals were to be reached. The review therefore recommended a three-year second phase of assistance in order to consolidate the gains already made. This second phase was included in the country programme approved by the Council at the thirty-fourth (1987) session.

34. An evaluation of the Information Network project in Albania (ALB/81/001) showed the project to have been well designed and effectively implemented. Nevertheless, the mission felt that there had been far-reaching advances in informatics technology since the inception of the project that needed to be absorbed by the counterpart institutions and that it would therefore be advisable to formulate a further phase of assistance with these additional objectives of introducing the new developments in computer-related technology and informatics applications.

35. A joint evaluation was undertaken in 1987 for the intercountry project RAB/83/021, Upgrading of Industrial Property Systems in Arab countries, by the UNDP/RBAS and the World Intellectual Property Organization (WIPO), the executing agency. The evaluation was intended to examine the degree of effectiveness of project outputs, to determine the extent of regional impact, and to assess the level and adequacy of training. The evaluation identified two distinct sets of reasons for the lack of success in achieving the project objectives. For UNDP, the lack of success was basically related to the manner in which the project was implemented, i.e., without a work plan to guide project activities and with no established benchmarks for evaluation. It became apparent that project activities were in areas outside of those specified in the project document and that the training was ineffective and limited to in-service training only. For the executing agency, lack of success in achieving project goals was attributed in part to its faulty design. On the one hand, the project had to be implemented in a manner different to that which had been envisaged in order to fill large gaps in the legal frameworks of the countries that the project document had not identified beforehand. It was also concluded that shortcomings in project design had necessitated its extension beyond the duration originally specified. The evaluation concluded, nevertheless, that much useful work had been done, especially in providing advice on the institutional and legislative aspects of industrial property protection.
V. OTHER MANAGEMENT ACTIONS

36. As stated earlier, the task of ensuring the smooth functioning of the bureau with its widened coverage and broader responsibilities was a top priority for management in 1987. The tasks performed by the UNDP office in Geneva which were related to the European country and regional programmes were transferred to New York. In the interest of effective programme management, working level contacts were established with the permanent missions in New York of those European countries with a UNDP programme but no UNDP field office.

37. When the Office for Emergency Operations in Africa closed at the end of 1986, the Regional Bureau was involved in the sub-Saharan countries coming under its responsibility. There was a need to shift the emphasis of field offices to rehabilitation and reconstruction activities. It was also possible to devote more time and attention to programming work and to conduct a dialogue with Governments, donor and recipient, on the desired actions for averting such emergencies in future years.

38. The process of field office automation continued in 1987, with seven additional offices being equipped with computer equipment and software applications. With the assistance of the Division of Management Information Services (DMIS), training activities were also organized for local staff in order to minimize the start-up time of these new facilities.

39. In co-operation with the Division of Finance, field offices were assisted in their preparations for the 1988-1989 budget. Since several countries covered by the Bureau are classified by the Governing Council as category I, and the provisions of Council decision 85/16 of 29 June 1985 were to take effect with the onset of the fourth cycle, it was necessary to guide Resident Representatives in the countries concerned in their discussions with Governments on this subject. From the feedback received at headquarters, it appears that the Council will need to clarify doubts by some Governments on certain aspects of decision 85/16.

40. An opportunity for senior national staff in field offices to come to Headquarters for assignments of two to three months, or to go and work in other field offices as a form of on-the-job training has been found not only beneficial to the staff member concerned but extremely useful for the Bureau as it permits the coverage of unplanned vacancies or unforeseen workload peaks. It is also good for the longer-term career development of these staff members, who would not under normal circumstances have the opportunity of working outside their home countries. This practice was continued during 1987, and four local national officers were brought to headquarters or were temporarily assigned to other field offices.

VI. CO-ORDINATION OF ASSISTANCE

41. Four countries in the region (Morocco, Somalia, the Sudan and Tunisia) undertook consultations with donors under World Bank auspices, either through the Consultative Group meetings or equivalent arrangements. Resident Representatives in the countries concerned were invited to participate in the technical assistance...
aspects of these meetings, and contributed to them with reports and recommendations on technical assistance requirements. They were also asked to be involved in the follow-up actions; in one country, Somalia, the chairmanship of the regular country consultations alternates between the Resident Representative of UNDP and the World Bank Representative. At headquarters level, the annual World Bank/RBASEP consultations took place in New York. As these were the first formal, full-scale contacts following the major restructuring at the World Bank and the appointment of the new Regional Bureau Director, the agenda covered a broad range of topics, including co-ordination on activities of mutual interest in the new country programmes, the role of the World Bank as executing agency under its new organizational structure, as well as thematic topics such as food security, human resources development, private sector and women's role in development, the World Bank interest in two RBASEP Intercountry programmes.

42. With the expanded responsibility for the European programmes, the Bureau entered into discussions with the Economic Commission for Europe (ECE) on ways of serving the interests of Arab countries on the southern rim of the Mediterranean. The fact that eight of the Arab countries, indeed the largest ones, are in Africa, was not overlooked and contacts with ECE were improved further. There is a third Regional Commission, the Economic and Social Commission for Western Asia (ESCWA), whose coverage of countries coincides with those of RBASEP. It is felt that an exchange of ideas among the Executive Secretaries of the three commissions mentioned here and the Regional Director of the Bureau for Arab States and European Programmes would be most fruitful in exploring areas of common interest and in ascertaining if there are any interregional activities that could be identified for the benefit of the countries that the institutions serve. Contacts will be continued at the intergovernmental meeting of Arab States in March 1988, and a meeting between the heads of the four regional institutions is being planned for the last quarter of 1988 at the initiative of the Executive Secretary of ECE.

43. For reasons explained earlier in the report, higher level contacts with the agency partners were not possible in 1987; the importance of such meetings is not to be denied, and this will be rectified in the course of 1988.

44. At the field level, Resident Representatives, in their capacity as Resident Co-ordinator, continued to exercise the role of co-ordinating the development activities of the United Nations system. Morocco was one of the countries selected by the Director-General for Development and International Economic Co-operation for a case study on the co-ordination of operational activities, and the Resident Co-ordinator and his staff in the field office extended their full co-operation to the Director General's consultant during his mission.