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PROGRAMME PLANNING

Country and regional programmes

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 country and intercountry programmes, highlighting significant developments.

Information is provided on the status of programming for the fourth cycle, including an account of mid-term country programme reviews and a status report on the intercountry programme; the resources and delivery picture, with breakdowns by category of funding source, sector, input component and executing agency; special programme themes (environment, women, non-governmental organizations, private sector and Technical Co-operation among Developing Countries); and support to aid co-ordination arrangements in the region.
CONTENTS

<table>
<thead>
<tr>
<th></th>
<th>Paragraphs</th>
<th>Page</th>
</tr>
</thead>
<tbody>
<tr>
<td>I</td>
<td>PROGRAMMING</td>
<td>1 - 10</td>
</tr>
<tr>
<td>II</td>
<td>RESOURCES AND DELIVERY</td>
<td>11 - 16</td>
</tr>
<tr>
<td>III</td>
<td>SPECIAL THEMES</td>
<td>17 - 22</td>
</tr>
<tr>
<td>IV</td>
<td>AID CO-ORDINATION</td>
<td>23 - 27</td>
</tr>
<tr>
<td>V</td>
<td>INTERCOUNTRY PROGRAMME</td>
<td>28 - 33</td>
</tr>
</tbody>
</table>
I. PROGRAMMING

1. The country programme for Maldives was approved by the Governing Council in 1988, leaving only the country programme for Iran to be approved by the Council at the current session.

2. The programming of assistance and improved project appraisal are subjects of growing importance to the United Nations Development Programme (UNDP) and the recipient countries. Implementation reviews of ongoing country programmes are now an established feature. During 1988 and the first two months of 1989, mid-term reviews of country programmes were held for China, India, the Lao People's Democratic Republic and Nepal. That for Indonesia had already been held in 1987. A brief account of the 1988-1989 reviews is given in paragraphs 5 to 8 below. Fifteen more country programmes in the region, as well as the intercountry programme, will be subjected to mid-term review during 1989. Furthermore, nearly every country programme is subjected to annual review involving re-appraisal of programme objectives and evaluation of the contribution of ongoing and pipeline projects to these objectives.

3. The appraisal of project proposals is also being given much greater attention in the fourth cycle, commensurate with the increase in delegated authority of Resident Representatives to approve projects. All 23 UNDP offices in the region have appraisal mechanisms to screen projects at the formulation stage in order to determine the appropriateness of their design and their relevance to development objectives. In order to facilitate appraisal, comprehensive new guidelines for project formulation were instituted in 1988.

4. The quality of project implementation and the impact of projects on the developmental process are of continuing concern; during the year, about 440 tripartite reviews and 90 in-depth evaluations of projects were held.

5. The mid-term review of the country programme for the People's Republic of China was carried out in the spring of 1988. The initial stage of the review comprised an in-depth evaluation of selected projects, consultations between the government and UNDP to identify main policy issues and the establishment of joint task forces to prepare background papers. This was followed by detailed sectoral reviews covering industry, agriculture, forestry, energy and economic planning. Substantive departments of the Government, the national project directors, and the United Nations specialized agencies located in China participated in the reviews. Another important part of the preparation was a seminar on women in development, jointly sponsored by the Chinese Government, the All China Women's Federation and UNDP. The findings of all preparatory work were included in the material for the formal review meeting held under the auspices of the Ministry of Foreign Economic Relations and Trade and attended by UNDP headquarters and field office representatives. The mid-term review concluded that the country programme remained valid and effective in meeting China's technical assistance requirements. It noted that several innovative measures employed in implementing the programme, such as government execution of projects, reliance on national management, utilization of the services of expatriates of Chinese origin, co-operation with international
non-governmental organizations (NGOs) and technical co-operation with other developing countries, had yielded encouraging results. The review recommended some adjustment in the allocation of the remaining resources to better reflect newly evolving needs, particularly in planning and managing the Government's economic reform measures.

6. The mid-term review of the country programme for Nepal was introduced through a series of sectoral meetings in August 1988, covering agriculture, forestry, energy, industry, finance and economic planning. The concerned technical departments of the Government, the National Project Directors, the United Nations specialized agencies located in Nepal and the UNDP field office participated. This part of the review analysed the activities of the country programme at sectoral level and summarized the results achieved. Particular emphasis was placed on identifying issues of a cross-sectoral nature arising from the implementation of individual projects. Subsequent meetings between the Ministry of Finance, the National Planning Committee and UNDP analysed the relevance of the objectives of the country programme in the context of the Seventh Five-Year Plan, the basic need strategy of the Government and the substantive findings and recommendations of the Nepal country evaluation study undertaken by UNDP. The UNDP resource situation for the country programme was also reviewed. Other issues covered included the implementation and execution process, project design and specific project-related subjects. Particular attention was paid to private sector development, NGO involvement and participation of women in development. The concluding meeting of the review fully confirmed the thrust and direction of the programme and underlined the increasingly important role played by UNDP in sector programming and sector co-ordination.

7. The mid-term review of the country programme for the Lao People's Democratic Republic was held in December 1988. On the Government's side, representatives of the Foreign Ministry and Council of Ministers participated. United Nations system participation was restricted to UNDP headquarters and field office staff and to the implementation officers of organizations such as the United Nations Volunteers (UNV) and the United Nations Capital Development Fund (UNCDF). As it was the desire of the Government to keep the review exercise compact, neither technical ministries nor executing agencies were invited. The background documentation was prepared by the UNDP office. It contained a review of the implementation of the country programme and the evolving role of UNDP in the Lao People's Democratic Republic in the context of bilateral and other multilateral agency activities in the country. The meeting provided a good opportunity for the Government and UNDP to discuss and resolve operational issues such as: (a) delays in approval of experts; (b) lack of feedback on the results of fellowships; and (c) appointment of full-time national project directors. Overall programming issues, such as the mutual desire of the Government and UNDP to concentrate resources in certain key areas, were an important part of the review. Specific reference was made to new directions in the Lao economy; to implementation of the new economic management system and to the recently adopted foreign investment code. It was especially noted that the UNDP flexible, continuous programming system had allowed the rapid preparation and approval of several new projects which responded to the restructuring of the Lao economy but which had not been included in the country programme originally approved. Finally, the review meeting discussed preparation...
for the next country programme as well as the Government's strategy with regard to its fourth round-table meeting planned for April 1989.

8. The mid-term review of the country programme for India was held in February 1989. Two background documents for the review were prepared by UNDP, one of which provided an overall perspective of the implementation of the third country programme. The other document reviewed factors influencing the performance of UNDP projects in the programme. The review itself was held in two stages. The first stage involved a two-day meeting attended by officials of the Ministry of Finance and other concerned ministries, national project directors of UNDP-assisted projects, and representatives of United Nations system agencies and organizations and other bilateral and multilateral assistance organizations. The meeting included a review of the UNDP resource situation for the country programme, a high-level panel discussion on future orientations for the programme and working group sessions to discuss in detail issues such as project design, implementation and execution, as well as sectoral working groups on the main areas of focus in the country programme. The second stage involved intensive discussions with the Department of Economic Affairs of the Ministry of Finance on specific project-related issues concerning ongoing and pipeline projects in which decisions were taken concerning priority projects to be developed and implemented in the coming year. The review established the continued relevance of the third country programme and new projects added were in the framework of the current priorities. The review laid the groundwork for the full-scale programming exercise for the formulation of the fourth country programme, which will take place in the course of 1989.

9. UNDP has been providing support to the reconstruction and rehabilitation of Afghanistan through a range of measures. With the Secretary-General's approval, UNDP defined an initial rehabilitation strategy and organized an inter-agency consultation in April 1988. Following the appointment of Prince Sadruddin Aga Khan as United Nations Co-ordinator for Humanitarian and Economic Assistance to Afghanistan, UNDP has closely co-operated with the Co-ordinator in formulating and implementing a number of projects aimed at providing support to the overall rehabilitation effort. These include the establishment of a planning and co-ordination unit, support to NGOs working in the country and the organization of a comprehensive agricultural survey implemented through the Swedish Committee for Afghanistan. Other projects are concerned with seed testing and multiplication, the repair of irrigation systems and the provision of agricultural inputs. UNDP has also made available the services of a specialist to assist in mounting a public awareness campaign related to the dangers linked to mines and unexploded ordnance. Recent initiatives include the preparation of area development schemes and research aimed at developing building techniques relying only to a minimum extent on the use of wood.

10. For the intercountry programme, meetings of Government aid co-ordinators have been held every two and half years. The third such meeting, held in October 1986, to review the new intercountry programme for the fourth cycle marked the first time that bilateral donors were invited to observe and participate. The fourth meeting took place in Jakarta, Indonesia in March 1989 as part of the intercountry programme mid-term review and programming exercise. The status of the intercountry programme is presented in section V of this document.
II. RESOURCES AND DELIVERY

11. 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. This proportion will be largely maintained during the fourth five-year programming cycle, which began in 1987. The total indicative planning figure (IPF) resources available to the region for the fourth cycle are $1.5 billion. This includes carry-over from the previous cycle, and also reflects the significant increase in IPF levels approved by the Governing Council in 1988. The total resources available are 60 per cent higher than the expenditures in the previous cycle. Eighty-five per cent of the resources for the Asia and Pacific region have been allocated for country-specific projects and 15 per cent for intercountry projects.

12. The IPF figures do not provide the total picture, however, since they do not take into account cost-sharing, the Special Measures Fund for the Least Developed Countries (SMF/LDC) and Special Programme Resources (SPR) funding. For 1988, it is estimated that cost-sharing contributions by recipient countries and third parties amount to almost 8 per cent of total funds disbursed in the region. Estimated delivery in 1988 by source of funds is given in figure 1.

13. At the beginning of 1989, there were almost 1,700 country and regional projects ongoing in the region. In 1988, these projects delivered assistance funded from IPF sources valued at an estimated $240 million. This figure represents a marginal increase over 1987, when UNDP assistance to the region reached $234 million. IPF spending in the Asia and Pacific region since 1982 is represented in figure 2. The figure also includes the spending targets for 1989-1991.

14. The variegated need and the breadth of the development priorities to which UNDP resources respond in the region are represented in figure 3. As expected, figures for 1988 confirm past trends in the sectoral allocation of IPF resources with an increased share going to industry, science and technology. The largest sectors are: (a) agriculture, forestry and fishery; (b) industry; (c) natural resources; (d) general development issues, policy and planning; and (e) transport and communications.

15. Another interesting trend is found in the distribution of IPF funds between expenditure components. Figure 4 illustrates the growing importance of training in UNDP assistance. This is largely achieved at the expense of the equipment component, although the figures belie the pattern in some individual countries, such as the People's Republic of China and India, where equipment spending has relatively greater significance. Spending on personnel has been generally stable as a proportion of total funds if the personnel and sub-contract 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 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 by monetary totals alone.
Fig 1. Project spending by fund source, estimate for 1988.

Fig 3. IPF spending by sector, estimate for 1988.

Fig 4. IPF spending by budget component.
16. More control and supervision of projects by recipient Governments is being achieved through the growing proportion of UNDP projects that are Government executed. In 1988, it is estimated that expenditures on Government executed projects will increase from 9 to 11 per cent of total delivery. This proportion is expected to increase further during the fourth cycle as more new projects are chosen by Governments for self-execution. 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 Department of Technical Co-operation for Development (DTCD) remain the principal executing agencies. These three agencies together execute approximately 45 per cent of the UNDP programme in the Asia and Pacific region. The Bureau is actively encouraging the technical input of United Nations specialized agencies in the formulation, implementation and monitoring of Government-executed projects. The distribution between executing agencies of the UNDP IPF programme in Asia and the Pacific is represented in figure 5.

Fig 5. IPF spending by executing agency, estimate for 1988.
III. SPECIAL THEMES

17. Some special themes are assuming importance in the region during the fourth cycle, including management of the environment, the promotion of women in development, the utilization of NGOs, private sector development and Technical Co-operation among Developing Countries (TCDC).

18. Management of the environment. The pressure on the environment and on the natural resources of the region is mounting with the growth of population as well as with successes in economic growth. UNDP assistance covers the entire range of environmental concerns. Key project areas are deforestation, pollution, water supply and sanitation. There are also projects dealing with wildlife conservation, pesticides and toxic chemicals, land-use planning, mangrove preservation, typhoon and cyclone forecasting and energy. In addition, there are many projects in agriculture and industry which indirectly concern the environment. Overall awareness of environmental concerns is having a considerable impact on the content and scope of UNDP projects. As a promotional step, UNDP is organizing a series of country-level workshops on environment and sustainable development. The Bureau has also produced a programme paper on environmental concerns and UNDP activities in the Asia and Pacific region.

19. Women in development. Commensurate with the UNDP concern to reach the most vulnerable groups in society more directly, the Regional Bureau for Asia and the Pacific continues to promote the role of women in development both as participants and beneficiaries of mainstream programmes and projects. As part of this effort, a subregional training workshop will be held in Indonesia in May 1989 for UNDP professional field staff and their agency and Government counterparts. Training in this workshop is to be provided so as to help translate the concern with the promotion of women into concrete action through development projects. Meanwhile, the Bureau has continued to monitor the proportion of women in the region going on fellowships and study tours abroad. The average for 22 countries surveyed in 1988 was 16 per cent which represents no increase over 1987. UNDP field offices are seeking to promote greater involvement of women in project training opportunities.

20. Non-governmental organizations. The single largest indigenous NGO activity in UNDP - the UNV/Participatory Development Programme (PDP) programme in the Asia and Pacific region - continues to be funded from intercountry programme/IPF resources. This programme now covers 10 countries and directly involves over 100 Asia and Pacific NGOs in the implementation of project activities at the grass-roots level. The existence of this programme greatly facilitated the rapid launching of the "Partners in Development Programme" in several countries of the region which already had in place UNV/PDP mechanisms for developing, managing and monitoring NGO-implemented projects. The combining of these two instruments, the Partners in Development Programme and the UNV/PDP project, gives UNDP an extremely potent NGO working base in the region. Field offices have also been active in strengthening Government-NGO co-operation, in putting together directories of indigenous NGOs and their activities, and in holding planning sessions with NGOs to clarify priority areas for their involvement in United Nations and other donor-aided projects.

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21. Private sector development. UNDP initiative to encourage private sector participation in the development process started in 1987 and has met with positive response from the countries of the Asia and Pacific region. This is manifested by the impressive number of country-based and subregional private sector seminars which were held in 1988. In all, a total of 51 in-country seminars and three subregional seminars took place. These seminars covered a wide range of subject-matters such as small- and medium-scale industrial enterprises and privatization of public enterprises. The interest generated out of the 1988 exercise is likely to result in more concrete and tangible policy-level changes in favour of promoting independent and decentralized development initiatives. It should also help improve public sector efficiency. The year 1989 is expected to bring with it a more active public and private sector dialogue and sharing of experience among countries in the region.

22. Technical Co-operation among Developing Countries. The UNDP objective is to inculcate TCDC concepts into the whole gamut of activities supported by its funding, and not only within specific regions but between them. Thus, increasingly, UNDP-funded projects encourage the recruitment of experts, the conduct of training courses and the purchase of equipment in developing countries, thereby contributing to the cause of collective self-reliance in the broadest sense. In addition, there are certain promotional activities assisted by the Special Unit for Technical Co-operation among Developing Countries, such as the intergovernmental TCDC programming exercise for China in 1985. Implementation of the projects identified at that meeting continued until the end of 1988. A similar meeting was held for Pakistan in 1988 with the focus on TCDC in the fields of industry and science. Twenty-one countries participated in this meeting and some 160 TCDC activities between Pakistan and these countries were identified.

IV. AID CO-ORDINATION

23. There has been a major increase in UNDP support to aid planning and co-ordination in the Asia and Pacific region in the last few years. This aspect of UNDP work was given impetus by the October 1987 agreement between the Administrator and the World Bank President that the two organizations would in the future work more closely together in several areas, but particularly in preparing for consultative group and round-table meetings and in supporting aid co-ordination arrangements at the country level. This agreement stemmed from General Assembly resolutions as well as from the steady and persistent demand from donors and recipients alike that the largest multilateral providers of grant technical and loan capital assistance respectively should co-operate more closely.

24. Round-table meetings. Apart from the many IPF/SMF funded projects in development planning and economic management at the country and regional level, the major UNDP contribution to aid planning and co-ordination has been to round-table countries. These are those least developed countries in the region which have requested UNDP assistance in preparing for, and holding, round-table donor consultations at periodic intervals. The round-table process has been steadily refined since it started in the early 1980s. The quality of the economic and sector work has improved, the involvement of other donors in pre-meeting
preparation and consultation has intensified and, most significantly, the process by which the macro-economic framework established at the round-table meetings leads on to clearly defined priorities for external assistance, right down to the project level, has been greatly welcomed by donors. Indeed, several bilateral donors have said that round-table documentation provides a sufficiently sound framework for their own aid programming and will be used by them to justify individual project funding. It is this feature of the round-table process which gives it a dimension missing from the consultative group mechanism and which makes aid co-ordination easier for recipient Governments and donors alike. It also ensures an integrated approach to planning the use to which technical and capital assistance are put since the project profiles are set in a sectoral context and identify both technical and capital inputs required.

25. Consultative groups. In consultative group countries UNDP has, where requested by the Government concerned, taken an active role in supporting aid-related policy and sectoral studies. These have largely been prompted by the concern of the recipient Governments over the ever-expanding and increasingly complex array of aid sources, each with its own set of policies, sectoral interests, programming procedures, conditions and formats. These impose major burdens of management on Governments' hard pressed aid administrations as well as confusion and inefficiency at the sectoral and project level. UNDP involvement has ranged from overall aid impact studies to detailed planning and co-ordination of external aid, capital and technical, at the sectoral level.

26. Development co-operation reports. The intensified aid co-ordination work described above has been accompanied by a major effort to improve the quality and timeliness of development co-operation reports, the production of which is now, in most countries, determined by the timing of donor consultation arrangements, whether of the round-table or consultative group type. Assistance has been provided to field offices in data collection, processing and analysis. The reports themselves are now printed in a uniform and attractive format. Several field offices have developed computer-assisted systems to help produce the development co-operation reports; that for Indonesia has been widely disseminated to other field offices and an improved system for Pakistan and Nepal is in process.

27. A comprehensive review of UNDP aid co-ordination activities in the region is currently being prepared and should be available by June 1989.

V. INTERCOUNTRY PROGRAMME

28. The second year of the fourth intercountry programming cycle was marked by an increase in UNDP assistance disbursed to over $35 million. The total amount of new IPF resources allocated to the programme in this cycle is $211 million. These figures do not give the complete delivery picture, however, since the UNDP dollar is not the full measure of project spending. The intercountry programme continues to generate an ever-growing amount of cost-sharing and co-financing from participating as well as donor countries, with each UNDP dollar helping to mobilize the equivalent of $1.60 in additional spending.
29. At the beginning of 1989, there were 260 regional projects in the course of implementation and a firm pipeline comprising a further 65. In terms of the ongoing projects under the seven major sectors addressed by the intercountry programme, transport and communications continues to receive the largest allocation, with 24 per cent of all programmed resources. The priority accorded to this sector is in keeping with the needs of the region's Decade for Transport and Communications which began in 1985. In resource terms, the next most important sectors in the current programme is natural resources (with 19 per cent of programmed resources) and agriculture, forestry and fisheries (16 per cent).

30. Nearly one third of resources is allocated specifically to designated categories of countries: the major subregions of the South Pacific and the Association of South-East Asian Nations (ASEAN), and to the LDCs. Total programmed resources for the South Pacific amount to approximately $35 million and will actually exceed slightly the allocations to the same countries from country IPFs. The six-country ASEAN grouping will receive an allocation of nearly $11 million in the current cycle, and the nine LDCs (Afghanistan, Bangladesh, Bhutan, Burma, Lao People's Democratic Republic, Maldives, Nepal, Samoa and Vanuatu) an approximately equivalent amount. All countries in these three groupings will also benefit from their individual participation in region-wide UNDP projects.

31. The linkages between regional and country projects are receiving increased attention. The distinct emphasis on forging intercountry co-operation does not preclude linkages between country and intercountry projects. Indeed, there are also examples where regional projects precede, accompany, or follow country initiatives. In a recent survey of 17 countries of the region, it was determined that about one out of three ongoing regional projects have such linkages. The establishment of such ties helps in consolidating the practical results of regional as well as country programmes and enhances their relevance to national development efforts.

32. Several other features of growing importance in the intercountry programme merit particular attention. UNDP is committed to locating project headquarters in as many countries as possible. From a limited number in the early 1970s, the list of host countries has grown to 18. There are also 10 projects with two or more host countries and this number is likely to increase as the principle of networking is given growing importance. Network-based projects now comprise around one fifth of the total in the current cycle and further growth is likely as this valuable means of building collective self-reliance is pursued. Finally, TCDC continues to form an integral part of the intercountry programme. It is estimated that nearly half of all ongoing projects utilize TCDC elements in conducting their activities.

33. At the fourth meeting of aid co-ordinators (MAC IV) in Jakarta in March 1989, the performance of the fourth cycle intercountry programme was reviewed at its mid-point, and 65 new projects, to be financed with the balance of the intercountry programme funds, were approved for implementation. The meeting was attended by the heads of the principal aid co-ordination departments as well as other officials from 28 Governments of the region, representatives of 18 donor countries, representatives of all the major United Nations agencies, as well as 23 UNDP Resident Representatives. The meeting considered a detailed analysis of all
ongoing projects and endorsed a final list of projects which had been selected on the basis of priorities assigned by the Governments themselves. The meeting also considered five themes of contemporary importance: participatory approaches to development; public-private sector partnerships; networks as a basis for collective self-reliance; TCDC; and Government execution.