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INTRODUCTION BY THE ADMINISTRATOR

A WATERSHED FOR TECHNICAL CO-OPERATION

1. Four decades have passed since the United Nations programme of technical co-operation was started. This is therefore an appropriate time not only to take stock of the work of the United Nations Development Programme (UNDP) in 1989, but also to consider its role in the 1990s in the face of rapidly changing global conditions and in the light of the lessons that have been learned over the past 40 years.
2. UNDP enters the new decade with a clear mandate from the Governing Council and the General Assembly to continue and strengthen its central funding and co-ordinating roles within the United Nations development system. It faces the 1990s with a firm commitment to the principles of universality and neutrality, which it sees as fundamental to its international credibility. Determined to build on the solid record of achievement since its creation, UNDP is also resolved to improve its policies and methods of operation, based on a careful re-examination of the organization and its goals.
3. While the 1990s contain bright prospects for development, it will first be necessary to address the considerable difficulties which have faced the developing world during the 1980s and which are likely to continue for some time. Governments of many developing countries find their resources increasingly curtailed by rising debt and falling commodity prices. In addition, many are grappling with the consequences of the structural adjustment process. All of this has led to a reduction in public spending, which in turn has put added pressure on external sources of assistance. Hence, UNDP is more than ever conscious of the need to deploy development assistance to maximum effectiveness. This is true whether it comes in the form of large-scale programmes executed at government level or in the form of smaller-scale, grass-roots projects.

4. Consequently, efforts are being made within UNDP to develop and improve the means of technical co-operation by: (a) enhancing self-reliance on the part of the countries with which UNDP is engaged in technical co-operation; (b) improving cost-effectiveness in the use of resources; (c) providing a more sensitive response to the needs of developing countries; (d) achieving more durable solutions and more sustainable development.

5. At the same time, UNDP is participating in fundamental changes in the whole nature of technical co-operation. In the past, such co-operation tended to be a one-way transfer of technology, based on a straightforward supply approach. This is now seen to be inadequate to meet the complex demands of sustainable development. Instead, a new form of technical co-operation has arisen, in which development agencies and partner countries work together and learn from each other. Furthermore, the concept of development itself is evolving towards a more integrated approach, bringing together the global, regional, national and local contexts, adopting multi-sectoral approaches and co-ordinating economic and technological strategies with other considerations such as human and environmental factors.

6. In addition to its work at the country level, UNDP attaches great importance to its global, interregional and intercountry programmes. Through these, UNDP is able to play a leading role in addressing problems, such as those of the environment, that transcend national boundaries. These programmes have also proved a highly effective means of helping countries to exchange knowledge and skills and to share technological research that most nations could not afford on their own. In this way, UNDP is helping to build self-sustaining international networks for information exchange and thus to encourage the constant search for new knowledge that is essential to sustainable development.

I. FOSTERING INTEGRATED DEVELOPMENT

A. The human element

7. One of the major events for UNDP at the beginning of this decade was the publication of the Human Development Report, 1990. The report, published by Oxford University Press and designed to be updated every year, is an uncompromising look at the state of human development around the world over the past 30 years. The report goes beyond the usual focus on gross national product (GNP) and other economic indicators in each country to explore the factors that make the inhabitants of some nations healthy, well educated and productive, and leave others far behind.

8. The book combines three indices - life expectancy at birth, adult literacy rates and purchasing power - to create a single "human development index", and then examines and ranks countries in the light of that index. The following are some of the basic points made in the report.

9. Human development can reach high levels even in countries with low per capita income. For example, one country with average per capita income of \$400 a year

manages a life expectancy of 71 years and an adult literacy rate of 87 per cent, while another country with annual per capita income of over \$2,000 has an average life expectancy of only 65 years and an adult literacy rate of 78 per cent. The difference lies in the degree to which scarce resources are deliberately directed towards human development, the report concludes.

10. There are enormous differences in human development, not only between countries of the North and South, but between one poor country and another, between the urban and rural populations within one country, and, perhaps most significantly, between men and women in the same village or household. Correcting the imbalances should be one of the basic goals of the development community and the nations involved.

11. Education contributes a critical element of human development. In addition to its own intrinsic value, education can change people's lives dramatically, enabling them better to understand nature, politics, economics, culture and social values and relations. Ideally, however, education should be matched by improvement in material and other factors. Thus, a better educated farmer will become more productive only if he or she has access to necessary seed and water. The need to make education an integral part of human development strategies for the 1990s was discussed at the World Conference on Education for All (5-9 March 1990, in Jomtien, Thailand) of which UNDP, the United Nations Educational, Scientific and Cultural Organization (UNESCO), the United Nations Children's Fund (UNICEF) and the World Bank were the joint sponsors.

12. Specific action can be taken to increase levels of human development. Measures recommended in the report include: revision of national budgets to increase spending on basic health care, nutrition, education and employment; reduction of spending for military purposes; curtailment of spending that favours the richer segments of society; raising the education levels of women; focusing on the needs of the rural population.

13. The Human Development Report, 1990 shows that, while economic growth is vital to improved living conditions, growth alone is no guarantee of human development. UNDP stands ready to assist Governments wishing to review options for accelerated human development. UNDP can bring together the full gamut of its multidisciplinary experience with the expertise of the other relevant United Nations system bodies, including UNESCO, UNICEF, the World Health Organization (WHO), the United Nations Industrial Development Organization (UNIDO), the International Labour Organisation (ILO), the Food and Agriculture Organization of the United Nations (FAO) and the United Nations Office at Vienna.

14. One of the human issues that stands out as being of special global concern at the present time is that of drug abuse. A major theme considered by the General Assembly at its forty-fourth session was the question of how this problem can be combated. UNDP will continue to play its part in the effort against illegal narcotics, in collaboration with the United Nations Fund for Drug Abuse Control (UNFDAC) and other United Nations agencies.

15. In the realm of human health, one of the gravest threats is the world-wide epidemic of acquired immunodeficiency syndrome (AIDS). Throughout the world, the care of AIDS patients places enormous burdens on health resources, and the interaction of the human immunodeficiency virus (HIV) with other diseases sparks outbreaks of otherwise controllable infections. AIDS also undermines economic development by robbing countries of men and women in their prime working years.

16. UNDP is supporting AIDS programmes at global, regional and country levels. In April 1988, the WHO/UNDP Alliance to Combat AIDS was formed to step up the global struggle against the disease. The Alliance is consistent with General Assembly resolution 42/8 of 26 October 1987, which emphasized the need to have a well co-ordinated, multi-sectoral approach to the problem by the United Nations system. With regard to national programmes, UNDP supports, where appropriate, the inclusion of an AIDS component in existing UNDP-assisted projects as well as the design of new projects dealing with AIDS exclusively.

17. UNDP was one of the many groups and organizations throughout the world that played a part in the second World AIDS Day, on 1 December 1989. The aim of the event is to strengthen AIDS prevention, encourage respect for sufferers and promote co-operation in combating the disease. The second World AIDS Day focused on the problem of AIDS in relation to youth.

18. UNDP continues to be active in many other areas of health promotion, such as the global effort to improve water and sanitation services in the developing world. The International Drinking Water Supply and Sanitation Decade, in which UNDP plays a leading role in collaboration with WHO, UNICEF, the World Bank and other donors, is due to end in 1990. In September 1990, UNDP is organizing an international consultation in New Delhi, hosted by the Government of India, to plan strategies for the expansion of water supply and sanitation in the 1990s and beyond.

B. Promoting effective management

19. In line with the main programme directions set out by the Governing Council at its thirty-sixth session (1989), UNDP is endeavouring to increase the capacity of partner countries to manage their own development and is encouraging those countries to take an increasing share of the responsibility for programming and implementation.

20. In shaping its policies for the new decade, UNDP is paying particular attention to the report of the Director-General for Development and International Economic Co-operation for the triennial policy review of operational activities for development presented to the General Assembly at its forty-fourth session (A/44/324-E/1989/106 and Add.1-4). UNDP is also responding to General Assembly resolution 44/211 of 22 December 1989, arising out of the review. Accordingly, UNDP is accelerating the movement towards national execution of projects, promoting decentralization to the field and encouraging recipients to put forward programme initiatives.

21. In recent years, there has been a growing tendency for Governments to increase the participation of the private sector in development activities. UNDP continues to broaden its contribution to private-sector initiatives and the promotion of entrepreneurship. In Eastern Europe, where dramatic changes in the economic system are taking place, UNDP stands ready to build on its past involvement in the region and provide advice and expertise. It also offers its services to assist in generating and channelling some of the additional donor resources needed.

22. The Management Development Programme (MDP), which was established by the Governing Council in 1988, started its operations in 1989 with resources of \$60 million. The programme focuses particularly on low-income countries whose Governments are endeavouring to improve management in the public sector. Interest in MDP is considerable. By the end of 1989, more than 60 countries had requested support, and projects had been approved in 13 countries. Needs assessments and programming missions had been undertaken in 30 more countries. Several of the approved projects support policies of structural adjustment and reorientation towards greater reliance on market forces. Others are assisting recipients in improving their aid management capability. The MDP is implemented by the Regional Bureaux in collaboration with the Management Development Support Unit in the Bureau for Programme Policy and Evaluation (BPPE).

C. Special mechanisms

23. The Office for Project Services, established in 1973 as the Office of Project Execution and given its present name in 1985, was created in response to requests from Governments for support services in technical co-operation. It has continued to expand, albeit at a somewhat reduced rate. Project expenditures have increased by about 20 per cent over the previous year. In particular, activities undertaken on behalf of the International Fund for Agricultural Development (IFAD) have intensified, bringing the OPS portfolio to 52 ongoing loan projects, valued at more than \$400 million, for which loan administration and project supervision services are being rendered. On behalf of 10 countries in Africa, OPS is providing management services for the procurement of goods and equipment under an \$80 million grant from Japan. Support services are increasingly being provided by OPS to MDP, as well as to the expanded operations of the United Nations Capital Development Fund (UNCDF). A special arrangement with the Government of Bolivia for procurement of goods and services will continue into 1992.

24. An important part of the UNDP mandate is to ensure that women as well as men are beneficiaries of technical co-operation and active participants in it. The Division for Women in Development (DWID) was established in 1987 to provide support and guidance to UNDP in fulfilling this mandate. The Division continues to play an important advocacy role within UNDP by identifying relevant women's issues, and by making sure that the women-in-development dimension is fully integrated into overall policy. DWID is currently concerned with strengthening sensitivity to women's issues in personnel policies, staff training and operational procedures, as well as in programme and project design, evaluation and implementation. DWID has issued a set of sectoral guidelines on women in development for project formulation, which are available in English, French, Spanish and Arabic. The Division works closely with the United Nations Development Fund for Women (UNIFEM)

on the development of complementary work programmes. UNIFEM is a UNDP administered fund, while DWID is a staff and programme development facility.

25. UNDP has also been active in the Sub-group on Women in Development of the Joint Consultative Group on Policy. The training sessions conducted by the Sub-group are intended to promote sensitivity to women's interests in the planning of projects.

26. The least developed countries (LDCs) present special problems with regard to technical co-operation. In most of these countries, there is an urgent need to develop an institutional capacity to manage economic reform if sustainable development is to be achieved. UNDP is playing a part in building this capacity, while making efforts to speed the process of economic recovery.

27. During 1989, preparations took place for the Second United Nations Conference on the Least Developed Countries, due to be held in Paris in September 1990 and organized chiefly by the United Nations Conference on Trade and Development (UNCTAD). UNDP, through its Special Measures Fund for the Least Developed Countries (SMF/LDC), is contributing \$1.3 million to the preparations for the conference. Proposals for the revamping of the SMF/LDC were submitted to the Governing Council at its special session in February 1990. LDCs have expressed a strong interest in increased capital assistance of the type provided by UNCDF acting as the investment arm of UNDP, often in combination with UNDP technical support.

28. Various other UNDP mechanisms are of special relevance to LDCs. The Africa Project Development Facility was founded in 1986 by UNDP together with the African Development Bank (AfDB) and the International Finance Corporation (IFC), supported by other agencies and donor countries. Its aim is to assist medium-sized African business enterprises. So far it has helped some 47 companies by finding sources of funding and providing a business advisory service. UNDP is also one of the sponsors of the African Management Services Company, launched in April 1989 to assist African companies that are potentially viable but lack efficient management.

29. The Division for Non-Governmental Organizations (NGOs) continues to expand its activities. In 1989, its efforts focused on strengthening government-NGO relations in developing countries and on building development capacities of indigenous NGOs. Steps were taken to develop national NGO data bases in Cameroon, Ghana, Mauritania, the Philippines and Tunisia.

30. Two innovative programmes in support of NGO activities grew significantly last year. The Partners in Development Programme, which permits UNDP resident representatives to allocate up to \$25,000 per country for NGO projects, was extended to 62 countries. Of the 170 NGO projects funded in 1989, 80 per cent supported self-help initiatives by vulnerable population groups. These included poultry-raising to train young people in the Central African Republic and Zimbabwe; building fishing boats for use by unemployed women and youth in Fiji; and food-processing operations by small farmers in Costa Rica and by women in Peru. The programme was funded by \$1 million from Special Programme Resources (SPR) and \$500,000 from the SMF/LDC. External funding is being sought.

31. The other new NGO programme is the Africa 2000 Network, which supports community and NGO activities in preserving the environment and promoting ecologically sustainable development in Africa. In 1989, this began operating in seven countries, and preparatory missions laid the groundwork for extending the programme to half a dozen more. Contributions to the Network, which has a five-year budget of \$25 million, have been given or pledged by the Governments of Canada, Denmark, France, Japan and Norway.
32. The Special Unit for Technical Co-operation among Developing Countries (TCDC) has continued to support projects and activities involving interchanges of skill and technology between developing countries. Up to the end of 1989, more than 2,000 TCDC projects have been identified, many of which have been completed or are under implementation. The Unit has increased training activities with the goal of establishing the use of TCDC as a standard tool for project design and implementation within the United Nations development system. In preparation for the sixth session of the High-Level Committee on the Review of TCDC, held in September 1989, a review of TCDC activity over the past decade was undertaken. The TCDC Information Referral System, INRES-South, continued to expand its information capacity.
33. Transfer of Knowledge through Expatriate Nationals (TOKTEN), started 11 years ago to bring skilled expatriate personnel back to their countries of origin on short-term consultancies, continues to make excellent progress. During 1989, three additional countries - Malta, Viet Nam and Poland - adopted this scheme, while two others - the Islamic Republic of Iran and Jamaica - are expected to join soon. Altogether, the programme operated in 27 countries during the year, and 370 missions were accomplished. TOKTEN has proved to be a very effective way of helping to counter the brain drain from developing countries.
34. The Short-Term Advisory Services (STAS) programme continued to expand its outreach in 1989. STAS completed 70 advisory missions to 45 countries and was active for the first time in Bangladesh, Laos and Poland. Prospects for the 1990s are excellent, with many private sector and parastatal enterprises expected to make greater use of the programme to assess and diagnose their technical, managerial and related problems.
35. Outside its core resources, UNDP administers a number of special funds to meet particular needs. UNCDF provides financing for small-scale investments, especially in LDCs, that are likely to bring early and tangible benefits to the poor. With 1990 pledges exceeding \$42 million, UNCDF now has about 250 projects in progress, with a total value of over \$480 million. UNIFEM helps to enable women to play their full part in all aspects of development. Pledges received by UNIFEM for 1990 amount to \$6.7 million, an increase of 18 per cent over 1989. The United Nations Revolving Fund for Natural Resources Exploration (UNRFNRE) assists mining and geothermal energy projects. In 1989, the Fund was active in Peru, Honduras, China, Ghana, Guatemala and the Philippines. The United Nations Fund for Science and Technology for Development (UNFSTD) supports a wide variety of scientific and technological projects in 18 developing countries as well as several regional and interregional projects covering Africa, Asia and Latin America. The United Nations Sudano-Sahelian Office (UNSO) is active in combating the effects of drought and

desertification in 22 African countries. In 1989, it deployed over \$25 million to support projects and programmes in natural resource management. United Nations Volunteers (UNV), based in Geneva, has proved a highly successful and cost-effective vehicle for supplying personnel with specialized skills to developing countries. During the course of 1989, a total of 1,801 UNV specialists served in 108 countries.

D. Environment

36. At a time when development prospects are increasingly linked to national, regional and global environmental concerns, UNDP is engaged in wide-ranging efforts to help Governments combat the threat to the biosphere and to acquire the technology and management capability for sustainable use of natural resources. Bearing in mind that poverty and adverse economic conditions are major threats to the environment, UNDP, as a world development agency, is playing a key role by promoting the concept of sustainable development and enabling Governments to carry out environment-sensitive policies.

37. These efforts are in line with the recommendations of the United Nations World Commission on Environment and Development and consistent with the UNDP environmental strategy and action plan for the 1990s, as contained in the report of the Administrator on the environment: trends and perspectives (DP/1989/63). They are also consistent with the objectives of the 1992 Conference on Environment and Development.

38. UNDP aims to bring environmental awareness into all levels and facets of its operations. To this end, an environmental action team has been established to play a co-ordinating role between the various bureaux, divisions and funds. An 18-minute video film, entitled "Borrowed from Our Future", has been produced by UNDP to be used in training and for public information.

39. Furthermore, an effort is being made to promote environmental consciousness and appropriate action at the field level through a series of workshops, supported by SPR, on the environment and sustainable development, involving field staff, government officials, NGOs and distinguished national and international environmentalists. A total of 78 field offices have participated in national and/or regional workshops of this kind since their initiation in 1989. The launching of the sustainable development network will help to enhance the capacities of developing countries for environmentally sound and sustainable development and to strengthen their participation in international co-operation in this area. Technical co-operation and pre-investment activities for the transfer of environmental technologies to developing countries are being expanded in collaboration with the United Nations Environment Programme (UNEP) and the World Bank.

40. The year 1989 also saw the drafting of the UNDP environmental management guidelines to assist UNDP staff in incorporating the principles of environmental management and sustainable development into their daily activities. Following testing at the field level, the guidelines will be revised and a training process started to promote the principles of environment-sensitive development in the field.

41. Specific projects of an environmental nature undertaken recently include a survey for the phase-out of chlorofluorocarbons in China, further development of the Tropical Forestry Plan of Action, and the expansion of air and climate monitoring systems in developing countries. At the regional level, the number of environmental projects has continued to rise.

42. UNDP is actively supporting preparations for the United Nations Conference on Environment and Development, to be held in Brazil in 1992. UNDP attaches major importance to this conference and expects that its outcome will shape development co-operation for decades to come.

II. EMERGENCIES AND SPECIAL RESPONSIBILITIES

A. Natural disasters: preparation and response

43. Over the past 30 to 40 years, population growth, among other factors, has increased vulnerability to natural disasters. It is also now widely recognized that the incidence of recurrent disasters has increased, as demonstrated by drought in East Africa and the Sahel and floods in South Asia.

44. As was to be expected, therefore, 1989 saw a continuing response by UNDP to natural disasters. The Organization has also made efforts to improve the scope and effectiveness of its disaster-preparedness and response mechanisms, in line with the findings of a far-reaching evaluation undertaken by UNDP in collaboration with the United Nations Disaster Relief Organization (UNDRO).

45. An increasing number of Governments are looking to UNDP field offices, not only to provide assistance from UNDP resources (particularly in longer-term rehabilitation), but also to assist them in co-ordinating donor response in general and in enhancing their own permanent planning and execution capabilities. UNDP has therefore also been working to improve the capability of field offices to carry out a co-ordinating function in natural disaster situations.

46. The years 1990 and 1991 will see expanded training of UNDP resident representatives (who also represent UNDRO in their countries of assignment) and their staffs in disaster management, as well as improved co-ordination of donor response and the linking of disaster-preparedness to mainstream development.

47. In all of these activities, the underlying premise is that there is no such thing as a disaster that affects only one sector, such as agriculture, industry or tourism. The results of famine in East Africa, floods in Bangladesh and hurricane Hugo in the Caribbean have amply demonstrated that the effects of such natural disasters undermine the development process across all sectors of a nation's economy.

B. Supporting peace

48. Man-made conflicts continued to cause large-scale human suffering and disruption in many parts of the world in 1989. Areas where UNDP has been active in

alleviating the consequences and in aiding the reintegration of refugees and displaced persons include Afghanistan, Pakistan, Thailand, Central America and many parts of Africa.

49. UNDP took an active part - along with the Office of the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Secretariat - in preparing a special conference on the plight of refugees, returnees and displaced persons in Central America. In that part of the world, UNDP took the lead in the preparation, resource mobilization and co-ordination of the Special Plan for Economic Co-operation (PEC), which deals with both the immediate and longer-term requirements to support the political peace process in which the five Central American Governments engaged as a result of the Esquipulas II Agreement. Among the immediate measures to support the peace process, special attention was given to alleviating the conditions of uprooted people. In response, a Programme of Assistance to Displaced Persons, Refugees and Returnees (PRODERE), administered by OPS, was set up. PRODERE has a financial commitment of \$115 million from Italy, and it is hoped that other countries will also contribute.

50. The experience accumulated during the past two decades in providing assistance to refugees and displaced persons has shown that such assistance must be closely linked to the development process. It must be conceived in such a way that longer-term development needs are taken into account as well as the immediate necessity to save lives.

51. The Executive Committee of UNHCR, at its fortieth meeting (October 1989), singled out UNDP as a particularly important partner. It asked the High Commissioner to enter into consultations as soon as possible with UNDP and other international organizations on ways of addressing the problem of refugees and returnees. UNDP will continue to make an important contribution to meeting the needs in this area.

III. ORGANIZATION AND OPERATIONS

52. This past year has marked a turning point in the manner in which UNDP operations are to be conducted, following a number of decisions taken by the Governing Council and the General Assembly aimed at improving the performance of the United Nations system in operational activities. Some strengthening of the programming processes and further decentralization of authority to the field are anticipated, while a benchmark review of the system for executing projects is already under way.

A. Allocation of resources

53. UNDP is now past the mid-point of its fourth programming cycle. The extra resources allocated by the Governing Council in 1988 have now been translated into substantial programme growth. In 1990, the value of programmes delivered will be 46 per cent higher than in 1987. If UNDP is to reach the target of doubling programme delivery in the fifth programming cycle (1992-1996), an increase in donations of 16 per cent will be necessary.

54. A review of the criteria for allocation of resources is intended for the fifth programming cycle. Discussions on this subject took place during 1989 and are continuing into 1990.

B. Programming of technical co-operation

55. A key element of UNDP policy for the 1990s is a more programme-oriented approach, rather than the traditional project-by-project approach, which has tended to lead to a scattering of resources on many disparate activities. Programme-oriented development involves linking projects to composite themes on the basis of consultations between UNDP, recipient Governments and agencies, so that greater coherence is achieved, the administrative burden is lightened and, most importantly, the effectiveness of UNDP assistance is enhanced.

56. UNDP is examining, with its participating agencies, the manner in which the shift from project to programme approaches can most effectively be made. In the area of co-ordination, an excellent example is the work that UNDP has done in Africa and elsewhere through the round-table consultation meetings, which bring together developing countries and their donors. UNDP has also assisted over 20 Governments in initiating National technical co-operation assessments and programmes (NaTCAPs), which are designed to draw up technical co-operation strategies in line with the overall needs of a country.

C. Funding and project implementation

57. UNDP recognizes the need to expand national execution of projects and is determined that this shall take place as rapidly as possible. The problems to be faced during this expansion will inevitably require considerable efforts on the part of UNDP staff and entail additional pressure on field offices. The task is, however, being tackled with resolve in accordance with paragraph 7 of part I.A. of Governing Council decision 89/20 of 30 June 1989, which stressed that "government execution should be the ultimate modality for all UNDP-supported projects".

58. The shift to national/government execution will require the development of new management processes to ensure that the Administrator's accountability for funds is fully exercised. This will involve monitoring and verifying the effective use of funds for the purposes agreed upon with the recipient country. To this end, UNDP has already modified some of its procedures, and work is continuing in this area.

59. Greater decentralization of authority to the field requires improved management procedures which assist the resident representatives in better exercising their increased authority over UNDP-funded activities. These procedures should, at the same time, enable resident representatives to perform more effectively their enlarged role as resident co-ordinators for the operations of the entire United Nations system at the country level.

D. Staff

60. Having always recognized that conditions of service are critical to the quality and effectiveness of programmes, UNDP has been playing a key role in achieving a major revision of the compensation package for professional staff. The comprehensive review of conditions of service, requested by the General Assembly at the end of 1987 and co-ordinated by the International Civil Service Commission, has now reached the end of its first major phase. The most significant result of this is a major overhaul of the conditions of service for staff serving in the field, particularly those who are mobile and who serve in hardship locations. The revised system, approved by the General Assembly and due to be implemented in 1990, is also simpler and easier to understand. Following a long period of deterioration in the relative conditions of service of the staff, it is hoped that these changes will be an important first step in improving the competitive position of UNDP and other United Nations system employers.

61. The past year saw major changes in recruitment procedures, aimed at raising the standards of UNDP staff by applying tougher selection standards. The Management Training Programme grew considerably, with over 1,000 candidates being evaluated and 40 finally being offered positions. Interview panels, to ensure equity and the involvement of managers in recruitment, were developed further. Mid-career applicants and national professional staff seeking international posts were interviewed by special panels. A record was set with the filling of 140 vacant professional posts.

62. In 1989, the Staff Development and Placement Section of the Division of Personnel managed a large volume of operational work and introduced several new initiatives. The Section reassigned, placed, seconded, loaned or transferred approximately 300 international staff globally. An innovation in 1989 was the introduction of consultations with the Regional Bureaux so as to provide more time and greater co-ordination in the planning of reassignments. The Section also continued to provide career counselling services for staff and to manage the servicing of the appointment and promotion machinery. The Special Post Advisory Group, the job classification panel for professional posts, and the performance appraisal system all continued to fulfil their functions. The Section, having spent over a year designing a new performance appraisal system, carried out a pilot test of the new system involving some 300 staff at headquarters and in the field. It is planned that the system will be launched organization-wide in 1990. Another recent initiative was the introduction of tailor-made training linked to reassignment so as to expand career opportunities for staff members. Work continued on a new career development policy for national officers, culminating in a pilot career development seminar, held in November. Initial work was carried out on the issue of spouse employment.

E. Project review, approval and delivery

63. UNDP main project expenditure rose for the fifth consecutive year from \$832.6 million in 1988 to \$899 million in 1989.

64. The Action Committee, created in 1986, continues to fulfil and consolidate its role as a senior management vehicle for reviewing projects and improving programme quality. In 1989, the Committee approved 468 new projects and project revisions. Since its inception in October 1986, it has approved 1,647 projects with a total value of more than \$2.4 billion.

65. The total number of project approvals in 1989, including those approved in the field, was 1,441, representing a total value of \$673.6 million.

F. Resources

66. Contributions to UNDP and trust funds administered by UNDP for 1990 reached \$1.3 billion. This figure, which represents an increase of 5 per cent over the 1989 level, included nearly \$1 billion for the UNDP core budget, as well as contributions to UNDP-administered funds and co-financing.

67. The indicative planning figure (IPF) expenditure for 1989 is expected to be slightly lower than the forecast of \$760 million. This amount does not include cost-sharing, which could add as much as \$120 million to the programme expenditure. In order to reach the IPF expenditure targets for 1990, 1991 and 1992, approved annual budgets in excess of \$1 billion will be necessary. Donors are mindful of increased UNDP participation in themes considered to be of global priority. These include poverty alleviation, women in development, safeguarding the environment, resettlement of refugees and displaced persons, combating the AIDS epidemic, and human resource development. In these areas, as in all of its day-to-day project work, UNDP stands ready and willing to meet the challenges of technical co-operation in the coming decade. UNDP hopes that donors will make available the substantially increased resources necessary to meet those challenges and maintain real and sustained programme growth in the 1990s.
