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SUPPORT

PROGRAMME IMPLEMENTATION

IMPLEMENTATION OF DECISIONS ADOPTED BY THE GOVERNING COUNCIL AT ITS
PREVIOUS SESSIONS

Management Development Programme

Report of the Administrator

SUMMARY

The Governing Council, at its thirty-sixth session, requested the Administrator to report to the Council at its thirty-seventh session on the implementation of the Management Development Programme (MDP) (decision 89/39).

The operational activities of MDP began towards the end of 1988 and the present report covers the period up to 1 February 1990. By that time more than 60 Governments had requested support from UNDP under MDP. Sixteen country projects had been approved.

Governing Council decisions. Guidelines for MDP

1. At its thirty-sixth session the Governing Council requested the Administrator to report to the Council at its thirty-seventh session (1990) on the implementation of the Management Development Programme (MDP) (decision 89/39). The present report is submitted in response to that request.

2. MDP was established by the Governing Council on 1 July 1988 (decision 88/31 A, para. 10). Preliminary guidelines for MDP were presented to the Governing Council at its meeting in February 1989. On the basis of the discussion at that session, they were revised and submitted to the Council at its thirty-sixth session in June 1989. In decision 89/39 the Council took note of the revised guidelines (DP/1989/59) and requested the Administrator to continue his efforts to implement MDP on the basis of decision 88/31.

Implementation of MDP

3. The operational activities of MDP began towards the end of 1988. Thus the present report on the implementation of MDP covering the period up to 1 February 1990 provides information on what has been achieved during slightly more than one year's operations.

4. By 1 February 1990, more than 60 Governments had requested support from the United Nations Development Programme (UNDP) under MDP. Reconnaissance and/or programming missions had been undertaken to 44 countries. 1/ Three other countries received planning missions under the Special Action Programme for Administration and Management (SAPAM) during the same period. Sixteen country projects had been approved (see table 1). The total MDP contribution to the approved projects was \$16.3 million. Including contributions from IPF, the total value of the projects was \$23.1 million.

5. In line with the principle laid down by the Governing Council that there would be a fair regional balance in administering the funds available under the programme and that no more than 50 per cent of the resources would be allocated to programmes in one region, the Administrator has made a tentative allocation of funds per region as presented in table 2. The table also contains information about the regional distribution of commitments for approved projects. Out of the uncommitted funds of \$37.2 million, around \$12 million worth of projects was programmed by 1 February 1990. The remainder has been earmarked for other programmes under development.

6. The guidelines for MDP offer a wide choice of specific areas for intervention with a view to strengthening management capacity and improving efficiency and effectiveness in the public sector. The actual focus of each programme will depend on the priorities of Government and needs assessments. In the case of the approved projects it is mainly the following areas which receive attention:

(a) Streamlining of government machinery, including creation or strengthening of institutions for administrative reform and units for information management and organizations and methods;

Table 1. Countries with approved MDP-supported projects

<u>Country</u>	<u>MDP contribution</u> \$	<u>IPF contribution</u> \$
Argentina	750 000	
Bolivia	1 750 000	
Cape Verde	418 000	
Ecuador	705 000	
Guinea	1 000 000	1 371 000
Guinea-Bissau	1 000 000	659 084
Guyana	1 300 000	
Jordan	788 600	
Madagascar	1 000 000	4 000 000
Maldives	550 000	446 998
Mongolia	1 400 000	300 000
Myanmar	1 215 000	
Tunisia	900 000	
Uganda	1 299 488	
Uruguay	521 900	
Viet Nam	<u>1 695 000</u>	<u> </u>
Total	<u>16 292 988</u>	<u>6 777 082</u>

Table 2. Regional distribution of project funds

	<u>Allocations</u>		<u>Commitment by 1 February 1990</u>	
	\$	Percentage	\$	Percentage
RBA	24 500 000	46.5	RBA 4 718 000	29
RBAP	12 500 000	23.5	RBAP 4 815 000	30
RBASE	8 250 000	15	RBASE 1 700 000	10
RBLAC	8 250 000	15	RBLAC 5 027 000	31
Total project funds	<u>53 500 000</u>	100	<u>16 260 000</u>	100

(b) Civil service reform, including issues of remuneration;

(c) Human resources management, including personnel management and management education and training;

(d) Financial management;

(e) Strengthening capacity for macro-economic analysis and policy formulation;

(f) Decentralization and local government;

(g) Enhancing institutional capacity for interface with public enterprises and the private sector.

7. The responsibility for the execution of the approved projects is as follows:

<u>Execution</u>	<u>No. of projects</u>
Government	2
Office for Project Services (OPS)	9
Department of Technical Co-operation for Development (DTCD)	4
International Labour Organisation (ILO)	1
	—
Total	<u>16</u>

Specialized agencies are associated with several of the government or OPS-executed projects. Sub-contracts with non-United Nations institutions will be the form of execution for parts of some projects.

8. The experts used by MDP for studies and missions have been recruited both internationally and nationally. Desk-studies have in many cases been written by national experts and national experts have, as a rule, been associated with the work of the missions. Only a minor part of the internationally recruited experts had previously undertaken missions for UNDP, which suggests that MDP is reaching a new talent pool. The leaders of missions have generally been very senior experts, sometimes with previous or present high positions in national or international organizations. Several of the experts combine experience from the private sector with long experience of the country of assignment and/or other developing countries.

Modes of operation

9. On the part of UNDP, the regional bureaux and the resident representatives have the main operational responsibility for MDP. The bureaux co-operate closely with the Support Unit in the Bureau for Programme Policy and Evaluation (BPPE), which was established towards the end of 1988 and which became operational during 1989. This Unit has the overall responsibility for the programme and provides professional support for its implementation. OPS is also closely associated with the establishment of missions and the recruitment of experts.

10. Preparation of programmes is initiated only at the request of Governments. The steps judged necessary for the development of programmes have normally been the following:

(a) A desk-study on the management situation in the public sector of the country, its bottle-necks, the policy of the Government for management improvement and measures undertaken to implement the policy, including externally supported activities;

(b) A reconnaissance mission with the task to explore with the Government priority areas of management improvement and the Government's policy and organization for dealing with them, to discuss a strategy for MDP intervention and, if a programming mission is agreed upon, to discuss the terms of reference for such a mission;

(c) A programming mission of 3-4 experts with the task of developing a programme for management improvement in the priority areas agreed with the Government, and normally a project/projects for MDP financing.

While this has developed into a standard approach, it has seen many variations during the life of the programme. Often the desk-study and the reconnaissance have been a combined task. Reconnaissance missions may also have proposed some other approach than a programming mission. Sometimes decisions about support for broad-based management development programmes have been possible without missions, because UNDP has had the necessary overview of the situation from previous studies

and ongoing project activities. Generally speaking, efforts have been made to adjust the preparation of support for government programmes to the circumstances in each case.

11. The interventions of MDP have been co-ordinated with other UNDP activities in the countries concerned. Co-ordination has been particularly needed in the African region, where there are several related programme initiatives. The rule has been not to send MDP missions to countries co-operating with SAPAM, as this programme has a mandate similar to MDP. Instead, projects emanating from missions undertaken under the SAPAM programme have been considered for MDP financing as in the case of a project for Cape Verde. MDP financing is also foreseen for a project in Lesotho proposed by a SAPAM mission. Previous SAPAM missions and their analysis have further been taken into account when defining the preparations required for MDP interventions. Similarly, there has been a close co-ordination with the National Technical Co-operation Assessment and Programmes (NATCAPs). As an example, a NATCAP mission visiting Ethiopia undertook the reconnaissance work needed for MDP.

12. Co-ordination with other donors is necessary for the definition of the role of MDP in individual countries. A major function of the desk-studies is to register the contributions from other external sources as an input into the preparation of the MDP mission. In connection with the planning of MDP interventions, UNDP has often co-operated with specialized agencies and multilateral financial institutions. On one occasion there has been a joint mission with the Economic Development Institute (EDI) of the World Bank. Parallel missions with the World Bank have occurred.

13. MDP programmes are subject to the same quality criteria as other UNDP activities. They are considered by the Project Appraisal Committees (PAC) of the regional bureaux and approved in the Action Committee. Particular attention has been paid to the following aspects of the proposed activities:

(a) The availability of a broad needs analysis;

(b) The existence of a policy framework for management improvement and high-level political commitment to the implementation of such a policy;

(c) The strategic significance of the project and the likelihood of its making a major impact;

(d) The institutional anchoring of the project, its linkages to mutually supportive activities and other factors increasing the prospects for sustainability of efforts, including twinning arrangements with appropriate institutions;

(e) Other indicators of the likelihood of the internalization of project activities;

(f) The extent to which the resources of MDP can be deployed as seed money.

While UNDP normally approves funds on the basis of fully developed project documents, decisions about MDP support have in some cases been taken on the basis of programmes as approved by Governments on the basis of mission reports before discrete projects have been finalized. For UNDP this has been a way of underlining the programme approach applied in the case of MDP.

14. The programme will be available to all countries wishing to participate. In order to reconcile this principle with UNDP's priority concern for low-income countries, particularly the least developed countries (LDCs), the following line of action has been chosen: all countries requesting support have been given help with needs assessments and the preparation of programmes, while project funds have been distributed with a clear bias in favour of low-income countries. Middle-income countries have sometimes received no funds for projects or only small amounts.

15. Monitoring will be an important part of the role of UNDP in the implementation of MDP. With regard to programme level monitoring, the aim is an understanding with the Government that there will be an ongoing dialogue over the implementation of the national management development programme. This would give the framework for the advisory role performed by senior UNDP advisers. For the monitoring of projects, the regular UNDP arrangements for tripartite reviews, etc. are sometimes being strengthened in the case of MDP projects in order for UNDP to follow closely the implementation and making it easier to draw lessons of relevance for project activities in other countries.

Experience gained

16. During the operation of the programme, UNDP has already gained some valuable experience. The following should be highlighted at this stage:

(a) The establishment of MDP has allowed UNDP to increase support of Governments undertaking major administrative reforms. The planning capacity of UNDP has been strengthened in the field of public sector management. The programme has also improved the ability of UNDP to participate in a dialogue with Governments concerning ways to strengthen public management and to provide high-level advice on management development to Governments asking for such advice;

(b) The experience of UNDP with the approach of MDP has by and large been positive. What is needed to improve the performance of the public sector is normally a programme with a clear strategy for priority interventions, based on a comprehensive overview. UNDP should, therefore, continue its advocacy of a comprehensive and strategic approach to management improvement. This is all the more appropriate considering resolution 44/211 on operational activities for development adopted by the General Assembly on 22 December 1989, with its general recommendation for a programme approach in development co-operation;

(c) While the priority in programme development has so far been to meet requests for support from individual Governments, attention should now also be devoted to developments in two other directions:

(i) Questions of improved methodology should be given increased attention. MDP should focus on issues of sustainability and the internalization of the process of change;

(ii) MDP should also identify key questions for management improvement where there is a need to encourage new constructive approaches. Examples are civil service reform, including questions of remuneration and improved productivity in public service, and alternatives to central government responsibility for the provision of public services such as decentralization to local government or privatization;

(d) Have the funds of MDP succeeded in functioning as seed money? The question has several aspects. The role of the programme as a whole in working as a catalyst to attract additional resources from bilateral donors will be treated in paragraph 18. At the country level, the issue relates to the ability of the Government to raise funds from other sources for an agreed programme. The MDP contribution takes two forms: help with needs assessments, programme development and project identification; and financing of projects forming part of management development programmes. Pending further experience, the following comments can be made at this stage:

(i) There is so far only one clear-cut example of successful fund-raising for a management development programme worked out with the support of MDP. That is Guyana, where a combined MDP/technical assistance mission helped to develop a programme, to which Government has received pledges of \$22 million;

(ii) In the case of several countries with approved projects like Argentina, Bolivia, Maldives, Tunisia, Uganda and Uruguay, there have been promising discussions with other donors. This is also the case with countries where programmes are under development. The prospects for financing of activities following an initial MDP-supported project also seem promising;

(iii) Seeing the MDP contribution as a basis for support from other donors to a country's administrative reform efforts will have the added advantages of strengthening a Government's control and co-ordination of assistance to central government functions. This is fully in line with other UNDP efforts to strengthen aid co-ordination by Governments;

(e) It is worth noting that MDP funds have in several cases been combined with funds from the indicative planning figure (IPF). In some instances, MDP funds have been contributed to projects originally intended for IPF financing which have satisfied MDP criteria. Other times, Governments and resident representatives have agreed to allocate IPF resources to MDP-developed programmes when the prospects for immediate funds from other donors have been considered non-existent. The experience so far shows that MDP has the potential for contributing to the planning of IPF resources. This role for MDP could be of particular interest for the programming of the fifth cycle.

Financial requirements of MDP

17. Out of the total allocation of \$60 million for MDP, the amount of \$6.5 million is needed for missions and other measures for the preparation of programmes and the financing of the MDP Support Unit in BPPE. Out of the remaining \$53.5 million, \$16.3 million has been committed for 16 projects, while the remainder of the funds are needed for programmes being developed at present. Considering the number of such programmes, available funds for new activities will be sufficient only if the average MDP contribution per country is reduced below the figure of \$1 million or if the number of new programmes to be assisted will be linked to the availability of funds. So far a reduction of the allocation has already been applied in the case of some programmes.

18. During the course of the debates on MDP in 1988 and 1989, the Administrator indicated that the initial earmarking authorized by the Governing Council in decision 88/31 should serve primarily as seed money. As the programme reached an advanced implementation stage and, at the same time became more widely recognized, it was expected that it would demonstrate the viability of an enhanced level of activity in this important domain. During the first 18 months since its inception, UNDP efforts were focused on the launching of the programme to ensure that its main objectives as described in this documentation would indeed be achieved. Currently only a part of the resources available to MDP has been formally committed, but the pace is expected to increase. Recent discussions on the subject have demonstrated substantial support to the programme from both recipient and donor countries. It is obvious that irrespective of the level of the Special Programme Resources (SPR) earmarking for the fifth cycle, a substantial amount of funds will be required to help ensure an impact on the development process by tackling key management issues. Beginning in the second half of 1990, UNDP will initiate contacts with various donor Governments to encourage contributions either to a trust fund or to cost-sharing arrangements. The Administrator hopes that with the demonstration of good progress in the current programmes, the response to the search for additional resources will be positive. The results will be reported to the Council at its thirty-eighth session in June 1991.

Notes

1/ Countries with programmes under preparation or consideration by 1 February 1990:

(a) Regional Bureau for Africa: Angola, Burkina Faso, Cameroon, Comoros, Congo, Côte d'Ivoire, Ethiopia, Gabon, Gambia, Kenya*, Lesotho*, Malawi, Mauritania, Niger, Sao Tome and Principe, Togo, United Republic of Tanzania and Zambia;

* Countries which received SAPAM missions during 1989.

Notes (continued)

(b) Regional Bureau for Arab States and Europe: Democratic Yemen, Egypt, Hungary, Iraq, Malta, Oman, Poland, Qatar, Somalia, Turkey, Yemen and Yugoslavia;

(c) Regional Bureau for Asia and the Pacific: Bangladesh, Bhutan, Cook Islands, Democratic People's Republic of Korea, Fiji, Indonesia, Lao People's Democratic Republic, Papua New Guinea, Philippines, Thailand and Western Samoa;

(d) Regional Bureau for Latin America and the Caribbean: Colombia, Eastern Caribbean Islands, Haiti, Honduras, Paraguay and Venezuela.
