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SUPPORT

PROGRAMME PLANNING

FOURTH PROGRAMMING CYCLE

Questions relating to Namibia

Report of the Administrator

SUMMARY

By its decision 89/38 of 30 June 1989, the Governing Council of the United Nations Development Programme (UNDP) inter alia urged the Administrator to establish a trust fund for Namibia, and requested the Administrator to report to the Governing Council at its thirty-seventh session on the results of the studies to establish a fourth cycle indicative planning figure (IPF) for Namibia.

In the present report, the Administrator informs the Council about the establishment of the fund and the results of the studies undertaken by UNDP to establish a base for calculating the definitive fourth cycle IPF for Namibia.

Information is also given on resources available to the fourth cycle IPF for Namibia as an unutilized balance from those projects which have been funded under IPF for national liberation movements, and from which Namibians have been benefiting. Further, the report includes a calculation of the independence bonus to be added to the fourth cycle IPF for Namibia.

I. BACKGROUND

1. In its decision 85/16, of 29 June 1985, the Governing Council recognized the special circumstances relating to the situation in Namibia and decided to increase, on an exceptional basis, its fourth cycle indicative planning figure (IPF) by 50 per cent, plus an amount of up to \$3.0 million. During the fourth cycle, this amounted to a base of \$4.26 million (a calculated IPF of \$407,000, plus a floor supplement of \$3.86 million) plus 50 per cent (\$2.13 million) plus a special bonus of \$3.0 million for a total IPF of \$9.39 million. Under the terms of Governing Council decision 88/31 A of 1 July 1988, this was subsequently increased to \$11.03 million. The calculated IPF was based on the estimated 1983 per capita gross national product (GNP) estimate of \$1,710 and a 1983 population of 1.09 million.

2. The Council also urged the Administrator to establish a trust fund for Namibia, in consultation with the international donor community, to mobilize resources for preparatory activities and the preparation of contingency plans during the transition period up to and immediately following independence. The UNDP Trust Fund for Namibia was established on 18 September 1989, and it became operational on 23 November, following the approval of the first project to be financed from the Fund's resources.

II. RESULTS OF THE STUDIES TO ESTABLISH A FOURTH CYCLE IPF FOR NAMIBIA

3. Representatives of the Department of Technical Co-operation for Development of the United Nations Secretariat (DTCD), in collaboration with the Statistical Office of the United Nations, undertook a mission to Namibia, from 22 October to 10 November 1989. Members of the mission prepared the population and GDP estimates, pertaining to mid-1989. The population was estimated to be 1.71 million.

4. The initial assessment of the mission shows that the estimated per capita GDP amounted to \$1,044, an appreciably different figure from the World Bank estimate of \$1,200 which has been used to illustrate hypothetical IPF distribution scenarios. It should also be pointed out that the breakdown of the per capita GDP shows a disparity in the figures, ranging from \$14,650 for whites (5 per cent of the total population), to \$63 for non-whites supported by the traditional economy, who represent about 55 per cent of the total population.

III. UNPROGRAMMED RESOURCES UNDER THE FOURTH CYCLE IPF FOR NATIONAL LIBERATION MOVEMENTS

5. Concerning resources available to Namibia during the fourth cycle, there will be savings or unutilized balances from the projects for which Namibians have been beneficiaries under the IPF of the special assistance programme for national liberation movements (NLMs) recognized by the Organization of African Unity (OAU). Only two of those projects will continue until the end of 1990. The other six

projects have been scaled down, and the unutilized resources, originally programmed for the South-West Africa People's Organization (SWAPO) component of the special assistance programme, became available for transfer to IPF for Namibia. These savings are expected to amount to \$2.13 million.

6. Another element will be Namibia's independence bonus which, according to the current instructions approved by the Governing Council, consists of a lump sum of \$500,000, to which will be added an amount equivalent to 15 per cent of the existing IPF, or \$1.65 million. Accordingly, the independence bonus for Namibia will total \$2.15 million.

IV. PROPOSED IPF FOR NAMIBIA

7. It is proposed that the funds available for IPF resources for Namibia during the fourth cycle should consist of the following:

<u>IPF resources, 1987-1991</u>	<u>Millions of US dollars</u>
Carry-over from the third cycle	0.36
Fourth cycle IPF	11.03
Independence bonus	2.15
Namibia's portion of unutilized IPF resources (1987-1991) for NLMs	<u>2.13</u>
Total	<u>15.67</u>

V. RECOMMENDATION OF THE ADMINISTRATOR

8. Based on the information given above, the Administrator recommends to the Governing Council that he be authorized to undertake the following action relating to Namibia:

(a) Consolidate the resources listed in paragraph 7 above into the fourth programming cycle IPF for Namibia, and utilize the available funds for programmes and projects for the country during the remainder of the fourth cycle (1990-1991);

(b) Report to the Governing Council at its thirty-eighth session on the developments and effectiveness of the Namibia programme, as well as relevant issues pertaining to its implementation and management.
