I. PREPARATORY PROCESS

1. The fifth country programme for Hungary was prepared in the context of the historical change that recently took place in the Central and Eastern European region. The preparatory process reflected this circumstance. Although the fourth country programme - which had addressed two main concerns, the restructuring and modernization of the economy and the improvement of living conditions - was judged positively in the course of the review process, it was clear nevertheless that the profound change in the political and economic reality in Hungary now required a totally different approach for the new country programme.

2. At the same time as the basis of the programme was being laid by high-level missions, UNDP's strategy for the European economies in transition was synthesized in a conference room paper presented to the June 1991 session of the Governing Council. In addition to the establishment of common thematic goals, one main outcome was the agreement to aim for comprehensive programmes cofinanced by other key donors. This was reflected in UNDP's advisory note and it is reflected in the present country programme document.

II. ANALYTICAL COMMENTARY ON THE COUNTRY PROGRAMME

3. The country programme is closely in line with the recommendations contained in UNDP's advisory note, both as regards the main areas of focus and the implementation aspects.
4. The pivotal concern is the development of the human resources necessary in a well-functioning market economy bearing in mind social concerns. This is reflected across the board. Particular note should be taken of the emphasis placed on management development, not only as a separate thematic goal, but as the main underlying element of the entire programme.

5. In a specific theme under human development issues, the Programme aims to improve national capacity for monitoring human development and to propagate the concept. Women's issues will be given special attention in this connection as well as throughout the programme areas.

6. Environmental protection, already a major activity of UNDP at a regional level, has also been given a place in the national programme.

III. MANAGEMENT OF COUNTRY PROGRAMME IMPLEMENTATION

7. As mentioned above, a major aspect of this programme is the proposed combination of UNDP resources with cost-sharing and other cofinancing modalities in order to achieve a meaningful programme with the modest IPF resources at the country's disposal. This objective will be pursued within the framework of a programme approach integrating other technical assistance programmes and UNDP's comparative advantages.

8. National execution will be introduced.

IV. RECOMMENDATION OF THE ADMINISTRATOR

9. The Administrator recommends that the Governing Council approve the fifth country programme for Hungary.