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Report of the Executive Director reviewing the Fund's experience
in implementing the priority-country system

Summary

This report of the Executive Director on priority countries is in response to decision 88/34 A, paragraph 6, of the Governing Council at its thirty-fifth session. This report calls for a decision on the part of the Council in regard to maintaining the present criteria for the system of priority countries with periodic updating.

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CONTENTS

I. INTRODUCTION	3
II. BACKGROUND	3
III. THE EXPERIENCE OF UNFPA WITH THE SYSTEM OF PRIORITY COUNTRIES	5
A. General trends	6
B. Assistance to priority countries by region	7
C. Non-quantitative aspects	8
IV. CRITERIA FOR DETERMINING PRIORITY STATUS OF COUNTRIES	8
A. General observations	8
B. Experience with current criteria	10
C. Revision of criteria and thresholds	11
D. Programme strategies	12
V. IMPLICATIONS OF MAINTAINING THE PRESENT CRITERIA	13
VI. RECOMMENDATION	14

I. INTRODUCTION

1. The Governing Council at its thirty-fifth session requested in decision 88/34 A, paragraph 6, that the Executive Director report to the Governing Council at its fortieth session on the Fund's experience in implementing the modified criteria for selecting priority countries and in reaching the target of allocating 80 per cent of country programme resources to priority countries. The Council at its thirty-eighth session reiterated the need, as emphasized in Governing Council decision 90/35 B of 20 June 1990, to meet the target of an 80 per cent allocation of country programme resources to priority countries by 1994.

2. This report, which is being submitted in response to these requests, first briefly reviews the evolution of the system of designating priority countries and analyses the trends in resource allocation to priority and non-priority (other) countries in the various regions over the period 1983-1992. The report then provides an analysis of differences between priority and other countries. The final sections are devoted to an assessment of the system of designating priority countries including a discussion of the current criteria and their threshold levels.

3. The issue of the distribution of resources among countries remains a concern for UNFPA. The criteria used to identify countries in need of priority assistance need close consideration and require periodic review and revision, if necessary, to reflect changes in demographic and socio-economic conditions in developing countries. In categorizing countries for UNFPA assistance, it should be noted that UNFPA is expected to provide assistance to all countries for which UNDP has allocated indicative planning figures (IPFs). For those member countries of the Commonwealth of Independent States (CIS) of the former Soviet Union that are allocated IPFs, UNFPA should also be able to consider providing assistance to these countries, within the availability of its resources.

II. BACKGROUND

4. There has been a continuing dialogue between UNFPA and the Governing Council on the priority country system. The Executive Director has reported on UNFPA's experience with the system of priority countries, which began to function in 1977, at various sessions of the Council.¹ The most recent report, to the thirty-fifth session, was "The programming experience of the Fund in using the existing set of criteria and suggestions for modification of the criteria in the designation of priority countries" (DP/1988/38). Additionally, the Executive Director includes information on priority countries in each issue of the Fund's annual report. Most recently, the Executive Director's annual report for 1990 included a special section on the implementation of the modified criteria in designating priority countries, as requested by the Council in its decision 88/34 A of 1 July 1988. The evolution of the system of priority countries has been described in detail in many previous reports (DP/1982/30/Add.1, DP/1983/22, DP/1986/38 and DP/1988/38); therefore, it will only be briefly outlined in this report.

¹ The reports, listed in order of submission, are: Allocations of UNFPA resources and proposed alternate funding arrangements (DP/118); Priorities for future allocations of UNFPA resources (DP/186); Application of criteria for establishing priorities (DP/232); Application of criteria for establishing priorities (DP/263); The future role of UNFPA: UNFPA in the 1980s (DP/530); The UNFPA experience with the system of priority countries (DP/1982/30/Add.1); and The experience gained by the Fund in using the present set of criteria for selecting priority countries (DP/1986/38).

5. The system of priority countries for population assistance was approved in principle at the twenty-second session of the Governing Council (1976) and the criteria and threshold levels were endorsed by the Council at its twenty-third session in 1977 (decision 77/5, para. 371 (c)). To determine which countries would qualify for priority assistance, the Fund selected one economic indicator (per capita gross national income) and four demographic indicators (population growth rate per annum, gross reproduction rate, infant mortality rate, and density of agricultural population on arable land). These indicators were considered indicative of major population problems and, to an extent, of a country's level of development. By applying certain threshold levels² for the demographic indicators and by introducing an upper limit for the level of per capita national income of \$400, a group of 40 countries, each having met the income requirement and two of the four demographic criteria, were designated as priority countries. Additionally, 14 countries were designated as borderline countries for UNFPA assistance. These latter countries would have qualified as priority countries had a 2 per cent variation from the threshold levels been allowed. Thus, a total of 54 countries were designated as either priority or borderline countries in 1977.

6. At its twenty-third session in 1977, the Governing Council also approved the Executive Director's recommendation that two thirds of the total programme resources available at the country level should be allocated for assistance to priority countries as a group (decision 77/5, para. 371 (c)). Furthermore, as proposed by the Executive Director and endorsed by the Governing Council, UNFPA would be flexible in extending population assistance to priority countries. This meant in practice that developing countries included in the priority group were to receive UNFPA assistance for a wider range of population activities.

7. In 1982, UNFPA undertook a major review of the priority country system as requested by the Governing Council at its twenty-eighth session (1981). In document DP/1982/30/Add.1, the Executive Director reviewed the system extensively in terms of resource distribution to the priority, borderline and other countries; resource distribution among major programme areas by priority status of countries; and an analysis of the priority system by region. The Executive Director recommended replacing the criterion of the annual rate of population growth by that of the annual increment to population size. The Executive Director further recommended that the distinction between priority countries and borderline countries be eliminated. He also proposed some minor modifications in the criteria as well as the thresholds: a per capita gross national product (GNP) of \$500 or less; an annual increment to total population of 100,000 or more persons; a gross reproduction rate of 2.5 or more; an infant mortality rate of 160 per 1,000 live births or more; and a density of agricultural population of 2.0 or more persons per hectare of arable land. In endorsing these modified criteria, the Council reiterated its view that UNFPA should make every effort to devote two thirds of country programme resources to priority countries. The application of these revised criteria resulted in a new list of 53 priority countries in 1982.

8. UNFPA undertook an interim review of this revised system of priority countries in 1986 (document DP/1986/38), as requested by the Governing Council at its thirtieth session (decision 83/17 I, para. 4). In addition to presenting an analysis of programme trends and a summary of the Fund's experience with using the criteria to determine priority status, the Executive Director proposed a set of programme guidelines to

² Annual rate of population growth of 2.75 per cent or higher; gross reproduction rate of 2.75 or more; infant mortality rate of 176 per 1,000 live births or more; and agricultural population density on arable land of 2.2 persons or more per hectare.

strengthen the system further. The Council took note of the report and recognized the need for flexibility on the part of the Executive Director in implementing programming guidelines.

9. The Governing Council in 1986 at its thirty-third session (decision 86/34 I, para. 5) requested the Executive Director to again examine the programming experience of the Fund in using the priority country system and to suggest modifications of the criteria, should he feel such modifications necessary. In response to this decision, the Executive Director proposed, and the Council endorsed, adding female literacy as a criterion. The Council also approved the Fund's recommendations for revised thresholds to reflect improvements in the areas measured by the indicators for developing countries as a whole. The Council in decision 88/34A, paragraph 4, endorsed the following criteria and thresholds: per capita GNP of \$750 or under, gross reproduction rate of 2.0 or more, infant mortality rate of 120 or more, annual population increment of 100,000 or more, agricultural population density of 2.0 or more persons per hectare of arable land and female literacy rate of 40 per cent or under. Application of the revised criteria and threshold levels yielded 56 countries for priority assistance. The Council in the same decision (para. 6) raised the target for allocations to priority countries to 80 per cent of country programme resources, to be attained by 1994, and requested that UNFPA submit an interim report to the Council at its thirty-eighth session (1991) on the implementation of modified criteria. It also requested that the Fund submit a report to the Governing Council at its fortieth session (1993) reviewing the Fund's experience in implementing the modified criteria and reaching the 80 per cent target. The present report responds to that request.

III. THE EXPERIENCE OF UNFPA WITH THE SYSTEM OF PRIORITY COUNTRIES

10. Since the adoption in 1977 of the system of priority countries for population assistance a total of 78 countries have received priority assistance from UNFPA. As a result of the first revision of indicators and threshold levels in 1982, 19 of the original 54 priority and borderline countries "graduated" out of the priority list and an additional 18 countries qualified for priority assistance. The second revision of the priority country system in 1988 established a new set of 56 priority countries. Six countries "graduated" out of the list and nine countries were added, for a net addition of three countries. The merger of Democratic Yemen and the Arab Republic of Yemen in May 1990 reduced the number of UNFPA priority countries to 55. It is worth noting that three countries that had "graduated" out of the priority country system following the 1982 revision re-entered the UNFPA priority country list in 1988 due to worsening socio-economic conditions.

11. The roots of the Fund's priority system can be traced back to the World Population Conference of 1974 in Bucharest. The recommendations of the Bucharest Conference, adopted as the World Population Plan of Action, continue to provide a policy framework for the formulation, implementation and evaluation of population policies and programmes. The 1970 round of population censuses produced the first detailed description of the population situation in a large number of developing countries. At about the same time, the capacity of the United Nations system to deal with population activities was improving rapidly. The interaction of these developments gave rise to a rapid growth in demand for international population assistance that far exceeded the resources available. The system of priority countries, which UNFPA proposed in 1976 to the Governing Council, was thus designed as a way of concentrating the Fund's limited resources in those developing countries that had the most serious population problems and the most urgent need for assistance.

12. Since the start of the priority system in 1976/1977, the Fund has strengthened its programming activities and shifted its strategy from a project-oriented system to a comprehensive programme-oriented approach. The programme approach initially relied on needs assessment exercises, which enabled the Fund

to channel its assistance to countries in a systematic fashion, within the framework of the country's national population policy, programmatic interests, and needs for external assistance. By the end of 1987, the programmes in 50 of the 53 designated priority countries had benefited from such exercises. In 1989, UNFPA replaced the needs assessments exercise with Programme Review and Strategy Development (PRSD) exercises. The PRSD exercise culminates in the fielding of a strategy development mission, which works closely with the Government in developing a coherent and comprehensive framework for a national population strategy. The mission analyses the current status and needs, assesses achievements of past population activities and recommends future actions in terms of an overall national population strategy. By the end of 1992, a total of 59 PRSD exercises had been undertaken, 31 of them in priority countries.

13. The UNFPA experience with the system of priority countries is reviewed below. The Fund's experience during the interval between the initiation of the priority system in 1976/1977 and the end of 1987 when the last review took place is documented in report DP/1988/38. The years chosen for this analysis are 1983, 1988 and 1992, years when the list of priority countries changed.

General trends

14. As mandated by the Economic and Social Council (resolution 1763 (LIV) of 18 May 1973), the Fund is to extend systematic and sustained assistance to developing countries at their request. UNFPA's allocations to country programmes rose from \$402 million in the 1983-1987 period to \$561 million in the 1988-1992 period, an increase of 40 per cent. By contrast, the amount devoted to priority countries during the same period increased from \$277 million to \$411 million, a rise of 48 per cent. In relative terms, allocations to priority countries increased from 70 per cent of the total in 1983 to 75 per cent in 1992 (see table 1). The increase in the proportion allocated to priority countries has been due to the Fund's concerted efforts to concentrate its country programme resources in priority countries.

Table 1: Distribution of expenditure^{1/} by priority status of countries, 1983, 1988 and 1992 (per cent)

Priority Status	1983	1988	1992
Priority countries	70	72	75
Non-priority countries	30	28	25
All countries	100	100	100
Country programme expenditure (in millions)	\$ 73.5	\$ 89.9	\$ 141.0

^{1/} Data for 1992 refer to allocations of combined funds (regular and multi-bilateral), while data for 1983 and 1988 refer to expenditures of regular funds.

15. Of the total amount of resources expended in country programmes and projects in 1992, 75 per cent went to priority countries. Although the Fund's target is to allocate 80 per cent of its country programme resources to priority countries, UNFPA's mandate remains to assist all developing countries requesting assistance. While the priority country system identifies those countries with the greatest need for assistance, many programmes in non-priority countries merit large-scale funding. In 1992 the Fund supported country programmes in eight non-priority countries in which each country was allocated in excess of \$1 million. Five of these country programmes were in the Arab States and Europe region and three were in Latin America and Caribbean region.

Assistance to priority countries by region

16. The distribution of expenditures by region is given in table 2, while the number of priority countries in each region is shown in table 3. From 1988 to 1992, the composition of the priority countries in each region changed, with a net increase of three: four countries were added to the list (one each in sub-Saharan Africa and Asia and the Pacific and two in Latin America and the Caribbean) and one in the Arab States and Europe region "graduated" out of the list.

17. Although the system of priority countries is a global concept, there are regional differences in the distribution of expenditures by priority status of countries, as depicted in table 2. This is due primarily to the proportion of all countries in each region that have priority status. For example, in 1992, a large majority of countries in sub-Saharan Africa were priority countries, whereas only 5 of 39 countries in Latin America and the Caribbean were designated as priority.

18. It is evident from table 2 that the share of allocations within each region going to priority countries has increased (quite considerably in the case of Latin America and the Caribbean) or remained more or less constant, except for the Arab States and Europe, which decreased when a large country programme graduated from priority to non-priority status.

Table 2: Distribution of expenditure^{1/} for priority countries by region, 1983, 1988 and 1992 (per cent)

Region	1983	1988	1992
Sub-Saharan Africa	82	79	85
Asia and the Pacific	87	91	90
Latin America and the Caribbean	8	17	31
Arab States and Europe	41	56	30 ^{2/}

^{1/} Data for 1992 refer to allocations of combined funds (regular and multi-bilateral), while data for 1983 and 1988 refer to expenditures of regular funds.

^{2/} The decrease from 1988 to 1992 is due to the "graduation" out of priority status of one country that had a major UNFPA programme.

Non-quantitative aspects

19. While the quantitative information presented in this report are illustrative, there are other important aspects of UNFPA support to priority countries that are not easily discerned in financial data. For example, UNFPA has striven to strengthen its field infrastructure in priority countries. As a result, all but nine of the priority countries in sub-Saharan Africa now have field offices headed by resident Country Directors, while the remaining offices are staffed by National Programme Officers and necessary support staff.

20. The Fund has also been flexible in adapting its programmes in priority countries to take into account their low levels of institutional, material and human resource capabilities. UNFPA has thus provided longer-term support to priority countries for specialized training abroad for nationals at middle and senior management levels and for resident technical advisory services. The Fund has, moreover, helped to defray the costs for local programme personnel in priority countries, which has contributed to staff commitment and continuity for implementing population programmes. It has also extended assistance to priority countries to construct and rehabilitate service facilities, especially in cases where difficult economic circumstances have threatened the continued functioning of programmes.

IV. CRITERIA FOR DETERMINING PRIORITY STATUS OF COUNTRIES

21. The choice of criteria for designating priority countries is central to the priority country system. This question has been reviewed several times in the past in the submissions made by the Executive Director to the Governing Council (notably in reports DP/186, DP/232, DP/1982/30/add. 1, DP/1986/38 and DP/1988/38).

22. The criteria used should relate to the objective of the priority country system, namely, to provide priority assistance to countries with the most serious population problems and the most urgent needs for assistance. While one needs only to examine the indicators that measure the national standard of living and quality of life to determine the external assistance required, measuring the gravity of population problems is more complex. It is not simply a question of assembling a long list of specific population problems found in developing countries and tallying the results. Preference must be given to those problems that are crucial in a large number of countries, are measurable in the form of statistical indicators, and are reflective of activities covered by the UNFPA mandate. Before discussing the continued relevance of the present set of indicators, it may be useful to briefly outline the major aspects of population problems in developing countries.

General observations

23. The question of what is a serious population problem, while appearing straightforward, is actually a complex issue. One can easily define individual demographic situations and express them in quantitative terms. But instead of trying to devise an all-embracing, universal definition, it is useful to distinguish between actual demographic conditions themselves and their socio-economic manifestations. The most conventional approach, as embodied in the World Population Plan of Action, is to look at a country's basic demographic "framework", which is composed of population size and its growth, fertility and reproduction, mortality and morbidity, migration, urbanization and population distribution, and population composition and structure. While it is now well recognized that problems of population and development are interrelated and that population problems should therefore be addressed through an integrated approach, population problems are normally specified in terms of demographic conditions alone -- population size and growth, mortality, fertility, and migration.

24. Demographic conditions in developing countries can be viewed from either a global comparative or a national perspective. For instance, one can describe the population situation in individual countries

comparatively by analysing the data presented in the United Nations World Population Prospects: The 1992 Revision. On the other hand, one can examine the situation of individual countries as reflected in the regular and periodic inquiries conducted by the United Nations among member states. Such inquiries elicit national perceptions of and policies towards a wide range of population issues, including, specifically, population growth, mortality, fertility, urbanization and population distribution, and international migration. Both perspectives are briefly reviewed below.

Comparative perspective

25. Demographically, the developing countries make up a heterogeneous group of countries. Wide variations exist within and between regions of the world. For example, the rate of population growth ranges widely. Among the developing regions, it is the highest in Africa at 2.93 per cent, followed by Latin America at 1.79 per cent and Asia at 1.78 per cent. There are currently some 73 developing countries and territories with population growth rates exceeding 2.5 per cent.

26. One of the main reasons for the continued high rates of population growth in many developing countries is the persistence of relatively high fertility despite sharp declines in mortality rates. The total number of children born per woman, as expressed by the total fertility rate (TFR), averages 1.9 in developed countries and 3.6 in developing regions. The average TFR in Africa stands at 6.0, followed by 3.2 in Asia, and 3.1 in Latin America. There are currently at least 58 developing countries with total fertility rates exceeding 5 children per woman.

27. Although mortality rates have fallen dramatically in the developing world, significant differences between regions persist. Life expectancy at birth in developed countries is now close to 75 years. Life expectancy in developing countries is considerably lower at about 62 years. It is lowest in Africa at 53 years, followed by Asia at 65 years and Latin America at 68 years. There are 39 developing countries with a life expectancy at birth of 55 years or lower.

28. The lower levels of life expectancy in developing countries are largely the result of high levels of infant and child mortality. The disparities in mortality of infants across countries and regions are indeed wide. For instance, the infant mortality rate in developed countries is 12 per 1,000 live births, while in developing countries it is 69. Similarly, the average infant mortality rate in Africa is 95, followed by Asia at 62 and Latin America at 47 per 1,000 live births.

National perspective

29. The most recent information on national perceptions of population concerns and national policies and programmes is available in the United Nations World Population Monitoring 1991 report, which primarily draws from the United Nations Sixth Population Inquiry. According to the findings of this inquiry, 53 per cent of the developing countries viewed their rate of population growth as too high. The 69 developing countries that considered their growth rates as too high in 1990 accounted for approximately 85 per cent of the people residing in the developing regions. By contrast, 17 developing countries believed that their growth rates were too low; however, because of their relatively small sizes, they accounted for only 3 per cent of the population of the developing world. Similarly, 74 developing countries viewed their levels of fertility as too high; 64 of these countries had programmes designed to lower fertility rates.

30. Fully 78 per cent of the developing countries considered their levels of mortality to be unacceptably high. In this regard, developing countries are most concerned about high rates of infant and child mortality. To help reduce these high rates, many countries have, inter alia, integrated family planning information and

services into their maternal and child health (MCH) programmes and strengthened other essential components of MCH programmes. Developing countries also expressed concern about the spatial distribution of their populations and about internal migration. Of the 131 developing countries surveyed, 113 considered their current patterns of population distribution as problematic. Furthermore, 94 countries also indicated that they would like to decelerate or reverse the current trends in internal migration.

31. The causes and consequences of these demographic conditions are many and complex. Demographic factors influence socio-economic trends just as such factors affect demographic behaviour. Given this complexity, the selection of criteria to identify the most serious population problems should include aspects of population size and growth, mortality, migration and urbanization. Moreover, each of the criteria selected should satisfy four considerations in order to facilitate international comparisons: (a) the criterion should be objectively measurable; (b) it should have a uniform meaning and definition; (c) data should be generally available for all developing countries from sources recognized internationally; and (d) all data should be recent and available for all countries for the same period.

Experience with current criteria

32. Since the formulation and adoption of the system of priority countries in 1976/1977, the Fund has, with the approval of the Governing Council, used GNP per capita as its initial screening indicator to determine eligibility of individual countries for priority assistance. Those countries that met the GNP requirement were further screened to see if they met at least two of the requisite demographic criteria. Those countries meeting both the GNP and demographic requirements were then designated as priority countries.

33. UNFPA recognizes that GNP per capita is far from being a perfect measure of the quality of life in a country and that it suffers from a number of conceptual inadequacies. It remains, however, the only composite index of national income that is uniformly available for almost all developing countries.

34. The degree of agricultural population density on arable land is an important indicator due to the continued preponderance of agriculture as a way of economic life in the developing world. The agricultural population density is thus a useful indicator of the link between population and development in many developing countries. Mounting population pressures on arable land seriously affect the capacity of the agricultural sector to absorb the rural labour force and thus adversely influence development potential and fuel rural-to-urban migration, making the need for rural fertility decline assume even greater importance.

35. Given UNFPA's mandate, the priority system should include at least one indicator reflecting the level of fertility in developing countries. While there are a large number of indicators that could be used, the Fund selected gross reproduction rate because it is an indicator that is free from variations in the age composition of populations.

36. The annual increment to total population in a country is an important indicator, encompassing both population size and the annual rate of population growth. Moreover, absolute increments of population in and of themselves constitute population problems in a large number of developing countries since they add considerably to the demand for social, economic and other infrastructural services. It also is an ultimate indicator of the success or failure of population programmes.

37. The infant mortality rate is an important indicator for several reasons. First, it is a tragic human problem in developing countries; second, high infant mortality is a partial determinant of fertility; and third, it contributes disproportionately to the determination of total life expectancy. The Amsterdam Declaration of 1989 stresses the role that the reduction of the infant mortality rate has for furthering social development.

38. It is firmly established that improving the role, status and participation of women in social, economic and political processes will accelerate the process of socio-economic development and demographic change. Various studies have emphasized the role of female literacy in child-bearing, child spacing, health practices, contraception, mobility, and employment patterns, among others. The female literacy rate is an effective proxy indicator for differentiating the status of women among developing countries and assessing the extent to which illiteracy may be a constraint to implementing population and development programmes. While the availability of high-quality data on female literacy has generally been limited, however, such data have become increasingly available since the Governing Council endorsed, in 1988, its inclusion as a criterion in determining priority country status.

Revision of criteria and thresholds

39. In view of the foregoing discussion, the continued use of the existing demographic and literacy criteria, together with GNP per capita as a screening variable, appear justified and thus remain the most suitable criteria to determine priority countries for UNFPA assistance.

40. When the system of priority countries was established, it was the intention of UNFPA to review and revise, at periodic intervals, both the existing criteria and their threshold levels. It was further recognized that as economic and demographic situations changed, it would be necessary to revise the thresholds of indicators to reflect these changes. The practice, since the adoption of the priority country system, has been to review the system once every five or six years and make adjustments accordingly. The first such review and revision took place in 1982, the second in 1988. The present, updating of the list of priority countries is the third.

41. While there have been some improvements in the indicators for developing countries as a whole, the Fund recommends that the present threshold levels be maintained. At present, these thresholds are the following: an infant mortality rate of 120 or more per 1,000 live births; a gross reproduction rate of 2.0 or more; an annual increment of 100,000 or more to total population; a female literacy rate of 40 per cent or under; and a density of agricultural population on arable land of 2.0 or more persons per hectare. Analysis conducted by the Fund indicates that in order to continue assisting countries in demographic transition on a priority basis, it is necessary to maintain the thresholds at the levels endorsed by the Governing Council in 1988.

42. Various alternative procedures for revision of the criteria for priority status were explored. However, no viable alternative to the present method was found that would better meet the requirements for a priority country system as described earlier. The recent past has witnessed many instances of declines in GNP per capita and in other social and economic indicators. Further, adjustments in the threshold levels would seriously jeopardize the priority assistance given to several countries that had made some progress towards a fertility transition. Continued priority assistance to these countries is necessary for a few more years to help them consolidate the gains achieved to date. It should also be noted that the present criteria and thresholds encompass a large majority of countries designated as least developed countries (LDCs).

43. In view of the above, and in order to maintain harmony with the GNP per capita level used for UNDP allocation of country IPFs in its fifth programming cycle (see document DP/1991/24), UNFPA recommends that \$750 be maintained as the threshold for the GNP per capita screening variable.

44. The analysis conducted by the Fund during the course of this review suggests that the priority list should be adjusted at more frequent intervals than approximately once in every five years. In view of fluctuating GNP per capita figures, it may be necessary to revise the list of priority countries at more frequent

intervals, at which time all the latest demographic and literacy data will be reviewed and appropriate adjustments made to the priority country list.

Programme strategies

45. UNFPA continues to emphasize, among other issues, the need to streamline procedures to make resources available quickly and effectively to individual countries; the importance of strategic planning in the population sector in developing countries; and the crucial role of technical assistance. It is useful to briefly describe here the policy, procedural and programmatic changes that the Fund has introduced to the priority country system to strengthen the capacity of recipient countries in general and priority countries in particular.

46. The Fund continues to further decentralize approval authority to the field. This helps to cut the inherent delays in administrative processing and project approval as well as give a greater role to field offices in determining the substantive content of programme activities. It also facilitates programme formulation and implementation in many priority countries.

47. Similarly, the recently introduced PRSD exercises seek to introduce a strategic approach to population programming by developing a conceptual and programmatic framework to guide population activities in a country. The framework will help developing countries to coordinate activities between sectors, among implementing agencies and between donors, as well as to achieve synergistic impact from implementing population and related development activities in individual countries. As noted above, 31 priority countries have already benefited from these exercises.

48. The Fund also introduced a new Technical Support Services (TSS) arrangement to increase the effectiveness and efficiency of technical assistance in meeting the growing needs of developing countries in the field of population. It established eight Country Support Teams (CSTs) in the four geographic regions: three in sub-Saharan Africa, based in Addis Ababa, Harare and Dakar; three in the Asia and Pacific region, based in Bangkok, Kathmandu and Suva; one in Santiago in the Latin America and the Caribbean region; and one in Amman in the Arab States and Europe region. The thirty-eighth session of the Governing Council considered and endorsed the proposed arrangements, as presented in document DP/1991/35, to enhance the Fund's ability to make available effective support, both technical and substantive, to population programmes in recipient countries. The new arrangement will greatly benefit priority countries as it provides for a flexible and differentiated response to the unique needs of these countries. At little or no cost to the recipient countries, these Country Support Teams will be able to provide multi-disciplinary technical advice within the framework of a comprehensive programme approach.

49. While these innovative approaches are designed to assist all recipient countries, the changes will particularly enhance the Fund's assistance to priority countries.

50. Priority countries consist of low-income developing countries that require special attention. The absorptive capacity of many of these countries is quite limited. It is necessary, therefore, to strengthen their institutional base, develop their human resources, increase their national financial contributions to population activities and intensify the commitment of their staff. Thus, an important concern in the context of priority countries is not just the magnitude of support, but also the type of assistance. It is imperative that UNFPA continue to be flexible in meeting national needs as perceived by the countries themselves and devote more staff time and attention accordingly. The Fund must also continue to provide assistance to cover salaries of local personnel, allowing priority countries time to take over this responsibility. Similarly, the Fund needs to be flexible in supporting a range of inputs necessary for institution building.

V. IMPLICATIONS OF MAINTAINING THE PRESENT CRITERIA

51. In view of the foregoing discussion and based on the latest data³ on economic, demographic and literacy criteria, the Fund proposes that the current criteria and thresholds for priority country status be maintained. That is, priority country status should be determined by satisfying the GNP per capita criterion of \$750 or less and any two of the following criteria and threshold levels:

- Annual increment of 100,000 or more to total population;
- Gross reproduction rate of 2.0 or more;
- Infant mortality rate of 120 per 1,000 live births or more;
- Density of agricultural population on arable land of 2.0 persons or more per hectare;
- Female literacy rate of 40 per cent or less.

Table 3: Regional distribution of countries by priority status
1983, 1988 and 1992
(number of countries)

Region	1983		1988		1992	
	Priority	Non-priority	Priority	Non-priority	Priority	Non-priority
Sub-Saharan Africa	30	13	31	12	32	11
Asia and the Pacific	16	22	16	22	17	21
Latin America and the Caribbean	2	37	3	36	5	34
Arab States and Europe	5	26	5	25	4	26
Total:	53	98	55	95	58	92

52. If these criteria are maintained, 58 countries would qualify for priority assistance. Of these 58 priority countries, 50 satisfy the fertility criterion; 49 the agricultural population density criterion; 47 the criterion of annual increments to population; 34 the female literacy criterion; and 16 the infant mortality rate criterion.

³ United Nations Department of Economic and Social Development, World Population Prospects: The 1992 Revision (United Nations publication, advance copy); United Nations Department of International Economic and Social Affairs, World Population Monitoring 1991, (United Nations publication, Sales No. E.92.XIII.2); United Nations Development Programme, Preparations for the Fifth Programme Cycle, including funding strategy, DP/1991/24, and Matters relating to the fourth and fifth programming cycles, DP/1992/22; United Nations Educational, Scientific and Cultural Organization, 1992 UNESCO Statistical Yearbook, advance copy, December 1992; Food and Agriculture Organization of the United Nations, Worldwide estimates and projections of the agricultural and non-agricultural population segments 1950-2025, unpublished latest data.

53. Of the 58 countries, 32 are in sub-Saharan Africa, 17 are in Asia and the Pacific, five in Latin America and the Caribbean, and four in the Arab States and Europe (see table 3). In 1992, the combined population of these countries constituted about 79 per cent of the total for all developing countries. They also accounted for some 75 per cent of the Fund's total allocations for country programmes in that year (see table 1). Moreover, 39 of these countries are also designated as least developed countries (LDCs) by the General Assembly and the Economic and Social Council. The three countries classified by the General Assembly as "as if LDCs" would also be classified as UNFPA priority countries. The new list of priority countries would include 50 of the present 55 priority countries. Of the five countries that no longer qualify as priority countries, four had a per capita GNP higher than \$750.

54. Maintaining the present criteria and thresholds, together with the proposal to update the list of priority countries more frequently, would allow the Executive Director the necessary flexibility to respond to changing economic and demographic situations. It would also enable UNFPA to concentrate the Fund's resources in countries with the most critical needs, which is, of course, the primary purpose of the priority country system. Therefore, it is important that UNFPA be able to respond quickly and effectively to countries with emerging critical needs.

V. RECOMMENDATION

55. The Executive Director recommends that the Governing Council:

- (a) Take note of the present report;
- (b) Endorse existing criteria and their thresholds;
- (c) Take note of the most recent updating of the list of priority countries; and
- (d) Request the Executive Director to report to the Governing Council at appropriate intervals on further progress made in implementing the guidelines.
