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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR CHILE

UNDP assistance requested by the Government of Chile for the period 1982-1986

Illustrative IPF for 1982-1986: \$20 million

INTRODUCTION

1. The third country programme for Chile covers the period 1982-1986 and was prepared by the National Planning Office (ODEPLAN), an advisory body of the Office of the President of the Republic responsible for co-ordinating all technical co-operation extended to the country. Its preparation was begun in August 1981, when the Government confirmed to UNDP that it was interested in submitting the document to the June 1982 meeting of the Governing Council.

Note: In accordance with decision 81/15, adopted by the Governing Council on 27 June 1981 (E/1981/61/Rev.1, Annex I), the third country programme for Chile is being submitted to the Council without an accompanying note by the Administrator.

The previous country programmes for Chile and the accompanying notes by the Administrator were issued under the document symbols DP/GC/CHI/R.1-DP/GC/CHI/R.2 and DP/GC/CHI/R.1/RECOMMENDATION-DP/GC/CHI/R.2/RECOMMENDATION, respectively.

2. In preparing this country programme, account was taken of the guidelines which will govern the allocation of technical co-operation resources in line with the Chilean Government's new approach to all international technical co-operation. In preparing the programme, however, only UNDP resources were taken into account, although it was considered that this programme would serve as a reference framework for the allocation of other international resources from bilateral or multilateral sources. Since ODEPLAN updates the National Indicative Development Plan each year, it was not deemed necessary to conduct additional sectoral studies for the purposes of this programme.

3. The third technical co-operation programme will cover a period of five years as from June 1982. The activities to be carried out during the first two years of the new programme will consist of the implementation of projects deriving from the second country programme, involving approximately \$US 5,356,000 of the available resources. In the programming exercise an Indicative Planning Figure (IPF) of 80 per cent of the programmable resources, equivalent to \$US 16 million, was used, to which a carry-over of \$US 2,096,000 from the second programming cycle was added. Discounting the \$US 5,356,000 already committed to projects initiated during the second programme, the Government had \$US 12,760,000 available for programming during the present exercise, of which 86 per cent were earmarked for new areas and projects already identified and 14 per cent for activities to be determined during the annual revisions of the third programme to be carried out by ODEPLAN and UNDP.

4. With specific reference to economic and social objectives, the Government is aiming at a high rate of economic growth and concomitant social development with a view to eliminating extreme inequalities, in order to decentralize the economy effectively and make full use of the natural and human resources and the geographical potentialities of the different regions of the country.

5. In order to attain the goals indicated, a series of long-term comprehensive policies, aimed at achieving the following objectives, among others, has been formulated:

- (a) the efficient allocation of productive resources;
- (b) an increase in savings and investment;
- (c) the improvement of human resources;
- (d) enhancing the country's scientific and technological capacity and the utilization of more appropriate technology;
- (e) ensuring equality of opportunities for all Chileans and eradicating extreme poverty;
- (f) promoting employment; and
- (g) achieving the full participation and integration of the population in the benefits of development.

6. Among all the aforesaid objectives, two, namely, the improvement of human resources and enhancing the country's scientific and technological capacity, will receive the bulk of the support from the third country programme, because it is in these areas that a greater development impact can be generated and effective use thus made of the possibilities offered by technical co-operation.

7. In order to derive the utmost benefit from the capacity of the United Nations system with the scarce resources available, it was considered necessary to adopt a new approach for the third UNDP programming cycle. The conclusion was therefore reached that, for the period 1982-1986, the technical co-operation programme should conform to the following guidelines so that it can play the part it should play in the country's development:

(a) The illustrative IPF resources will be channelled into activities which help to create conditions conducive to the country's development, thereby dispensing with the economic participation of the private sector or its co-operation as a simple budgetary device for backstopping public institutions;

(b) In this connexion, it is necessary for the State to support scientific and technological research by channelling international technical assistance, especially UNDP resources, towards the development of knowledge and applications in these areas which lead to improvements in the well-being of the society. While the country programme in the period 1982-1986 will begin with activities carried over from the second cycle, involving most of the resources for the years 1982-1986, as from 1983 emphasis will be laid on the allocation of resources to projects falling within the general area of science and technology, mainly research in the basic sciences and technological development. Consequently, from the second half of the cycle onwards, the third country programme will consist basically of projects for the transfer of science and technology in the widest sense. Most of the disciplines in which the specialized agencies of the United Nations are able to render technical assistance come under this heading;

(c) The third country programme will enhance the possibilities of recruiting national experts for the management and implementation of international technical co-operation projects, since optimum results have been obtained with projects headed by national directors in which international experience has made a valuable contribution through high-level short-term advisory services. Horizontal co-operation projects and the direct implementation of projects by national institutions will also be developed. The possibility of purchasing the equipment required for the normal take-off of a project through cost-sharing by the Government or third parties will be explored beforehand;

(d) The resources available for projects of technical co-operation with the Government of Chile during the third programming cycle (1982-1986) have decreased considerably. Owing to the lowering of the illustrative IPF and the internal devaluation of the dollar during the period, the real value of the illustrative IPF for the third cycle is approximately equivalent to two thirds of the real value of the IPF of the second cycle; in order to carry out the largest number of activities under this abbreviated programme for 1982-1986, efforts will be made to encourage cost-sharing wherever this is deemed advisable and necessary for specific projects,

in the hope that at the end of the third cycle it will be possible to achieve at least an allocation of resources comparable in real terms to the resources available in the second cycle. Efforts will also be made to obtain financial resources from other sources where possible;

(e) Forming part of the role played by the State there is an indicative Five-Year Development Plan which is revised and updated annually by the Government of Chile in order to set specific sectoral targets. Similarly, the third UNDP technical co-operation programme (1982-1986) is formulated in accordance with the recommendations set forth in UNDP document DP/518 on continuous programming, the dynamic approach of which will make it possible, on the one hand, to ensure that the projects are always consistent with the objectives and requirements set forth in the Development Plan and, on the other hand, to establish a continuous process for identifying new projects in the areas already selected, for which purpose the organizations of the United Nations system will be playing a decisive part in terms of their technical contribution.

PROPOSED UNDP TECHNICAL CO-OPERATION IN SUPPORT OF NATIONAL DEVELOPMENT PRIORITIES

8. The present summary of the assistance proposed for the quinquennium is based on the Government's sectoral breakdown and, in line with the priorities for technical co-operation, indicative amounts have been assigned by sector and the projects have been classified as follows: ongoing projects initiated in the second cycle and continuing into the third cycle; new projects scheduled to begin in 1982-1983; and new projects to be started later.

9. It should be repeated here that the following summary does not constitute an exhaustive list but rather an indicative outline, in regard to both the amounts and the content, and it may be slightly amended in the light of the aforesaid continuous programming approach.

A. Agricultural sector

10. In recent years there has been a substantial increase in the output of this sector for both internal and external consumption. The growth in exports - mainly fruits, fishery products and vegetables - has transformed this sector into a major source of foreign currency earnings.

Ongoing project

Forestry research and development (CHI/76/003): Under this project research is conducted on the management of indigenous forests and Chilean national parks. Estimated UNDP contribution, 1982-1983: \$US 590,000.

New projects to be identified (1983-1986)

(a) Support for the process of agricultural readaptation and rural development;

(b) Promotion of research on and development of different crops; and

(c) Programme for introducing technological innovations into national agriculture.

Indicative amount (IPF): \$US 2,650,000.

B. Fisheries sector

11. Although this sector has, in relative terms, registered higher growth rates than other sectors of production in recent years, it has not reached a level of development commensurate with its potentialities and the new projects to be identified should therefore deal with the problems which have hampered this development.

Ongoing project

Fisheries (CHI/80/002): In 1982 the ongoing preparatory assistance designed to determine the scope and content of a possible new 1982 project, will be completed. Estimated UNDP contribution: \$US 76,000.

New projects to be identified (1983-1986)

(a) Study of marine ecosystems;

(b) Conservation and increase of hydrobiological resources;

(c) Obtaining technologies for harvesting unexploited species and development of fish-farms;

(d) Prospecting for marine resources in unexploited zones and establishing the potential and levels of present and future utilization of these resources;

(e) Development of artisanal fishing; and

(f) Development of marine sciences.

Indicative amount (IPF): \$US 1.1 million.

C. Mining sector

12. The assistance in this sector will be mainly directed towards technological research for obtaining more and better knowledge and information on national metallic and non-metallic mineral resources and deposits by promoting full utilization of the capacity of the research centres in this field.

Indicative amount (IPF): \$US 500,000.

D. Energy sector

13. It is necessary to develop scientific and technological research in this field, the search for new sources of energy, the improvement of existing sources and knowledge of new experiences at the international level which are transferable and suitable for application in Chile.

New projects

Use of wind energy on Easter Island: On the basis of two missions of experts carried out in 1981, it is hoped to initiate a project in this field in 1982.

New projects to be identified (1983-1986)

- (a) Support for pre-feasibility studies in the energy sector;
- (b) Promotion of programmes for the development of and research on non-conventional sources of energy; and
- (c) Transfer of technological information and technological innovations of possible application in Chile.

Indicative amount (IPF): \$US 2.2 million.

E. Industrial sector

14. The policy of opening up the market to foreign trade has had a major impact in this sector by increasing the output of other branches of industry especially the output of subsectors in which Chile has comparative advantages.

New projects to be identified

- (a) Support for the process of industrial readaptation;
- (b) Promotion of technological research the results of which can be applied to national production processes;
- (c) Promotion of the link between research centres and enterprises;
- (d) Support for manpower training programmes; and
- (e) Technological support for agro-industry.

Indicative amount (IPF): \$US 2.1 million.

F. Basic sciences sector

15. It is the State's responsibility to create the infrastructure necessary for the development of science and technology not covered by the private sector and to organize the utilization of technologies more effectively in accordance with the particular conditions of the country. The State also has a duty to ensure that all potential users have ready access to information and to the acquisition, development and application of basic and technological science.

Ongoing project

Biological sciences (CHI/81/001): The purpose of this project is to promote interaction among Chilean universities with respect to research in and the teaching of biological sciences and to increase the total number of graduate biologists specializing in teaching and research. Estimated UNDP contribution, 1982-1983: \$US 300,000.

New projects

Support programme for research and training activities in basic sciences (mathematics, physics, chemistry and biology).

New projects to be identified

(a) Support for the establishment, improvement and extension of skills and their technical applications to scientific research;

(b) Support for adapting the work of universities and other scientific and technological research centres to the requirements identified in national scientific and technological development programmes; and

(c) Promotion of interaction among research and teaching centres inside and outside the country.

Indicative amount (IPF): \$US 3,000,000.

G. Telecommunications sector

New projects to be identified

(a) Support for the process of transferring technology and for technological research to ensure adaptation of the sector; and

(b) Support for the relevant organizations in the application of international standards.

Indicative amount (IPF): \$US 200,000.

H. Economic and financial sector

Ongoing projects

Promotion of investment (CHI/79/011): The purpose is to assist in the structuring of a governmental unit capable of promoting foreign investments on a continuing basis. Estimated UNDP contribution, 1982: \$US 240,000.

Development of the stock exchange (CHI/79/012): The purpose is to establish modern, efficient and equitable standards in the legislation on public limited liability companies and stock exchanges. Estimated UNDP contribution, 1982-1983: \$US 170,000.

Promotion of exports (CHI/79/007): The main purpose is to conduct market studies abroad on selected products and to disseminate the results to the national exporting community. Estimated UNDP contribution, 1982: \$US 30,000.

Analysis and evaluation of investments (CHI/79/004): The main purpose is to assist in setting up an investment projects bank and in carrying out studies and training in project formulation and evaluation in order to improve public investment. Estimated UNDP contribution, 1982-1983: \$US 2.5 million.

Development of demand and investment in respect of foreign tourism in Chile (CHI/81/003): Estimated UNDP contribution, 1982: \$US 60,000.

Indicative amount (IPF): \$US 3,000,000.

I. Political and planning sector

Ongoing projects

Administrative reform and regional development (CHI/77/001): The main purpose is to assist in administrative rationalization and streamlining and in the consolidation of regionalization. Estimated UNDP contribution, 1982: \$US 320,000.

Application of systems in international policy (CHI/79/008): The purpose is to assist in the establishment of a decision-making system and a modern analytical approach in foreign policy. Estimated UNDP contribution, 1982: \$US 230,000; and

Support for technical co-operation activities (CHI/79/009): The purpose is to provide short-term technical and/or advisor service inputs for current decision-making in respect of development policies. Estimated UNDP contribution, 1982: \$US 70,000.

Indicative amount (IPF): \$US 620,000.

J. Environmental sector

Indicative amount (IPF): \$US 200,000.

K. Transport sector

Ongoing projects

Implementation of the air navigation plan (CHI/79/002): The purpose is to assist in setting up land installations and services for air navigation and in conducting a feasibility study for the development of Comodoro Arturo Merino Benítez international airport. Estimated UNDP contribution, 1982: \$US 550,000.

Indicative amount (IPF): \$US 550,000.

L. Health sector

Ongoing projects

Bacteriological Institute (CHI/71/550): The purpose is to assist in the modernization and extension of the Chilean Bacteriological Institute. Estimated UNDP contribution, 1982: \$US 40,000.

Campaign against marine pollution caused by oil spills (CHI/78/004): The purpose is to provide the country with an infrastructure capable of dealing with oil spills. Estimated UNDP contribution, 1982: \$US 30,000.

Indicative amount (IPF): \$US 70,000.

M. Cultural sector

Ongoing projects

Cultural heritage, archives, museums and archeology in Chile (CHI/79/013): The purpose is to provide technical assistance with specific reference to museography, archives and development of the archeological programme of Easter Island. Estimated UNDP contribution, 1982: \$US 130,000.

Indicative amount (IPF): \$US 130,000.

16. Chile participates in over 30 regional, interregional and international UNDP-assisted activities covering a very wide range of services provided by the United Nations specialized agencies. Many of these projects constitute an effective instrument of horizontal co-operation. Close co-operation exists between some regional projects and some ongoing national projects in the present programme. It should also be emphasized that the Government is interested in participating in regional, interregional or international activities in areas

which, while not selected in the third country programme, make a technical contribution to the country's development.

17. Objectives such as the satisfaction of basic requirements, the integration of women in development, drinking water and others to which the United Nations system has attached great importance are also national objectives, and the Government has allocated resources of its own for their achievement, there being no specific UNDP assistance for this purpose.

Annex
FINANCIAL SUMMARY

<u>A. Resources</u>	\$
(a) IPF and other resources	
(i) Illustrative IPF for programme period	20 000 000
(ii) Carry-over from previous IPF cycles	2 111 000
(iii) Other resources <u>a/</u> (cost-sharing)	20 000
(b) Provision for adequate programming	-
TOTAL	22 131 000
<u>B. Use of resources</u>	
(a) Programmed	
(i) Ongoing projects	5 356 000
(ii) New projects and new phases included in the country programme	-
(iii) Earmarked for specific objectives and activities for which projects are to be worked out (continuous programming at a later stage)	10 984 000
Subtotal	16 340 000
(b) Reserve	1 791 000
(c) Unprogrammed balance <u>b/</u>	4 000 000
TOTAL	22 131 000

C. Financial distribution of programme, by sector

<u>Sector c/</u>	<u>Ongoing projects</u>	<u>New projects</u>	<u>Sectoral earmarkings</u>	<u>Total</u>
	\$	\$	\$	\$
02 General development, policy and planning	3 610 000	-	-	3 610 000
03 Natural resources	-	-	2 700 000	2 700 000
04 Agriculture, forestry and fisheries	666 000	-	3 084 000	3 750 000
05 Industry	-	-	2 100 000	2 100 000
06 Transport and communications	550 000	-	200 000	750 000
07 International trade	30 000	-	-	30 000
10 Health	70 000	-	200 000	270 000
15 Culture	130 000	-	-	130 000
16 Science and technology	300 000	-	2 700 000	3 000 000
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TOTAL	5 356 000	-	10 984 000	16 340 000

a/ Paragraph 7.4 refers to the Government's interest in promoting participation in the costs so that, at the end of the third cycle, it will be possible to achieve at least an allocation of resources comparable in real terms to the resources available in the second cycle.

b/ Representing 20 per cent of the illustrative IPF which has not been taken into account for programming in accordance with the Administrator's instructions contained in UNDP/PROG/FIELD/111; UNDP/PROG/HQTRS/126.

c/ According to ACC classification.

