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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Consideration and approval of country programmes

THIRD COUNTRY PROGRAMME FOR
PAKISTAN

Note by the Administrator

Programme period

1982-1986

Illustrative IPF for 1982-1986

\$118.00 million

I. Nature of the programming exercise

1. The formulation of the third country programme for Pakistan commenced in January 1981. The timing was set both to reorient UNDP's collaboration at the beginning of its third cycle, 1982-1986, and to co-ordinate UNDP's co-operation as closely as possible with the Government's new Three-Year Public Sector Development Programme 1982-1984 which became effective from 1 July 1981.

2. Use was made of a number of key sectoral studies, and valuable suggestions were received from a number of United Nations agency headquarters which were requested to comment on the draft country programme. Its formulation included sectoral discussions between representatives from the development ministries and the Planning and Economic Affairs Division on the one side, and the representatives of UNDP and the United Nations specialized

1/ The notes by the Administrator concerning the previous country programmes for Pakistan were issued under the document symbols DP/GC/PAK/R.1/RECOMMENDATION and DP/GC/PAK/R.2/RECOMMENDATION.

agencies in the country on the other. The tripartite nature of the formulation process was adhered to from an early stage.

3. The third country programme is based on development priorities established in the Fifth Five-Year Plan (FY 1979-1983 and the Three-Year Public Sector Development Programme (FY 1981-1984). Following the conclusions of a review of the achievements of the second country programme (1977-1981) and based on the Government's assessment of areas where the United Nations system can best contribute to the socio-economic development of Pakistan, three sectors have been identified as areas of concentration. Accordingly, about four-fifths of the programmed resources have been earmarked for: agriculture, forestry, fisheries; natural resources; and human resources development. The Government and UNDP, with the participation of United Nations agencies' representatives and officials in the country, discussed submissions for the third country programme from the Federal and Provincial authorities; and while many proposals were accepted for inclusion, some were modified, some were put aside for future consideration, and some, by agreement, were withdrawn or considered for support from other sources.

4. The illustrative IPF for 1982-1986 was approved at \$118 million. According to the Administrator's instructions, 80 per cent of that amount, or \$94.4 million, has been taken into account for programming, pending clarification of the actual resource availability during the period. It is expected that roughly 93 per cent of the \$52.14 million IPF for the second country programme will have been expended by the end of 1981, leaving a carryover of \$3.75 million. Therefore, the total resources available for programming are reckoned at \$98.15 million. The 1982-1986 budgets of approved projects which will continue into the third cycle total \$36.15 million, \$53.00 million has been earmarked for specific sectors and objectives for which projects are to be worked out at a later stage, thus leaving a balance of \$9.00 million as reserve.

II. Relation of the country programme to national development objectives

5. The Fifth Five-Year Plan (FY 1979-1983) laid down a sectoral strategy for public sector development expenditure which provided a shift of emphasis to agriculture and infrastructure programmes. These shifts were to take place within a real rate of increase of about 10 per cent per annum in aggregate public investment. Agriculture and social and physical infrastructure were to receive a major boost especially from the third year of the Plan onwards.

6. The Government, noting the shortfalls in the achievement of the Plan targets, the consequences of the increased costs of energy, and the terms of the Extended Fund Facility negotiated with the IMF, prepared the Three-Year Public Sector Development Programme (FY 1981-1984) which marked, among other things, further shifts of emphasis. While allocation for fertilizer subsidies and industry were substantially reduced, those for energy, agriculture and human resources significantly increased. (See para. 8 of the country programme document).

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7. The aim of the third country programme is to make maximum use of UNDP assistance in meeting the development objectives of the Government's Fifth Five-Year Plan and the Three-Year Public Sector Development Programme. The third country programme focuses on priority needs of technical assistance in the three areas of concentration as indicated in paragraph 3 above. Furthermore, the programme also includes technical assistance for industry, trade, tourism and infrastructure development.

8. Additionally, a salient feature of the programme is its investment orientation. For instance, included in the programme is an \$8 million contribution to assist in the preparation of engineering feasibility studies for the Kalabagh Dam. Similarly, project preparation in the water, agriculture and energy sectors will be undertaken within the framework of an umbrella pre-investment project to facilitate investment activities of the World Bank, Asian Development Bank and the International Fund for Agricultural Development.

III. Content of the country programme

9. Some of the successful and experimental project activities in the second programme period will continue with expanded objectives in the third country programme. The content of the present programme mainly reflects the technical assistance needs emanating from the new development priorities for the five sectors. The important features of the programme, according to sector, are as follows:

a) Agriculture, accounting for one-third of the programmed resources, envisages co-operation in agricultural planning and programming, crop production, marketing, livestock feed, forest and watershed management, range improvement, modernization of fishing in Baluchistan, and marine fisheries.

b) Natural resources, accounting for another one-third of the resources will focus on critical technical assistance needs in such areas of water use as salinity control and reclamation, water management and minor irrigation; such aspects of energy as development of renewable sources of energy, and energy conservation; and such aspects of minerals development as strengthening of the geological survey of Pakistan, exploration of copper and coal deposits, and the feasibility study for the development of potash brine for the fertilizer industry.

c) Human resources development has been allocated 17 per cent of the programmed resources and envisages assistance for such areas as comprehensive social security system, employment promotion, manpower planning, skills development, improvement of science education at the primary and secondary levels, development of a nationwide information system for education, health education, environmental sanitation, drinking water supply, and assistance for the physically handicapped.

d) Industry, trade and tourism development projects will cover such areas as development of the capital goods industry, small-scale industries development, preparation of a portfolio of projects for industrial investment, leather and leather products industry, special steels, export promotion, tourism development, and conservation of cultural heritage.

e) Infrastructure development will include assistance in telecommunication networks in remote areas, civil aviation training, drinking water and sanitation, and public administration.

10. Each project will aim at achieving results on the basis of an appropriate mix of foreign and national expertise, sub-contracts, training and equipment. The delivered programme for the second cycle, 1977-1981, devoted approximately 38 per cent to expertise, 10 per cent for subcontracts, 11 per cent for training, and 38 per cent for equipment. Resources are expected to be committed in roughly the same order of magnitude in the third cycle, but with increased emphasis on utilization of national talent and resources. Purchasing of equipment will account for less than half of the anticipated total expenditure. A sectoral breakdown of UNDP assistance by sector is included in the financial summary attached to the country programme document.