INTRODUCTION

1. The third country programme for Uruguay covers the period 1983-1986. The Division of International Co-operation of the Secretariat for Planning, Co-ordination and Dissemination of the Office of the President of the Republic (SEPLAOCODI), which is responsible for all the technical assistance received and provided by the Government of Uruguay, prepared the programme in close co-operation with the various Ministries and government technical departments and with assistance and support from the office of the resident representative of the United Nations Development Programme (UNDP).

* 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 Uruguay is being submitted to the Council without an accompanying note by the Administrator. The previous country programmes for Uruguay and the accompanying notes by the Administrator were issued under the document symbols DP/GC/URU/R.1-DP/GC/URU/R.2 and DP/GC/URU/R.1/RECOMMENDATION-DP/GC/URU/R.2/RECOMMENDATION, respectively.
2. The third country programme constitutes an explicit and formal statement of the technical assistance that the Government requires from UNDP.

3. The programming exercise began in September 1981 and ended in February 1982. The first step taken in that exercise was an in-depth evaluation, by the UNDP local office and the Secretariat for Planning, Co-ordination and Dissemination, of all the technical assistance mobilized by the United Nations system for Uruguay in the period 1972-1981, which made it possible to assess the results achieved, establish what experience had been gained and to draw useful and practical conclusions for utilization in the implementation of the third country programme.

4. The approach to formulation of the third country programme placed a heavy emphasis on participation, since not only SEPLACODI but also the various Ministries, official bodies and State agencies were involved in programme preparation. Moreover, the resident representative made recommendations concerning the third country programme's possible focus, in consultation with the organizations of the United Nations system. This enabled SEPLACODI and UNDP to make a systematic listing of current needs and to establish exactly to what extent technical assistance requirements can be met out of available UNDP resources, within the framework of the country's development strategy.

5. It was agreed that the third country programme should emphasize, inter alia: an accurate assessment of project extensions; greater use of short-term consultants in preference to long-term experts; more intensive use of machinery for horizontal technical co-operation in each project; elimination, to the greatest extent possible, of the financing of equipment purchases and administrative expenses; concentration of similar ideas in one single project; a gradual transfer of the responsibility for co-ordination and/or project management to Uruguayan institutions; promotion of direct project implementation by the Government; and use of local experts.

6. The third country programme for Uruguay will cover a period of four years (1983-1986) in order to avoid the lack of synchronization between the financial cycle of UNDP and Uruguayan programming that has existed in the past.

7. In view of the fact that the volume of resources allocated is not high enough to meet the established requirements and, moreover, with a view to maintaining an adequate rate of progress in the implementation of technical assistance, the Government has decided to make a contribution in kind and in Uruguayan currency of a value equivalent to $2 million, to be divided into three annual payments (the first being the equivalent of $650,000, the second the equivalent of $700,000 and the third the equivalent of $650,000 in new pesos) from 1982 to 1984,* in order to help cover expenses. Moreover, it has been estimated that the cost-sharing sum contributed by the Uruguayan counterpart institutions will be at least as high as in the previous cycle, which is a factor that has been taken duly into account in the programming process.

* Account should be taken of the fact that $650,000 of the contribution in new pesos equivalent to $2 million represents the contribution for 1982. The net contribution for the 1983-1986 country programme is therefore $1,350,000.
8. The financial resources made available for the third country programme (1983-1986) amount to $6,283,000 out of the indicative planning figure (IPF), together with the estimated sum of $942,000 in the form of a cost-sharing contribution already pledged by the Uruguayan counterpart institutions, without prejudice to any further contributions that may materialize in the future, and the two payments for 1983 and 1984 referred to above to be made by the Government in new pesos equivalent to $1,350,000. There is therefore a total amount of $8,575,000 available for the programme. The volume of funds available for the third country programme has been calculated on the basis of 80 per cent of the IPF.

9. In the 1982-1986 cycle the Government plans to begin a considerable number of new projects and to continue a number of other projects that have as yet not led to the achievement or full consolidation of the goals pursued. These plans are indicative of the focus and activities of the programme to be started in 1983 with a view to remedying the current lack of synchronization between the financial cycle of UNDP and Uruguayan programming.

10. In view of the budgetary situation referred to above, the Government plans to put the small volume of resources available to the best possible use by stepping up, in particular, use of machinery for technical co-operation among developing countries (TCDC) and incorporating it into the various projects that have been developed on the basis of the extensive experience gained from the preceding programme.

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

11. At present Uruguay does not have a development plan with goals quantified by sector. However, at a series of high-level government meetings held at the end of 1977 and 1981 a basic economic and social policy framework was established for government action, which also serves as a guide for private initiative and for action taken under international financial assistance and technical co-operation programmes. The policies thus developed call for further emphasis on the establishment of foreign economic and financial links and for state involvement solely in strategic activities, with the State adopting the same general thrust as the private sector. The free play of market forces is expected to lead to a better distribution of resources and a more rapid rate of economic and social development. Competitiveness on foreign markets is essential for that purpose and, in the case of a policy not based on low labour costs, calls for the acquisition and constant updating of technology and for the necessary capital.

12. External financial assistance has been obtained from international organizations (the World Bank and the Inter-American Development Bank (IDB)) and, with less favourable maturities, from private international banks. The technical assistance received comes basically from the United Nations and its specialized agencies, the Organization of American States (OAS) and, to a lesser extent, from relatively more developed countries. An endeavour will be made to link the two types of assistance to the extent possible.
13. The purpose of the economic and social policies adopted at the end of 1981 was to adjust a number of the policies pursued to international economic conditions. The strategy of emphasizing the establishment of foreign links with a view to achieving a better allocation of national resources is being continued and, as already pointed out, calls for the application of technological innovations and constant renewal of equipment. The sectors with comparative advantages (for example, agriculture, fisheries and industries that process Uruguayan raw materials) must continue to expand, modernize their equipment, use applied technology and employ more skilled personnel. Social policy is focused on making improvements in the health and labour sectors, integrating young people, women, the elderly and the handicapped into their environment and place of work and promoting the family, which is regarded as the basis of all social institutions. The main goal of the third country programme is to support the Government in those endeavours.

14. The Government's sectoral objectives, on which UNDP assistance will be concentrated, are summarized below.

A. Health

15. The aim is to: promote active involvement of the community in health activities; raise the health sector's productivity by developing health institutions from the administrative and management point of view; and emphasize the use of technology suited to the Uruguayan health-services system, particularly as regards the population's real requirements and the availability of human, material and financial resources. The following project will be continued with a view to achieving those objectives: Health System (URU/82/001).

B. Labour and human resources

16. High-priority studies and research work on the most appropriate way of using human resources in the areas of employment and vocational training will be encouraged in order to promote national development. The following projects will be continued in order to achieve those goals: Safety and Hygiene (URU/82/002) and Human Resources (URU/82/028).

C. Agriculture and fisheries

17. The object is to: improve the distribution of the sector's productive resources and achieve steady expansion of output; promote investment in the sector in order to exploit its comparative advantages; and encourage the development and dissemination of technology in order to raise productivity and the level of competitiveness. The following projects will be continued in order to achieve those goals: Uruguayan Federation of Regional Centres for Experimental Agriculture (FUCREA) (URU/78/004), Soil and Water Conservation (URU/82/003), Production Systems Research (URU/82/004) and National Institute for Settlement (URU/82/020). The following project will be started: National Fisheries Institute.**

** These projects have not yet been given numbers.
D. Education

18. In this sector the aim is to: promote participation by the University of the Republic in national affairs and to encourage it to put its academic, scientific and technical expertise and innovative and development potential at the service of projects of national concern; and pursue and promote efforts to provide university students with a sound comprehensive education at various cultural levels, placing particular emphasis on practical issues arising from the requirements of their future field of activity. The following projects will be continued with a view to achieving those objectives: Faculty of Veterinary Medicine (URU/82/008), Marine Sciences (URU/82/009), Policy in the Field of Science and Technology (URU/82/007) and Post-Graduate Fellowships (URU/82/011). Moreover, the following projects will be started: Biology, Cultural Heritage and Faculty of Engineering (URU/82/024).

E. Industry

19. In this sector the programme is aimed at: supporting the industrial development of sectors that have an international competitive advantage, especially those engaged in processing national resources, and which, in view of the small size of the domestic market, are mainly export-oriented; directing the modernization of the sector by means of procedures and techniques to raise the level of efficiency and facilitate industrial reconversions; gearing the energy supply to development requirements; and diversifying and safeguarding sources of energy development. The following projects will be continued with a view to achieving those objectives: Industrial Development Advisory Unit (URU/78/013) and Industrial Property (URU/82/012). The following projects will be started: Alternative Sources of Energy, Agro-Industrial Co-operatives, Atomic Energy and Industrial Pollution.

F. Infrastructure, transport and communications

20. The aim is to: establish a transport network that will serve as an instrument for integrating and developing the country; develop means of transport on the basis of their importance for international trade; centralize in the Transport Planning Unit the information required for evaluating the situation regarding the various means of transport, in accordance with standards set by the Ministry of Transport and Public Works prior to 30 June 1982; and support and strengthen the National Telecommunications Administration in providing community services and raising its efficiency and productivity levels, with a view to meeting the requirements arising from the country's general development. The following projects will be pursued in order to achieve those goals: Transport Planning (URU/78/011) and Meteorology (URU/78/006). The following projects will be started: National Telecommunications Administration, State Sanitation Project, Civil Aviation and Solar Energy.

G. Economic policy and planning

21. An endeavour is being made to uphold the basic goals established at the Solis Conclave in the area of public finance, trade policy, external indebtedness and
international reserves, domestic credit and prices and income. A consistent fiscal balance is being included as a basic element of economic policy. The following projects will be continued with a view to achieving the goals in this sector: Economic Analysis and Forecasting (URU/82/015), Customs (URU/82/016), Secretariat for Planning, Co-ordination and Dissemination (URU/82/022), Technical Co-operation among Developing Countries (URU/82/017) and Consumption, Employment and Family Income Survey (URU/82/018). The following project will be started: Export Promotion (URU/82/025).

H. Social policy

22. The aim is to involve everybody in community life, through ongoing and progressive education for both the individual and society as a whole, for the sake of the common good. The following projects will be started with a view to achieving those goals: National Office for Social Affairs** and Assistance to Children and Young People.**

E. Conservation policy and enhancement of the environment

23. The objective is to: maintain the quality of the environment at levels that are in keeping with normal living conditions and generally to improve it at a price that is within the country's means; and identify and evaluate sources of pollution. A number of projects will have an impact on achievement of that goal.
Annex

FINANCIAL SUMMARY

A. Resources

IPF and other resources

(i) Illustrative IPF for 1982-1986 10 000 000
(ii) Less unprogrammed balance a/ (2 000 000)
(iii) Less authorized budget level for 1982 (1 440 000)
(iv) Previous IPF cycle balance (2 277 000)
(v) Other resources: Cost sharing 2 292 000
Total resources available for programming: 8 575 000

B. Use of resources

Programmed

(i) Ongoing projects 4 837 000
(ii) New projects and new phases of ongoing projects included in the country programme 3 738 000
(iii) Earmarked for specific objectives and activities for which projects are to be worked out at a later stage

Subtotal: 8 575 000

Total programmed plus reserve: 8 575 000

a/ Representing 20 per cent of the illustrative IPF which has not been taken into account for programming.
C. Financial distribution of programme, by sector

<table>
<thead>
<tr>
<th>Sector b/</th>
<th>Ongoing projects $</th>
<th>New projects $</th>
<th>Total $</th>
</tr>
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<tr>
<td>02</td>
<td>General development issues, policy and planning</td>
<td>799 000</td>
<td>375 000</td>
</tr>
<tr>
<td>04</td>
<td>Agriculture, forestry and fisheries</td>
<td>1 442 000</td>
<td>683 000</td>
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<tr>
<td>05</td>
<td>Industry</td>
<td>569 000</td>
<td>700 000</td>
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<tr>
<td>06</td>
<td>Transport and communications</td>
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<tr>
<td>10</td>
<td>Health</td>
<td>350 000</td>
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<tr>
<td>11</td>
<td>Education</td>
<td>1 129 000</td>
<td>375 000</td>
</tr>
<tr>
<td>12</td>
<td>Employment</td>
<td>225 000</td>
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</tr>
<tr>
<td>14</td>
<td>Social conditions and social justice</td>
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<tr>
<td>TOTAL</td>
<td></td>
<td>4 837 000</td>
<td>3 738 000</td>
</tr>
</tbody>
</table>

b/ According to ACC classification.