COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Trends and problems in the country programmes submitted to the Governing Council for consideration and approval

Report of the Administrator

SUMMARY

This report, submitted in accordance with a Governing Council decision adopted at its twenty-second session /, presents an analysis of the trends and problems of the second group of country programmes in the fourth programming cycle.

A total of 28 country programmes and the Caribbean multi-island programme are submitted for approval by the Governing Council at its special session.

This report is submitted to the Council for its information.
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INTRODUCTION

1. This report presents an analysis of the trends and problems in the 28 country programmes and the Caribbean multi-island programme submitted for approval at the special session in February 1987.

2. This is the second group of country programmes submitted for approval under the fourth cycle, the Council having approved 44 country programmes at its thirty-third session in June 1986. There now remain 81 country programmes to be submitted at a later date for consideration by the Council for the fourth cycle; 33 are from the Regional Bureau for Africa; 17 from the Regional Bureau for Asia and the Pacific; 13 from the Regional Bureau for Arab States; 13 from the Regional Bureau for Latin America and the Caribbean; and 5 from the Unit for Europe. There is thus a projected total of 153 country programmes for the fourth cycle.

3. The previous report mentioned that the country programmes for the fourth cycle have been subjected to a careful and intensive process of preparation to ensure the high quality desired by both the Governing Council and the United Nations Development Programme (UNDP). The revised guidelines developed for the preparation of the fourth cycle country programmes could not be fully applied to all the country programmes at the last submission, because those programmes were already in the process of preparation when the guidelines were being developed. However, all the country programmes presently submitted have been prepared according to the revised guidelines. The Programme Review Committee (PRC), comprised of senior staff at UNDP headquarters, continued to scrutinize all programmes having $10 million or more in programmed resources.

4. The Administrator is pleased to report that, for the group presently submitted, considerable progress has been made in meeting the criteria for effective country programming. The Governments and UNDP have taken care to ensure that the country programmes are formulated so as to promote the achievement of Government development objectives and priorities, at the same time making sure that the programmes fit in the overall context of the countries' technical co-operation requirements and priorities, maintaining co-ordination and complementarity with the programmes of all other sources of finance. Whilst some aspects of ideal programming may not have been fully met in all of the programmes, it can be said that country programmes are now objective-oriented and projects are mostly focused on the selected objectives. This report highlights the successes achieved, and identifies those areas where still greater efforts and attention are required.

5. The regional representation of these country programmes is somewhat less uneven than those of the last session. There are presently 5 programmes from Africa, 3 from the Arab States, 4 from Asia and the Pacific, 2 from Europe and 15 from Latin America and the Caribbean. In the last submission, the numbers were 5 from Africa, 3 from the Arab States, 16 from Asia and the Pacific, 5 from Europe and 15 from Latin America and the Caribbean.

6. Programmed resources are also more evenly distributed: there are no very large programmes, such as those of Bangladesh, China or Ethiopia. The largest
fourth cycle indicative planning figure (IPF) in this set is $60.35 million, for Burma, compared to $133.87 million, for China, in the last submission. In the current group, Argentina tops the list of total resources programmed, with $83.8 million, including large sums of non-IPF resources, compared to Ethiopia with $174.1 million at the previous submission. However, whilst the previous group included a large number of small programmes from the Pacific and Caribbean island countries and territories, the present one also includes 10 programmes from the Caribbean subregion. None of these island countries has an IPF of over $2 million, although many of these programmes are much larger, owing to the inclusion of substantial resources from other donors.

I. TIMING OF THE COUNTRY PROGRAMMES AND RELATED ASPECTS

7. Basic information on the timing and related aspects of the country programmes is provided in annex I of the addendum to this document.

8. The majority of the programmes (16) are the fourth in their respective series. The two European programmes are the third and the nine Caribbean country programmes are the second in their own series, while the programmes for Burma and Singapore are fifth and sixth, respectively. The fourth country programme for Burma was prepared for a duration of three years, 1982-1985, and was later extended through 1986. The Government has now prepared its fifth country programme for the entire fourth IPF cycle. Singapore, on the other hand, still prefers to limit its sixth programme to the first three years (1987-1989) of the fourth cycle.

9. In accordance with Governing Council decision 81/15, country programmes may be approved retroactively for a period up to six months. All the country programmes being submitted to this special session are within this limit and require retroactive approval for not more than two months.

10. Every analysis of the country programmes submitted to the Council at previous sessions concluded that the Governments had a strong preference for the synchronization of their country programmes with the corresponding IPF cycles, for the sake of efficient resource management. This preference is pronounced more than ever in the present programmes. The duration of all the country programmes lies within the fourth cycle, although the programmes for Argentina and Singapore expire before the end of the fourth IPF cycle.

11. There is substantial overlap in the time-frames of country programmes and national development plans. In five cases, the overlap is complete; in nine cases almost complete, meaning that the divergence is one year or less; and in five cases there is a divergence of more than one year. In ten cases, including the Caribbean multi-island programme, there are no formal development plans. The main reason for the divergence between the time-frames of the country programmes and of the national development plans is the clear Government preference to synchronize the country programmes with the IPF cycle. Most of the countries with no development plans are passing through emergency economic situations and have undertaken special structural adjustment programmes with assistance from the International Monetary Fund (IMF) and the World Bank. These countries thought it necessary to suspend the
normal planning process, although some of them, notably Liberia and Tanzania, have prepared special economic recovery plans for the interim period, while others, including Panama, have adopted general policy guidelines in place of formal plans. Some of the Caribbean island countries which did not formulate national development plans have prepared public sector investment programmes and used them as the basis for country programming.

II. NATURE OF THE PREPARATORY WORK

12. The preparatory exercise includes the following: an analysis of the economic development trends in the country and the Government development strategies to achieve longer-term goals, taking full account of those trends; a comprehensive assessment of the technical co-operation requirements and priorities for the successful implementation of the development strategies; a study of the priority areas for external assistance sources and of the problems and needs for co-ordination among them; an assessment of the previous or current country programme; and sectoral or thematic surveys and reviews necessary for new programme orientation and contents. The Government and UNDP are responsible for these preparatory steps, albeit in varying degrees for individual cases. Based on the results of the preparatory process, the Government is to determine the orientation and content of the new programme, with advice from UNDP. The guidelines prescribe that the Resident Representative should prepare a note embodying his most considered recommendations on the new country programme and present it to the Government, which is ultimately responsible for determining the orientation and scope of the new country programme. The format of the country programme document itself was designed to facilitate the preparation of high quality programmes and has been used for all these country programmes.

13. Some generalized accounts of what has actually been done in the programming exercise are given in the following sections. Basic information on the nature of the programming exercise is provided in annex II of the addendum to this document.

A. Analysis of recent economic trends and national development strategies and priorities as the basis for country programming

14. The first step towards the programming exercise for each country programme was an analysis of the recent economic trends and the current situation. This was followed by a similar analysis of the Government national development strategies and priorities. As mentioned earlier, the development strategies and priorities for most countries are embodied in their national development plans, which were either completed or under preparation at the time of country programming. For some countries, where acute balance-of-payments problems overwhelmed the Government planning capacity, special structural adjustment programmes were undertaken along with short-term economic recovery programmes. A public sector investment programme was prepared in addition to, or in lieu of, the plan document in some countries. Even in those countries where, because of special circumstances, no formal plans existed, the Governments adopted some development guidelines. The analyses of the
recent economic trends and of the national development strategies and priorities provided the essential perspective for country programming in all cases. Some observations on the substantive conclusions from these analyses are provided in chapter IV.

B. Assessment of technical co-operation requirements and priorities

15. In the previous report on this subject, it was commented that a comprehensive assessment of technical co-operation needs was rendered difficult by both conceptual and practical considerations and could be expected only over time. That judgement still holds. Nevertheless, conscious efforts have now been made to establish an assessment of the technical co-operation needs and priorities on as strong a basis as possible. In this way, the role of UNDP can be defined, and the country programme prepared, in a manner consistent with those needs and priorities, as well as with the programmes of other donors. Whilst weaknesses still remain, considerable improvements have been achieved in filling information gaps on the basis of various special studies undertaken or reviewed in connection with the needs assessment. Provisions have been made in some cases to fill the remaining gaps as the country programme implementation proceeds.

16. The most successful experience with regard to the assessment of technical co-operation needs and priorities has been in the Eastern Caribbean States. To make the most effective use of the small IPFs of these island countries, the Resident Representative, under the guidance of UNDP headquarters, mounted a concerted action with the Governments and other donors to combine resources for the preparation of country programmes so that each of the programmes could work as a frame of reference for the technical co-operation activities of all the sources. To this end, UNDP field staff assisted the Governments in preparing comprehensive technical co-operation programmes to lay the foundation for country programming. The existence of various intergovernmental mechanisms among the Caribbean States, and the dominant roles played there by UNDP and the World Bank, helped make this innovative approach more successful in this subregion than elsewhere. The preparation of comprehensive technical co-operation programmes was an important step towards widening the scope of these country programmes.

17. For some countries in Asia, notably Burma and Malaysia, UNDP headquarters organized special technical assistance needs assessment missions as a preliminary to country programming. These missions made significant contributions by providing a stronger basis for country programme preparation, which otherwise could not be expected. In the Africa region, a National Technical Co-operation Assessment and Programme (NATCAP) mission was undertaken in Swaziland to survey technical co-operation requirements; its findings formed the basis for country programming. In Liberia, Malawi, Tanzania and Zaire, the preparatory work for round table and consultative group meetings that were held prior to country programme preparation greatly contributed to making an assessment of technical co-operation needs and priorities. In Malawi, a Government UNDP task force made a special study on this subject. In addition, the country programmes for Malawi and Tanzania have provided for NATCAP missions to be conducted during the early stages of programme implementation. In the other countries, technical co-operation needs and priorities were derived from various plans and programmes as well as sectoral...
studies. The structural adjustment programmes and public sector investment programmes provided the basis for the assessment in some countries. Bolivia benefited in this respect from the preparation for its consultative group meetings in 1986.

C. Aid co-ordination

18. The issue of aid co-ordination is inherently linked to that of the needs and priorities of technical co-operation. In the first place, aid given by different donors, both capital and technical, must relate to basic development objectives and central concerns. Furthermore, some of the impact of this assistance will be lost if it is not co-ordinated. Secondly, capital and technical assistance are interdependent: without proper co-ordination between them, the basic objectives of external assistance may be frustrated. In terms of its functions any technical assistance programme should therefore be defined as complementary to capital aid and as an independent contribution to the institutional capacity and human resources development in the country. Thirdly, the complexity of procedures when several donors operate within one sector not only places a serious burden on the recipient country's limited institutional capacity, it can also lead to the proliferation of different kinds of equipment and other inputs, thus rendering management and maintenance problems very difficult. For these and other reasons the Governing Council expressed special concern about aid co-ordination. The Administrator has striven to ensure that these concerns are kept constantly in view in preparing country programmes.

19. The individual country programme documents discuss the mechanisms of aid co-ordination which operate within the respective countries. The Governments correctly see aid co-ordination as their own function and responsibility, and one or more ministries are entrusted with it. The Ministry of Planning is normally in charge of aid co-ordination, but in some countries this responsibility is shared or fully carried out either by the Ministry of Finance or by the Ministry of Foreign Affairs. The existence of consultative mechanisms among aid donors in the form of UNDP-assisted round tables or the World Bank-sponsored consultative groups or aid groups greatly facilitates aid co-ordination. The Caribbean Group for Co-operation in Economic Development (CGCED) provides an important framework for promoting co-ordination among various donors and for harmonizing economic policy issues confronting those countries. In some countries, formal or informal consultations take place among donor representatives with the participation or consent of the Governments, in order to co-ordinate programmes or projects at the field level.

20. The preparation of country programmes was facilitated by the aid co-ordination mechanisms described above and consideration of the countries' total needs for technical co-operation. Sectoral studies undertaken by the various multilateral and bilateral donors have provided valuable inputs not only to country programming but also to aid co-ordination, both at the policy planning and sectoral levels. The Joint Consultative Group on Policy comprising UNDP, the United Nations Children's Fund (UNICEF), the United Nations Fund for Population Activities (UNFPA) and the World Food Programme (WFP) have guided joint programming in some countries, e.g., Tanzania. As stated earlier, a number of country programmes, particularly
those of the Eastern Caribbean States, are viewed by the Governments as frames of reference for the programmes of the participating donors, thus making them instruments of aid co-ordination. UNDP technical co-operation also strengthens the operational capability for aid co-ordination by the Governments, and some of the country programmes contain specific projects to achieve this objective.

D. Assessment of previous or current country programmes

21. An assessment of the previous or current country programme was done prior to the preparation of each country programme submitted. This was the most important step taken by the UNDP field office and was carried out jointly with the Government. Representatives of the executing agencies present in the country also participated in the assessment.

22. The assessments vary considerably in scope and depth of analysis. Some of them focus on delivery and implementation rates; others concentrate on programme management issues; and few have attempted an examination of programme results. This diversity in approach reflects the experimental nature which still characterizes most of these assessments. Their experience will now be analysed and used as a basis for the formulation of guidelines on country programme review, assessment and evaluation to be included in the UNDP Policies and Procedures Manual. Yet, in spite of their methodological and conceptual differences, most of the assessments concluded that the new country programmes should concentrate on selected areas to achieve the desired impact. However, in exceptional cases, notably Egypt, after carefully considering the merits of concentration and dispersion, the preference remained in favour of small but well selected projects having a catalytic role in a number of areas. In Syria, linking the country programme to the investment financing projects was considered attractive initially, but the assessment led to the conclusion that such linking divested the country programme of its desirable flexibility.

23. Regarding project implementation, extensions were requested for many projects in some countries, indicating implementation or design problems. Most of the assessments concluded, inter alia, that more regular, intensive and flexible monitoring of projects was needed to make it possible to reorient them, when required, in response to changing priorities or unanticipated implementation difficulties. In some countries, the actual level of Government involvement and participation in project formulation was limited. Training components in many programmes were under-utilized, even where training was given the prime emphasis.

24. The problems of implementation are the usual ones: weakness of project design; budgetary and manpower constraints in providing Government counterparts; delays in appointing staff, providing physical facilities and nominating candidates for fellowships; maintenance of equipment, etc. The executing agencies are often late in providing experts and equipment and lack full technical backstopping.

25. The mix of inputs was also scrutinized carefully. Many programmes have benefited from the increasing use of short-term experts and consultants as opposed to longer-term experts. The availability and use of qualified national experts was considered a welcome development.
26. Most of the problems reported in the assessments are not revelations; some of them may even be inherent to the technical co-operation system, and may well persist in the future. However, the most encouraging trend is that the assessments are candid in identifying the shortcomings and in recommending remedies in the forthcoming programmes. All the new country programmes have benefited from the experience of the past programmes, which they have incorporated into the new programmes.

E. Sectoral studies and programming missions

27. The preparation of the country programmes was greatly facilitated by the availability of numerous sectoral studies. Such studies were already prepared for the national development plans, and in some cases, for round table and consultative group meetings, but many studies were conducted exclusively as a part of the country programming exercise. The Governments themselves carried out most of the studies, sometimes with UNDP assistance. In some cases, UNDP carried out in-depth studies in particular sectors to do the groundwork for country programming. The agricultural sector study in Liberia and the study on science and technology in Chile are important cases in point. UNDP/World Bank energy assessments have been very useful in some countries. The UNDP-financed industrial master plan carried out by the United Nations Industrial Development Organization (UNIDO) in Malaysia was particularly useful. The Asian Development Bank (AsDB) studies were used for the Burma country programme, while World Bank reports were useful in many countries, especially in the Caribbean.

28. Special programming missions were mounted for a number of the country programmes. The Food and Agriculture Organization of the United Nations (FAO) missions were sent to Burma, Egypt, Liberia, Tanzania and Zaire. In Liberia, FAO conducted a joint mission with the World Bank, and in Egypt, FAO was joined by UNDP and the World Bank. Burma and Tanzania benefited from International Civil Aviation Organization (ICAO) missions, the former had a mission also from the International Telecommunication Union (ITU). The International Labour Organisation (ILO) had missions in Malaysia and Tanzania. Thailand, in addition to having missions from ITC, UNIDO and the United Nations Educational, Scientific and Cultural Organization (UNESCO), took advantage of the presence of representatives of many agencies in Bangkok. In all the countries, the agency representatives and international as well as national project personnel, contributed valuable inputs to the country programming exercise.

F. Submission of Resident Representative's note

29. As indicated in annex II of the addendum to this document, Resident Representative's notes were submitted in respect of each programme under review. The significance of these notes has been heightened by the substantial contributions made to them by UNDP headquarters, so that they are now akin to a UNDP position paper.
III. FINANCING OF THE COUNTRY PROGRAMMES

30. It was reported to the Council at its previous session that one of the most crucial measures taken by the Administrator to enhance the effectiveness and impact of the country programme was to widen its scope by systematically incorporating non-IPF resources, although the IPF remained the core of the country programming system. This measure was designed to help the Governments to use the country programme as a frame of reference for programming technical co-operation resources to high priority objectives from various sources in a coherent manner. The revised guidelines spelled out the principles to be followed in integrating various sources of funds into the country programming system, stressing that only those resources should be included in the country programme which supported the common objectives and for which there were commitments firm enough to justify inclusion under the common framework.

31. It was also reported to the Council at its previous session that this new and wider programming approach could be adopted only to a limited extent for the programmes submitted to that session, owing to the long lead-time required and the advanced stages of preparation of those programmes. The Administrator is pleased to report that for the present set of country programmes, the new approach has been applied with much greater success.

32. Annex III of the addendum to this document provides information on the resources from the various sources which have been included in the individual country programmes. The sources are: (a) IPF available for the country programme, including the carry-over from the previous cycle; (b) other UNDP-administered funds; (c) Government cost-sharing; (d) third party cost-sharing; (e) funds from other United Nations organizations; and (f) parallel funds from non-United Nations sources. The financial summary attached to the country programme document provides information about the sources and amounts of funds which are integrated into the country programme.

33. The programmes from the Latin America and the Caribbean region are much wider in scope than those from the other regions. Argentina has included a very large amount of Government cost-sharing, third party cost-sharing, and funds from non-United Nations sources, each of these elements being over $25 million, compared to a modest IPF of $6.6 million; the size of the programme is thereby raised to $83.8 million, 12.7 times that of the IPF. The Bolivia programme is also bolstered by the inclusion of $20.7 million from the United Nations Fund for Drug Abuse Control (UNPDAC) and some relatively modest amounts of other UNDP-administered funds and third party cost-sharing, compared to a fourth cycle IPF of $18.9 million, thus raising the size of the total programme to $45.7 million. The Chile programme has substantial Government cost-sharing and modest UNDP-administered non-IPF funds, making the size of the programme almost double that of the IPF. As mentioned earlier, the most successful application of the wider approach to programming has been in the countries belonging to the Eastern Caribbean subregion. Most of these countries include IPFs, Government cost-sharing, funds from other United Nations sources, and funds from non-United Nations sources (including bilaterals). In the Africa region, the country programmes for Malawi and Tanzania include other UNDP-administered non-IPF funds and funds from other
United Nations organizations, and the latter also includes some bilateral funds. Government cost-sharing is the principal non-IPF resource for the country programmes from the Arab States region; the Egypt programme also includes some third party cost-sharing. In the Asia and Pacific region, the programme for Burma includes funds from three non-IPF sources, Thailand two, and Malaysia one. In the two programmes from Europe, that of Albania is limited to the IPF, while that of Cyprus includes modest amounts of Government cost-sharing, third party cost-sharing and funds from non-United Nations sources.

34. The combined financing of the 28 country programmes and the multi-island programme is summarized below:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount (millions of US dollars)</th>
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<tr>
<td>Balance from third cycle IPFs</td>
<td>28.3</td>
</tr>
<tr>
<td>Fourth cycle IPFs (adjusted)</td>
<td>367.9</td>
</tr>
<tr>
<td>Other UNDP-administered funds</td>
<td>11.5</td>
</tr>
<tr>
<td>Government cost-sharing</td>
<td>56.6</td>
</tr>
<tr>
<td>Third party cost-sharing</td>
<td>31.6</td>
</tr>
<tr>
<td>Other United Nations sources</td>
<td>38.7</td>
</tr>
<tr>
<td>Non-United Nations sources</td>
<td>51.6</td>
</tr>
</tbody>
</table>

| Total resources programmed                       | 586.2                           |

35. The total resources programmed in the 29 programmes amount to $586 million, of which $396 million, or 68 per cent are the IPFs, and the remaining $190 million, or 32 per cent, are non-IPF resources. For the 44 country programmes approved by the Council in the previous session, the relative shares of IPF and non-IPF resources were 72 and 28 per cent respectively. In the present set of programmes, an amount of $28 million of the IPF resources constitutes carry-overs from the third cycle IPFs, with $368 million from the fourth cycle IPFs. The latter figure is adjusted to conform to the period of the fourth cycle covered by the country programme, and therefore is not the full allocation for the cycle in all cases. It may be noted that while many countries have carried over sizeable amounts from their third cycle IPFs, the amounts are negative for four countries. Funds administered by UNDP, other than IPF, amount to $12 million; these include the Special Measures Fund for the Least Developed Countries (SMF), for Malawi and Tanzania; the United Nations Capital Development Fund (UNCDF), and the United Nations Development Fund for Women (UNIFEM).

36. Government cost-sharing constitutes $57 million, about 10 per cent of the total resources programmed. As was observed in the country programmes for the third IPF cycle, Government cost-sharing as is, tends to be a more important resource component, in the country programmes from the Arab States and Latin America and the Caribbean than in other regions. In the fourth cycle, for the
three Arab States, Government cost-sharing accounts for 16 per cent of the total resources programmed. For the four country programmes from Latin America, Government cost-sharing constitutes 24 per cent: 31 per cent in Argentina; 35 per cent in Chile; 52 per cent in Panama; but only 1 per cent in Bolivia. Some of the small island countries in the Caribbean also have modest government cost-sharing, although for the nine countries combined, the share of this component is less than 2 per cent. Third party cost-sharing exists in the programmes for Argentina, Bolivia, Cyprus, Dominica and Egypt. For the group of 29 programmes as a whole, this component constitutes 5 per cent of total resources.

37. The participation of the organizations of the United Nations system, other than UNDP, is significant also in this set of country programmes as it was in the programmes for the last session. These organizations have participated in 16 country programmes, and their combined contribution amounts to $39 million, or 11 per cent of the total resources programmed in these 16 countries; for the set of 29 programmes as a whole, the share is 7 per cent. However, the share is particularly large in the programmes for Bolivia (mostly from UNPDAC) and Zaire.

38. Non-United Nations sources have contributed $52 million, which accounts for 9 per cent of the total resources combined, in contrast to only 2 per cent of such resources in the programmes submitted to the Council at its previous session. Half of this amount is in the programme for Argentina and most of the other half belongs to the Caribbean programmes. The contributions are particularly large in the programmes for St. Lucia, St. Vincent and the Grenadines, Dominica, Antigua and Barbuda and Grenada, in descending order, making these programmes two to five times greater than their respective IPFs. Outside this region, non-United Nations sources have participated in a small way in the programme for Burma and to a greater extent in the programme for Tanzania.

IV. MAJOR DEVELOPMENT OBJECTIVES AND ORIENTATION OF THE COUNTRY PROGRAMMES

A. Recent economic trends and national development strategies

39. All the country programmes, as mandated by the Consensus resolution of the General Assembly (2688 (XXV)), have been prepared by the respective Governments in the context of their national development objectives and priorities. However, it is evident that the recent global economic recession has had a far-reaching impact on the economies of all these countries. The shrinking demands for their exports and a sharp deterioration in the terms of trade has created critical situations in the balance of payments in most countries. Government revenues have been drastically reduced, forcing cutbacks in both recurrent and investment expenditures. Most of the countries have had to undertake structural adjustment programmes with external assistance, especially from IMF and the World Bank. However, the intensity of the difficulties varies among the countries. Some countries in Asia, e.g., Malaysia and Thailand, which created substantial resilience by successful developmental policies over the past decades, have managed relatively better than the African countries, where the ability to withstand such global pressures was rather fragile. The Latin American countries, having resorted
to heavy borrowing on hard terms, have also faced emergency situations despite their attainment of relatively higher levels of economic development. The varying situations are described briefly in the country programme documents.

40. Notwithstanding the disturbing effects of the recent economic developments, the basic long-term development objectives remain unchanged. They are: accelerated economic growth and employment, improved living conditions; greater equity and social justice; structural changes in the economy; fuller exploitation of human and natural resources; and achievement of overall self-reliance. However, the medium-term strategies to achieve these long-term objectives have undergone some important shifts. There has been a significant increase in the emphasis on productivity and efficiency, on budgetary economy, on incentives to the private sector, and on the diversification and competitiveness of exports. Economic and financial stabilization has emerged as the more urgent medium-term development theme in relation to the long-term objectives. These shifts in the development strategies are reflected in the orientation of the country programmes.

41. An overview of the national development objectives, country programme orientation and the relationship with the programmes of other sources is provided in annex IV of the addendum to this document.

B. Orientation of the country programmes

42. As mentioned earlier in this report, these country programmes have all been consciously focused on selected objectives which reflect the development concerns described above. Amongst them, two programme objectives stand out: improved management of the economy and increased productivity of agriculture and industry. The first objective is the immediate reflection of the Governments' endeavour to cope with the difficult economic situation and to put in place a structural adjustment programme. Recent developments have brought home to the Governments the inadequacies in their policy and management capacities, and their first reaction has been to rectify these inadequacies by a judicious use of the available external technical co-operation resources. This objective is clearly stated in a number of country programmes, notably in those from Africa and Latin America, whilst it is indirect in many other programmes. The second objective, namely to increase the productivity of agriculture and industry, features in almost all the country programmes, although the relative sectoral emphasis varies. The emphasis is heavy on agricultural productivity, especially in the country programmes from Africa and the Caribbean, although in some of the programmes from Asia, the Arab States and Latin America and the Caribbean the industrial sector has been given top priority.

43. The objective of increased productivity of agriculture and industry is intrinsically linked to the more immediate objective to expand exports and make them more competitive, which is considered a sine qua non for attaining and maintaining stability in the balance of payments. Therefore, in a number of country programmes, diversification of exports is specifically stated as a programme objective. This is particularly true of the Caribbean countries, where tourism has also been given considerable emphasis. Among the other programme objectives that should be mentioned are: the development of human resources;
strengthening the physical and social infrastructure; the development and transfer of science and technology; and the development of natural resources. The transfer of technology and human resources development have been accepted as the means to increase efficiency and productivity, while the development of infrastructure is considered essential to support increased agricultural and industrial production. The emphasis on equity and other social objectives is less in this set of country programmes than it was in the earlier programmes. On the other hand, private sector development and domestic resource mobilization to achieve budgetary balance are now given much greater emphasis than previously. On the whole, it is fair to say that country programming has become even more responsive to the Government's current concerns and longer-term objectives.

C. Pre-investment and investment support

44. The promotion of new investments is not a prominent feature in this set of country programmes. The pre-eminent message for most of the country programmes is the need for better management, consolidation and capacity utilization to obtain higher returns on the investments already made, rather than opting for large-scale new investments. This is in harmony with the overall development strategies followed by the Governments. Even in those country programmes where industrial development is given a higher priority, the emphasis is on achieving greater added value through selective investments to upgrade the technology.

45. Whilst the general emphasis has remained on efficient management and higher productivity of the economy, some country programmes include investment-oriented projects. For example, the Government of Burma, through two UNDP-assisted umbrella projects, has established standing arrangements for collaboration with the World Bank and AsDB to promote investment in priority areas; about 10 per cent of country programme resources is devoted to this purpose. The Malaysia country programme provides for the implementation of the industrial master plan which was produced during the previous country programme in collaboration with UNIDO and with UNDP technical co-operation. A number of regional development projects in some country programmes are also meant to generate new investments. The Bolivia country programme has a project to attract foreign investments as joint ventures with national enterprises. Since private sector development is an important objective of a number of country programmes, projects have been included to stimulate private investments.

46. The country programmes also provide for the use of UNDP technical co-operation in support of investment commitments already made. Most of such technical co-operation projects are complementary to capital investment projects financed by international financial institutions. Such co-operation is provided at various stages of capital investment projects, starting from the design and pre-engineering to the trial management of the completed project. However, both pre-investment and investment-support projects feature less in these country programmes as compared to those submitted to the Council at its previous session.
D. Equipment component

47. On the whole, these country programmes do not contain allocations for equipment and supplies which are high in relation to the total resources being programmed. Estimates of the allocations of resources by type of input and their relative weights will not be available until project details are more fully worked out. However, according to the data on actual expenditures available for the first four years of the third IPP cycle (1982-1985), 22 out of the 28 countries for which country programmes are currently submitted had allocated less than 25 per cent of the resources available from UNDP for equipment; for the remaining six countries, the ratio of equipment to total UNDP resources was 65 per cent for Albania, 43.8 per cent for Burma, 45.4 per cent for Argentina, 33.8 per cent for Bolivia, 31.1 per cent for Guyana and 38.1 per cent for Egypt. While the equipment ratio for Albania may appear high in terms of total UNDP resources as a percentage of total project costs, it was much lower, thanks to considerable Government counterpart contributions to the projects. In some other country programmes, too, a significant part of the equipment cost was financed by Government cost-sharing. For example, the equipment component for the third cycle Argentina country programme was 42 per cent, but over 30 per cent was financed by Government cost-sharing and from the contributions by the World Bank and the Inter-American Development Bank (IDB). The case for Bolivia was similar. Even for some country programmes for which the equipment components are relatively small, such as Malaysia and Singapore, the financing for this input has come mostly from Government cost-sharing. In the new country programmes, the equipment components will be lower than they were in the past. In Albania, this component will be less than 60 per cent and in Burma it is likely to go below 40 per cent: this declining trend will also be seen in the other country programmes.

V. ALLOCATION OF RESOURCES

A. Sectoral allocation

48. Information on the distribution of the programmed resources by sector, following the classification adopted by the Administrative Committee on Co-ordination (ACC), is provided in annex V of the addendum to this document.

49. The orientation of most of these country programmes supports structural adjustment of the economy, with the focus on increased productivity primarily in the agricultural sector: this is clearly reflected in the overall sectoral allocation of the resources programmed. The Governments' preoccupation with the strengthening of their capacities for policy, planning and management of the economy is equally manifested in these country programmes, as was the case for the 44 country programmes for the fourth cycle approved by the Council in June 1986. In both the previous and the present sets of country programmes, over 17 per cent of the total programmed resources has been allocated for general development policy and planning activities, compared to 11-12 per cent in the country programmes for the third cycle. The allocation to the agricultural sector has remained by far the highest in all sets of country programmes, including the present one, but a downward trend was noticeable in the programmes submitted to the Governing Council...
at its previous session, the share of agriculture had declined to 25 per cent from over 30 per cent during the third cycle. Now, however, there is a turn-around, since in these programmes the share of agriculture is 29 per cent.

50. After agriculture and general development policy and planning, the next highest recipient remains the industry sector, but its share has fallen considerably from 15 per cent in the last group to 10 per cent in the present one. This is mainly because of a lower number of European and other relatively industrially-oriented country programmes in this presentation. After industry, four sectors - natural resources, health, education, and science and technology - are allocated almost equal shares of resources, ranging from 7 to 8 per cent. Surprisingly, the health sector which received less than 5 per cent of allocations in June 1986, has now received over 6 per cent, whilst natural resources and transport and communication sectors, which previously received 12 and 9 per cent respectively, are now allocated only 7 per cent each. Science and technology has made a marginal gain, rising from 6 to 7 per cent. The allocations to all other sectors are insignificant: 9 per cent combined.

51. The sectoral allocations described above in terms of percentages are straight averages of the 29 current programmes, irrespective of their varying sizes. In similar averages, there are interesting interregional variations. The allocation to agriculture is highest in Africa, nearly 40 per cent, but the agricultural sector is exceeded in Europe by the allocation to the industry sector of 21 per cent compared to only 6 per cent for agriculture. In Asia and the Pacific region, the allocation to industry is relatively high, 16 per cent against 23 per cent to agriculture, with 19 per cent earmarked for general development policy and planning. In Latin America and the Caribbean region, which has the largest number of programmes before this Council, the allocations follow the general pattern for all the programmes combined, with some marked increase for the health sector, which has received over 8 per cent in this region, compared to 5 per cent in all the other programmes combined.

52. Intercountry variations in the sectoral allocations are, as is to be expected, far wider than interregional variations. Agriculture, which has received an overall allocation of 29 per cent is given over 40 per cent in 10 countries, including Bolivia, where it is 66 per cent and Antigua and Barbuda and Guyana, where it is 50 per cent in both. While the overall allocation in the general development policy and planning sector is 17 per cent, the country allocations are 28 per cent for Iraq and 29 per cent for both Argentina and Singapore. Although the industry sector was given only a 10 per cent overall allocation, it received 33 per cent in Cyprus, 26 per cent in Malaysia, and over 20 per cent in both Egypt and Iraq. Similarly, the education sector receives only a 7 per cent allocation overall, but is given 38 per cent in Albania and 26 per cent in Swaziland. Science and technology is allocated 34 and 20 per cent respectively in Albania and Syria, while its overall allocation is 7 per cent.
B. Allocations to ongoing and new projects and reserves

53. One important conclusion of the last report was that the country programmes for the fourth cycle were on the whole more project-intensive than those for the third cycle. This conclusion also holds good for this group of country programmes. In fact, the project intensity is even higher in this group. On the whole, 88 per cent of the total resources programmed in these 29 programmes is allocated to identified ongoing and new projects, while the residual 12 per cent is maintained as programmed and unprogrammed reserves. The corresponding percentages were 79 and 21 in the 44 fourth cycle programmes submitted to the Council at its June 1986 session, and 65 and 35 in the 72 third cycle programmes submitted to the Council at its special session in February 1983. The increase in project-intensity between the previous and the present groups of programmes is entirely in ongoing projects. In this group, ongoing projects are allocated 34 per cent of total resources, compared to 26 per cent in the last group. The allocations to new projects remain at the same magnitude, about 54 per cent in both groups (disregarding discrepancies due to rounding of figures). The programmed reserve is lower in these programmes than the previous submission, having fallen to 6 per cent from 14 per cent. This decline is not welcomed, and it is hoped that this is peculiar only to these programmes since the programmed reserve is a major tool of continuous programming. The unprogrammed reserve, which is provided to meet unforeseen contingencies, has remained more or less unchanged, 6 per cent currently as compared to 7 per cent previously.

54. The allocations to ongoing and new projects vary significantly among the regions. In Africa and the Latin America and Caribbean regions, the relative weights of ongoing projects are higher, 40 per cent in both regions (compared to 34 per cent for all the countries combined) but in the Arab States region it is only 14 per cent. As expected, the position is the reverse in new projects, which are allocated 75 per cent of resources in the Arab States region, compared to 44 per cent in Africa and 49 per cent in Latin America and the Caribbean. The relative variations are less for the other three regions. There is no significant interregional variations in the provisions of reserves.

VI. GLOBAL AND REGIONAL PRIORITIES

55. The Governing Council has maintained an interest in seeing that country programmes pay due attention to major global objectives and concerns, and desired that this report indicate to what extent these global objectives and concerns are addressed in the country programmes submitted. Alleviation of poverty, food security, women's role and share in development, environmental protection, supply of clean drinking water and sanitation and technical co-operation among developing countries (TCDDC) have been selected for this purpose. Attempts in the previous reports in this series examining these objectives did not yield fully satisfactory results. Country programme documents do not provide much specific information on global objectives. With the introduction of the new approach to country programming, focusing on a few selected priority objectives, such an analysis has become all the more difficult.
56. The general conclusion derived in the earlier reports was that the primary concern of Governments in country programming has been to use UNDP resources to meet technical assistance needs in support of national development objectives, and therefore, the Governments have not consciously used the country programme as an instrument to achieve global objectives. This conclusion also appears valid for the present group of country programmes. However, a negative conclusion does not necessarily follow. Global objectives are inherent to, and often coincide with, national development objectives. In these country programmes, the overriding priority is structural adjustment through increased productivity of agriculture. Food security is therefore the immediate target in many of these countries. It is a selected objective in the country programmes for Egypt and Iraq whilst it is also implied in most other country programmes. While the adjustment policies tend to decrease priority on social objectives, some of the country programmes have sought to strengthen Government planning capability to mitigate or minimize the social cost of adjustment. Women in development is a selected priority in the Syria country programme; TCDC is a special component of the country programme for Argentina; and environmental protection is given high priority in the Cyprus country programme.

57. The information obtained from the country programme documents is provided in annex VII of the addendum to this document. It will be noticed that the needs of the poorest have been highlighted in at least 18 country programmes, of which 6 include projects in support of this objective. The alleviation of poverty, being an important development objective in almost all the countries, is implied directly or indirectly in most of the country programmes. The role of women in development, besides being a major programme theme in Syria, is mentioned in 20 country programmes, including 9 which have specific projects for it. Environmental protection, which is given special importance in the programme for Cyprus, is highlighted in 11 country programmes, of which 5 have projects related to this objective. TCDC has already been mentioned as a major programme objective in Argentina; in addition, 14 other countries have adopted the TCDC modality for their technical co-operation programmes. Food security, while implied in the programme focus on agricultural productivity is mentioned in 11 programmes with 8 having projects to this end. The objective of the International Drinking Water Supply and Sanitation Decade (IDWSSD) is mentioned in 12 programmes with 9 having projects.

58. Previous reports concluded that the linkages between country programmes and intercountry programmes, are usually tenuous, except for the countries which belonged to special geographical subregions such as the Caribbean and the Pacific. The present group includes nine country programmes of the Eastern Caribbean States, which adopted an integrated programming approach providing close linkages between national projects, subregional projects financed by the Caribbean multi-island IPF and projects financed by the regional programme for the Latin America and Caribbean region as a whole. In some of the other country programmes also, linkages exist between projects financed by country and regional IPFs.

Notes