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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

FOURTH COUNTRY PROGRAMME FOR ARGENTINA\*

<u>Programme period</u>	<u>Actual resources programmed</u>	<u>US dollars</u>
January 1987 to December 1989	IPF for 1987-1989	6 600 000
	Other resources programmed	<u>77 165 000</u>
	Total	83 765 000

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\* Detailed listings of projects and other related data prepared as part of the country programming exercise are available on request. These listings include: (a) ongoing projects; (b) proposed projects; (c) distribution of resources by objective; (d) planned activities of the funds and operational programmes under the authority of the Administrator; and (e) distribution of new country programme by sector.

## I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

1. The economic situation in Argentina cannot be considered without reference to the last decade, which was marked by the policies applied under the military Government (1976-1983). The stagnation in production, changes in relationships among the different sectors of the economy, a substantial rise in speculation, external indebtedness, the decline in investment and budgetary problems will place considerable constraints on national development in the years ahead, and must be taken into account in any future plan.
2. The Argentine economy was practically at a standstill for 12 years. The 1986 gross domestic product (GDP) will be approximately the same as in 1974 (in constant 1970 pesos) and did not change significantly during the entire period in between; yearly fluctuations were only a couple of points above the 1974 figure and several points below during the most sluggish periods. Obviously, this long-term stagnation altered production patterns and entrepreneurial behaviour in a manner that tends to sustain economic inertia; in order to "take off", economic development will require an impetus, which may be time-consuming and costly.
3. The composition of the GDP changed during the period under review. Industry tended to stagnate and, moreover, to produce less than in 1974: only once during these 12 years did industrial output exceed its 1974 value and, in that case, by only 1 per cent. However, agriculture in the pampas grew rapidly as a result of the introduction of technological change to such an extent that harvests are almost twice as large as in the early 1970s. The regional economies experienced fundamental crises during the period, whereas the service sector reacted in various ways depending on its different aspects; financial activity grew and certain services directed at the masses declined. In the final analysis, the national economy became more agrarian and less industrial, which was accompanied by frenetic financial and speculative activity and a change in the profile of the service sector.
4. High inflation during the period was another of the factors involved in the decline in the productive structure and the market system. During the 10 years between June 1975 and June 1985, prices increased by a factor of 1 million, with the indicators rising by approximately 300 per cent a year throughout the decade. Inflation gave rise to speculation, a mounting demand for foreign exchange as a means of safeguarding value, the destruction of market mechanisms, a decline in productive investment and an unstable public budget. As it was impossible to take gradual steps to control this process, the new Government implemented the Austral Plan as the only means for it to regain control over the economy.
5. The exchange policy and demand for financial assets in the form of foreign exchange during the early years of the military administration, led to a strong expansion of external indebtedness. Argentina's public debt in foreign exchange rose from \$10 billion in 1975 to \$45 billion when the democratic Government came to power; at present, the debt totals \$50 billion since part of the unpaid interest has accrued. Debt-servicing represents about \$5 billion per year in interest

payments alone without any capital amortization. In other words, interest payments represent more than 60 per cent of national exports and a sum equal to 7 per cent of GDP. The debt therefore imposes one of the greatest constraints on national development because of its impact on the availability of foreign exchange and on the distribution of local income.

6. Debt-servicing has a strong impact on the budget since almost all foreign commitments have been assumed by the State. The Administration's expenses are equivalent to approximately 24 per cent of GDP and interest payments represent an additional burden of 7 points, which is practically impossible to cover by means of higher taxes. As a result, interest payments mean that local public expenditure must be sharply curtailed in order to avoid the adverse effects of a budget deficit. One way in which this reduction is obtained is by cutting back on the investments made by both the central Government and public enterprise.

7. During the period under review, the decline in public investment, caused by the payment of part of the debt-servicing costs, went hand in hand with a decline in private investment, stemming from the inertia of a stagnant economy and the shift of capital to financial-speculative activities. Consequently, total investment in the economy fell from above 20 per cent of GDP, recorded during the first half of the 1970s, to below 12 per cent in recent years. It is estimated that current investment in the industrial sector is not sufficient to offset the amortization of installed equipment, that is, there is a negative net value, which clearly indicates that the trend must be promptly reversed so as to avoid greater adverse effects in the future.

8. Although it is not possible to enumerate the repercussions of these long-term phenomena on the country's social structure, it should be mentioned that they have led to a decline in such social services as education, health and housing; a reduction in the training of skilled labour because of weakened demand; a build-up of unsatisfied demand in such basic sectors as transport, communications and public services; and a sharp decline in the administrative and supervisory capacity of the public sector. Consequently, these factors taken as a whole simultaneously exacerbate certain postponed social demands and reduce the State's ability to meet them in a reasonably short period of time.

#### B. National development strategies

9. Since the beginning of its tenure, the democratic Government has tried to base debt negotiations on a political and economic rationale: debtors and creditors must recognize and accept joint responsibility for the increased debt along with their concomitant share of actual costs. At the same time, the Government has insisted on the need to restrict debt-servicing to levels which will not affect the nation's future and can be calculated in advance, in view of the wide fluctuations of such key variables as the international market interest rates. These intentions have not yet found an echo among the participants, which has meant that solutions to local development problems have been postponed. In the meantime, the Government has been focusing on debt negotiations in those areas likely to reduce its short-term costs.

10. With a view to remedying the internal economic maladjustments, in June 1985, the Government initiated the so-called Austral Plan, which consists of a type of shock treatment against inflation based on monetary reform, budgetary adjustment, the readjustment of certain key prices in the economy and a provisional wage and price freeze to avoid the expected inflationary impact. The plan was successful in that it reduced the monthly inflation rate from about 20 to 25 per cent during the first half of 1985 to 3 to 4 per cent during the first half of 1986. At the same time, public accounts were adjusted by increasing tax revenues by approximately 45 per cent between the first half of 1985 and the first half of 1986, and there was a slight decline in spending, making it possible to keep the promise of not issuing bonds in order to come to grips with the budget deficit. The adjustment in the exchange rate made it possible to increase exports, especially industrial exports, without an overtly adverse effect on real wages, which remained above the levels existing prior to the installation of the new Government.

11. During the first three quarters of 1986, there were signs of rapid recovery in the productive sector as a result of greater economic stability. The industrial sector is tending to use its idle capacity, which peaked in mid-1985, and is showing a clear tendency to increase its exports. The agrarian sector was affected by flooding, which covered a large part of the country, as well as by the effects of the sharp drop in international prices. Nevertheless, the harvests of some crops have risen to record levels.

12. The current economic policy is endeavouring to lay the foundations of sustained economic development so as not to affect stability. This will make it possible to reduce payments to external creditors, although such a positive trend is offset by a decline in the prices of Argentina's primary raw materials. An upturn in international lending would be another powerful springboard to growth.

13. Prospects for 1986 assume reasonable growth in total output, especially in the industrial sector. Increased use of installed capacity will make it possible to begin to plan for new investment, for which the essential financial conditions are being created. The attainment of economic goals this year will therefore be a valuable input in achieving medium-term development objectives.

14. In early 1985, the Planning Department of the Office of the President of the Republic prepared a document entitled "Guidelines for an economic growth strategy, 1985-1989", setting the goals to overcome the economic and social emergency afflicting the country and enabling it to recover its growth capacity within an equitable democratic framework. This plan is currently being revised in terms of the new conditions created by developments on the international scene and the implementation of the Austral Plan at home, but this revision will not affect the basic objectives of the plan.

15. The Guidelines for a growth strategy emphasize the need to:

(a) Increase the country's capitalization, strengthening savings and promoting a sustained and ascending pattern of investments;

(b) Expand exports by means of the enhanced use of local resources and increased competition in the manufacturing industry;

(c) Ensure that efforts made are fairly distributed among the different social sectors.

16. Argentina intends to make a positive adjustment of its economy. Consequently, it is not trying to restrict imports to generate the necessary balance for debt-service payments, but rather to increase them at the same time as exports. The increased growth rate of imports will make it possible to expand exports and debt-service payments. That is why the adjustment is qualified as positive, given the close relationship between the volume of imports and the level of local activity, especially with regard to the purchase of inputs not produced in the country and the incorporation of modern machinery.

17. The public sector must adapt to this new growth approach. To this end, it must find the means of combining incentives to investment and to exports with the need to avoid a budget deficit. The calculation of fiscal costs, in comparison with the results obtained, must be a basic instrument in taking any decisions in that area. It is therefore essential to improve administrative, managerial and supervisory capabilities in all government entities and State enterprises.

18. To cope with the public deficit, efforts will have to be made on the revenue side as well as on the expenditure side. Tax receipts will have to be increased, not necessarily by introducing new taxes but by better controlling tax evasion and by reassigning the tax burden, as in the case of the plan to replace levies on exports by a new land tax system. In this way, there will be a fairer tax system as well as sound incentives to productive activity. If spending is to be reduced, caution must be exercised in approving new investment projects and in better reconciling the functions of the public and private sectors; the State must eliminate any superfluous activities and seek to reduce operating costs by making its administrative services more efficient. This does not obviate the need to maintain and increase resources for social purposes (the National Food Plan, the National Housing Plan, the Health Plan, etc.), although efforts should be made to enhance their management capacity.

19. The Guidelines include suggestions for the agricultural, industrial and energy sectors, which call for action to:

(a) Disseminate appropriate technology and extend the agricultural frontier in such a way as to increase producers' profits;

(b) Ensure the utilization of the industrial sector's idle capacity, which should expand and be restructured on the basis of foreign trade and productive investments;

(c) Increase energy reserves and consolidate progress made in the generation of nuclear power as well as the training and availability of scientific and technical staff.

C. Technical co-operation priorities

20. The fourth programme will cover the period 1987-1989 and thus coincide with the period of validity of the document entitled "Outlines of an economic growth strategy, 1985-1989" as well as with the new Government's mandate. The content of the fourth country programme is the result of an analysis of the country's socio-economic situation and governmental plans, carried out since the change of Government, in the light of what was done under the third country programme.

21. When the democratic Government took power in December 1983, it encountered a series of economic problems whose solution required economic action to be taken without awaiting formulation of a global development programme. Nevertheless, the actions undertaken were based on a combination of political guidelines that also governed its decisions on the use of resources and on the general co-operation that the United Nations system could offer. The evolution of the third programme responded directly, and in practically all sectors and subjects, to the areas for action gradually identified by the new Government that were embodied in the "Outlines of an economic growth strategy" mentioned above.

22. The fourth country programme arises directly from the review of the third programme, the document for which (January 1985) was the final result of a work process that occupied the whole of 1984. It should also be pointed out that already in the second half of 1983, before the change of Government, the Office of the Resident Representative had intensified its programme of follow-up visits and tripartite review meetings in order to offer the new national authorities a clear and complete status report on each of the programme's projects. Likewise, in the course of a real tripartite effort during 1984, the Government, the United Nations Development Programme (UNDP) and the implementing agencies analysed the progress of a large number of projects and finalized in-depth evaluations of various programmes being implemented.

23. The principles that guided this exercise can be summarized as follows:

(a) To consolidate the lead projects being implemented in the scientific and technological sector;

(b) To create the greatest possible financial scope for initiating new activities urgently needed by the new Government. This was achieved by a detailed analysis of projects under way with a view to making all possible savings, as well as by the injection of funds from other sources (participation in the financing of costs originating from the country's own resources or from loans from international development banks);

(c) To promote self-sufficiency. To this end, it was considered appropriate to expand the use of the national inputs available for each activity. This principle has a twofold advantage: it allows the reabsorption of national talent and ability which was formerly outside the country or under-employed inside Argentina, and makes it possible to reduce costs and maximize the use of available resources;

(d) To achieve Argentina's re-entry into the international community, which

means, as regards technical co-operation, increased exchanges not only with countries of the region but also at the interregional level;

(e) To consider the particular needs of the provinces as elements in the programming strategy;

(f) To encourage the use of new procedures such as that mentioned in subparagraph (c), and promote complementarity with bilateral activities and with the direct implementation of projects by the Government.

24. As a result of the process briefly described in the preceding paragraphs, the Argentine Government has continued centralizing external co-operation activities in support of certain priority issues such as the management capacity of the State, the recovery of the economy, the strengthening of scientific and technological development, concern for the social crisis, and the encouragement of economic and technical co-operation among developing countries (ECDC/TCDC). The logic behind this particular selection of issues is clearly seen on analysing the content of the Outlines and the documents produced by the Government and UNDP during 1984-1985 (Information document, January 1984; Review of the third programme, January 1985; Note of the Resident Representative, August 1985). Being very important factors for a process of economic recovery and for the revitalization of the production apparatus as such, it is necessary, on the one hand, to strengthen the management capacity of the State, not only in its role as policy formulator but also as an innovating production agent. The strengthening of scientific and technological development is essential both for modernizing the industrial sector and making it more competitive in the market place, and for increasing the yields of the traditional agricultural sector. The subject of the social crisis and TCDC also have clear links with economic recovery.

25. The experience acquired since 1984 concerning the choice of subject areas suitable for technical co-operation, the ways in which projects are implemented and the various methods of co-financing in a situation where resources are scarce, provides a valuable contribution to optimizing the scope and quality of the programme.

#### D. Aid co-ordination arrangements

26. The Resident Representative's note was drawn up in the middle of 1985 immediately following the review of the third country programme. At this stage, consultations with all the specialized agencies of the United Nations system were systematically renewed. A rough draft of the note, which in fact represented an updating of the review of the third programme and at the same time an outline of a possible fourth programme, was circulated to the agencies and all the comments received were taken into account in the final version. The co-ordination and better use of external co-operation is today a subject of concern for the Government and UNDP. This interest has been demonstrated by the establishment of a new national co-ordinating body, the Under-Secretariat for International Co-operation at the Ministry of Foreign Affairs. On the other hand, growing interest is to be noted among the various donors in giving the country technical assistance.

27. Co-ordination is active in character. The Under-Secretariat for International Co-operation, often with the co-operation of the United Nations system, has not restricted itself to analysing incoming ideas for projects but has identified projects and possible sources of assistance as part of a permanent global stocktaking of supply and demand for technical co-operation. In this way, the participation of various agencies of the United Nations system in the programme has increased, while others have been included that had never been in the country or had only been there many years ago. In addition, contacts with development banks and bilateral aid donors have been established and significantly strengthened.

28. The co-ordination effort is being implemented at two distinct levels, the political and the operational. Politically, the Under-Secretariat for International Co-operation is expanding its activity as a completely integral part of the machinery that conducts the global foreign policy of the Argentine Government. It is worth mentioning in this connection, as a specific illustration, that the Under-Secretariat will continue to play a prominent part in the delegations that accompany the President of the Republic and the Minister for Foreign Affairs to other countries, dealing with co-operation both on a bilateral basis and with intergovernmental bodies and projects (such as the European Economic Community (EEC) and its Eureka Research Programme). The Under-Secretariat will at the same time continue to increase its technical and administrative capacity. United Nations co-operation has contributed to relations with other developing countries (TCDC/ECDC) and has given direct support operationally.

#### International development banks

29. The relationship established between the UNDP office and the two principal sources of multilateral financing, the World Bank and the Inter-American Development Bank (IDB) deserves special mention. The programme has co-operated with the Government in Argentina in formulating economic development policies and projects, a fact that has led both the Argentine national authorities and international banks to entrust UNDP with the management of large resources. UNDP has financed or co-financed projects aimed at the formulation, preparation and creation of instruments that have assisted the negotiating process between the Government and financial institutions, thus ensuring effective and efficient execution of the loans granted to the country.

#### Agencies of the United Nations system

30. Bearing in mind the "Agreement on the Strengthening of Practical Co-operation and Co-ordinated Programming" endorsed by UNDP, the United Nations Children's Fund (UNICEF), the United Nations Fund for Population Activities (UNFPA) and the World Food Programme (WFP), the Office of the Resident Representative has devoted particular attention to co-ordinating its activities with those organizations. The work of UNICEF began in 1983 with the support of UNDP in identifying and administering projects that were worth \$3.5 million in 1985 and benefited 400,000 inhabitants of 30 shanty towns in the urban area of Buenos Aires province as well as rural families, including a large number of women in marginal areas. Since the Argentine Government is a traditional donor to WFP, the possibility is being considered of co-operating with the National Food Programme in transferring its



experience to other countries. Finally, joint action has been started with UNFPA on sample censuses and infantile mortality statistics.

31. In close co-ordination with activities supported by UNDP in the agricultural sector, the Technical Co-operation Programme (TCP) of the Food and Agriculture Organization of the United Nations (FAO) has financed important projects to prevent flooding by forestry and grassland management and to guard against food contamination. Similarly, it has carried out a complete appraisal of the situation in the fishery sector. Continued support is anticipated from this source of financing. There has been close co-operation between FAO and UNDP in the operation of the 18 technical co-operation networks in the region, 6 of which have their focal points in Argentina.

32. During the last three years, projects financed by the Special Industrial Services programme (SIS) of the United Nations Industrial Development Organization (UNIDO) have been carried out in the ceramics industry, natural gas exploitation, the textile industry and furniture design and production. New SIS projects are at various stages of formulation or approval for the footwear industry, the industrial processing of aromatic plants and essential oils, the wool industry and the expansion of the food industry to produce school meals.

33. A greater integration of efforts with the World Health Organization (WHO) has begun through joint participation in the hospital re-equipment programme (ARG/86/003) and the anticipated co-financing of a project in the field of medical technology. Consultations are also taking place with the United Nations Centre for Human Settlements (Habitat) on a possible study for the transfer of the federal capital to the south of the country, and active co-operation is anticipated with the United Nations Environment Programme (UNEP), including a horizontal co-operation programme to be financed by the Argentine Government. There are also expectations of co-operation from the United Nations Centre on Transnational Corporations on matters related to the negotiation of large investments in the country, and from the UNCTAD/GATT International Trade Centre (ITC) on exports of services and agricultural machinery.

34. With the support of a UNDP project, the Argentine Government has started action through the United Nations Fund for Drug Abuse Control (UNFDAC) to obtain external assistance in launching the National Plan on Drug Trafficking and Prevention of Drug Abuse. The Trust Fund on Aging is co-financing a project with UNDP aimed at improving services for the aged in the area of the Greater Buenos Aires combination. This last effort would be complemented by funds from the Canadian International Development Research Centre (IDRC) and the Co-operation Programme of the Organization of American States (OAS).

#### Other international institutions

35. During 1984 and 1985, UNDP financed preparatory activities for a loan from the International Fund for Agricultural Development (IFAD) in which IDB would also participate. This is the Programme of Supervised Credit for Small Producers (ARG/84/010) mentioned in paragraph 42, subparagraph (d). A national project of subregional scope for Training in Agricultural Planning and Rural

Development (ISAPDER), which will also be supported by IFAD and UNDP, is in course of approval.

36. In 1986 UNDP/OAS started work on a project designed to strengthen the capacity of the Ministry of Economy to co-ordinate external financing. OAS also financed the participation of Latin American fellowship holders in courses on regional agricultural planning in Barcarce (project ARG/84/012) and in courses of the NOA Rural Development Institute in Tucuman (project ARG/84/013). In addition, the Inter-American Institute for Co-operation on Agriculture worked with UNDP in implementing a project for developing sectoral policies and the modernization of the National Cereal and Meat Boards.

#### Bilateral sources

37. Beginning in 1984, the number of countries prepared to provide technical co-operation to Argentina increased sharply. The Government and UNDP were successful in establishing the appropriate co-ordination of bilateral and United Nations collaboration. The following examples may be mentioned: (a) Italian Government support for UNICEF activities; and (b) the CAD/CAM area (computerization and numerical control for industrial design and production) and the strengthening of small and medium industry in the province of Santa Fe. During the preparatory work on the project for the development of solar cells (ARG/83/005) it was possible to identify Italian Government institutions which were in a position to help with the purchase of equipment specifically linked to the production of solar cells and panels. At the same time, it was envisaged that there would be close collaboration with the Italian Government, FAO and UNDP in a regional training project on planning and rural development. The UNDP office provided basic support for the implementation of a regional project on non-destructive tests financed by the International Atomic Energy Agency (IAEA) and the Governments of Canada and Italy. Similar contacts and consultations took place with the Governments of the Federal Republic of Germany, Canada, Norway and Sweden and with the Norwegian Agency for International Development (NORAD).

## II. THE COUNTRY PROGRAMME

### A. Assessment of previous country programme

38. The third country programme for Argentina should be assessed for two quite different periods: 1982-1983 and 1984-1986. The change of Government in December 1983, which separated the two periods, had important implications for many aspects of the life of the country. In particular, technical co-operation programming was modified because the concept of planning had become a matter of primary importance within the range of mechanisms employed by the Government.

39. The formulation of the third programme was not therefore linked to a plan but to a compilation of the technical co-operation needs of the different ministries, sectors and institutions. The 1982-1983 period can accordingly be evaluated only in terms of its actual implementation rather than in terms of its contribution to development efforts.

40. The third country programme began in January 1982 with an Indicative Planning Figure (IPF) of \$20 million for the five-year period 1982-1986, out of which only \$11,178,000 was authorized for programming. The objectives of the programme were as follows: improvement of the national capacity for technological development; improvement of transport and communications services; self-sufficiency of the national institutions that support the production sector; further training and planning of human resources; and raising of production and improvement of living conditions in relatively less developed areas.

41. Analysis of the original goals of the third programme indicates that support was provided for those goals in specific projects which were being substantially implemented. The following general conclusions relating to the 1982-1983 period can be drawn:

(a) The importance of projects which make a substantial contribution in the scientific-technological field. Examples are:

- (i) Course in nuclear engineering (ARG/78/020). By the end of 1985 a total of 124 students had attended the course for its entire duration of four years. Out of that number, 65 had received their degree while 59 were completing their courses prior to graduation. All the trained professionals were serving in the field of nuclear development or in scientific development activities of equal importance.
- (ii) Bahía Blanca Petrochemical Complex (ARG/81/003). The research and development programme of the Complex (PIDCOP) has published 400 reports on technical research and services during the latest period; it has completed 60 new projects; it has trained more than 500 professionals, by extending its services to Brazil and other countries, and has produced books, publications and patents recognized to be at the international level. The project is a means of starting the Petrochemical Centre established by seven companies, two of which are already operational following the public investment of approximately \$1.3 million while the total value of its production should be in excess of \$330 million in 1987.
- (iii) Small and medium industry in the province of Santa Fe (ARG/81/004). The number of companies using the services of the Directorate-General of Technical Analysis (DAT) has grown significantly since the beginning of the third phase of activities. Currently, 2,145 companies are using the support, extension and information services of the Directorate-General, representing an increase of 157 per cent over 1982. In addition, the number of companies using the technological and development services for agricultural machinery grew by 353 per cent and those doing research on materials and technology involved in basic processes rose by 241 per cent.

Policy has always been that projects of this type should link their activities with those of national universities;

(b) A start has been made in providing services, particularly those relating to the preparation and management of investment projects. This activity increased significantly from 1984 and made possible the completion of more than 20 studies of

high priority and the start of preparatory activities for future investment projects in excess of \$1 million;

(c) Gradual promotion of horizontal co-operation which expanded at an accelerated rate as from 1984;

(d) The use of government resources to complement IPF resources.

42. The new orientation of the programme following the change of Government emphasized the following characteristics as from 1984:

(a) Active promotion of TCDC. Already in December 1983, immediately following the assumption of power by the new Government, high priority was given to the implementation of a programme of horizontal co-operation. Its initiation was assured with the approval of the programme of co-operation between the Argentine Government, UNDP and the Economic Commission for Latin America and the Caribbean (ECLAC) and with the simultaneous initiation of two projects (ARG/82/001 and ARG/83/011) financed on a cost-sharing basis. In 1985 Argentine co-operation extended to 27 Latin American, Caribbean, Asian and African countries through different programmes, including programmes for medical supplies, energy, mining, machined products, agriculture and cattle-raising, wine production and the leather industry; in that connection, 35 consultants were sent abroad that year and 143 foreign fellowships holders and participants in scientific events received training in the country. The co-operative programme and project ARG/83/011 were the subject of an internal appraisal in December 1985 involving the comments of recipient Governments and of the UNDP Resident Representatives in the majority of the participating countries. The evaluation concluded that both activities had developed in a very positive and innovative manner ensuring that immediate goals would be reached. It also expressed the view that the success which had been achieved was even more relevant when account was taken of external factors, the different implementation modalities which had been designed and applied and the excellent results obtained from using the support capability of ECLAC and UNDP, particularly the latter's network of field offices;

(b) Mobilization of Argentine experts and high-level national entities. This modality made it possible not only to take advantage of available local capacity, but also to make better use of financial resources. In addition, this activity made it possible to enhance the capacity of national professionals and institutions to provide technical co-operation, and thus represented an incentive for them to remain in the country. One example of the cost benefits resulting from the use of this modality was that, during 1985, 202 national consultants provided 696 man-hours of services at an average monthly cost of \$1,500, or a total of a little over \$1 million. The same input would have involved expenditure of between \$4 and \$5 million at average international costs. In 1986, the number of national consultants and experts doubled;

(c) Substantial use of the government implementation modality. Currently 24 projects are being implemented by this means. As a result, the administrative and technical capacity of a number of national institutions has been further developed;

(d) Pre-investment activities. Mention should be made of the mining feasibility studies made in connection with the deposits in Bajo La Alumbrera (province of Catamarca) and Huemules (province of Chubut), the last mentioned with the collaboration of the United Nations Revolving Fund for Natural Resources Exploration. Preliminary activities were also initiated for the preparation of a fisheries development plan and, under the project on supervised credit for small producers (ARG/84/010) which has benefited 14,000 families or 61,000 individuals, an investment project has been prepared for consideration by IFAD and IDA, involving a total amount of \$40 million. Likewise, through the project on the maintenance of the infrastructure (ARG/85/008), the national infrastructure maintenance programme has been strengthened institutionally with a view to obtaining external finance, particularly in connection with the problem of highway and railroad deterioration and its relationship with climatic conditions and land use. Finally, the project on activities for the drafting of a programme of technical co-operation (ARG/84/030) was of assistance in the preparation of a technical co-operation loan from the World Bank amounting to \$18.5 million;

(e) Linkage with bilateral efforts. As indicated in paragraph 28, the Argentine Government has taken steps to obtain bilateral support for some of the activities implemented within the programme;

(f) Mobilization of resources of the Inter-American Development Bank. As indicated in paragraph 29, a beginning was made in connection with the mobilization of substantial resources from the Inter-American Development Bank (IDA) and the World Bank;

(g) Greater use of the capacity of the United Nations system to provide services. During this period, encouragement was given to the implementation of projects in which the infrastructure of the United Nations system could be employed by national institutions to assist in solving specific technical problems and to enhance the management quality of important projects, including some with investment components. This type of activity includes and will continue to include projects in the fields of professional training with the National Council of Technical Education (CONET); strengthening of the library network of the National Council of Scientific and Technical Research (CONICET), giving priority to the purchase of publications; and assistance for the State Water and Electric Energy Agency in connection with an overall analysis of the production-related and environmental potential and consequences of the Middle Paraná hydroelectric project;

(h) Concern for the problem of women in development. The item calls for special concern in regional development activities (identification of projects in small communities which will benefit women and their training as agents for rural development); preparation of investment projects for small agricultural producers (the future of women in the 7,000 families which will benefit from the loan); modernization of the hospital system (training of women as health agents), etc.

43. Notwithstanding the completely satisfactory development of co-operation activities implemented during this period and the positive effect which the operational modalities introduced by the new Government have had on overall programme quality, mention should be made of certain aspects which it is important

to consider not only in connection with their own evaluation but also for their eventual impact on the future programme.

44. The lack of information available to the Government in December 1983, added to the need to ensure the continuity of various ongoing projects, made it necessary to go into virtually all the key sectors of national life, leading to some dilution of activities during 1984. The result was that 21 projects were approved in that year, raising to 43 the total number of projects in process of implementation on 31 December 1984. Of the 21 projects, 4 were not continued beyond their first year of work and 4 were incorporated into larger operations.

45. In the process of implementing programmes supported by external financing, it has become clear that there is a need to specify, from the very beginning, the operational modalities and division of work between the different parties involved which, if not clearly established, could hinder or delay implementation. The introduction of new implementation modalities, particularly during a period when co-operation activities are expanding greatly, would call for the adoption of new criteria to strengthen the mechanisms which ensure the quality of projects. Finally, experience accumulated during the period under review has enabled the Argentine Government to take a decision to strengthen the managerial capacity of the Ministry of External Relations and Worship (new functions of the Subsecretariat of international co-operation) and of the Ministry of Economy in the area of external financial co-operation, and arrangements have been made for this in the future programme.

46. The implementation of the third programme for the entire period 1982-1986 is reflected in quantitative terms in the table in annex II, which is available for consultation by members of the Governing Council. In addition to demonstrating once again the evolution of the programme towards issues involving the managerial capacity of the State (sector 02) and towards the basic production sectors (03 and 04), the data show that the size of the programme has doubled compared with the original, as a consequence of cost-sharing input.

#### B. New Programme Proposal

47. The overall objective of the fourth country programme is to promote and develop technical and economic co-operation activities which can help increase growth, promote technological progress, reduce poverty and support the process of the Argentine Republic's re-entry onto the international scene. The programme should provide instruments for institutional development and for the training of human resources which may bring about an increase in the efficiency of activities to promote economic and social development. All the projects of the fourth programme in one way or another serve two underlying objectives: the economic recovery of Argentina and the strengthening of the democratic system.

48. Available IPF resources amount to \$11 million for the five-year period 1987-1991. Since the current programme covers the years 1987-1989, the IPF resources for that period are \$6.6 million. Total available resources, however, amount to \$83,765,000, consisting of:

(a) An amount of \$25,574,000 in the form of cost-sharing on the part of the Government, of which \$24,224,000 is currently committed and \$1,350,000 is under negotiation;

(b) An amount of \$10,841,000 in the form of cost-sharing by the World Bank already committed and \$2,200,000 under negotiation; \$5.4 million already committed by IDB; \$700,000 already committed by IFAD; and \$5,950,000 from bilateral sources which are in an advanced state of negotiation. The total third-party participation in the financing of programme expenditure is \$25,091,000;

(c) \$26.5 million already committed for the financing of service administration agreements provided to the Government by the World Bank (\$15 million) and by IDB (\$11.5 million).

All these amounts are broken down in the annex.

49. The objectives of the fourth country programme are as follows:

(a) To contribute to economic growth and productivity in the agricultural, and industrial sectors and infrastructure, and to an increase in exports;

(b) To improve management capacity in priority areas of the public sector and increase efficiency and effectiveness in the preparation and implementation of investment projects;

(c) To promote technological development and its incorporation into production sectors;

(d) To support the formulation and implementation of policies designed to deal with the social emergency;

(e) To promote development co-operation in countries with greater and/or similar needs.

#### Economic growth and growth of productivity

#### Agriculture and forestry sector

#### New projects

Strengthening of planning in the Secretariat of Agriculture (International Bank for Reconstruction and Development (IBRD) 1/: \$1,090,000)

50. A system of agricultural information will be designed and implemented at the national level and the co-ordination of activities involved in the system of agricultural planning will be improved.

Training in agricultural planning and rural development (ISAPDER) (ARG/86/021) (IPF \$90,000; cost-sharing: \$790,000)

51. The Rural Development Institute for Northeast Argentina will be strengthened and expanded so as to constitute a sub-regional centre of excellence for training and technical co-operation in rural development.

Ongoing projects

Integrated development of the basin of the Río Salado (ARG/84/007) (IPF: \$127,000; cost-sharing: \$330,000)

52. Activities to promote rural development in a topographically depressed area in the province of Buenos Aires will continue, and better water management will bring about a major increase in agricultural and livestock production.

Paraná Medio (ARG/85/003) (Cost-sharing: \$286,000)

53. Support will be provided to the hydroelectric project of the same name for agricultural development and environmental protection in the area of the dams (coastal region). The Water and Electric Energy Agency is the national executing body.

Agricultural and forestry development in Chaco (ARG/85/017) (Cost-sharing: \$1.2 million)

54. Reorganization of the Ministry of Agriculture of the Chaco Province so as to optimize the management of water resources and develop particularly backward zones in the interior.

Planning and management of national parks (ARG/85/012) (Cost-sharing: \$188,000) and Planning and institutional support of IFONA (ARG/86/004) (Cost-sharing: \$300,000)

55. The National Administration for National Parks and the National Forestry Institute will be supported in the areas indicated in the project titles.

Industrial sector

New projects

Industrial policy, Secretariat of Industry and Foreign Trade (IBRD: \$1 million)

56. Tools and working methodologies will be developed for the formulation and implementation of an industrial policy.



Ongoing projects

Industrial property (ARG/83/007) (IPF: \$111,000)

57. Rationalization of procedures, modernization and automation of the National Office of Industrial Property.

Promotion of investments (ARG/85/021) (IPF: \$50,000)

58. Establishment of machinery for the identification, preparation and promotion of industrial projects.

Infrastructure

Ongoing projects

(a) Small power stations, Sub-Secretariat of Energy Planning (ARG/85/023)  
(Cost-sharing: \$500,000)

59. The level of development achieved in the country in respect of small hydro-electric power stations will be assessed and guidelines will be established for future activities in this sector.

Growth of exports

New projects

Export policy (IBRD: \$220,000)

60. Assistance will be provided in formulating the country's development strategy through the implementation of activities for promoting the export of goods and services.

National Development Bank. Formulation of policies for the promotion of industrial exports (ARG/85/004) (Cost-sharing: \$207,000)

61. Assistance will be provided in defining a development policy for the export of manufactures in accordance with the industrial profile which is desired.

62. The resources allocated to this objective amount to \$6,489,000, of which \$378,000 correspond to the IPF and \$6,111,000 to other resources (Cost-sharing, management agreements, etc.).

Linkages

63. The projects envisaged under this objective are supplemented by programmes relating to short and long-term policies to increase the autonomy of economic growth as provided for under the regional programme for Latin America and the Caribbean for the period 1987-1991.

64. Co-operation will continue with RFENR in order to find solutions for developing Huemules, a gold deposit in the Andes.

Public sector

65. The second objective includes five sub-objectives:

(a) Modernization of management tools to improve the formulation of policies for the allocation of resources, technological development, trade etc. Introduction of computers and studies on the production of management instruments;

(b) Implementation of policies on international economic relations to increase the benefits to be gained from trade, foreign investment, financing and the transfer of technology;

(c) Strengthening of systems for the planning and co-ordination of public policies;

(d) Strengthening of the capacity for the formulation and management of projects for which external financing is available;

(e) Development of human resources for management. Most, if not all the projects described will contribute to that objective to a greater or lesser degree.

66. In order to achieve this objective, the following projects will be implemented.

Modernization of management instruments

National development bank. Economic research (ARG/84/022) (Cost-sharing: \$400,000)

67. A system of statistical data will be established and a study will be carried out of the principal industrial sectors.

Reform of the tax system (ARG/85/019) (Cost-sharing: \$US 5,784,000 (IBRD))

68. Secretariat of Agriculture. Studies will be carried out for the implementation of a reform of the tax system in the agricultural sector.

Basic studies on agricultural policy (ARG/86/009) (Cost-sharing: \$900,000 (IBRD))

69. Studies will be carried out on agricultural marketing.

National Meat Board (ARG/86/018) (Cost-sharing: \$200,000 (IBRD))

70. A proposal will be drawn up for improving economic information on livestock based on the Board.

National Grain Board (ARG/86/019) (Cost-sharing: \$300,000 (IBRD))

71. Assistance will be provided in drawing up a proposal for the establishment of a system of economic information on grain production and marketing.

Master plan for sanitation and drinking water (ARG/86/002) Secretariat of water resources (Cost-sharing: \$950,000)

72. A study will be made of the sector so as to be able to evaluate investment alternatives.

Increase of the efficiency of investment in equipment for the Ministry of Public Works and Services (MOSP) (ARG/86/017) (IPF \$50,000; Cost-sharing \$144,000)

73. The demand for equipment on the part of enterprises and bodies attached to MOSP will be rationalized so as to improve the efficiency of investment in equipment.

Macro-economic analysis in the Ministry of the Economy (IBRD subproject) (\$700,000)

74. Instruments will be devised for the analysis of short and long-term possibilities and consequences so as to attain certain goals relating to surplus in the current account of the balance of payments.

Input/product model (INDEC) (IBRD subproject) (\$350,000)

75. The 1983 model will be completed and a method will be established for updating models and designing a new base model for 1984.

National accounts and income distribution (IBRD subproject) (\$670,000)

76. The preparation of national accounts and the quality of estimates for the principal macro-economic aggregates will be improved.

Tax policy and administration (IBRD subproject) (\$2,570,000)

77. The foundations will be laid for planning and implementing a global economic policy and the tax administration will be improved.

Improvement of management capacity (IBRD subproject) (\$600,000)

78. The management capacity of public enterprises and government officials and the training of future public leaders will be improved and brought up to date.

Management of enterprises. Secretariat for the control of public enterprises (IBRD subproject) (\$1,380,000)

79. An interrelated set of activities will be developed in support of efforts to improve the efficiency and effectiveness of public enterprises through a better use of the available human and material resources.

Budgetary control and programming. Secretariat of Finance (IBRD subproject)  
(\$770,000)

80. Budgetary programming and control will be improved.

Improvement of national voter registration (ARG/82/022) (IPF: \$26,000;  
Cost-sharing: \$62,000)

81. Assistance will be given to the National Voter Registration Office of the Ministry of the Interior in updating voting registers.

Studies for the preparation of the national budget (ARG/85/016) (Cost-sharing:  
\$200,000)

82. Criteria will be drafted that will enable the Ministry of Finance to prepare the national budget.

Pilot project on computerization in the public administration (ARG/84/019) (IPF:  
\$400,000; Cost-sharing: \$1,044,000)

83. The objective is to establish computerized systems at the Ministry for Foreign Affairs and Worship and administrative accounting and personnel systems that meet the legal needs of public accounting and thus obtain information for the managing of budgetary and human resources.

National Institute for Data-Base Statistics (IBRD subproject) (\$900,000)

84. The aim is to update and improve the quality and availability of social and economic statistics in certain areas (foreign trade, poverty, economic statistics, agricultural census, industrial surveys).

Computerization at the Ministry of the Economy (IBRD subproject) (\$370,000)

85. The efficiency and co-ordination of the infrastructure and the computer equipment at the Ministry of the Economy will be improved.

Computerization programme at the Ministry of Industry and Foreign Trade (IBRD subproject) (\$970,000)

86. The objective is to improve computer systems that promote and monitor exports and simplify procedures and the flow of information on foreign trade.

Computerization programme at the National Customs Office (IBRD subproject)  
(\$900,000)

87. The aim is to help ensure an appropriate and adequate collection of import and export duties and facilitate customs procedures.

Computerization programme in the Ministry of Education and Justice (Cost-sharing: \$400,000)

88. A computerization and systematization programme will be implemented to improve the administrative and operative management of the Ministry of Education and Justice.

Computerization programme at the National Migration Office (Cost-sharing: \$70,000)

89. A computerized system will be implemented for continuous updating of national voting registers.

Implementation of policies on international economic relations

Negotiation of Foreign Trade (IBRD subproject) (\$650,000)

90. A computer system will be introduced at the Ministry for Foreign Affairs that will facilitate decision-making in the area.

Improving systems for planning and co-ordinating public policies

Investment planning in the Ministry of Public Works and Services (IBRD subproject) (\$650,000)

91. The ability to promote and plan investments and to plan policies and control at the central level of the enterprises and organs of the Ministry of Public Works and Services will be improved.

Comprehensive planning at the Planning Secretariat (IBRD subproject) (\$510,000)

92. The capacity of the public sector in areas of investment programmes, medium-term financing and project planning, control, and appraisal will be increased.

Transport planning (Cost-sharing: \$1 million)

93. The Basic Planning Unit of the Transport Secretariat will be improved to prepare and monitor the management of investment projects.

Employment, human resource and income policies, Ministry of Labour (IPF: \$300,000; Cost-sharing: \$600,000)

94. Design and implementation of a comprehensive employment and remuneration policy.

Improving the Council of Technical Education (CONET) (ARG/84/028) (Cost-sharing: \$1.3 million)

95. The aim is to improve the central services of CONET, primarily with regard to its regional administration and operation and the development of modern training methods geared to the labour realities of the country.

Regional planning (ARG/83/013) (IPF: \$218,000; Cost-sharing: \$134,000)

96. Studies have been conducted and strategies developed for the creation and identification of investment projects for the north-eastern region of Argentina. The project was extended subsequently to include the north-western and Cuyo (central western) regions, where this type of activity will continue during the fourth cycle.

Planning of investment and development projects for the Tierra del Fuego territory (ARG/86/010) (IPF: \$30,500; Cost-sharing: \$65,000)

97. The aim is to prepare the guidelines for a medium-term growth plan for the territory of Tierra del Fuego.

Improvement of projects with external financing

Improving the ability to manage technical co-operation at the Ministry of Foreign Affairs and Worship (ARG/86/005) (IPF: \$172,000)

98. The aim is to establish, with the Under-Secretariat of International Co-operation of the Ministry of Foreign Affairs, a project unit to co-ordinate and assist in project identification, selection, planning, control and appraisal.

Setting up a co-ordinating office for external financing (ARG/86/006) (IPF: \$100,000; cost-sharing: \$90,000)

99. The objective is to set up the office within the Ministry of the Economy.

Management unit for the World Bank Technical Co-operation Project (IBRD subproject) (\$700,000)

100. The aim is to co-ordinate all activities related to the subprojects covered by the loan.

Institute of Social and Economic Sciences and International Co-operation (ARG/86/012) (IPF: \$150,000; cost-sharing: \$700,000)

101. A feasibility study will be conducted on the establishment of such an institute, and assistance will be provided for its future operation.

Aid unit (ARG/86/001) (Cost-sharing: \$300,000)

102. Additional funds will be channelled for improving the UNDP office in Argentina so that it will be able to meet adequately the requirements imposed upon it by the rapid growth of the technical co-operation programme of the United Nations system.

103. The resources earmarked for this objective amount to \$28,479,500; the IPF is \$1,446,500 and other resources (cost-sharing, management agreements and the like) amount to \$27,033,000. Emphasis is also placed on the close relation between the activities considered in this chapter and those financed by loans from the IBRD to Argentina.

### Co-ordination

104. The projects envisaged in this objective are linked with those being considered for improving systems of public policy co-ordination and planning in the Regional Programme for Latin America and the Caribbean for the period 1987-1991.

105. An analysis of the projects listed under this second objective shows that they can be classified in numerous areas ranging from basic data production (data processing) to the utilization of such data for studies, policy planning and the creation of the conditions needed for their implementation (institutional improvement).

### Third objective

#### Technological development

106. The purpose of this objective is to:

(a) Facilitate access to technological research;

(b) Promote applied research projects that stimulate the introduction of new technology at home and abroad (other developing countries);

(c) Disseminate scientific knowledge in order to encourage innovation.

107. As scientific and technological development was also one of the objectives of Argentina's third programme, some of the projects envisaged for this sector in the fourth programme are a continuation of projects begun in the third cycle.

Careers in nuclear engineering (ARG/78/020) (IPF: \$317,000; cost-sharing: \$230,000)

108. This project was broadened and extended until the middle of 1988 for the purpose of creating a self-sustained research capacity at the Balseiro Institute (National Atomic Energy Commission).

Small and medium-size industry in the province of Santa Fe (ARG/81/004) (IPF: \$200,000; cost-sharing: \$300,000) and Bahía Blanca Petro-chemicals (ARG/81/003) (IPF: \$300,000; cost-sharing: \$700,000)

109. These two projects provide technical advice to firms in the relevant sectors.

Argentine Steel II Institute (ARG/81/010) (IPF: \$20,000; cost-sharing: \$340,000)

110. The project is to assist the Institute in developing new production methods geared to the characteristics of Argentina's raw materials. It will also continue until 1988.

Water resource development (ARG/83/002) (Cost-sharing: \$1.5 million)

111. The activities begun in 1983 with an IDB loan will be continued.

Photo-electric cells (ARG/83/005) (Cost-sharing: \$2.6 million)

112. This project is a technical assistance programme for technological development and national production in the area. It is expected that cost-sharing may be available, possibly from a bilateral source.

National bio-technology programme (ARG/84/009) (IPF: \$250,000)

113. Continuation of activities during the fourth cycle.

CAD/CAM (ARG/84/015) (IPF: \$400,000; cost-sharing: \$2,650,000 (bilateral source in part))

114. Establishing a computer-assisted design and production centre for the metal industries, to be developed in the Centre for Advanced Technology at Córdoba.

CIDET (ARG/84/011) (IPF: \$155,000; cost-sharing: \$30,000)

115. Studies and organizational activities will continue with a view to establishing a research centre for technological development at the National Institute of Industrial Technology.

Telecommunications (ARG/85/018) (IPF: \$30,000; cost-sharing: \$250,000)

116. This project will continue with a view to deciding upon the technological alternatives for the introduction of a service network in the country.

117. Two large-scale agricultural projects will be carried in the fourth cycle, in particular with the National Institute of Agricultural Technology (INTA).

INTA II (ARG/85/002) (Cost-sharing: \$1.5 million)

118. This project was begun in 1985. It has been and will continue to be instrumental in INTA efforts to streamline the implementation of a series of activities aimed at strengthening its technological development capacity, largely through the awarding of scholarships abroad, but also through the rapid and efficient acquisition of essential inputs.

INTA I (ARG/85/001) (\$11.5 million)

119. This project is implemented through a Management Services Agreement with the Office for Projects Execution. In principle it will have the same function as the previous one but with special emphasis on the acquisition of equipment. This agreement will be financed through funds from an IDB loan.

120. Resources will also be earmarked for a Latin American School of Data-Processing in Buenos Aires, under the Ministry of Science and Technology and the National University at Luján, and for the Multidisciplinary Oceanography Programme (ARG/86/016) (IPF: \$20,000). Support is also planned for the Ministry for Promotion of Growth for the co-ordination of the Priority Environmental Programmes (ARG/86/016) (IPF: \$50,000; cost-sharing: \$50,000) and to begin



activities on the Recycling of Human Resources in Energy Sector Enterprises (ARG/86/015) (Cost-sharing: \$500,000).

121. To a greater or lesser extent, according to availability of resources, the fourth cycle will continue with projects such as Agricultural estimates (ARG/81/002) (through remote sensing) (IPF: \$42,000); Airworthiness (ARG/81/007) (certification of aircraft) (IPF: \$195,000; cost-sharing: \$780,000); National Civil Navigation Institute (ARG/81/009) (training in air transit control and other areas) (IPF: \$127,000; cost-sharing: \$511,000); and Development of the libraries of the National Council of Scientific and Technological Research (CONICET) (ARG/85/014) (cost-sharing: \$600,000). Under the Ministry of Science and Technology, support is planned for the construction and entry into operation of the Chacomús Institute of Technology (cost-sharing: \$2 million), an advanced centre for scientific, technological and training activities for improving the production and environment of rural and swamp areas in the province of Buenos Aires. Support is also planned for a set of projects for the National Institute of Industrial Technology, which have already been determined by a UNIDO mission (including the establishment of a bottling and packing centre, the development of a wool research laboratory and others).

122. The resources earmarked for this objective amount to \$28,177,000, of which \$2,136,000 represent the IPF and \$26,041,000 other resources (cost-sharing, management agreements, etc.).

#### Co-ordination

123. The projects planned under this objective will be supplemented by programmes in the area of technological development envisaged in the Regional Programme for Latin America and the Caribbean, for the period 1987-1991, especially the Biotechnological network (RLA/83/009) and Non-destructive tests (RLA/83/701). There is an explicit link between scientific-technological research activities and the direct use of such activities for production purposes. In addition to their immediate importance for the modernization of the productive system, scientific development is considered to have a special value of its own for a society which for many years suffered the consequences of authoritarian government to the point of considering certain disciplines to be "subversive" by nature and repressing them.

#### Technological development

124. The fourth objective involves:

(a) Assisting in the formulation and implementation of priority projects in the areas of education, housing, health, small agricultural producers and others;

(b) Promoting community participation in the implementation of socially significant projects;

(c) Helping to strengthen the democratic system and its inherent values.

125. Five projects relating to this objective were begun during the third cycle, all of which will continue in the fourth cycle.

126. School aid (ARG/84/023) (IPF: \$15,000; cost-sharing: \$750,000). Restructuring of the former management of Student Health with a view to elaborating policies, plans and programmes for comprehensive pupil care, including physical and emotional health, school snack, etc. (target, 450,000 children).

Supervised credit for small producers (ARG/84/010) (Cost-sharing: \$1.5 million).

127. As mentioned above, this project was established to assist the Government in preparatory studies and the formulation of a large-scale project to be financed by IFAD and/or IDB, intended, in the initial stage for 7,000 families in provinces in the northern part of the country.

Use and abuse of drugs (ARG/86/011) (Cost-sharing: \$2,3 million from a bilateral source).

128. This project involves social research based in the Capitol on the features of the current drug consumption situation. It will expand to become a national programme in 1987.

Housing infrastructure (ARG/85/010) (IPF \$150,000; cost-sharing \$3,550,000).

Programme for hospital equipment and social security implementation (ARG/86/003) (IPF: \$100,000; cost-sharing: \$1,450,000).

129. These two projects initially made it possible to prepare requests for loans from IDB, and during the fourth cycle they will become focal points for ensuring the disbursement of those loans (total value, \$240 million). In both cases, based on a modest contribution of funds from the IPF and a substantial contribution in cost-sharing, national technical teams of an ad hoc nature and organizationally independent from the existing governmental structure have been formed and have proved to be effective for this task. A similar experiment is being planned in the housing area with respect to a loan from the World Bank (IPF: \$13,500; cost-sharing: \$1.2 million).

130. The fourth country programme also includes the following five projects:

Development of historically-relevant communities (ARG/86/104) (IPF: \$100,000).

Democratization of culture (ARG/86/013) (IPF: \$300,000; cost-sharing: \$750,000). It will be supplemented by the project on the up-dating of voting registers mentioned in paragraph 81, aimed at ensuring an immediate response to the requirements of the exercise of democracy.

Survey of Senior Citizens' Services (ARG/86/025) (IPF: \$10,000).

Development in small- and medium-sized cities (IBRD loan) (Cost-sharing: \$1.2 million).

Preparation and management of investment projects in social sectors (IPF: \$400,000).

131. Resources in the amount of \$13,588,500 are earmarked for this objective, \$1,088,500 of which represents the IPF and \$12.7 million cost-sharing.

132. Projects planned under this objective will be supplemented by those of the Regional Programme for Latin America and the Caribbean (1987-1991) designed to strengthen the capacity of the State in the formulation and implementation of social policies in the areas of health, employment, housing, etc., especially the Latin American Council on Social Sciences project (RLA/78/004).

133. Work has begun with the Voluntary Fund for Women in the area of training of women health care personnel in marginal zones in Greater Buenos Aires. These activities are linked to UNICEF activities in the education of agents for the improvement of the health, food and nutrition of women and children in marginal areas.

Co-operation with countries having greater or similar needs

134. This objective involves the design and implementation of programmes and projects for technical and/or economic co-operation with other developing countries. The development of activities related to this objective is analysed in paragraph 42 (a). Beginning in 1986, the activities will be expanded and fields of action will continue to open in other areas, for example Africa. These activities will include topics relating to agriculture and agro-industry, the pharmaceutical industry, and an analysis of the problem of the external debt and its implications for co-operation among developing countries.

135. Resources in the amount of \$5,430,000, are earmarked for this objective, \$150,000 of which represents the IPF and \$5,280,000 cost-sharing for projects ARG/82/001 and ARG/83/011, while the co-operative agreement between the Argentine Government, UNDP and ECLAC will involve approximately \$1 million for the period 1987-1989.

Co-ordination

136. These activities are closely linked to those carried out under the interregional project, Promotion of technical co-operation activities among developing countries (INT/83/904).

C. Unprogrammed reserve

137. A total of \$1,401,000 has remained as funds in reserve for future programming.

Notes

1/ All the projects under consideration by IBRD are sub-programmes of the technical assistance loan of the International Bank for Reconstruction and Development. The projects are designed to strengthen the management capacity of the public sector and are implemented through a "Management Services Agreement" with the Office for Projects Execution (OPE) of UNDP.

Annex

FINANCIAL SUMMARY

I. EFFECTIVE RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

<u>A. UNDP-administered sources</u>	<u>(\$US)</u>	
Third cycle IPF balance	-	
Fourth cycle IPF for 1987-1989 <u>a/</u>	6 600 000	
Subtotal IPF		6 600 000
Special Measures Fund for the Least Developed Countries	-	
Special programme resources	-	
Government cost-sharing	25 574 000	
Third-Party cost-sharing	25 091 000	
Operational funds under the authority of the Administrator	-	
UNDP special trust funds	-	
Subtotal, UNDP non-IPF funds		50 665 000
<u>B. Other funds</u>		
Funds from other United Nations agencies or bodies firmly committed as a result of the country programming exercise	-	
Parallel financing from non-United Nations sources	26 500 000	
Total, <u>b/</u> other sources		<u>26 500 000</u>
TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		<u><u>83 765 000</u></u>

II. USE OF RESOURCES

Ongoing projects <u>c/</u>	71 754 000	
New Project Proposals	10 610 000	
Programmed reserve		
Subtotal, programmed resources		82 364 000
Unprogrammed reserve		<u>1 401 000</u>
TOTAL RESOURCES		<u><u>83 765 000</u></u>

a/ The total IPF for the fourth cycle (1987-1991) is \$11 million.

b/ Financing from Management Services Agreements.

c/ Includes projects approved during 1986 which will enter into full operation in 1987.

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