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PROGRAMME PLANNING

Country and intercountry programmes and projects

FIFTH COUNTRY PROGRAMME FOR BURMA

Note by the Administrator

I. PROCESS OF THE PROGRAMMING EXERCISE

1. The planning process for the fifth country programme started with an extensive assessment of the fourth country programme undertaken jointly with the Government in July 1985. The conclusions derived from the assessment provided valuable insights for the next programming process by identifying not only the achievements, but the constraints that impeded the smooth implementation of various projects. The findings of the assessment were carefully reviewed with the Government and several decisions were taken to rectify the shortcomings that were noted, especially the delays experienced in project execution. Even before the assessment, a preliminary identification of technical assistance needs had been undertaken by a country mission in the context of UNDP's preoccupation with the changing technical co-operation requirements of developing countries. The mission's report was particularly valuable during the early stages of programming in defining priorities for the future.

2. The World Bank-sponsored Aid Group meeting for Burma held in January 1986 in Tokyo provided a useful opportunity for a comprehensive and frank exchange of views with the Government, on the one hand, and multilateral and bilateral donors on the other, on a range of issues pertaining to both capital and technical assistance. The Government itself had prepared its own Four-Year Investment Plan for the period 1986/87 to 1990/91, which was tabled at the meeting along with the priority requirements for technical and capital assistance. The Aid Group meeting was

therefore crucial to the preparatory process of the country programme. Both the Four-Year Investment Plan of the Government and the World Bank Country Memorandum were key inputs. Several other reports and studies, such as those of programming missions and of individual projects, for example that on civil aviation by the International Civil Aviation Organization (ICAO), the energy sector study of the UNDP/World Bank, reports of the Asian Development Bank (AsDB), the overall assessment of the industrial sector by the United Nations Industrial Development Organization (UNIDO), the joint Government of Burma/United Nations Children's Fund (UNICEF) study on children and women in Burma and the United Nations Fund for Population Activities (UNFPA) needs assessment report, provided guidance for the planning process. The valuable assistance of the United Nations Fund for Drug Abuse Control (UNFDAC), UNICEF, the Food and Agriculture Organization of the United Nations (FAO), and the World Health Organization (WHO) representatives based in Rangoon in the preparation of the programme merits special mention.

3. It is against this background that the resident representative addressed a note to the Government on technical assistance priorities for the fifth country programme in April 1986. The resident representative proposed to the Government several guidelines for the preparation of the next country programme, as well as the need to focus on a few crucial themes. The themes presented in the country programme coincide with those proposed in the note of the resident representative, and it must be stressed that there was an extensive area of common ground between the Government of Burma and UNDP from the inception of the preparatory process. The note was followed by a series of meetings between the UNDP office in Burma and individual government agencies, especially the Foreign Economic Relations Department (FERD). The UNDP office in Rangoon collaborated closely with FERD in the preparation and co-ordination of the various parts of the country programme through an intensive process of regular consultations. The 1986 country programme review meeting in early June 1986 was a notable occasion in this regard, as it was the culmination of joint efforts between the Government and the resident representative, as well as those of a technical needs assessment mission fielded by UNDP headquarters. The resident representative also had consultations with a number of bilateral donors, such as the Federal Republic of Germany, Japan, the United Kingdom and the United States of America, all of which participated in the country programme formulation process at the invitation of the Government, thereby facilitating improved co-ordination in the financing of technical assistance. It should be noted that this was the first time the Government invited bilateral donors to participate in the formulation of UNDP's country programme. UNDP headquarters was closely involved in the planning process throughout this period.

II. THE FOURTH COUNTRY PROGRAMME

4. The overriding objective of the fifth country programme is to create a dynamic export sector which should re-vitalize the efforts of the Government for social and economic development. To achieve this objective, the programme concentrates on four specific themes: (a) modernization of the agriculture sector; (b) development of agro-industries; (c) improvement of physical infrastructure, and (d) strengthening of social infrastructure.

5. An analysis of the programme reveals that these themes are crucial to re-vitalizing the economy, particularly the exports sector.

6. The agriculture sector holds the key to Burma's economic advance. The country must diversify its agricultural base and there are ample opportunities for doing so. With Burma's large land area, it should be possible to reduce dependence on rice, while ensuring that, in absolute terms, the rice economy expands. Apart from diversification, agricultural modernization requires an adequate supply of such inputs as irrigation, research and seeds, and the programme attempts to ensure the development of a comprehensive strategy in this regard. Forestry is an important subsector and the conservation and proper management of forests, as well as a more efficient utilization of its products, are urgent needs to which the programme has attached considerable weight.

7. Given the vast potential for agricultural diversification in Burma, the importance of agro-based industry's contribution to the acceleration of the country's industrial development requires detailed examination. The programme has selected several key points for intervention to upgrade processing and industrial capacity based on agriculture.

8. The next theme, physical infrastructure, is also crucial to removing existing constraints on increased production and exports. Apart from programmes in civil aviation and telecommunications, the road transport sector requires urgent attention. There is also great potential for development in the energy sector, especially natural gas, and this area finds particular emphasis in the programme. The improvement of social services, including the development of health services related to the Third People's Health Plan, also finds a place under the theme on development of social infrastructure.

9. Burma has attached considerable importance to investment-related technical assistance and, through umbrella-type projects, standing arrangements for collaboration have been established with the World Bank and AsDB. As these arrangements will continue in the fifth country programme, the investment opportunities that will be created should quickly be able to find the required resources. Moreover, these umbrella projects, which account for approximately 7.7 per cent of programme resources, provide a ready facility for undertaking projects which might not be foreseen at an early stage, but could assume urgency later on, thereby giving the programme added flexibility.

III. MANAGEMENT OF THE COUNTRY PROGRAMME

10. The fifth country programme is expected to disburse \$US 65.514 million over the five-year period 1987-1991. As the demand for technical assistance in Burma cannot be fully met from IPF resources alone, supplementary resources will have to be found for some of the projects which have already been identified. A continuing review will therefore be necessary to meet these additional technical assistance needs in consultation with other donors.

11. As indicated above, the assessment of the fourth country programme pointed to several areas which needed improvement in the implementation of technical assistance projects. These provide important lessons for the management of the new

programme, especially with regard to the delays that have been encountered in project execution, and also those elements in projects which might have been better designed. An essential prerequisite for successful management of the country programme is the proper appraisal and appropriate design of individual projects. The government agencies concerned have made budgetary provisions to cover the counterpart funds related to projects proposed in the new country programme, including, where necessary, the capital costs of new buildings to be constructed.

12. The management of the country programme, as well as that of other technical and capital assistance programmes, requires effective governmental participation. The technical assistance project contained in the present programme is designed to strengthen FERD in making more effective use of external aid from all sources and to develop its capacity to formulate, implement, co-ordinate and evaluate development projects. It should be noted here that the Government and UNDP have encouraged the employment of national project directors, of which there are now 14 in Burma, and the greater use of national personnel in this capacity should facilitate a greater dialogue at the project level between government agencies and UNDP. The execution of projects by the Government itself is a matter which needs to be pursued further during the new country programme period.

13. The UNDP office in Rangoon is engaged in a continuing process of consultations with the Government and with other United Nations system agencies, particularly those which are executing projects. The usual UNDP procedures will continue to be followed and discussions will take place not only on individual projects, but also on the general problems which emerge from time to time in the implementation of the entire programme. Programming and review missions will play their usual role in monitoring and evaluation and certain key sectors may be taken up for broader sectoral analysis. The mid-term review should facilitate the evaluation of the programme as a whole and the Governing Council will be kept informed of the possible modifications which might be made at that time.

IV. RECOMMENDATION BY THE ADMINISTRATOR

14. The Administrator recommends that the Governing Council approve the country programme for Burma.
