



**Governing Council
of the
United Nations
Development Programme**

Distr.
GENERAL

DP/CP/ZAI/4
14 October 1986
ENGLISH
ORIGINAL: FRENCH

Special session
February 1987
Item 4 (a) of the provisional agenda

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

FOURTH COUNTRY PROGRAMME FOR ZAIRE*

<u>Programme period</u>	<u>Actual resources programmed</u>	\$
1987-1991	IPF for 1987-1991	52 793 000
	Carried over from the third cycle	12 207 000
	Other resources programmed	<u>5 000 000</u>
	Total	70 000 000

CONTENTS

	<u>Paragraphs</u>	<u>Page</u>
I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES	1 - 16	2
A. Current economic trends	1 - 3	2
B. National development strategies	4 - 10	2
C. Technical co-operation priorities	11 - 14	4
D. Aid co-ordination arrangements	15 - 16	5
II. THE COUNTRY PROGRAMME	17 - 74	5
A. Assessment of previous country programme	17 - 23	5
B. New programme proposal	24 - 73	7
C. Unprogrammed reserve	74	18
<u>Annex.</u> Financial summary		19

* 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 operational funds and programmes under the authority of the Administrator; (e) distribution of new country programme by sector.

I. DEVELOPMENT TRENDS, STRATEGIES AND PRIORITIES

A. Current economic trends

1. From 1975 to 1983 Zaire experienced a profound crisis marked by a 1.8 per cent average annual decrease in the marketed gross domestic product (MGDP). The foreign recession touched off by the drop in oil prices and the closure of the Shaba/Benguela railway were among the major causes of the crisis, which upset fundamental balances in the areas of: supply and demand, the balance of payments, public finances, prices and incomes. A negligible volume of public investments, the depression in the foreign markets and foreign debt-servicing resulted in the decline and stagnation of the economy as a whole and reductions in the standard of living and purchasing power. Private consumption in 1983 amounted to only 60 per cent of its level in 1970, while the population increased by approximately 40 per cent, or a drop of 58 per cent per capita.

2. The decline in local production led to growing foreign dependence; with the deterioration in the balance of payments, Zaire had to resort to foreign debt rescheduling, balance-of-payments assistance and the accumulation of large arrears at the end of 1983. The deterioration in public finances was marked by disappointing income performance, a decline in wages (in real terms, the budgetary wage total in 1975-1983 represented only 37 per cent of the 1967-1970 level, a major cause of inefficiency in public administration) and a sharp fall in the investment budget relative to current expenses.

3. With a population of 30 million in 1984 and a growth rate of approximately 3 per cent, up until 1983 Zaire recorded increased employment in public administration and a decrease in the number of wage-earners in the parastatal and modern private sector. The importance of employment in the rural and urban informal sector is recognized but hardly quantifiable, although it reflects considerable underemployment and unemployment. The deterioration in social conditions during the period 1975-1983 was therefore inevitable in terms of employment, purchasing power and public services, particularly in the fields of health and education.

B. National development strategies

4. The adoption of economic reform measures in 1983 involved by the implementation of the Interim Economic Recovery Programme, 1983-1985, and two successive agreements with the International Monetary Fund (IMF), 1984-1985 and 1985-1986. Although considerable success was achieved with regard to economic stabilization, the tasks of consolidation, structural adjustment and economic revival had to await Zaire's first five-year plan. This plan, prepared with assistance from UNDP and the United Nations Department of Technical Co-operation for Development, was approved by the Legislative Council in February 1986 and promulgated in an ordinance.

5. The 1986-1990 five-year plan thus constitutes the basic framework for the fourth country programme, supplemented by the following: the 1987-1989 public investment programme; the structural adjustment programme (submitted to the meeting of the Consultative Group held at Paris in 1986); the April 1986-February 1988 agreement between Zaire and IMF; and the agreements reached in May 1986 on debt rescheduling. The 1986-1990 five-year plan distinguishes three main lines which emerge from the analysis of the economic and social situation, namely, economic independence, economic liberalism and development for the benefit for all. The qualitative objectives of the plan are: to improve public management; to rehabilitate the infrastructures and tools of production; and to promote the social sectors. The quantitative objectives include: an average annual MGDG growth rate of 4 per cent; an increased contribution by certain sectors to the MGDG (agriculture, the manufacturing industry, construction and public works, transport, trade); an increase (in relation to 1975-1984) in private and public consumption and net exports, and concentration of investments in projects with a direct and rapid yield; a very substantial reduction in the overall balance-of-payments deficit; and, finally, for the State budget, moderate growth in current expenses and a substantial increase in receipts and capital expenditure.

6. If the objectives of the plan are to be realized, certain strategies and policies and an appropriate investment programme will need to be implemented. The concerted policy of liberalism therefore makes the private sector responsible for economic revival and gives the State the role of indicating the directions to be followed to achieve the country's long-term objectives. As to investment, the State programme will concentrate chiefly on infrastructure and management projects.

7. The economic integration policy implies a special effort by the industrial sector to meet the national requirements and make increased use of national commodities. Incentives will be introduced to promote diversification of exports. The decentralization policy calls for more active participation by the regional structures and strengthened regional planning.

8. A vigorous population policy will be based on the integration of demographic variables in planning, strengthening of family planning, strengthening of a unified and integrated health system (in which primary health care constitutes the basic strategy), a rural land-use development programme, analysis of the results of the 1984 census and a population education programme.

9. The employment policy provides for the creation of 17,000 jobs in modern agriculture and 117,000 in the non-agricultural sectors. A series of actions will promote greater equivalence between qualifications and employment opportunities in both general education and vocational training. Finally, an equitable income policy will aim at improving the rural income level, strengthening the role of the informal sector, reducing certain disparities and establishing a decent wage for workers in the modern sector.

10. The total investments under the five-year plan are estimated at 263 billion zaires (approximately \$4.6 billion), of which 64 per cent represents public sector investments. The volume of annual public investments, approximately 33 billion zaires, is much greater than the 1983-1985 level. Forty-four per cent

of the financing of public investments comes from the State budget and other domestic sources and 56 per cent comes from foreign sources, amounting to \$1,854 million. Approximately 60 per cent of the external financing requirements, or \$1,095 million, had already been acquired at the beginning of 1986. The meeting of the Consultative Group in April 1986 made it possible to mobilize the greater part of the 760 million required.

C. Technical co-operation priorities

11. In March-April 1986, UNDP carried out a preliminary study of the technical co-operation needs for the plan period. It distinguishes between four categories of technical assistance to Zaire:

(a) Assistance to the educational and health sector, which generally takes the form of visits by teachers and medical personnel;

(b) Advisory assistance, which consists primarily of analytical studies and advice on general and sectoral policies; investment programming and monitoring; strengthening of institutions; and macro-economic planning and management;

(c) Assistance related to investment projects, feasibility studies, technical studies and monitoring of construction work;

(d) Study assistance, which consists solely of the preparation of particular studies.

12. Although it proved difficult to estimate the needs by sector, the study clearly showed that multilateral and bilateral technical co-operation deserved particular attention, especially with regard to qualitative improvements in its effectiveness, its sectoral distribution, its management and counterpart measures at the national level.

13. The study recommended that the partners should consider making a particular effort to mobilize Zairian human resources in the technical co-operation projects, particularly by increasing their contribution to the local costs.

14. A national workshop following up the meeting of the Consultative Group in April, during which the recommendations and conclusions of the study were presented, gave further attention to the problem. Some recommendations will be incorporated in the work programme of the project on co-ordination of external resources (ZAI/84/001). Other recommendations aimed at quantifying the technical co-operation needs in the area of developing human resources for the agricultural and industrial sectors will be available at the beginning of 1987, after completion of the UNDP/World Bank study on the subject. UNDP assistance in co-ordinating external aid is also a priority matter and is aimed, inter alia, at ensuring closer collaboration with the development bodies at the local level, such as the non-governmental organizations (NGOs).

D. Aid co-ordination arrangements

15. Aid co-ordination is the responsibility of the Department of International Co-operation and Foreign Trade, supported by the foreign affairs and planning departments. Co-ordination among Zaire's donors is carried out by the World Bank under the auspices of the Consultative Group, whose eighth meeting was held in April 1986. To complete this machinery, the Executive Council announced, in December 1983, the re-establishment of the National External Resources Co-ordinating Committee, at the ministerial level. Three commissions work under the Committee: (a) the Consultative Group Follow-up Commission; (b) the Planning Commission; and (c) the Legal Commission. UNDP is a member of the Consultative Group and the Consultative Group Follow-up Commission; in addition, UNDP provides assistance, through the above-mentioned project, to the planning department unit responsible for providing secretarial services to the External Resources Co-ordination Committee and the Consultative Group Follow-up Commission. This assistance will continue in the current programme, with wider objectives, as indicated below.

16. At the level of the United Nations system, ad hoc meetings are held approximately every two months under UNDP co-ordination and bring together the agencies which are represented locally. They make it possible to harmonize assistance and study ways and means of bringing about ever greater integration. The United Nations Fund for Population Activities (UNFPA) will use the fourth country programme as a reference framework for its assistance, while the United Nations Children's Fund (UNICEF) will promote joint programming, with UNDP and UNFPA, of the work it is planning in the health and rural water supply sectors. The World Bank is playing an increasingly active role backstopping some of the activities undertaken by UNDP.

II. THE COUNTRY PROGRAMME

A. Assessment of previous country programme

17. The country programme for the third cycle, approved by the Governing Council of UNDP in May 1982, had adopted an indicative planning figure (IPF) of \$79 million which, following a review of the general financial situation of UNDP, was cut to \$43.5 million. Almost one half of available and programmed resources were allocated to the rural sector for the development of agriculture, rural services and small and medium-sized enterprises. Other priorities were human resources, training, education and the industrial sector.

18. The third UNDP co-operation programme for Zaire made it possible to engage about 320 experts and consultants and to grant almost 245 fellowships and traineeships during the period in question. It saw to the completion of the technical training centre and the establishment of a department of organization and methods at REGIDESO, an institution whose effectiveness and decisive role have been universally emphasized. Staff and setups for the planning and co-ordination of external assistance at the Department of Planning have been strengthened. Owing to UNDP support, there has been considerable interest in the small and medium-sized

enterprise sector, for which sizeable resources have been mobilized. UNDP involvement in the National Museum Institute has also helped to optimize the Zairian cultural heritage, while the Market, Price and Rural Credit Board has, through a UNDP project, played a full role in the successful decontrol of agricultural prices.

19. Throughout the execution of the programme, UNDP has endeavoured to preserve the relevance of the activities undertaken in the light of the changing concerns of the Executive Council by means of continuing and sustained co-ordination established through the tripartite meetings and evaluation missions arranged for almost all major projects and through the annual meetings held for joint scrutiny of the programme.

20. Accordingly, at the annual review of the programme in May 1984, the objectives for the two remaining years were readjusted and refocused on two major points:

(a) Financial reorganization, particularly through the supervision of Government personnel and the rehabilitation of public enterprises;

(b) Institutional support, including assistance in overall planning (all activities relating to the formulation and execution of the five-year plan 1986-1990), agricultural research (to raise agricultural production and promote rural development) and the social aspect, centring on the problems of the employment of nationals and the health of the population.

21. UNDP has also organized a global evaluation of the current programme by a mission of three locally-recruited outside consultants. It took place from 14 March to 10 May 1986 and made the following judgements, observations and recommendations:

(a) The initial programme corresponded to the objectives of the Executive Council, as contained in the Economic Recovery Plan 1981-1983, and the projects have, on the whole, helped to achieve those objectives;

(b) In its conception, design management and execution, the third country programme is clearly much better than the fourth, particularly in the quality of the dialogue maintained by the parties concerned;

(c) The technical assistance furnished complements that given by the other agencies of the United Nations system and by bilateral and multilateral donors;

(d) The ability of the Department of Planning to initiate, formulate, manage and evaluate various forms of technical assistance has been enhanced by the project for assistance in management and planning (ZAI/79/002) and that for support to the unit for the co-ordination of external resources (ZAI/84/001);

(e) The programme should avoid the numerical and sectoral proliferation of projects and should clearly identify the beneficiaries and target groups of the activities undertaken.

22. The recommendations made by the evaluation mission have a particular bearing on:

(a) Greater integration and consolidation of projects and of interdependent intersectoral activities;

(b) Greater utilization of national capabilities and strengthening of training activities;

(c) Particular stress on rural development and on the integration of the concerns of women and young persons in all activities undertaken;

(d) Involvement of private bodies in projects to raise funds to cover local costs.

23. These proposals were adopted at the meeting for the annual review of the programme in June 1986 and were taken into consideration in the fourth programme.

B. New programme proposal

24. The major objectives laid down by the Executive Council for the five-year plan, which are to receive support from the country programme, are the improvement of economic management, particularly in the public sector, in order to allow the implementation of policies and programmes to ensure an annual economic growth rate of 4 per cent during the years of the plan, and institutional support to the private agricultural and industrial sector with a view to ensuring growth. The achievement of these goals requires that the appropriate human resources and communications infrastructure should be available.

25. The four following country programme objectives thus emerge:

(a) To assist the Executive Council in achieving a standard of economic management in the public sector which will make it possible to design and implement policies and programmes to ensure an annual growth rate of 4 per cent during the period of the five-year plan;

(b) To provide public institutional support for growth in the private agricultural and industrial sector;

(c) To promote an appreciable improvement in social well-being and in the development of human resources;

(d) To participate in the rehabilitation of certain transport and communications networks necessary for economic development.

These objectives are directly linked with the major themes of the above-mentioned five-year plan and with the technical co-operation requirements of the plan, the triennial public investment programme and the structural adjustment programme.

26. The general theme of the programme is the development of Zaire's human resources for the various needs of a developing society: development design and management of the development process; meeting requirements for qualified personnel for the public sector and for private economic, industrial and agricultural activities; meeting social requirements in the fields of health, drinking-water supply and employment; and, lastly, meeting senior staff requirements for essential communication services. The Executive Council considers that the United Nations development system's experience and accumulated technical capability in those fields make it the ideal partner for executing the projects listed below - in many cases, owing to the magnitude of the requirements, in association with other partners.

27. Compared with the previous programme, the number of projects will be reduced from 83 to approximately 29 in order to ensure a decisive impact on a limited number of major problems and to facilitate efficient tripartite management. In view of the conclusions of the programme evaluation study and of the study on technical co-operation, the Executive Council hopes that each project, will mobilize national human resources to the maximum possible extent and will contribute as far as possible to local costs.

Economic management

28. During the period from 1987 to 1989, successful control of the Zairian economy will necessitate a structural adjustment effort in the productive sectors of agriculture and industry as well as a restructuring of the public sector with the aim of making it an efficient and effective support for economic and social growth. A programme of structural adjustment of the industrial sector was launched with the assistance of the World Bank in 1986; a second programme credit for the agricultural sector and for the reform of the public sector will take effect in 1987. Since 1983, the Executive Council has received assistance for the implementation of reforms in the field of economic management from the IMF, the World Bank and UNDP, and this assistance will be continued until 1989. The role of UNDP consists in providing sustained support for the planning apparatus, the collection, analysis and publication of statistics, the reform of parastatal enterprises and the rehabilitation of the civil service. The Executive Council hopes for a strengthening of UNDP assistance in these fields, in close collaboration with the World Bank, under the structural adjustment programme.

Ongoing projects and projects proposed during the programming process

29. In pursuance of the above objectives, the Executive Council proposes that the five IPF-financed projects and the three UNFPA-financed projects described below should be continued or should enter a new phase.

30. The programme support project (ZAI/86/001) in its new phase will provide the means for establishing a decentralized regional planning apparatus, strengthening links between the central planning body and technical departments and strengthening the work of pre-investment and monitoring the execution of the five-year plan through the establishment of a computerized bank of project data; other new elements will help to strengthen capacities for the formulation and management of

a scientific and technological strategy, planning in the mining industry and planning for the integration of women in the development process. The project design takes into account the conclusions and recommendations of an evaluation carried out in January 1986 and the results of a World Bank study on the planning apparatus. Inputs to be supplied by UNDP will include technical consultancy training of senior staff inside the country and abroad, and equipment. The execution of the project implies an interdisciplinary approach by several agencies of the system. An allocation of \$7.5 million is envisaged. UNFPA will furnish assistance in the amount of \$0.56 million in the related field of population planning (ZAI/85/P02) and of \$0.39 million in that of population training and research (ZAI/86/P01).

31. The project for line strengthening of the National Statistical Institute (ZAI/83/019) will carry on the essential work of institutional rehabilitation with the object of fitting the Institute for its task of collecting, analysing and publishing reliable economic and social statistics. This work was begun in 1985 with the support of UNDP and bilateral and multilateral partners. The Institute's programme budget for 1985/1986, prepared as part of the UNDP project and submitted to the Consultative Group's Follow-up Commission in April 1985, will be followed by a programme budget for 1987-1990 serving as a framework for all partners. An allocation of \$3 million is requested for this project under the present programme.

32. The lead agency role of the United Nations in this field is supported by UNFPA through project ZAI/76/P01 for the analysis and publication of the 1984 census (also under the auspices of INS) and through the agricultural statistics project (ZAI/84/008) described below. The UNFPA contribution to the continuation of project ZAI/76/P01 is estimated at \$0.45 million. In addition, UNFPA is proposing a national demographic survey to supplement and upgrade the data furnished by the 1984 census; this project would require financing in the amount of \$1.55 million.

33. The management of parastatal enterprises project (ZAI/86/013) will continue to develop the work of management diagnosis carried out through earlier projects since 1983. The objectives for 1986-1990 are to ensure the autonomy and financial profitability of the State portfolio and to transform the public sector into a dynamic element of growth and economic integration. It is proposed to introduce private-type management to reinforce exchanges of goods and services within the investment group, and to establish a State holding company. An amount of \$3 million of the IPF will be required for this project. Future UNDP assistance is envisaged in collaboration with the Executive Council, the World Bank and the United Nations system; additional assistance by the World Bank will also be forthcoming so as to continue the structural adjustment.

34. The civil service reform project (ZAI/84/012) entered into a second three-year phase in 1986; its continuation until 1991 is likely, but will depend on results achieved during the current phase. The objective is an in-depth reorganization of the civil service management and training systems. In other words, the public administration system will be transformed into a development tool capable of giving an impetus to economic operators and of providing the necessary co-ordination. The Executive Council's aim is a highly qualified and motivated civil service staff and the establishment of appropriate management and training systems. The Executive

Council has sought bilateral aid for setting up a national school of public administration; UNDP assistance will be directed towards designing and applying personnel management policies and methods. The payment control project (Paymaster General's Office) (ZAI/85/009), which at the end of 1985 entered its second phase with the objective of strengthening this office within the Finance, Budget and Portfolio Department, will be integrated within the civil service project from 1987 while remaining a distinct component. An amount of \$5.5 million has been set aside for this project.

35. The co-ordination of external aid project (ZAI/84/011) will enter a second phase in 1987-1989. Its aim is to strengthen relations between plan projects and programmes, their financing and their execution. The inputs of the Executive Council, as well as of UNDP, will be increased, in accordance with the recommendations made at the meeting of the Consultative Group in April 1986, with a view to ensuring satisfactory management and co-ordination capacity. An important aspect will be the management of technical co-operation programmes. Efforts will be maintained to bring about better co-ordination with those non-governmental organizations which are playing a part in the development of Zaire. The required allocation for this project amounts to \$1 million.

Links with other programmes

36. The support of UNFPA in connection with demographic planning and statistics (census) has already been highlighted as playing an important role in economic management by strengthening the Department of Planning and the National Institute for Statistics. The technical co-operation of the World Bank (amounting to some \$10 million), under the appropriation for structural adjustment, will be provided in parallel with the inputs of UNDP in the fields of planning, management of the State portfolio and industrial and export promotion. Co-ordination measures have been worked out jointly by the Executive Council, the World Bank and UNDP. Several bilateral donors are involved in some of these activities, including Canada (statistics, training for public administration and \$2.8 million for the Development Studies Group), USAID (planning, statistics, family planning), France (statistics) and Belgium (transport sector planning, statistics, training for public administration). The European Development Fund (EDF) is also providing contributions in connection with statistics and financial management (customs). Regional organizations of the United Nations, such as the Economic Commission for Africa (ECA), the African Institute for Economic Development and Planning (IDEP) and the Giseny Multinational Programming and Operational Centre (MULPOC) are responsible for training programmes in management, planning and statistics, often with the support of UNDP. The services of the ECA regional advisers, the International Labour Organisation (ILO) and other agencies will be used in support of established objectives. Liaison between the country programme and the subregional groups of which Zaire is a member, namely the Economic Community of the Great Lakes Countries and the Economic Community of Central African States, will be strengthened. Assistance on the part of the Office of the United Nations Disaster Relief Co-ordinator (UNDRO) will be included under the planning support project, with a view to strengthening capacities and arrangements relating to disasters, following a preparatory mission in 1986.

Reserve programme

37. No reserve has been programmed in connection with this objective.

Strengthening of support structures for agricultural and industrial production

38. The five-year plan for the agricultural sector has two overall objectives: to increase agricultural production (in order to promote self-sufficiency in agriculture and food, to improve supplies to local industries and to increase export income) and to reorganize rural land (in order to improve earnings and employment, contribute to regional stability and provide for training and educational needs). The major constraints affecting agricultural production - transport difficulties and pricing policies - are being addressed under the programmes for investment in infrastructure, in which the World Bank plays the leading role, and the liberalization measures adopted in 1983, as well as the measures recommended under the programme of sectoral adjustment for agriculture.

39. In this context and in accordance with the recommendations of a programming mission of the Food and Agriculture Organization of the United Nations (FAO), the Executive Council wishes to secure the assistance of UNDP, primarily with a view to strengthening public administration, which provides the services and inputs necessary to support agricultural growth: research, marketing, statistics, training and seeds. Secondly, the FAO mission proposed a series of exploratory studies which will, in certain cases, lead to other projects beginning in 1988. These studies, which will be completed in 1987, cover advisory services, loans, animal haulage, a broad plan for rice production, small-scale stock-raising and rural land reorganization policy. The development of agricultural tracks will be covered by a project under the transport and communications sector, as described below. The inclusion of new projects in these fields will be studied in the context of the continuing programming process. The human resources requirements of the agricultural sector, both public and private, are covered by the World Bank/UNDP study, the report of which will be available in 1987. The recommendations of this study will be incorporated into a new training project for the sector. Twenty-five per cent of the IPF resources will be allocated to the agriculture and fisheries sector.

40. The objectives of the five-year plan for the industrial sector are, on the one hand, recovery and revitalization through the restoration of industrial growth to an annual level of 8 per cent and, on the other hand, the initiation of a process of adjustment of industrial structures. The latter objective will be attained through, inter alia, by economic integration, exports, effective substitution, greater commitment on the part of Zairian entrepreneurs and the formulation of a medium- and long-term industrialization strategy. The immediate revitalization of productive capacity for the domestic and external markets is the aim of the sectoral adjustment appropriation of the World Bank which was approved in 1986. The period covered by the plan will also witness reform of the parastatal sector, as already indicated. The Executive Council wishes to secure the assistance of UNDP for two major programmes: the development of small and medium-sized enterprises, and industrial planning and promotion.

Ongoing projects and projects proposed outside the programming process

41. Seven projects have been proposed in connection with the agricultural production objective (in the wider sense, to include fisheries and the environment), of which three are already ongoing and four are new.

42. The agricultural statistics project (ZAI/84/008) is not unrelated to the objective of improving economic management, but it fits more directly into the category of improvement of agricultural production by virtue of the direct link between the statistical capacity and the conception of rural and agricultural development projects. The project will therefore continue, throughout the period covered by the programme, to assist the Department of Agriculture and Rural Development in attaining the goal of a permanent capacity for collection, analysis and publication of agricultural statistics. Encouraging results have been obtained during the current third phase in the Bandundu region. The following phase, which will last until 1991, will witness the extension of the agricultural statistics service in other regions. An IPF allocation of \$4 million is sought.

43. The National Seed Office (BUNASEM) project (ZAI/83/003) will continue to work, with a loan from the World Bank, towards the goal of a national seed production programme which will be fully operational by 1991. This project also provides for a transfer of seed production to the private sector. An allocation of \$2.5 million from the IPF is required for that purpose. The financing already approved by the World Bank amounts to \$14.8 million.

44. The stock-raising in northern Kivu project (ZAI/83/010) will be ended in its present form in 1987. A new phase will be initiated from 1987, based on the study carried out in 1986 on the recommendation of the FAO programming mission, and will relate to the objective of a national programme for development of small-scale stock-raising. An allocation of \$1.3 million is required for these activities up to 1991.

45. The new project for the revitalization of the National Institute for Agricultural Studies and Research (INERA) was preceded by a preparatory study in 1986, in the course of which UNDP provided advice from the International Service for National Agricultural Research (ISNAR) with a view to initiating the restructuring of INERA. With effect from 1987, UNDP will finance a project for the revitalization of INERA with the aim of completing its reorganization and preparing programme budgets for those priority research activities which are likely to obtain the support of other donors. At the conclusion of the programme, in 1991, INERA should be capable of fulfilling its mandate and thus of incorporating the already ongoing applied research programmes under other categories. UNDP support will include the advisory services of ISNAR as well as technical advice, training and equipment. An allocation of \$3 million is required for this project.

46. A new project on human resources in agriculture will be prepared in 1987 on the basis of the UNDP/World Bank Study of the staffing requirements of both the public and the private elements of the agricultural sector. The aim will be to guarantee that training institutions have the necessary capacity to support

agricultural development programmes and projects. An allocation of \$2 million is required.

47. A new project, fisheries management and development co-ordination, will have the objective of creating, within the department concerned, national capabilities for the implementation of the sectoral master plan for fisheries drawn up by UNDP/FAO in 1986. Close collaboration will be established with development projects supported by other financing sources. The amount earmarked for this project is \$1.25 million.

48. The Ministerial Conference on the African Environment held in Cairo in December 1985 decided to institute a programme of research and action in all African countries with the aim of helping village communities to achieve self-reliance in the food and energy fields by encouraging the villagers to make use of economically profitable, ecologically rational and socially acceptable traditional knowledge and techniques. Another of the programme's objectives will be to improve living conditions in villages with a view to checking the rural exodus and its attendant problems. The IPF allocation for this programme is \$2.5 million.

49. Three projects, including two new ones, are envisaged for the industrial sector: the ongoing project is for the promotion of small and medium-sized enterprises and the new projects are for planning/promotion and industrial training.

50. The main project for which the Executive Council is requesting UNDP assistance is the national programme for the promotion of small and medium-sized enterprises. Its objective is the same as that of the five-year plan, i.e. to promote Zairian private initiative, develop its capabilities in the fields of management and technology and encourage its involvement in activities of a directly productive nature. On the basis of experience acquired in Kivu during the previous phase (1983-1986), and following the recommendations of the national symposium on small and medium-sized enterprises held with the support of UNDP and the United Nations Industrial Development Organization in December 1985, the new phase will establish an effective network of public (Department of National Economy and Industry, Office for the Promotion of Zairian Enterprises) and private (National Association of Zairian Entrepreneurs) institutions alive to the needs of small and medium-sized enterprises at the national and regional levels. Project activities will include technical support for the rehabilitation of enterprises and promotion of projects for new enterprises in the fields of agro-industry, manufacturing, tourism, etc. An amount of \$5 million is earmarked for this project.

51. A new project designed in close connection with the structural adjustment programme will provide advisory and research services for the requirements of investment promotion and rehabilitation in the industrial sector. Although connected with the prime objective of improving economic management, this project will be principally aimed at strengthening industrial production. The new project will include certain activities conducted under various headings in the previous UNDP programme (promotion of the Inga free zone, rehabilitation of industrial public enterprises, agro-industrial research) as well as industrial planning, exports promotion and the implementation of recommendations of the UNDP/World Bank

mission on the energy sector. Here too, greater use will be made of the UNDP/IFC arrangement whereby UNDP is reimbursed for the costs of pre-investment studies which lead to IFC financing. An amount of \$3.3 million is earmarked for this project.

52. The third project, industrial human resources, will be defined in 1987 on the basis of a UNDP/World Bank study carried out in 1986 and 1987. The objective will be to meet the private and public industrial sector's requirements for senior personnel. As with the similar agricultural project, efforts will be directed towards reorganizing and strengthening industrial training institutions and programmes. An amount of \$2 million is requested for this project.

Relations with other programmes

53. Considerable parallel financing is already assured in the agricultural sector for the World Bank's seed production programme and, for industrial development and planning, within the Bank's earmarkings for structural adjustment. During the five-year plan, the Executive Council will seek financing from multilateral and bilateral sources for several of the programmes mentioned above, i.e. agricultural research, development of small and medium-sized agricultural and industrial enterprises, and fisheries.

54. Financing in these areas is also being provided or is expected to be provided by other sources. Thus, Belgium is providing technical assistance estimated at \$420,000 to the National Institute for Agricultural Studies and Research. The European Development Fund and Belgium are contributing \$241,000 and \$516,000 respectively towards the establishment of a cotton-seed production farm in South Kivu, while Canada and USAID intend to assist the establishment of seed production farms in other regions. In the field of small and medium-sized enterprises, Canada is allocating \$378,000 and USAID has allocated an amount of approximately \$150,000 to the National Office for the Promotion of Small and Medium-Sized Zairian Enterprises. Belgium, the European Development Fund and the World Bank (approximately \$80 million for industrial promotion and development) are actively preparing technical and financial assistance programmes for the promotion of small and medium-sized enterprises.

Programmed reserve

55. No reserve is programmed under this objective.

Social development through job promotion, improvement of health and drinking-water services, and social rehabilitation of handicapped persons

56. The improvement of social conditions is taking on special significance during the period of the plan. The political priority assigned to it by President Mobutu Sese Seko, who has called for a seven-year period of social progress (1984-1990), has accentuated this trend. It is also dictated by the need to adjust employment policy to the new economic policies adopted in 1983. The country programme will help meet these objectives through the human resource development programmes already mentioned. The improvement of social well-being

also requires UNDP participation in the four programmes described below: job promotion, primary health care, drinking-water supply and the socio-professional rehabilitation of handicapped persons. Each of the projects will be designed in such a way as to make its impact felt by the population, for the most part rural. Special attention will be given to the needs of women and young people. The country programme will be analysed by the Status of Women Department with support by the United Nations Development Fund for Women (UNIFEM) in order to ensure that each design project takes account of the specific needs of the female population.

Ongoing projects and projects proposed during the programming process

57. Four projects, including three new ones, are proposed for IPF financing, in addition to several others proposed for non-IPF sources (UNFPA, USAID Child Survival Fund, etc.).

58. A new job promotion project will be prepared in 1987 on the basis of the recommendations of the 1984 UNDP/ILO study on employment in Zaire. The objective of the project, for which an IPF allocation of \$1.5 million has been earmarked, will be to create jobs in several possible ways, including the elaboration of consistent national policies, the promotion of the informal urban economic sector, the development of highly labour-intensive rural activities and support for the economic integration of rural youth. The youth component will continue with activities started during the previous programme with the support of United Nations Volunteers. The complementary UNFPA project (ZAI/85/P05) will pursue the objective of improving the status of women through literacy and employment activities in the countryside. UNFPA has earmarked an allocation of \$0.6 million.

59. UNDP support is requested for a new primary health care project as part of a multi-donor programming and budgeting exercise; co-ordination machinery has been established to this end between UNDP, UNFPA and UNICEF. In 1985 the Executive Council finalized the delimitation of health zones (as a preliminary to pluriannual planning) and, through the National Fund for Medico-Social Assistance to Zaire (FONAMES), sought United Nations support for the implementation of an extensive programme to organize and equip these health zones, of which there are approximately 306. On the basis of preparatory work by UNDP, WHO and UNICEF (analysis of the situation of the mother-child unit), the objectives have been defined as training, supervision and staffing, with a view to ensuring greater participation by health and local development committees. The requested IPF contribution is of the order of \$3 million, in addition to financing in the amount of \$2 million expected from UNFPA.

60. UNFPA has also budgeted \$1 million (with another \$1 million to be sought) for the important aspect of in-school education for family life. In connection with its inputs from general resources (1987-1991), UNICEF is making a direct contribution of \$12.5 million and is seeking the approval of its Executive Board (April 1987) to mobilize another \$15 million for the goal of optimum immunization coverage by 1990.

61. Since the Expanded Vaccination Programme is being implemented on a national scale, a special information, social mobilization and vaccination effort is planned

master plan for civil aviation envisages an overhaul of the national meteorological services, for which the Executive Council will seek financing from non-IPF funds. A number of bilateral rural development projects provide for the improvement of rural tracks, although progress has been hindered by constraints that will be explored by the World Bank/UNDP project. In 1985, the World Food Programme began activities in the Bandundu region in support of a local rural road maintenance programme. The new project will examine the advisability of another approach to WFP in this field.

Programmed reserve

72. No reserve is planned for this objective.

73. By chance, the preparation of the Five-Year Plan for the Economic and Social Development of Zaire 1986-1990, that of the public investment programme and that of the structural adjustment programme (by the World Bank) have all coincided with the formulation of the fourth country programme. This has not only made it possible to ensure that the country programme forms part of an overall, co-ordinated and integrated macro-economic approach, but has also helped in producing a clear definition of major objectives and an almost definitive choice of all the activities to be carried out at the sectoral and project levels during the period 1987-1991. The Executive Council of Zaire consequently considers that, having the basic necessary elements at its disposal, it is in a position to programme and channel the use of all available resources. In the light of these considerations, there is no compelling need to establish a programmed reserve.

C. Unprogrammed reserve

74. The Executive Council, aware of the fact that there was a certain underutilization of IPF resources in the period 1982-1986, would prefer available resources for 1987-1991 to be fully programmed, while keeping all the options provided by ongoing programming for possible adjustments in the interim. No unprogrammed reserve is therefore planned.

Annex

FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

	\$	\$
A. <u>UNDP-administered sources</u>		
Third cycle IPF balance	12 207 000	
Fourth cycle IPF	52 793 000	
Subtotal IPF		65 000 000
Special Measures Fund for the Least Developed Countries	-	
Special programme resources	-	
Government cost-sharing	-	
Third-party cost-sharing	-	
Operational funds under the authority of the Administrator	-	
Subtotal, UNDP non-IPF funds		65 000 000
B. <u>Other sources</u>		
Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise: UNFPA	5 000 000	
Parallel financing from non-United Nations sources: World Bank	-	
: UNICEF	-	
Subtotal, other sources	5 000 000	5 000 000
TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		70 000 000

II. USE OF RESOURCES

Ongoing projects	38 050 000	
New project proposals	31 950 000	
Programmed reserve	-	
Subtotal, programmed resources		70 000 000
Unprogrammed reserve	-	
TOTAL USE OF RESOURCES		70 000 000
