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COUNTRY AND INTER-COUNTRY PROGRAMMES AND PROJECTS

REGIONAL PROGRAMME FOR EUROPE, 1987-1991

<u>Programme period</u>	<u>Actual resources programmed</u>	<u>US \$</u>
1987-1991	IPF for 1987-1991	8 900 000
	Third cycle IPF balance	793 000
	Total resources	<u>9 693 000</u>

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I. PREPARATION OF THE REGIONAL PROGRAMME

A. The process of preparing the regional programme

1. The 10 recipient IPF countries regarded as the primary beneficiaries of this fourth cycle regional programme comprise five Mediterranean countries (Albania, Cyprus, Malta, Portugal, and Turkey), four from central Europe (Bulgaria, Hungary, Poland, and Romania), and Yugoslavia, which where subregions are being addressed, has an equal interest in each of them. Two third cycle recipient countries which have now relinquished their IPFs, Czechoslovakia and Greece, and the 21 other non-recipient European countries which make up the membership of the Economic Commission for Europe (ECE), are also entitled to participate as equal parties, though not as net recipients of IPF-funded project inputs. A majority of the non-recipient countries participated in the third cycle. Also, both European and Arab countries participated as equal partners in several bi-regional projects in the third cycle; this pattern, particularly important for Mediterranean-focused projects, is expected to continue.

2. Given the complexities of the European situation, the relatively small fourth cycle funding available from UNDP (largely uncommitted and available for new activities), and the consequent desirability of inviting a high level of involvement in programme management by the Governments themselves, the following participatory programming process was put into effect:

(a) Programme appraisal: In September and October 1985, a two-member mission, familiar with the progress and evaluation reporting of third cycle projects, visited a selection of the IPF countries and Europe-based United Nations agencies involved in the programme. Questionnaires were dispatched to those other IPF countries and agencies not included in the missions's schedule. The terms of reference called for an examination of experience of the third cycle programme relevant to the fourth cycle. The mission's report to the Administrator presented extensive guidance for preparing the new programme. The report was shared informally with the IPF Governments and subsequently summarized in UNDP's Status Report on the Regional Programme for Europe in the Third Cycle (DP/ECE/RER/5) of 15 January 1986.

(b) Correspondence with Governments and agencies: At the end of 1985, UNDP invited the 33 European Governments and 22 executing agencies interested in the programme to participate in an Intergovernmental Consultation in April 1986. At the same time, suggestions were put forward on possible priority areas and programme-management principles, based upon third cycle experience and UNDP's own in-house analysis. The IPF Governments and agencies accordingly responded early in 1986, and at the same time offered possibilities for programme focus.

(c) Intergovernmental consultation: The Consultation of 9-11 April 1986, jointly convened by UNDP and ECE, involved the 12 third cycle IPF Governments, 14 non-IPF Governments, and 21 interested executing agencies. The meeting considered four documents: (a) the status report referred to above, (b) the first draft of this regional programme document (DP/ECE/RER/6), (c) a conference room paper consisting of 65 project proposals, and proposals for programme management actions

(DP/ECE/RER/7), and (d) a paper containing 14 additional proposals received during the meeting (DP/ECE/RER/9). A final report, cleared in draft by the meeting (DP/ECE/RER/8) and distributed in finalized form to all parties, summarizes the meeting's discussions on the third and fourth cycle programmes and its confirmation of the priority areas, the working principles, and the task force concept for preparation of the new programme. Subsequent to the Consultation the IPF Governments reviewed the 79 project proposals and advised UNDP of those proposals they found of primary interest. UNDP tabulated these indications for the guidance of the respective task forces.

(d) The five priority area task forces: Terms of reference for five specialist task forces on energy, the environment, science and technology, transport and communications and management were established by the Consultation. Task force meetings were accordingly convened in successive weeks from mid-May to late June (energy in Malta, the environment in Cyprus, science and technology in Italy, transport and communications in Poland, and management in Turkey), each for a period of three days. In each case, the host Government appointed a chairman and UNDP appointed a specialist task force co-ordinator to guide the process. There were on the average 26 participants in each of the five task forces (14 selected by the Governments, eight selected by the agencies, and four by UNDP, including the task force co-ordinator). Members were typically high-level well-informed specialists who participated actively and conveyed the outcome to their respective Governments and organizations. All of the original proposals and several others were examined, and a very important element in the European context - the comparative needs and comparative advantages of the different countries, relative to the substantive area, were assessed. Concepts and terminology employed - such as outreach, networking, comparative advantage, capacity-building, and objectives, outputs and modalities - were readily accepted and reflected in the 39 skeleton project documents. These were reflected, with supporting recommendations, in the respective task force reports to the Administrator. The task forces recommended their continuing involvement in the management of the programme, for example in terms of overseeing the workplans and reporting, and the mid-term review. The task force reports were circulated to the participants and to the European Governments and the interested executing agencies. This regional programme document, reviewed in draft by all the parties, was finalized on the basis of the outcomes of the Consultation and the five task forces.

B. Assessment of the third cycle regional programme

3. The third cycle programme was assessed and reported upon in the status report referred to above. This section summarizes and updates that report.

4. Twenty-one projects were implemented in the third cycle, 14 of which each involved the expenditure of \$400,000 or more from UNDP and seven each less than \$400,000. Because of a reduction early in the cycle, in UNDP resources for the programme from \$14.36 million to \$10.437 million, new projects were confined to six, half of them in the priority area of energy. Twelve projects concluded during the third cycle and the remaining nine will be extended into the fourth cycle, including the regional programme's support to the interregional World Maritime

University project. Twelve projects, including 10 of the projects over \$400,000, were evaluated during the cycle. Programme delivery was generally timely and appropriate. The conclusions of the parties upon the third cycle programme relevant to the fourth cycle programme, as they resulted from the participatory process described above, are essentially the following:

(a) Programme preparation and management: The preparation of the third cycle programme consisted of a correspondence process with Governments and executing agencies leading to the Consultation of May 1981. While this was considered relatively successful, it was felt that Government involvement in programme management could be enhanced to produce a greater sense of "ownership" of the programme and to arrive at stronger inter-connections between the projects. Accordingly, the more elaborate preparatory process described in paragraphs 1 and 2 above was entered into, the task force concept was developed, and new programme management procedures, summarized in the discussion of the co-ordination of the fourth cycle regional programme, paragraphs 12 and 13 below, were introduced.

(b) Priority areas: Those which received the greatest attention included energy, the environment, science and technology and transport and communications. The second and fourth areas proved particularly conducive to regional approaches, and each of them provided project learning experiences applicable elsewhere. The conclusion was that they should be sustained, with the addition of management as a new, fifth priority area. The task force experience confirmed that each area is distinct, cohesive, suitable for network approaches and relevant to country priorities.

(c) Working principles: Five principles were put into effect during the third cycle: (i) that projects should be of common priority: an average of six or seven IPF countries participated in each of the 21 projects, despite the fact that several (such as Mediterranean Aquaculture) were not necessarily of region-wide interest. For the most part, mutual inter-country co-operation, rather than a one-way flow of assistance was the focus. Systems adaptation rather than the creation of new systems was emphasized; (ii) that permanent networks of existing institutions should be encouraged: 14 of the 21 projects were of this kind and very encouraging experiences resulted from this approach, such as the Trans-European Motorways and Toxic Chemicals projects; (iii) that non-IPF European countries and Arab countries should, where relevant, jointly participate. This proved highly worth while and provided wider frameworks of greater impact which were essential to the viability of various projects; (iv) that project results should be shared with countries in other regions: only late in the cycle were suitable systems materials available; various projects, however, have now started a process of outreach, and interest in other regions for such sharing seems confirmed; (v) that non-UNDP resources should be attracted to the programme: the recurrent expenditure and downstream investment of participating Governments has been exceptionally high for a majority of the projects. Executing agency contributions increased throughout the cycle. In general, it was concluded that these principles, modified as described under regional development strategies (paras. 5-10), should be sustained in the fourth cycle.

(d) Project modalities and components: Although 14 projects exceeded \$400,000, and only seven did not, it was concluded by all parties that Governments could have readily contributed proportionally more and UNDP less, if project targets and requirements had been thoroughly clarified in advance. The conclusion was that most fourth cycle projects, from their inception, should more deliberately address both networking needs and the application of existing systems in permanent functional relationships. With regard to UNDP-funded components, the profile was as follows: personnel 58 per cent; training 23 per cent; equipment 7 per cent; sub-contracts 6 per cent; and miscellaneous 6 per cent. In short, it was concluded that, while the balance of these components is acceptable, more of UNDP's resources should be available for specialists from participating countries and for sub-contracts awarded within the countries. Preferably, project management should be a function of the countries, at least physically located in the countries, rather than a function of an expert at an executing agency headquarters.

(e) Results of completed projects: Seven of the 12 completed projects, including projects related to seismic risk reduction, olive production, agricultural genetic resources and problems of migrants, exceeded \$400,000 in UNDP funding. These and other projects, such as the control of malaria, power distribution in the Balkans and public enterprise management, developed systems and permanent organizational arrangements (in several cases, networks) now being sustained by the countries themselves. The seismic risk reduction projects paved the way to a new fourth cycle project; several others have led to national follow-up projects in different countries. The general conclusion was that project selections and approaches had been appropriate, but might perhaps have benefited from earlier emphasis on networking.

(f) Extensions of ongoing projects: UNDP resources proposed for extensions constitute about 25 per cent of the total available for the cycle - on average, a low percentage. Five of the nine projects commenced only late in the third cycle, and a sixth consists of support to the World Maritime University. The remaining three - in the areas of toxic chemical control, trans-European motorway development, and Mediterranean aquaculture - are all ambitious projects which, having piloted technical approaches, are now entering phases of consolidation of the respective networks. The conclusion of the parties is that the nine extensions are well justified for the specific purposes indicated in the discussion of the fourth cycle programme (paragraph 11 onwards).

II. REGIONAL DEVELOPMENT STRATEGIES AND THE REGIONAL PROGRAMME

A. Regional development strategies

5. The region, even the eastern and southern parts which are of primary focus, is so marked by contrasts that generalization is difficult. Most of the countries are members of either the Council for Mutual Economic Assistance (CMEA) or the European Economic Community (EEC), but several are not. Most of the recipient IPF countries are members of the World Bank (IBRD) and the International Monetary Fund (IMF); again, several are not. There are wide differences in geography, climate, population, urbanization, and agro-industrial mix. Levels of income vary considerably, though none approach poverty levels. Development questions that are

accepted as common throughout the region include: productive efficiency of industrial, agricultural and service enterprises; foreign marketing; employment; modernization of technology; and the effects of intense urbanization and, in some cases, of diminishing rural populations. Directly related to these questions are such developmental requirements as: rationalization of the support infrastructure, including research, training, planning and management; expansion of transport and communications networks, improved energy efficiency, and the protection of the environment, an increasingly pressing priority.

6. The respective national administrative infrastructures are for the most part well established. Economic planning is exercised to varying degrees, centralized or not, and there is economic co-ordination within the major common markets. Almost all countries have individual capabilities for most dimensions of information transfer, training, research, production and services, and there is already a certain limited rationalization of these capabilities between the countries. Two trends are anticipated: one in which national self-sufficiencies will continue to grow, and one in which matters will be increasingly addressed jointly between countries, each country participating according to its comparative needs and advantages. Areas that seem promising for joint activities include: planning and management of common resources; certain areas of research, application of technology and information-transfer; and the production and marketing of certain goods and services. Fundamental to all of these developments are improved sectoral and enterprise management, systems-building, manpower development, and sensitization to end-user needs. Accordingly, in a region long characterized more by sub-regional than region-wide initiatives, there now seems to be an inclination to co-operate increasingly on a wider front.

7. In addition to the various development issues described below that seem ripe for co-operation and difficult to address on an individual basis, there are certain conditions conducive to successful co-operation, notably the following:

(a) For most of the pressing issues, solutions of a technical, managerial and/or economic nature can be found to exist within the region;

(b) In most of the countries the institutional frameworks, economic resources and skilled manpower already permit problem-solving on a reasonably equal basis; beyond the framework and perhaps some of the technology not very much is additionally called for from external sources;

(c) In terms of technology transfer or development, most of the recipient countries display capabilities close to those of other European countries. They have also clearly expressed a common intent to include in the programme the development of complex applications of certain technical, managerial and economic systems relevant to the needs of other regions. The European programme may become a primary vehicle for this much-needed activity.

8. While the countries increasingly accept joint resolution of common problems as having definite mutual advantages, the intra-regional frameworks for such networking are fewer than might initially be supposed. The main vehicles for regional co-ordination of different national activities are the wide-ranging activities of the Economic Commission for Europe, as well as certain more

narrowly-focused efforts sustained by other United Nations agencies. Few, however, extend beyond co-ordination and information exchange into the more ambitious areas of the development of systems and permanent networking. While IBRD has an active loan programme in many of the countries, it is largely executed by each country individually, and it is not really a vehicle in itself for inter-country or region-wide co-operation. The UNDP regional programme would seem to present appropriate advantages in its framework, its funding, its decentralized programming and administrative arrangements, and the range of experience of its technical partners, the executing agencies, on which to draw.

9. Although there are no broad development strategies for the region as a whole, there are nevertheless a number of readily identifiable areas of common interest on which it is not difficult to obtain a working consensus for possible joint actions. This applies particularly to areas that are broadly defined and in which countries seek to conform to a single pattern, as in international transport corridors. Four of the five areas selected for the fourth cycle - energy, the environment, science and technology, and transport and communications - have in fact been emphasized since the second cycle and remain areas of high priority both nationally and internationally. Development in these areas is a determinant both of economic development, as all areas relate to the productive sectors, and of the quality of life. Energy is a priority because of the costs and technological problems of different modes of production; diversification is increasingly being introduced into energy production and conservation of energy is being sought in industry, transport and the "built environment" of public and private constructions. The environment is a priority because of the health hazards and other effects of emissions into the air, the ground-water, the rivers and the seas in a region where industry is so concentrated and frontiers so close to one another. Science and technology is a priority because of the extreme costs of original research and the considerable need for greater application of research results that, in one location or other, already exist. Finally, transport and communications is a priority because of its international nature and its very high future investment requirements. To these four areas - endorsed by participating Governments in correspondence with UNDP and in discussions at the Intergovernmental Consultation and the task forces - management has been added at the request of the Governments. Broadly defined, improved management systems and structures are now strongly recognized as key elements of improved enterprise productivity, product quality and export performance, and in greater cost-effectiveness and responsiveness of the support infrastructure. Networking of management approaches is of strong and growing interest to the participating countries.

10. The parties to the regional programme have discussed at length various basic working principles for the orientation of the programme. The following principles are based in part on the experiences emerging from the third cycle, as summarized in the third cycle assessment (paras. 3-4) above, and in part on new proposals put forward by the parties for this cycle:

(a) Selection of high priority joint endeavours: While all parties agree on this principle, the question of how to achieve it among so many countries, is not necessarily a simple one. For this cycle the process of preparing the programme included a review mission, correspondence between the parties, the Intergovernmental Consultation, and analysis and synthesis by the task forces.

This resulted in 30 new project proposals (two were later merged) developed from an initial base of 79 possibilities. Immediately after the Consultation, and again at the five specialist task forces, the IPF Governments assessed the possibilities against their defined needs, and weighted them accordingly. Possible extensions of third cycle projects were discussed in depth by the task forces. The resulting programme is quite wide-ranging and extensive, covering various important questions in parallel. The parties indicated their preference for such a programme, even if the resultant programme management and financial loads fall more heavily on participating Governments and executing agencies than in the third cycle. As described below, UNDP inputs have been confined primarily to key elements and special programme management measures have been arrived at to accommodate the programme's nature.

(b) Building of joint strategies and networks: Project extensions and new project proposals basically follow one of two approaches, as shown in annex 2. The first, involving six of the new project proposals, consists of a process of needs analysis, with external consultancy if necessary, culminating in a regional symposium to assess possibilities and to prepare a common and possibly investment-related strategy of development activities. Ultimately a networking approach might emerge; in certain cases, unallocated project funding would be reserved for post-symposium developments. The second approach, involving the remaining 23 new project proposals and all but one extension, consists of the development of functional networks where the respective national institutions will each contribute according to its comparative advantage. For some, national lead institutions will participate equally, while for others there will be a genuinely regional or interregional lead institution. The typical arrangement will consist of a network of established and fully funded lead institutions, which will in turn relate to other institutions in each country. They will jointly introduce innovative new technical and managerial systems and will have the established ability both to benefit from and to contribute to the network. The regional programme's basic contribution would be the provision of the necessary framework for inter-country co-operation upon: initial analysis of needs and planning of the network's initial targets and operations; the introduction of non-IPF European countries and countries in other regions to suitable projects; initial development of technical and managerial systems and/or their specific local adaptation; appropriate staff development. This working principle has been widely endorsed as an efficient least-cost route to developing the permanent functional relationships that the countries are seeking.

(c) Joint Involvement of non-IPF European countries and countries in the Arab States region: The non-IPF countries in Europe greatly outnumber the IPF countries (23 versus 10), and in the third cycle a clear majority of the non-IPF countries chose to participate in various regional projects. The guiding principles of such arrangements are that there should be a common purpose and that the non-IPF countries may not become net beneficiaries of IPF-funded inputs. Arab countries participated equally with European countries in three Mediterranean projects (aquaculture, olive production, and telecommunications) in what proved most successful arrangements. For the fourth cycle, it is considered important that such joint participation be extended, particularly in the priority areas of the environment and transport and communications (for the European non-IPF countries), and in Mediterranean-focused projects (for the Arab countries). As shown in

annex 2 (column 8), nine ongoing projects involve European non-IPF countries as equal partners; at least a further 27 new projects could similarly benefit. One ongoing project involves Arab countries as equal partners and (column 9) a further 12 would benefit if the Arab countries decide to participate jointly. Also, six of the project extensions and new project proposals relate directly to UNDP's Global and Interregional Programme, either as parallel or downstream activities, while other regional projects appear to have potential for becoming global activities.

(d) Use of results in other regions: In addition to involving other countries directly in projects of common interest, the outreach approach was introduced in the third cycle. This consists of extending project results, particularly the preparation and sharing of operational manuals, to countries that do not participate directly. Many of the projects will be working in state-of-the-art applications of technical and managerial systems which, in some cases, are already of interest in other regions. Both Governments and agencies strongly feel a need for this kind of development and, although the cost-benefits of outreach applications are difficult to estimate, they are likely to be considerable in terms of enhanced capacity building and investment. Excellent learning experiences also resulted from the particular orientation of this programme towards low-cost/high-benefit approaches, networking according to comparative advantage, and balancing the technical, managerial and economic dimensions of capacity-building efforts. Outreach activities will basically be limited to: awareness creation, development of guidelines, consultancy, study tours, symposiums, and perhaps training. Beyond this point beneficiary countries will assume the financial burden involved in the systems transfer and adaptation.

(e) Mobilization of resources: The programme in each of the five priority areas is extensive, because of the many opportunities and few alternative frameworks. This working principle refers to the funding required from sources other than UNDP. UNDP's own funding is not great: \$9,670 million is allocated for 1987-1991 with a certain additional amount from national IPFs for associated country-level projects. In the Consultation and task forces, the Governments themselves wished to see UNDP funding focused primarily on consultancies and missions and secondarily on fellowships and occasional items of equipment. This supersedes the pattern of the third cycle, when UNDP still funded a certain number of project co-ordinators and long-term experts, making its average per-project cost much higher than it will be in the fourth cycle. Nevertheless, despite these relatively high third cycle per-project costs, direct project-related Government contributions are still estimated to have been at least 10 times higher than UNDP inputs. A complete costing for the fourth cycle programme will not be possible before early in 1987, but provisional estimates from the task forces suggest that a minimum government contribution of twenty-to-one (i.e. \$200 million) is conservative. This figure would cover the most narrowly defined project costs (staffing, equipment, travel, and local training), but not wider institutional expenditure and downstream investment.

Cost-sharing by cash contributions through UNDP applied to some of the projects in the third cycle as a suitable way of extending the UNDP/agency inputs. Cost-sharing in kind, by the provision of additional resources, such as consultants, proved a more readily usable device among countries which, in some cases, watch their foreign exchange expenditures carefully. Agency

regular-programme funding, quite considerable in the third cycle, will definitely increase in the fourth cycle. There are in fact few extensions or new project proposals in which there will be no separate agency contributions. With regard to investment funding, Governments themselves are expected to follow up in allocating capital resources, once joint activities have paved the way to concrete proposals. IBRD enters the programme in this cycle and has an interest in projects in four of the priority areas related to its own loan programme. While it should be borne in mind that comprehensive financial accounting, even of a single capacity-building project, can be complicated by definitions of what to include, the task forces agreed that, as far as possible, the economic and financial dimensions of every project will be periodically analysed and reported upon.

B. The fourth cycle regional programme

11. As indicated above, 38 projects will be addressed. Many will add new dimensions to various networks that are already well established. Most will dovetail with proposed, existing or completed regional and country-level projects, and/or with existing executing agency-supported activities. Almost all projects would benefit from the involvement of non-IPF European countries. Mediterranean-focused projects and certain others should preferably be jointly executed by European and Arab countries. Finally, most of the projects offer strong potential for outreach, at least several being possibilities for subsequent global activities or for follow-up investment. All of these important linkages, too extensive to describe here, are summarized in the Annex 2 table.

Programme area: Energy

Programme area objectives: Demand for energy from the three largest sectoral users, industry, transport, and public and private buildings, is expected to continue to increase. With nuclear power probably remaining a limited supply source and the increase in petroleum use diminishing, such renewable substitute sources as hydro, wind and solar production are receiving greater attention, together with coal and lower-grade combustible fuels. Large investments in energy production - over 40 per cent of public fixed investments, several billion dollars annually in recipient IPF countries alone - are now in process. Directly related to increased energy production are two other common priorities, reducing balance-of-payments deficits, caused partly by energy imports, and reducing energy consumption subsidies. Industry is an obvious candidate for conservation programmes, as are domestic and public buildings, heavy consumers of energy for light, heating and cooling, and the various transportation systems. Increasingly associated with all energy supply and energy demand development is the environmental effect resulting from hydro-carbon use, a particular candidate for inter-country co-operation. Promising opportunities for common systems and regional networks exist in three areas to be addressed: energy production and energy conservation policy-making, planning and project preparation; energy conservation in industry and in public and private buildings; and improved production efficiency in coal-based and renewable-energy generation systems.

(a) Extensions of ongoing projects

Industrial energy conservation co-operation: Costs are a major factor in industrial competitiveness. Energy costs, often considerable, can frequently be reduced. The project focuses on the iron and steel, building-material, chemical and food industries, introducing energy-audit techniques, conservation technologies, and policy-making procedures. The extension will provide for the inclusions of new industries and new countries, for outreach activities and for consolidation of the existing network activities.

Integrated farm energy systems: The technologies of solar, wind and other renewable-energy devices are improving and their costs are generally declining. The project is testing them in selected rural applications. Technical, economic, social and farm management aspects are all being studied. The extension will provide for the completion of on-site assessments, for formulating related policy recommendations, for strengthening the existing research and information network and for outreach activities.

Lignite utilization and effects: Low-calorie fuels, while among the more inexpensive, also result in certain technical complications and can pollute the atmosphere. The extension will cover the increased co-ordination of research within the existing network, further emphasis on the technologies of power-plants and specified industries and permanent arrangements for research, training, and exchange of information.

(b) New project proposals

Energy planning systems: country and inter-country: Participating countries are making very heavy fixed investments in energy production. Capabilities for energy planning and project preparation and management will be upgraded accordingly. The project will consist of a country-by-country survey of systems strength, modular development of planning systems, their introduction and adaptation and associated staff development.

Industrial and organic waste for energy: Urban and farm wastes offer excellent potential as indigenous lower-cost fuels. The project will carry out various technical, economic and environmental studies, culminating in symposia which should lead to systems applications, investments, and possibly a permanent information exchange network.

Computerized coal mining systems: Coal mining is the subject of cost-reduction and technical efficiency drives in many countries. This project will build upon country-level activities in Romania, Czechoslovakia and other producing countries. It will arrange applications of existing computerized management, monitoring and diagnostic systems and those related to safety, and conclude with a symposium to discuss results and arrange permanent inter-country training and research.

Energy-efficient building systems: Savings in the power consumed by buildings for heating and cooling and for artificial light can result from appropriate design

changes. The project will arrange for the application of various existing technologies, some of them computer-based, initiate surveys of practices and needs, and consolidate a network for research, training and the exchange of information.

Meteorological systems for renewable energy: In the absence of accurate micro-climate forecasts, the economics of proposed renewable energy schemes are difficult to predict. The project will result in systems guidelines to be introduced to the countries through symposia and consultancies.

Programme area: The environment

Programme area objectives: Certain areas of Europe are now among the most polluted in the world. Toxic emissions resulting in acid rain are severely damaging much of the forest cover. The Mediterranean, various major rivers, and some of the ground water are heavily affected by emissions and residues. Many urban environments are affected by health problems and the decay of physical structures. In Europe, environmental problems are compounded by the large number of countries, many of them small, with older smoke-stack industries, which are increasingly resorting to coal and lower-calorie fuels and placing toxic emissions in air currents and rivers which cross frontiers. Environmental control is expensive and requires a certain amount of technology and country-level and inter-country management. But progress is being made, and the Mediterranean is already the subject of a major action plan (MAP). There are promising opportunities for common systems and regional networks in a number of areas to be addressed: environmental data-gathering, analysis, planning, and project preparation and management, control of emissions into the air, groundwater, rivers and seas; and protection of the ground-cover, from tourism, for example, and of food and other health-related products. Management, research and training are common needs in all these areas.

(a) Extensions of ongoing projects

Control of toxic chemicals: Chemical pollutants in the air, food and water pose severe health risks. The project is executing studies of health hazards, investigating various pesticides and poisonous wastes, developing appropriate monitoring and control systems and establishing a network for joint research and control measures and contingency planning. The extension will consolidate the existing network, include more Mediterranean countries, and develop the Centre for Hazardous Waste Management. The existing network will be employed and extended by most of the new projects described below.

Mediterranean aquaculture network: Fish-farming is a rapidly expanding export-led industry in many countries. The project is introducing pilot mariculture production schemes in selected areas. The extension will permit completion of these schemes, leading to more comprehensive development of a network for information exchange, research, training, export marketing and infrastructure capacity building.

(b) New project proposals

Environmental planning and management systems: New methodologies for environmental impact assessment and planning and management are being developed. The project will create a network of institutions for the purposes of systems development and application, development of statistical information, and joint research and training.

Technologies for control of air pollution: Air pollution from stationary sources, especially from coal-burning power stations, is considered the primary cause of acid rain. Many European countries are now badly affected. The project will develop a compendium of control technologies and practices, establish a common data-base, evolve joint programmes of action and create a network for further research and training.

Land use practice systems and water protection: Industrial, urban and agricultural wastes are causing increasing groundwater and surface-water contamination. The project will establish a network for the purposes of identification of toxic sources, analysis of effects on health and on the environment, improved land-use strategies and water-rehabilitation techniques and joint research and training.

Mediterranean Environment Management Institute: The Mediterranean needs an advanced institute focusing on its special problems, such as sea-pollution, small-island ecosystems and tourism. The project will contribute to the development of a comprehensive programme of applied research, consultancy and training at the Institute established in Malta.

River Danube water quality protection: The River Danube, one of the most polluted in Europe, is now the subject of an increasing political and technical consensus on its detoxification. The project will initiate certain joint monitoring, control and policy-making measures and establish a framework for subsequent post-project control measures.

Effective system applications for food safety: Continuing increases in travel and tourism have led to mounting concern about food safety in public places. The project will result in a network of monitoring and control systems, strengthened laboratory and inspection capabilities, information-exchange and a factual basis for changes in food-handling legislation.

Environmental protection and tourism development: The Mediterranean coastal area being the world's most heavily-visited tourist attraction, possibilities for permanent damage from inappropriate tourist developments are considerable. The project will lead to a symposium and a joint plan of action based upon the common requirements of the participating countries.

Programme area: Science and technology

Programme area objectives: The levels of research in most countries are very advanced, but almost all research is costly and, increasingly redundant and wasteful. Although industrial technology remains a highly competitive area, some efforts at rationalization among different national efforts have been made with the support of United Nations agencies under their regular programmes. Apart from such rationalization, there are two particular major inter-country needs: to share the research load more widely with the recipient IPF countries, so that they can both contribute to and receive new technology more usefully; and to adapt and apply existing technology much more widely and efficiently. Opportunities for common systems and regional networking being so extremely varied, the following have been selected as the priorities to be addressed: data-processing and computerized information-flows; advanced industrial applications, including computer-aided design and manufacture, biotechnology and bioengineering, and the recycling of wastes, and seismic protective measures around the Mediterranean, one of the world's most active earthquake zones.

(a) Extensions of ongoing projects

Statistical computing systems: Computerization of central statistical services having made good progress, there is now a need for consolidating the systems and for adapting them to micro-computers. The extension will result in the finalization of existing software materials, continuation of outreach activities, production of new software for micro-computer applications, and greater commonality of census approaches.

(b) New project proposals

Industrial robotics applications: Industrial productivity is increasingly dependent upon computerization and robotics. The project will involve surveys of technologies both existing and needed in particular industries, introduce new applications and create a permanent network for information exchange, consultancy and training.

Microbial biotechnology and bioengineering applications: Biotechnology applications are widely employed in the production of drugs, foodstuffs and other products. The project will result in permanent conservation arrangements for certain germplasms, co-ordinated work on new strains, exchange of information and the application of advanced techniques in biochemistry, physiology, genetics and bioengineering.

INTERNET: Scientific/Technical Information Network: Existing data-bases, some of them very large and expensive to maintain and use, do not necessarily provide precisely the relevant information for local applications. The project will arrange for the further development and networking of a limited number of existing subject-specific data-bases of particular relevance to industry and to environmental programmes.

Technological patent information services: Patents provide state-of-the-art descriptions of available technology, which assist industrial development and help avoid expensive duplication of research. The project will result in the upgrading and networking of patent offices in participating countries and the training of end-users in patent interpretation.

Mediterranean seismic risk-reduction network: The Mediterranean coastal area is a high-risk seismic zone, within which a number of risk-reduction measures are being taken. The project will build upon experiences in the Balkan peninsula and Italy, for example, in developing a more comprehensive network of common systems than now exists.

Integrated resource recovery symposium: Most countries faced with problems of extensive waste-disposal and of recycling of scarce materials have initiated programmes of resource recovery. The project will result in a symposium and a joint plan-of-action to be based upon existing experiences in the countries and the global experience of the IBRD.

Programme area: Transport and communication

Programme area objectives: Demand for road, rail, sea/river and air transportation continues to increase for both passengers and goods. While some corridors are well established without danger of overloading, others, particularly those running from north to south across central Europe and thus to western Asia, the Arab countries and Africa, are incomplete and existing segments are heavily overloaded. Prior to the further large investments that are required, there is a pressing need for a region-wide picture of future developments. Action so far has proceeded furthest for road transport, under a UNDP/ECE initiative, and the next targets to be addressed are the railway networks and the port interfaces on the Mediterranean. Both postal communications and telecommunications are entering a period of sustained growth of demand and heavy investment. Consequently, there are needs for joint planning, introduction of computerized technology and training of manpower in new systems. Promising opportunities for common systems and networks exist in the following areas: inter-country planning and operation of integrated road/rail/sea transport-corridor operations in eastern and southern Europe, extending into other regions; telecommunications and postal planning, computerization, management and training; aviation passenger and cargo facilitation; and maritime health and safety.

(a) Extensions of ongoing projects

Trans-European north-south motorway: A north-south road corridor totalling approximately 10,000 kilometres crossing central Europe to the Mediterranean is necessary. The project has already established joint planning and construction procedures for 4,700 kilometres of which 2,500 kilometres are complete or under construction. The extension will consolidate the various permanent management and operating procedures and prepare all systems outputs for outreach.

European telecommunications development network: High-technology equipment and associated systems development should be introduced in many areas. The extension will result in a symposium to identify possibilities for joint research, consultancy and training, assigned to participating countries according to comparative advantage, and the development of a joint action plan for the telecommunications administrations.

Malmo Maritime Centre: Higher-level training of trainers for the maritime industry is carried out at this Centre in Sweden. The European Regional Programme funds a proportion of the operating costs, assessed pro-rata with other regions, to provide for training of personnel from the region.

(b) New project proposals

Mediterranean transport development: Rationalization of the planning of the transport corridors that converge upon and cross the eastern Mediterranean is required prior to further heavy investment. The project will develop projections of traffic movements as a basis for further planning, and harmonize systems and procedures in planning and operations, particularly of port interfaces.

Trans-European north-south railway: Railway corridors crossing central Europe to the Mediterranean are ill-co-ordinated and subject to great technical and managerial inefficiencies. The project will evolve a network for the development of common operating systems, for the harmonization of procedures and for joint planning and training.

European postal development strategy: Postal systems are moving into the age of mechanization and computerization. The project will result in a symposium to examine both the development needs and the availability of applicable systems, leading to an action plan for the further development and application of systems and training.

Airport facilitation requirements: Measures for facilitation of passengers and cargo, while acceptable, could be improved in most countries and adjusted to account for new security measures. The project will consist of a survey of requirements in different countries, leading to the application of improved systems.

Regional centre for occupational maritime health: The medical problems of seafarers, a high-risk occupational group, need specialist research and preventive and treatment measures. The project will initiate the development of a regional network, with the Regional Centre in Poland as its lead-centre, with the ultimate intention of networking further on a global basis.

Programme area: Management

Programme area objectives: At the national infrastructure levels, the countries are interested in decentralization of responsibility and in questions of improved planning, greater responsiveness and more efficiency in governmental operations. At the level of the productive enterprises, there is an increasing interest in major systems changes, many of them computer-related, and in enhancing the quality

of production and effectiveness of marketing. Small-scale entrepreneurial enterprises are now considered a good means to efficient production with relatively low capital requirements, good job creation and export possibilities, and the ability to adjust rapidly to new technologies. The training of managers and workers is also increasingly tailored more closely to the actual requirements for job-related skills. Specific to both the infrastructure levels and the enterprise level are two particular needs: to adjust to computerization and to arrive at integrated systems change, some of it involving retraining of large numbers of staff. This may be most effectively carried out by process consultancy, an effective method of guided self-motivating change. There are promising opportunities for common systems and regional networks in the following areas: networking of public-sector management training and consultancy institutes; overhaul, development and computerization of both large and medium/small enterprises; associated high-technology vocational training; and common market research, marketing, and export promotion.

(a) Extensions of ongoing projects

As this is a new programme area, no ongoing projects exist.

(b) New project proposals

Enterprise overhaul consultancy base: As manufacturing and service productivity and export potential have become primary concerns, it is widely recognized that major overhaul of technical and management systems is appropriate to many enterprises. The project will develop and introduce appropriate process consultancy approaches and associated in-plant training, and establish a central resource base for new methods and approaches, along with a consultancy roster.

Entrepreneurial small and medium industries: Small enterprises are being encouraged because of their productivity and employment potentials and their frequent ability to exploit new opportunities. There are regional opportunities both in the area of management development and in the different levels of sectoral support. Based on country-by-country experiences and analyses of precisely which enterprise and support systems work elsewhere, a symposium will be organized to decide upon a joint plan of action for follow-up activities.

Marketing and export promotion: Exports from participating countries suffer from a lack of complete adaptation to market needs in buyer countries. Permanent two-way flows of appropriate information are required. The project will carry out surveys in supply countries and demand countries, assess present marketing and trade-promotion capacity, organize a symposium to decide upon the joint system-building required and initiate a common action programme.

Public sector management development network: In terms of costs and productivity, the public sector in many countries is increasingly the subject of rationalization programmes. The purpose of the project is to create a systems-focused network for the purpose of determining which existing experience might be relevant elsewhere. The network would establish links with institutions in other regions in both developed and developing countries. Process consultancy approaches would be given special emphasis.

Computerized management systems: Enterprises are increasingly computerizing their systems for maintenance, inventory, accounting, personnel and other functions. The project will establish a network for the purpose of selecting, adapting and applying existing computer systems, as well as for consultancy, research and training, and the exchange of information.

Vocational training systems and new technologies: Modular vocational training approaches enhance training efficiency and on the job relevance while keeping training costs reasonable. Globally applicable modular materials have already been developed, but there remain outstanding regional requirements for adaptation, innovation, and institutional modification of training centres and manpower planning units. The project will develop a network of institutions jointly focusing on the modernization of training.

C. Co-ordination of the fourth cycle regional programme

12. The priority areas and working principles described under regional development strategies are intended to simplify programme management and co-ordination. Nevertheless this is a programme of considerable complexity and involves considerable funding from Government, agency and UNDP sources. Nine project extensions and 29 new projects are proposed. In considering this, the following should be taken into account:

(a) Europe is not a region which presents major problems in co-ordinating assistance, such assistance being relatively so small-scale and so confined to a few agencies.

(b) The programme builds heavily on existing experience. The projects generally relate to or derive from previous UNDP regional projects, country-level UNDP projects, and ongoing Government and agency programmes.

(c) Five executing agencies, ECE, the United Nations Industrial Development Organization (UNIDO), the World Health Organization (WHO), the World Bank, and the United Nations Educational, Scientific and Cultural Organization (UNESCO), four of which are physically located in the region and all of which have their own extensive programme in Europe, will be responsible for providing 75 per cent of the UNDP-funded inputs.

(d) Most of the projects are concerned with the adaptation and implementation of existing, developed systems. Only about one third of the projects will be involved in new-system development on any sizeable scale.

(e) For the most part, the institutional frameworks are already in place. No completely new institutions will be directly established by the programme itself and more than half of the projects will be adding functions to existing networks.

13. The purpose of UNDP's Guideline for fourth cycle projects, based on the third cycle experience and the discussions at the Consultation and task forces, is to create as smooth and predictable a management process as possible. The guidance for the parties to the programme includes these points:

(a) Allocation of UNDP funding between projects is based both on the relative emphasis indicated by the IPF Governments and on the task forces' and UNDP's assessments of needs relative to the ambitions of the projects.

(b) The programme is deliberately phased to provide for project extensions and high-priority (generally larger) projects to be funded at the beginning of the programme. Most other projects will be initiated after two or three years to restrict the total slightly at any given point.

(c) Skeleton project documents will be expanded into complete project documents for the approval of all parties. They will have, if they do not already have detailed targeting so that the aims of all concerned are unequivocal; equal emphasis upon the economic, technical and managerial dimensions of capacity-building; indications of socio-economic benefits and precise beneficiaries, detailed inputs of all the parties; and a framework for project implementation. The intention is to make every project as manageable as possible by careful advance planning and to permit a clear assessment of results.

(d) Governments and executing agencies will select their internal focal points (one of which will often cover several projects) and be represented on steering committees, some of which already exist, to review workplans and progress reporting. In networking projects, such committees will be institutionalized from the start. The task forces are also expected to be sustained. Participants will continue to receive project documentation and will perhaps reconvene to evaluate progress in their areas.

(e) Financial accounting of all contributions to all projects will be maintained, in part to demonstrate programme impact and effectiveness when compared with actual results obtained.

ANNEX 1. FINANCIAL SUMMARY

I. ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING

	\$	\$
A. <u>UNDP-administered sources</u>		
1. Third cycle IPF balance	793 000	
2. Fourth cycle IPF	8 900 000	
3. Sub-total IPF		9 693 000
4. SMF	-	
5. Special programme resources	-	
6. Government cost-sharing	-	
7. Third-party cost-sharing	-	
8. Operational funds under the authority of the Administrator	-	
9. UNDP special trust funds	-	
10. Sub-total, UNDP non-IPF funds		-
B. <u>Other sources</u>		
11. Funds from other United Nations agencies or organizations firmly committed as a result of the country programme exercise	-	
12. Parallel financing from non-United Nations sources	-	
13. Sub-total, other sources		-
14. TOTAL ACTUAL RESOURCES TAKEN INTO ACCOUNT FOR PROGRAMMING		9 693 000

II. USE OF RESOURCES

Programmed (all objectives)

15. Ongoing projects*	2 666 000	
16. New project proposals**	4 200 000	
17. Programmed reserve***	2 690 000	
18. Sub-total, programmed resources		9 556 000
19. Unprogrammed reserve		137 000
20. TOTAL RESOURCES (programme + reserve)		9 693 000

* Resources for ongoing projects (\$2,660,000) includes \$286,000 for ongoing third cycle projects and \$2,380,000 for third-cycle projects which are to be extended.

** Resources for new project proposals will cover the years 1987, 1988, and 1989.

*** The programmed reserve will cover the years 1990 and 1991 and will be precisely allocated after the mid-term review in mid-1988.

ANNEX 2. SUMMARY: PROJECT APPROACHES AND LINKAGES

- (1) Duration: The figures in this column indicate the estimated number of years the project will require from commencement to completion.
- (2) UNDP inputs: Shown in this column are the indicative ceilings proposed by UNDP. In most cases they remain the amounts proposed by the task forces, but some have been set at a lower level to conform to the resources available.
- (3) Network exists: This column indicates whether a functional inter-country network already exists as a project framework.
- (4) Network new: This column indicates whether the project will develop a new inter-country network.
- (5) Symposium: This column indicates whether the project will adopt a consultancy/symposium approach, as described in the text
- (6) Regional projects: This column indicates whether the project will build upon ongoing or completed regional, inter-regional or global projects.
- (7) National projects: This column indicates whether there are existing related national-level projects known to UNDP. Most are UNDP-supported.
- (8) Agency projects: This column indicates whether the Executing Agency already has separately-funded activities that relate to the project.
- (9) European non-IPF: This column indicates whether the project should involve non-IPF European countries for the best advantage.
- (10) Arab States: This column indicates whether the project should involve Arab countries for the best advantage.
- (11) Outreach: This column indicates whether there is outreach potential and/or outreach activity in process.
- (12) Investment: This column indicates whether capital expenditure will be associated with or follow from the project.

	Provisional period: years	Provisional UNDP inputs	Network exists	Network new	Symposium	Other reg. proj.	National proj.	Agency proj.	Non-IPF coun.	Arab States	Outreach poss.	Investment poss.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
ENERGY												
(1) Industrial energy conservation co-operation*	3	275	X			X	X	X	X		X	X
(2) Integrated farm energy systems*	4	260	X			X	X	X	X		X	X
(3) Lignite utilization and effects*	3	120	X			X	X	X	X			X
(4) Energy planning systems: country/inter-country	3	495		X		X	X	X	X	X	X	X
(5) Industrial and organic waste for energy	4	200			X				X	X		X
(6) Computerized coal mining systems	4	200		X			X	X	X		X	X
(7) Energy-efficient building systems	3	200		X		X	X		X	X	X	X
(8) Meteorological systems for renewable energy	2	100			X				X			
TOTAL		1 850	3	3	2	5	6	5	8	3	5	7
ENVIRONMENT												
(1) Control of toxic chemicals*	5	450	X			X	X	X	X	X	X	X
(2) Mediterranean aquaculture network*	2	200	X			X	X	X	X	X		X
(3) Environmental planning and management systems	5	270	X			X	X	X	X		X	X
(4) Technologies for control of air pollution	3	270	X			X	X	X	X		X	X
(5) Land use practice systems and water protection	4	270	X			X	X	X	X	X	X	X
(6) Mediterranean Environment Management Institute	5	180		X		X	X	X	X	X		
(7) River Danube water quality protection	4	180	X			X	X	X	X		X	
(8) Effective system applications for food safety	3	180		X			X	X	X		X	
(9) Environmental protection and tourism development	2	90			X		X			X		
TOTAL		2 090	6	2	1	7	9	8	8	5	6	5

* Indicates project extension. All others are new projects.

	Provisional period: years	Provisional UNDP inputs	Network exists	Network new	Symposium	Other reg. proj.	National proj.	Agency proj.	Non-IPF coun.	Arab States	Outreach poss.	Investment poss.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
SCIENCE AND TECHNOLOGY												
(1) Statistical computing systems*	4	300	X			X	X	X	X		X	
(2) Industrial robotics applications	5	350		X			X	X	X		X	X
(3) Microbial biotechnology/ engineering applic.	5	350		X			X	X	X		X	X
(4) INTERNET: scien./tech. information network	5	250		X			X	X	X	X	X	
(5) Technological patent information services	4	200		X		X						
(6) Mediterranean seismic risk- reduction network	4	250		X		X	X	X	X	X	X	
(7) Integrated resource recovery symposium	1	100			X	X	X		X		X	X
TOTAL		1 800	1	5	1	3	7	5	6	2	6	3
TRANSPORT AND COMMUNICATION												
(1) Trans-European North-South Motorway*	5	360	X			X	X	X	X		X	X
(2) European telecommunications development network*	5	270			X	X	X	X	X		X	X
(3) Malmo maritime centre*	5	145	X			X	X	X				
(4) Mediterranean transport development	4	630		X		X	X	X	X	X	X	X
(5) Trans-European North-South railway	5	360		X		X	X	X	X			X
(6) European postal development strategy	2	130			X			X	X		X	X
(7) Airport facilitation requirements	2	90		X		X			X			
(8) Regional centre for occupational maritime health	2	45		X			X	X	X		X	
TOTAL		2 030	2	3	3	5	7	7	7	1	5	5

* Indicates project extension. All others are new projects.

	Provisional period: years	Provisional UNDP inputs	Network exists	Network new	Symposium	Other reg. proj.	National proj.	Agency proj.	Non-IPF coun.	Arab States	Outreach poss.	Investment poss.
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)
MANAGEMENT												
(1) Enterprise overhual consultancy base	5	350		X			X	X	X		X	X
(2) Entrepreneurial small and medium industries	5	350			X		X	X	X		X	X
(3) Marketing and export promotion	5	200		X			X	X	X	X	X	X
(4) Public sector management development network	5	200		X			X		X	X	X	
(5) Computerized management systems	4	200		X			X	X	X		X	
(6) Vocational training systems and new technologies	4	200		X			X	X	X		X	
TOTAL		1 500	-	5	1	-	6	5	6	2	6	3
TOTAL: PROJECT EXTENSIONS/AND NEW PROJECTS		9 270	12	18	8	20	35	30	35	11	28	23
TOTAL: ONGOING COMMITMENTS FROM THIRD CYCLE		286										
TOTAL PROGRAMMED RESOURCES		9 556										