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MID-TERM REVIEWS OF COUNTRY AND INTERCOUNTRY PROGRAMMES

Mid-term review of the fourth regional programme for the
Arab States

I. INTRODUCTION

A. Brief outline of the regional programme

1. The fourth regional programme for the Arab States was formulated against a background of difficult economic conditions including: the decline in oil prices; the narrow resource base; high population growth rates; unemployment; and environmental degradation as a result of desertification and soil deterioration. It was formulated in close consultation with Governments, national experts and multilateral agencies. The programme drew on action plans adopted at high-level summits and meetings throughout the decade and was adopted at the Inter-Governmental Meeting in Casablanca, Morocco, in 1988.
2. The Inter-Governmental Meeting set three main priorities for the programme: (a) food security; (b) science and technology; and (c) human resource development. It also highlighted the importance to the region of other areas: natural resources; transport and communications; regional and subregional co-operation; development issues; environment; private sector; trade.
3. Projects were developed after a series of missions to Arab States and collaborating European institutions, liaising closely with Governments, regional organizations and multilateral agencies. Many of the resulting projects cover more than one area. In order to develop and deliver a programme of high quality projects by 1992, the first two years of the programme concentrated on project identification and approval. By summer 1990, 117 projects were listed in the ledger, of which 63 were active and 57 completed (17 being preparatory assistance).

B. Organization of the mid-term review

4. The mid-term review was convened in Damascus, Syria, 14-16 October 1990, and attended by over 120 delegates, including government representatives from 17 Arab States, agency representatives, regional organizations, and the United Nations Development Programme (UNDP). A detailed background paper analysing the implementation of the programme priorities was prepared, as well as four theme papers on emerging issues in the Arab region for the 1990s: environment, trade, energy and water resources. The mid-term review commended UNDP for the quality of the papers presented.

II. FINANCIAL DATA

5. The available resources under the fourth regional programming cycle (1988-1992) totalled \$50.2 million. This amount includes a balance of \$5.52 million from the third cycle. In addition, there are \$6.3 million available under cost-sharing, which brings the programmable resources to \$56.5 million.

A. IPF funds committed to new projects during the cycle

6. At the time of the mid-term review, the total approved budget amounted to \$49 million (1988-1992), plus \$6.3 million for cost-sharing. To this, there should be added \$5.6 million in indicative planning figures (IPF) funds committed to three projects expected to be signed by the end of 1990. Of the total amount committed, \$38.8 million (including \$4.1 million in cost-sharing) went to new projects that were initiated in 1988; the balance went to expenditures or commitments for completed projects or projects continuing from the previous cycle.

B. Expenditures against approved projects during the cycle

7. IPF expenditures for 1988-1989 amounted to \$17.5 million. The estimated expenditure for 1990 stands at \$10 million. It is expected that 54.8 per cent of the IPF resources will be spent by the end of 1990.

8. Since the bulk of resources are allocated to new projects that will become fully operational in 1990-1991, it is expected that the level of expenditures in 1991-1992 will exceed that achieved in 1990, improving the overall delivery of the regional programme.

III. PROGRAMME/PROJECT DATA

A. Comparison of planned project list against actual approvals

9. At the start of the fourth cycle, there were 13 projects carried over from the third cycle; 30 new projects in an advanced state of preparation; and 10 under active appraisal.

10. The fourth regional programme was on target in terms of project identification and approval in all priority areas, except trade, in spite of several preparatory assistance activities. A trade sectoral review was carried out in 1989. A theme paper put to the mid-term review recommended activities to enhance exports, rationalize imports, and strengthen Arab chambers of commerce. This will be followed by a sectoral mission to design concrete proposals. In all other areas, several projects were approved, and a pipeline of projects was built up (28 hard pipeline requiring approximately \$17.8 million and a long list of soft pipeline projects).

B. Projects not in original programme

11. All projects were formulated to conform with the original programme priorities. However, the concentration on food security led to the identification of a number of projects that were not foreseen at the outset.

C. Progress in programme implementation

Food security

12. This key area (31 projects) received 40 per cent of programme resources, with 55 per cent of allocations going to projects dealing with crop improvements (nearly half to cereals). Other areas of concentration were animal production, and fisheries and aquaculture. A third of allocated resources went to least developed countries (LDCs).

Science and technology

13. In this area (12 projects), the concentration was on informatics, biotechnology, water, industry, energy and infrastructure. The major project is the Regional Software Technology Centre, which aims to develop a viable software industry for the Arab States, by establishing regional centres.

Human resource development

14. By the nature of UNDP technical co-operation, all projects incorporate a human resource development component. The programme also focused on training and institution-building, and on integrating new human development thinking into the programme. Special attention was given to women-in-development issues. The Regional Bureau organized a major regional conference in 1990 in Cairo - attended by over 150 experts and government, agency and non-governmental organizations (NGO) representatives - to pinpoint the obstacles facing Arab women's full integration in development. The Bureau is now working on a programme to mainstream women in development. It is also actively promoting training on gender issues among staff and government counterparts in the region.

Environment

15. The environment emerged as a major area with two key projects: the ongoing \$15 million Mediterranean Environmental Technical Assistance Programme, jointly funded by UNDP (\$3.5 million), the World Bank, the European Investment Bank, and the European Community; and the proposed Centre for Environment and Development in Arab States and Europe, unanimously endorsed at the mid-term review.

Natural resources

16. Water also emerged as a priority area for the 1990s, and the mid-term review responded to the Bureau theme paper with a recommendation to enhance water management systems.

Others

Transport and Communications

17. This area has targeted the needs of LDCs for a telecommunications network. Under development issues, the Programme has stimulated fruitful debate on the concept of sustainable development. Under the private sector, the Programme brought together representatives from Governments and private sector in workshops to identify constraints and opportunities.

18. The full impact of the Programme will be assessed during the fourth year evaluation. Nevertheless, the mid-term review was appreciative of the vital role played by the regional programme in breaking new development ground in the areas of technology transfer and the environment, with projects such as the Software Technology Centres, the Mediterranean Environment Technical Assistance Plan, and the proposed Centre for Environment and Development for the Arab Region and Europe; in the field of biotechnology for disease control and crop development; and in the field of women in development.

19. In terms of modalities, it is worth noting that, for the first time, collaborative networks have been formed in strategic areas (such as cereals, disease control, biotechnology, energy planning, photovoltaics, industrial sub-contracting); network steering committees, in which Governments, agencies and UNDP actively participate, are increasingly used to monitor and direct project activities; experience exchanges through regional projects multiply the value of applied research and expertise; training is high (allocated 20 per cent of resources); the use of national expertise (70 per cent of project expertise) is now the rule. In terms of technical co-operation, the Bureau has taken Euro-Arab and Arab-African collaboration to new levels. Finally, countries of the region have become so involved in the design and implementation of the programme, that they feel a sense of ownership of the programme.

IV. PROGRAMME ANALYSIS

Programme adherence to original goals and targets

20. The mid-term review affirmed that the programme adhered closely to its original goals, as noted in section III.C.

Progress and problems in programme implementation

21. Identification, formulation and approval proceeded rapidly, so that by the end of August 1990, 96.8 per cent of the programme was committed (108.7 per cent by the end of October). Delivery during the first two years did not reach the average (65 per cent) because of the lead-time needed. Moreover, regional projects are by nature more difficult to operate, given the number of participants, complex institutional arrangements, varied requirements and geographic coverage. However, it is expected that delivery in 1990 will significantly improve. The mid-term review urged a thorough analysis of problems of implementation. The fourth programme continues to address this issue through a range of modalities (see para. 28).

Catalytic nature of regional programme

22. The catalytic nature of the regional programme has been demonstrated by its ability to mobilize cost-sharing of \$6.3 million for the fourth cycle, with commitments of \$5.5 million for the fifth cycle and \$21.3 million in joint financing for the fourth and fifth cycles (there were no firm cost-sharing commitments at the start of the fourth cycle).

23. The programme approach of networking institutions, of collaborating with regional and international organizations in seminars and workshops on various issues also has a catalytic impact. The programme has also promoted interregional co-operation between the Arab States and Europe, for example, in energy planning, environment, photovoltaics and aquaculture development.

24. The programme is working to increase Arab-African co-operation as recommended by both the mid-term review and the Governing Council. For example, the programme is supporting dialogue among the riparian States of the Nile in the Undugu group and is participating in a project with the Regional Bureau for Africa on structural adjustment. It also sponsored one of the Africa cluster meetings for Arab-African Ministers of Planning. It is contributing to the Pan-African Development Information Systems project. Moreover, the programme is building up its project on Maghreb co-operation, strengthening relations in areas such as trade, taking full account of the prospects for the creation of the African Economic Community.

Relevance of original objectives

25. The mid-term review reaffirmed the priorities of the programme, in particular food security, which converged with national priorities in virtually all countries, and endorsed the Bureau's proposals to give more emphasis to environment, trade, energy and water.

Changes identified at regional or sectoral level

26. As noted in section III.C, while no new areas of activity were introduced, environment was more strongly developed than anticipated during the first part of the cycle, and water, trade and energy received increased attention. Human development was highlighted as an area for concentration, and note was taken of new development thinking that broadened the concept of human development from a question of simple human resource development.

Programme adjustment in response to changes in political and economic environment

27. There were no major changes in the political and economic environment during the first half of the cycle. However, the second half of the cycle will inevitably be affected by the Gulf crisis. The work of some pan-Arab institutions has slowed down, although activities undertaken in regional projects have continued. The fact that the mid-term review meeting was held as scheduled was a positive indication in this respect. The economic climate, already restrictive during the first half of the cycle, is expected to worsen, partly as a result of recession, and partly as a result of the Gulf crisis.

28. The Regional Bureau for Arab States and Europe is seeking to develop appropriate strategies to respond to the Gulf crisis. It foresees collaboration with the Regional Bureau for Asia and the Pacific in the area of reintegrating return migrants, as the crisis has affected many Asian countries. The Bureau's building of the capacity to respond could take various forms: (a) by enhancing work in subregions unaffected by the crisis; (b) by reviewing the use of available resources and channelling these into activities to meet changed needs, and targeting particularly vulnerable groups such as the unemployed; and (c) by reformulating some existing projects to respond to the new situation.

Modalities of execution and experience to date

29. The mid-term review took note of the Bureau's aim of having the regional programme fully delivered in a short time span through national implementation modalities in association with regional and intergovernmental organizations as well as United Nations agencies. This was an expression of the Governments' wish to increase the strong sense of ownership of the programme developed during the fourth cycle. The modalities adopted to enhance sustainable development, increase the sense of ownership and overcome recognized obstacles to delivery, can be summarized as follows:

(a) The initiation of government execution modalities in 9 projects - this number is expected to be increased at the request of the mid-term review;

(b) The greater involvement of UNDP field offices in the regional programme;

(c) Clearer terms of reference and well-defined preparatory assistance missions and enhancement of the role of the Regional Division in project design;

(d) The use of networking among institutions, network steering committees, and seminars at the start of projects;

(e) The selection of the appropriate site and lead institution based on the following criteria: host country commitment to project objectives; link between objectives and government programmes; institutional capacities; and government agreement to allocate manpower and financial resources;

(f) The subregional approach, limiting the number of participating countries (a modality used in 37 projects);

(g) The use of regional institutions (Arab and European), intergovernmental organizations (IGOs) and NGOs to execute projects;

(h) The use of regional and national expertise in project co-ordination and implementation (around 70 per cent of expertise) and the encouragement of technical co-operation among developing countries (TCDC) whenever possible;

(i) Greater linkages between regional and country projects to maximize impact and prevent duplication of efforts.

V. EVALUATION REQUIREMENTS

30. The Programme expects to hold an evaluation during the fourth year in accordance with UNDP requirements.

VI. CONCLUSIONS AND RECOMMENDATIONS

31. In summary, the mid-term review:

(a) Acknowledged the high level of IPF commitments, and the cost-sharing and joint financing mobilized;

(b) Expressed concern over the prospect of reduced resources, and recommended careful monitoring of expenditures in order to achieve a smooth transition into the fifth cycle; Governments are working together on technical co-operation to meet the intercountry challenge. Reduced resources would affect this collaboration;

(c) Confirmed the validity of the programme objectives and priorities and endorsed the emerging issues of environment, water, trade and energy; the mid-term review unanimously endorsed the creation of a Centre for Environment and Development in the Arab region and Europe;

(d) Advocated flexibility to account for new developments in the region, particularly the problems faced by returning migrants;

(e) Endorsed the Bureau's use of the modalities of national implementation, use of local capacities, networking, country and regional linkages, and subregional and interregional approaches (especially with Africa and Europe);

(f) Welcomed thematic initiatives such as those in the private sector and women in development;

(g) Expressed a consensus that the regional programme played a vital role in regional development, and that this was where the comparative advantage of UNDP was most strongly felt.

Annex

FINANCIAL SUMMARY AS OF OCTOBER 1990

I. RESOURCES TAKEN INTO ACCOUNT	<u>At start of country programme</u>	<u>At time of MTR</u>
IPF allocations (including third cycle carry-over)	46 429 000	50 165 000 ^{b/}
Government cost-sharing	680 000	1 289 000
Third-party cost-sharing	-	5 011 000
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Subtotal of IPF-linked resources	47 109 000	56 465 000
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Other funds under authority of Administrator	900 000	871 000
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Total resources taken into account	48 009 000	57 336 000
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II. USE OF RESOURCES ^{a/}	<u>At start of country programme</u>	<u>At time of MTR</u>
Approved projects	4 726 000	55 300 000
Pipeline projects	39 358 000	1 165 000
Unprogrammed resources	3 925 000	-
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Total	48 009 000	56 465 000
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^{a/} IPF plus cost-sharing.

^{b/} Includes 1992 IPF allocation of \$6,125,000, less 1987 expenditure of \$8,809,769.

