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UNDP's Strategy for meeting
its responsibilities in the countries
of the former Soviet Union

Questions and Answers

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UNDP's strategy for meeting
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Questions and Answers

Countries' Needs

1. **Question:** What kind of assistance do the countries of the former Soviet Union require from UNDP?

Answer: In the initial stages, the countries need help in carrying out the process of transition to a market economy and democracy that their societies are engaged in. This "transition assistance" is a pre-condition for development to take place at a later stage; it can be considered as the groundwork for development. The lack of national structures and of national capacity in enacting the economic and political reforms is, by and large, the same in all countries, irrespective of their longer-term development potential. This is why, at this early stage (a) no commitment is made for a long-term UNDP presence and (b) all countries need assistance on an equally urgent basis.

2. **Question:** What kind of a UNDP presence does the transition assistance require?

Answer: A small office is necessary, especially in the early phases of the transition, in each country. The broadly based, highly specialized and impartial advice the United Nations (UN) system is expected to provide is needed and will be most useful if it can be mobilized in a quick-response mode. Moreover, it is in the nature of the transition process that specific requirements for short-term advice are unpredictable. Transition assistance cannot be planned in enough detail to allow management and response from a distance, such as from headquarters or a regional office. Furthermore, newly gained independence demands individual attention and does not look favourably upon the channelling of responses through another country.

Offices for Supporting the Transition

3. **Question:** How is UNDP proposing to finance the new field offices?

Answer: UNDP is proposing to finance the offices by drawing on a number of resources. These include the following:

- (a) The \$3.0 million appropriated for this purpose. UNDP will not exceed the budget appropriation limit set by the Governing Council in decision 92/43;
- (b) IPF resources on a transitional basis to enable those countries that have a weaker claim on administrative budget resources to initiate programmes and mobilize resources. These offices should in due course become funded essentially from extrabudgetary resources;
- (c) The United Nations secretariat will be contributing its share of the costs related to the United Nations Interim Offices;
- (d) Extrabudgetary resources will be sought to establish an information network. Negotiations are well under way in this regard;
- (e) Governments will be requested to fulfil their government local office costs (GLOC) obligations.

It is estimated that the above sources of income will provide in total a resource of about \$6 million. This is expected to cover all field office costs through the 1992-1993 biennium. Overall, the budgets will be managed as gross budgets and costs will be apportioned as appropriate to the respective sources of income. An exception to this would be the extrabudgetary resources generated for the information infrastructure which will be managed as a distinct activity.

4. **Question:** How many countries of the former Soviet Union have been given recipient status with UNDP? With how many countries have Host Country Agreements (HCA) or Standard Basic Agreements (SBAA) been signed?

Answer: Since the Governing Council's thirty-ninth session in May 1992, thirteen of the fifteen countries that have evolved from the Soviet Union have been given recipient status with UNDP. Only Georgia and Tajikistan have not yet joined UNDP, but it is expected that requests to this effect will be submitted to the Governing Council at its fortieth session (1993). As of mid October 1992, agreements (HCA or SBAA) have been signed with the following countries: Armenia, Azerbaijan, Belarus, Kazakhstan, Kyrgyzstan, Moldova and the Ukraine. It is expected that agreements will be signed shortly with Latvia, Lithuania and Uzbekistan. There is an indication that Russia will also sign the SBAA shortly.

5. **Question:** What is the status of opening offices in the countries of the former Soviet Union and what are UNDP's future plans in this regard?

Answer: As things stand now, UNDP estimates that by the end of 1993, offices will be opened in eleven of the countries of the former Soviet Union that have currently recipient status with UNDP. Of these, six will be integrated UN Interim Offices with UNDP participation, in pursuance of a decision by the Secretary-General, as confirmed in General Assembly document A/47/419/Add. 3. The other five are UNDP temporary offices. In accordance with the Governing Council criteria, priority is conferred to offices in the following countries: Azerbaijan, Kazakhstan, Kyrgyzstan, Moldova and Uzbekistan, with the first three offices to be opened by the end of 1992 and the other two in 1993. Three of these priority offices to be opened are United Nations Interim Offices. In addition, United Nations Interim Offices have already been opened in Belarus and the Ukraine and the United Nations Interim Office in Armenia will be opened before the end of 1992. UNDP temporary offices have been opened in Latvia and Lithuania and the UNDP temporary office in Estonia is expected to be opened in 1993.

6. **Question:** What about the staffing of such a transitional office?

Answer: There would be only one international staff member holding a UNDP contract. One or two Junior Professional Officers would complement the international component. Recipient countries would provide funding for another two National Professional Officers, as well as for three national support staff. In Interim Offices, jointly maintained with the United Nations, there would be an additional international staff member and two additional national support staff.

7. **Question:** The Council has requested the Administrator to explore innovative and cost-effective ways to attend to the needs of the newly independent states. Has this been pursued?

Answer: The severe limitations of available funding, as well as the similarity of problems faced by the countries in transition, do indeed favour a new approach to the management and backstopping of the field offices. Hence, a computer-based communications network is being installed to permit instant data exchanges among them, and with UNDP headquarters, various specialized agencies and other databases. It is also proposed to make use of the specializations available within staff assigned to these offices and their substantive partners outside the Division to backstop in their respective specialties staff in other locations. Areas of specialties include human development, foreign aid management, electoral assistance and private sector development. This expanded network approach will stretch scarce resources so that cost-benefit ratios can improve significantly.

Programming and Coordination

8. **Question:** Will UNDP concern with operational aspects such as opening offices in any way overshadow the task of addressing the real needs of the new recipient countries?

Answer: No. In all contacts with the countries, importance is given to substantive programme concerns, although it is increasingly clear that there is a link between our ability to address the real needs of the transition process effectively and the existence of a UNDP presence in the country. In all contacts with other donor organizations, bilateral and multilateral, as well as with the international financial organizations, conceptual aspects and issues of substance have clearly been at the top of the agenda. Moreover, in addition to their country-specific tasks, each office of the field network will have responsibility for one of the priority thematic areas in which the United Nations and UNDP are expected to provide assistance.

9. **Question:** Members of the Governing Council have consistently made the point that UNDP involvement in the new recipient countries should be taken as an opportunity for strengthening joint programming and joint offices together with other United Nations organizations, in a coordinated approach. This is reflected in decision 92/43. What progress is being made in this area?

Answer: A difference should be made between a joint field presence and joint programming. As regards the first, both the Secretary-General and the Administrator are strongly committed to a coordinated and integrated approach to a United Nations field presence and have therefore seized this opportunity. It is intended that this integrated approach subsequently be extended to other offices, all of which are being selected with adequate expansion capacity in mind. The UN/UNDP arrangements for truly integrated offices entail agreement on a number of detailed administrative questions, involving personnel, administration and budget, as well as the question of sharing the cost of these offices. United Nations and UNDP staff have been cooperating closely in working out such arrangements which will further evolve as more experience is gained with the integrated offices. The office of the United Nations High Commissioner for Refugees (UNHCR), which is specifically mentioned in the Host Country Agreements for the integrated offices, is expected to shortly reach a decision on its presence in some of the countries of the former Soviet Union, and it is anticipated that UNHCR would join the unified arrangement. Similarly, with the aim of working out a joint approach, UNDP has requested the United Nations Children's Fund (UNICEF) to indicate whether it intends to have staff posted in any of the new recipient countries, but an answer is still pending. The World Food Programme (WFP) has indicated its support for fully integrated offices under the United Nations/UNDP umbrella. In at least two offices already opened, United Nations/UNDP facilities are in the same building as the Delegation of the European Communities (EC) and the

World Bank office, which should facilitate close cooperation.

10. **Question:** What is the situation in respect of joint programming?

Answer: Now that the relationship with the new recipient countries has progressed beyond the initial stage, future missions will go more deeply into substantive aspects of cooperation with the United Nations system. To ensure joint approaches, organizations of the system will be invited to participate in these missions. With regard to missions already carried out, the leaders of the teams that went to Uzbekistan, Azerbaijan, Kyrgyzstan, Moldova, Ukraine, Belarus and the three Baltic States met with UNICEF and the United Nations Population Fund (UNFPA) prior to their missions and a set of the reports of these missions was forwarded to them, to the Department of Economic and Social Development (DESD) and to the World Bank. The joint United Nations/UNDP missions were also able to draw on the reports of the missions that UNICEF and the World Health Organization (WHO) conducted in February 1992.

11. **Question:** In decision 92/43, UNDP is also requested to work with the financial institutions, the Economic Commission for Europe (ECE) and the European Community. Is this being pursued?

Answer: Yes. First, a decision has been taken that World Bank and UNDP staff involved in the countries of the former Soviet Union hold coordination meetings twice a year. An agreement is also being reached on cooperation with the World Bank in the framework of aid coordination (Consultative Group meetings) and national capacity-building in foreign aid management. This was endorsed by the last Conference on the Newly Independent States, which was held in Tokyo in October 1992. Moreover, reports on countries of the region are exchanged as a matter of course. Second, a first mission to meet with key staff of the European Bank for Reconstruction and Development (EBRD) was jointly undertaken by ECE, DESD and UNDP and areas for cooperation have been identified. Third, discussions with ECE are for the first time going beyond the subject of regional projects to include cooperation in the area of short-term advice to individual countries. A joint training seminar has already been held on privatization. It is also envisioned that highly specialized ECE staff will be available for short-term assignments to field offices in the region. Fourth, every mission has established contacts with European Community field representations where these have been opened. Further contacts, especially at headquarters level, are expected shortly. There is already close cooperation with the European Community in the field of environment, particularly as regards activities in the Danube river basin and the Black Sea area.

12. **Question:** What is the position of other specialized agencies of the United Nations system on coordination?

Answer: Information on UN/UNDP plans for the region has been provided to agencies in writing. In addition, discussions have been held directly with all Vienna-based agencies and with most of the agencies headquartered in Geneva. With a few exceptions, these agencies have very small resources for work in the countries of the former Soviet Union and are therefore very interested in taking advantage of a UNDP presence, however limited, in the region. Agencies have shown particular interest in using the wide-area computer communications network, which will allow their specialists to maintain substantive contact with their counterparts in the region. It is expected that the network will reduce the need for constant travel of agency staff and thereby increase the cost-effectiveness of their operations. As regards concrete situations, discussions have taken place with the World Meteorological Organization (WMO) with a view to engage in joint programming in the countries of the former Soviet Union. Likewise, an initial agreement has been reached with the Chernobyl Secretariat and the United Nations Educational, Scientific and Cultural Organization (UNESCO) concerning support to the Chernobyl programme.

13. **Question:** Are there as yet any formal mechanisms for agency coordination within the United Nations system and does UNDP participate in them?

Answer: Yes, there are currently three such mechanisms. First, DESD has set up an inter-agency task force in which UNDP has been participating. This task force has been instrumental in bringing about joint United Nations positions and representation in the framework of the series of international conferences on the Newly Independent States which was initiated in February 1992 in Washington. Second, the existing machinery of the Administrative Committee on Co-ordination (ACC) is being used to promote coordination in the new recipient countries. The subject was on the agenda of the ACC meeting in October 1992. Third, meetings of the Joint Consultative Group on Policy (JCGP), which includes UNFPA, UNICEF, WFP, the International Fund for Agricultural Development (IFAD) and UNDP, have dealt with coordination in the countries of the former Soviet Union on several occasions and it is expected that this will continue to be done also in the future.

14. **Question:** Has the Administrator been involved in coordination or has this rather been a task carried out by staff of the secretariats?

Answer: To underline the importance of coordination, both the Administrator and the Associate Administrator have been personally involved in the process. In addition to meeting with the Secretary-General, the Administrator has held direct personal contact with the Presidents of the World Bank and EBRD, with the Executive

Director of UNICEF, with the Executive Secretary of ECE and the Executive Director of UNFPA.

15. **Question:** Has the question of titles for the heads of the new offices been a subject of inter-agency discussions?

Answer: Yes, especially between the United Nations and the UNDP, the two organizations that have decided on a field presence. Consistent with the intent of ensuring an integrated United Nations presence, the heads of the UN Interim Offices are referred to as "United Nations Representatives". In the two countries where the Secretary-General will nominate the head of the Interim Office (Armenia and Azerbaijan) from within the United Nations, the UNDP person will be "Deputy United Nations Representative". In keeping with the principle of accountability, the senior UNDP person in each of these countries will also have the title of "UNDP Representative". In addition, it is anticipated that the head of each office will be designated Resident Coordinator.

16. **Question:** Are agencies consulted on UNDP's nominations? Have any UNDP Representatives been recruited from agencies other than UNDP?

Answer: Yes, agencies are consulted. The system of consultations of ACC agencies established for Resident Coordinators has also been applied to all nominations put forward by UNDP. Moreover, prior to the first nominations, UNDP had written to agencies inviting candidacies for the heads of the new offices. No such candidacies were received at this stage and, so far, there is no head of office nominated by an agency.

Regionalization

17. **Question:** Are any of the new offices regional or subregional offices? Has the concept of regionalization been looked into?

Answer: Although this has not been very successful, UNDP continues to explore regional and subregional approaches for the countries in question. First, several obstacles have been identified in this regard, especially as new recipient countries have been accustomed to being "regionally coordinated" in the past in a way which has been harmful to their perceived interests, and therefore they strongly object to a general regional or even sub-regional approach at this stage. This is a very sensitive issue. Difficulties notwithstanding, UNDP will give support to the establishment of new and more equitable forms of regional cooperation, starting gradually with specific subjects. It is hoped that in this way opportunities may be built

up for viable future regional approaches. Second, regionalization for administrative support does, on the other hand, seem to be a feasible option. However, since a regional service centre requires sizable initial investment, it cannot be financed within the framework of the current budgetary allocation. An effort will be made to regionalize administrative tasks gradually at a later stage. Third, the management of the wide-area network and the task of interfacing with agency specialized databases does seem to be viable and cost-effective for a regional approach, even at the present time. This may therefore become the nucleus for a future regional support centre.

Avoid Diversion

18. **Question:** The Governing Council has consistently urged that all efforts must be deployed to avoid diversion of resources and attention from the South to the East. What measures does UNDP deem appropriate in this regard?

Answer: UNDP fully shares this concern. First, UNDP and the new recipient countries agree that meeting these concerns requires the mobilization of resources additional to the limited funds from the IPF core. Second, it is possible to design programmes in the new recipient countries in such a way that the traditional recipient membership in UNDP can benefit from such programmes. Third, new forms of South-East cooperation, a special variant of Technical Cooperation among Developing Countries (TCDC), are being developed for the benefit of traditional and new recipient members alike. Fourth, trilateral arrangements involving countries in the South, in the East and in donor countries are encouraged.

Programme Resources

19. **Question:** Regarding programming resources, what is the impact of the IPFs approved for the countries of the former Soviet Union on the IPF framework for the fifth programming cycle?

Answer: The IPF allocations issued for the Baltic States and the other countries emerging from the former Soviet Union remain within the IPF framework as outlined in decision 90/34. They amount to less than one half of one percent of total IPF resources for the cycle.

20. **Question:** How can one visualize resource mobilization for the purposes of programmes in the countries of the former Soviet Union?

Answer: Whatever the approach chosen, resource mobilization is an integral part of national capacity-building for foreign aid management and will be pursued by

UNDP in this context. Several modalities appear promising at this stage. First, the establishment of trust funds for the specific purpose of programmes in these countries underlines the additionality of such resources. Second, a large proportion of resources will no doubt be mobilized on the basis of fully developed programmes ("product-specific and policy-based resource mobilization"). Third, technical cooperation resources can be used to mobilize capital assistance funds. Fourth, carefully designed pre-investment projects will ensure follow-up investment from both private and public sources.

New York, 27 December 1992

