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P O L I C Y

PROGRAMME PLANNING
MID-TERM REVIEW OF THE THIRD PROGRAMMING CYCLE, 1982-1986

Resource needs of the global programme

Report of the Administrator

Summary

In this report the Administrator is reviewing the resource situation of the global programme which has been seriously affected by the reduced programming levels for the third programming cycle, 1982-1986. The Administrator recommends limited borrowing from the fourth programming cycle in order to sustain essential ongoing projects.

Introduction

1. The objectives and priorities of the global programme for 1982-1986, which were taken note of by the Governing Council at its twenty-eighth session in June 1981, were focused on three areas of critical importance to developing countries: improvement of food production through agricultural research; improvement of health, principally through research on tropical diseases and diarrhoea; and development of new energy technologies. These activities are complemented by programmes supported under the interregional programme in the areas of clean drinking water and sanitation; fisheries development; energy assessments and planning; and human resources development. When the UNDP priorities for the third programming cycle, 1982-1986, were discussed in 1981, the illustrative indicative planning figures (IPFs) established by the Council were \$114.8 million for the global programme, with a carryover of \$1.57 million from the second cycle; and \$73.5 million for the interregional programme. With the establishment at the end of 1982 of authorized budget levels (ABL) of 55 per cent of the IPFs, the amount of resources actually available for the cycle has become only \$64.7 million for the global programme, and \$39.9 million for interregional activities.

2. The main emphasis in the global programme is on agricultural research which represents 72 per cent of the programme's resources. Health research has claimed 24 per cent of the available resources. Agricultural research is focused on food crops - rice, maize, sorghums, millets, root and tuber crops - which are typically grown by small farmers and are of major importance in the diets of lower-income groups in developing countries. Research activities also include experimentation with better farming practices including nitrogen fixation processes which can be applied by the smaller producers. Important research breakthroughs and production increases have been achieved in all projects; the results, as well as future needs were reported to the Council last June in the publication "Unfinished Business".

3. There are two features of UNDP's global activities which set them apart from the typical UNDP-supported project. The first is that they are research-oriented activities which involve a complex and long-term process including: fundamental research; field testing or clinical trials; further research to adapt results to diverse conditions prevailing in different countries and regions of the world; training of large numbers of national scientists and technicians in the application of results; and strengthening agricultural and health services to achieve effective delivery. By its nature, this is a process which requires sustained support at a minimum level over a 10- to 15-year period in many cases. This point has repeatedly been stressed over the years, as individual projects were submitted to the Council for approval.

4. The second unique feature of the global activities supported by UNDP is that they represent a collaborative effort supported jointly by UNDP and a large number of other donors as well as developing countries themselves. To mobilize the needed resources, UNDP has helped promote and has played a key role with other organizations, both within and outside the United Nations

system, in building up several major consortia which now provide hundreds of millions of dollars annually for agricultural and health research. The most prominent example is the Consultative Group on International Agricultural Research (CGIAR), of which UNDP is a co-sponsor together with FAO and the World Bank. In most cases, UNDP resources from the global IPF play a major catalytic role in attracting collateral support from other donors. This is the case, for example, in the CGIAR, in which the United States Government and the World Bank have pledged an assured annual contribution equal to 40 per cent of the UNDP contribution (United States, 25 per cent; World Bank, 15 per cent). The global agricultural research supported by this system represents a partnership between UNDP and the international community at large which is truly unique.

THE RESOURCE SITUATION

5. UNDP's ability to continue meeting its financial and moral commitments to this partnership now faces a serious challenge stemming from resource constraints. Total commitments under the global IPF in the form of approved projects amount to \$67.3 million, which represents an excess of \$2.6 million over the current ABL of \$64.7 million based on the 55 per cent programming level established at the end of 1982. The major share of the commitments represents contracts with the international agricultural research centres. It should be noted that the commitments just mentioned were entered into prior to the establishment of the 55 per cent level when an ABL based on 80 per cent of the IPF was in effect; at that time an amount of \$93.4 million was expected to be available.

6. In addition to these contracts which constitute binding commitments, the international centres were given to understand during discussions in 1981 that projects which would need to be extended beyond the expiration of current contracts would continue to receive support, subject to availability of funds and to approval by the Governing Council. The additional UNDP support needed to enable seven important programmes to be continued during the remainder of the current programming cycle on any meaningful scale amounts to a net of \$10,324,000 to which other donors are prepared to add \$8,277,000. Details of these additional requirements and the related projects are contained in the annex to this document. The amounts indicated have been subject to rigorous scrutiny and negotiation, and are considered the minimum required to keep the programmes going on a meaningful scale. All the activities were included in the global programme priorities noted by the Council in 1981, and represent ongoing programmes which are developing successfully with strong support from developing countries and the international donor community. They are not new or untried proposals, which could clearly be inappropriate in the present resource situation.

7. Inasmuch as all global projects are subject to approval by the Governing Council itself, the Administrator brings this issue of the resource situation of the global programme, which will affect further approval actions by the Council, to the Council's attention. As indicated in paragraph 5 above, global projects actually approved by the Council so far involve commitments in

project budgets totalling \$67,300,000, which is some \$2,600,000 above the 55 per cent programming level of \$64,700,000 mentioned in paragraph 6 above, the excess over the 55 per cent level would be \$12,924,000, should the Council approve the additional requirements, subject to the submission of specific project proposals to the Council in the normal course.

8. In this regard, the Administrator wishes to underline the implications involved in this matter. Failure of UNDP to provide the requested assistance would result in the loss of substantial collateral support, resulting in severe diminution of programmes that would set them back for many years and possibly prevent them from achieving the results now within reach. The research centres responsible for the programmes, and which have been built upon by the international community over many years at great cost would also be subjected to serious budget difficulties, necessitating staff reductions. The activities described are being carried out and monitored by carefully balanced scientific teams of an international character; once disrupted, such teams cannot easily be reconstituted. Finally, several of the projects listed in the annex are now closely tied in with Governments' national agricultural programmes as well as projects assisted under various country IPFs; abrupt curtailment would cause considerable dislocation. Major examples are the maize and rice testing programmes.

9. Equally important is the fact that the projects in question were launched as a co-operative venture between UNDP and other partners on the clear understanding that they would be relatively long-term ventures requiring sustained and assured support. Such collaboration represents a genuine moral commitment by all concerned to provide the continuing support needed to bring programmes once started to a high level of fruition for the benefit of the largest possible number of developing countries. For UNDP to overlook this commitment and, in effect, suspend for the balance of this cycle all further support for global research activities which it has actively promoted, could be a particularly injurious example in the present world climate of development assistance.

10. In his note on the mid-term review of the third cycle (DP/1984/20), the Administrator is proposing the borrowing, under certain circumstances, for intercountry programmes up to the estimated extent of underspending in other intercountry programmes and not exceeding 15 per cent of each programme's third-cycle IPF (at 55 per cent). Fifteen per cent of 55 per cent of the global IPF would be about \$9,700,000. The actual borrowing which is estimated as necessary in the foregoing paragraphs would amount to \$12,924,000, which is some \$3,200,000 over the 15 per cent.

11. In these circumstances the Administrator has examined the likely situation of the interregional programme which in cutting across countries and regions is closest in character to the global programme. In respect of the interregional programme, 55 per cent of the illustrative IPF is \$39.9 million and approved commitments as of 15 March 1984 amount to \$27.8 million. Additional essential needs during the third cycle are estimated at a minimum of \$10.5 million.

12. If the global and interregional programmes are taken together, the combined ABL based on the 55 per cent level amounts to \$104.6 million, against which the total additional requirements for the current cycle are estimated at a net amount of \$12,924,000, i.e. \$2,600,000 already overcommitted plus \$10,324,000 additional requirements under the global programme. The net additional requirements could be held to a somewhat lower figure if some savings materialize under the interregional programme. The net amount of \$12,924,000 is well within 15 per cent of the combined authorized ABL of \$104,600,000.

13. Taking into account the other intercountry programmes, namely the regional programmes, the present outlook is that on an overall basis underexpenditures in some are likely to be sufficient to cover both additional needs in others as well as the net additional needs in the global and interregional programmes referred to in the preceding paragraphs.

14. The Administrator accordingly recommends that the Governing Council agree that the global and interregional programmes may be considered together for the purpose of dealing with borrowings from the fourth cycle.

15. The decision of the Governing Council on the issue posed above will also determine the course of action to be taken on the project submissions contained in documents DP/PROJECTS/REC/12, 13 and 14. Those projects involved total UNDP contributions of \$16,950,000 of which \$8,200,000 would arise during the third cycle and \$8,750,000 during the years 1987 to 1991. The entire amount needed for the third cycle for these projects, together with the excess already incurred of \$2.6 million, would have to be borrowed from the fourth-cycle global IPF, so that the fourth cycle would start with commitments of \$19,550,000 already approved against that IPF.

Annex

Estimated minimum additional requirements
under the global programme, 1982-1986

1. The additional requirements and the related projects are described in the paragraphs which follow.
2. The Maize Improvement and Production Programme is being carried out by the International Maize and Wheat Improvement Centre (CIMMYT) in Mexico. After a period of sustained basic research, major breakthroughs have been achieved in the development of a high quality protein maize. The programme has recently entered the testing phase on farmers' fields in a large number of countries. The objective of this phase is to expand and intensify international testing of improved normal varieties as well as nutritionally superior varieties under different agro-ecological conditions. Present UNDP support to the programme will terminate in 1984. Additional UNDP assistance in the amount of \$2,250,000 for the period 1984-1986 is required to continue the testing programme. More than 50 per cent of the planned support will be devoted to the training of nationals in adaptive research, production and management techniques. Other donors have already pledged complementary support of \$1,314,000.
3. The International Rice Testing and Improvement Programme is conducted by the International Rice Research Institute (IRRI) in the Philippines, with the active collaboration of some 80 developing countries. The programme needs to be continued and expanded to include East Africa and the Caribbean region, which are presently not covered, if the large investment in research and testing to date is to benefit the largest possible number of countries in terms of higher rice yields. Over 40 per cent of the planned support will be devoted to national training and staff development, a critical requirement for achieving the ultimate objectives of the programme. Research on nitrogen fixation in rice, an important component of the programme which has already achieved some important results, also needs to be continued. Present UNDP support to the programme will terminate in the middle of 1985. Continued UNDP support during 1985 and 1986 in the amount of \$3.6 million is the minimum required, and will be matched by contributions of \$1.630 million by other donors. In the absence of this continued assistance, the programme will have to be severely curtailed, and great momentum will be lost in a programme which has already increased rice yields substantially in Asia.

2/ For detailed description of the first three of the projects referred to, see the individual documents prepared for the thirty-first session of the Governing Council (DP/PROJECTS/REC/12, 13, 14).

4. Research on Nitrogen Fixation at International Institute of Tropical Agriculture IITA in Nigeria and Centro Internacional de Agricultura Tropical (CIAT) in Colombia. The aim of the programme is to provide farmers in developing countries, particularly the small resource-poor farmer, with an alternative to expensive, chemically-produced nitrogen fertilizers in the production of cowpeas, soybeans and forage/pasture legumes. The programme is one of the most recent elements in the global programme, and the required research is in full swing. Important new knowledge has already been gained, which opens up the possibility that nitrogen fixation can be significantly enhanced with enormous potential benefits to farmers. The results need now to be field-tested, initially in Africa, and possibilities identified for transfer to other countries,, particularly in Latin America. Present UNDP support for the programme will terminate in mid-1984, and continuing UNDP support of \$2.35 million for 1984-86, to be matched by \$1.02 million from other donors, is needed to carry out further search, field testing and training activities. Training will absorb over 60 per cent of the planned UNDP contribution. In the absence of this further assistance, the programme will have to be discontinued, resulting in the loss of a very promising opportunity to benefit agriculture in developing countries.

5. Finally, an additional \$2.124 million is needed for further support to the following activities: \$800,000 in 1986 for the support to the West African Co-operative Programme being carried out at International Crops Research Institute (ICRISAT) for the Semi-Arid Tropics; \$750,000 in 1985-1986 for training activities as a follow-up to the current Nitrogen/Moisture Research being conducted at International Center for Agricultural Research in the Dry Areas (ICARDA); \$474,000 in 1985-1986 for the Fisheries Surveys and Resource Identification project in collaboration with Norwegian Agency for International Development (NORAD); and \$100,000 for the Integrated Resource Recovery project. The supplementary grants for the first three projects from various donors respectively will be \$521,000; \$248,000; and \$2,944,000 for the period of 1984-1986, for a total of additional funding of \$3,713,000. Collateral support, estimated to reach at least \$100,000 is also expected for the Integrated Resource Recovery project.

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