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SUPPORT

PROGRAMME PLANNING

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Implementation of selected country programmes in

Europe

Report of the Administrator

Summary

This report is submitted in accordance with Governing Council decision 81/15 (F/1981/61/Rev.1). It identifies the countries in the European region where country programme reviews were held during 1984 and contains the status of approval and implementation of third cycle country programmes with a special emphasis on Albania and Cyprus.

The report focuses on changes in priorities of country programmes and provides an overview of programme implementation and trends including a description of the factors affecting programme performance. It also describes the composition of project inputs and the impact of certain projects completed in 1984, and it provides an account of the additional resources that were made available for the implementation of individual country programmes.

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INTRODUCTION

1. Annual reviews were held in Greece, Hungary, Malta, Poland, Portugal and Turkey. Formal reviews were not deemed appropriate or necessary in the other countries for the reasons set out below. Regular monitoring of each programme was, of course, carried out by the respective field offices.

2. In the case of Albania, 1984 was the first year of full programme implementation after the essentially preparatory activities of 1982-1983. Tripartite reviews were conducted for the first time in the country of two projects which together represented nearly 50 per cent of the programme in financial terms. A formal review of the programme as a whole would not have been meaningful. In Bulgaria, in addition to routine monitoring, several major projects were reviewed during a visit by staff from Headquarters and the Geneva office, and a formal programme review at this stage was not considered necessary. In Cyprus, the effective **cut-back** of the IPF for programming purposes to 55 per cent of the total, combined with a cautious approach to new project approvals pending the outcome of talks on a political settlement that might have resulted in a shift in programme priorities, meant that there was no basis for a general programme review. The programme in Czechoslovakia consists essentially of one large-scale project in its first year of execution, which is due for evaluation in 1985. A programme review therefore was not considered appropriate. As all decisions on programme content had already been made, no formal review of the Romanian programme was held in 1984. The Yugoslav authorities requested a postponement of a review to 1985.

3. In view of the limited number of countries benefiting from UNDP co-operation in Europe and the general similarity in the nature of the programmes and the issues confronted, this report attempts a comprehensive overview of the situation in the twelve countries. Special emphasis is again placed on Albania, where operations commenced in the third cycle, and on Cyprus, in view of the Administrator's commitment to the Governing Council to report on progress towards the equitable distribution of IPF resources to the island's two communities.

4. While the programmes in some countries were at an advanced stage of approval, in others they were lagging. To illustrate this, as of 31 December 1984, Hungary's third cycle approved budgets represented 99.7 per cent of programmable resources whereas in Malta the corresponding ratio was 66 per cent. Overall commitments in the twelve countries nevertheless represented 86.2 per cent of programmable resources. At the present stage of the cycle there is a natural concentration of efforts on monitoring ongoing programmes as opposed to project formulation and approval.

5. In view of the size and complexity of the projects, UNDP usually provides short-term and highly specialized expertise and training as well as modern equipment in order to achieve maximum impact.

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I. IMPLEMENTATION OF SELECTED COUNTRY PROGRAMMES

A. Changes in priorities

6. No significant changes of priority are to be reported. In Malta, however, two pipeline projects, Diabetes Prevention (MAT/82/001) and Export Promotion (MAT/82/003), were withdrawn since the available IPF resources were insufficient to fund them. Some adjustments took place in the programmes in Turkey and Yugoslavia, but without a significant shift of priorities.

B. Overview of programme implementation and trends

1. Project identification, formulation, appraisal and approval

7. The Governing Council was informed in the 1984 report on the implementation of selected country programmes in Europe (DP/1984/26) that there was a tendency for the process of project formulation to be lengthy in many instances. In view of the high technology content of the programmes in the region, projects normally within the Resident Representative's approval authority are often referred to headquarters for appraisal. Particular attention also has to be given to ensuring that the projects represent technical assistance in view of the large equipment component in several of the programmes.

8. As mentioned above, the approval process is at an advanced stage in the majority of the countries with only a few small-scale projects remaining to be approved. In Albania, however, two large-scale projects, included in the country programme, remain to be approved. For one of these, Industrial Process Control (ALB/84/001), United Nations Industrial Development Organization has fielded two consultants for a preliminary assignment to identify specific requirements and the equipment that might be needed; the project document is expected to be completed in early 1986, after a follow-up mission by the consultants. For the second project, Nuclear Research (ALB/85/001), project preparation will be subject to the identification and costing of the equipment component, which is expected to be carried out during 1986 under preparatory assistance. A third large-scale project, to strengthen Higher Agricultural Education and Research (ALB/81/007), was approved following a preparatory assistance mounted by the Food and Agriculture Organization of the United Nations.

9. In Cyprus two main approval actions were taken in 1984: one related to the extension of the project, Handicraft Promotion (CYP/76/007) and the other to the approval of a second phase of the Nicosia Master Plan (CYP/79/007).

10. In the case of Malta, a new project to assist in the operation of the Container Terminal at the New Marsaxlokk Harbour (MAT/83/002), requested by the Government as a follow-up to earlier UNDP co-operation in the construction phase of the new harbour, was approved following a review by a preparatory mission led by United Nations Conference on Trade and Development. Late in 1984, the Government requested small-scale, but urgent assistance in reviewing data on Petroleum Storage Reservoirs (MAT/84/002), which was speedily approved and implemented as a government-executed project.

11. In Portugal, a large-scale project to improve Air Navigation Services (POR/81/001) was approved and financed largely by a Government cost-sharing contribution. The inception of this project, however, has been delayed at the request of the Government, pending a resolution of national budget problems.

12. In Turkey, seven projects were approved in 1984 of which four were listed in the country programme: Heating of Greenhouses by Solar Energy (TUR/80/005), Development of Ornamental Flower Production (TUR/82/002), Occupational Safety and Health Centre, Phase II (TUR/84/005) and preparatory assistance for Textile Training and Research Institution, Phase III (TUR/81/010). Three projects not specifically listed were also approved: Metrology Calibration Laboratories (TUR/83/013), closely linked to the priority Phase II project on quality control whose approval has been delayed by a change of Government agency but is expected in 1985; Advisory Services to the State Planning Organization (TUR/84/002), a small-scale follow-up to an earlier completed project; and Squatter Prevention Zones (TUR/83/012), a small-scale project.

2. Project inputs, delivery, execution and management

13. The implementation modalities previously reported upon remain valid. Short-term consultancies, with follow-up missions when warranted, have not only proven to be cost-effective but also adequate in the European context where problems to be tackled are of a highly specialized, short-term and technical nature. Specialized equipment, short-term fellowships and study-tours are common features for the same reason. In Cyprus and Portugal, however, long-term experts in support of national institutions were still the largest component.

14. Most projects continue to be supervised by national co-ordinators/directors from the staff of the Government implementing agency. This arrangement is efficient as the staff are not only directly involved as beneficiaries of UNDP co-operation but are also fully accountable for project implementation. As reported last year, the Governments are usually content to have the executing agencies implement projects in view of their own close management of projects and their little desire to be involved with the additional work required for execution.

15. As mentioned above, at this stage of programme implementation, particular attention has been given to project monitoring with the active participation of executing agencies and Governments in all cases. A series of tripartite project reviews were held in the majority of countries including the first ever held in Albania, where four of the six major projects of the country programme have now been approved. These four projects, in the fields of University Education (ALB/81/006), Telecommunications Development (ALB/81/005), Information Network (ALB/81/001) and Higher Agricultural Training (ALB/81/007) are now fully operational. In the specific case of the project on Telecommunications (ALB/81/005), careful planning both by the Government and the executing agency has made it possible to propose an expansion of project objectives within the same UNDP allocation. The project will establish one national and one international pilot link while a second international link is being planned which will allow the Albanian network to serve as a telecommunications bridge between Italy and Greece.

16. In view of the relatively small size of the majority of projects, and since tripartite reviews of projects adequately cover technical aspects, only four evaluations were held in 1984. A single evaluation mission to Cyprus detailed further requirements of assistance to the Cyprus Productivity Centre (CYP/81/001), the Mediterranean Institute of Management (CYP/82/002) and the Industrial Training Authority (CYP/82/008). Whereas the emphasis under these earlier phases of UNDP co-operation was on institution building, future co-operation has been designed to provide these institutions with qualified manpower. An evaluation mission to Portugal resulted in a set of recommendations to ensure the successful conclusion of the project, Management Training (POR/81/006). Finally two evaluations in Turkey resulted in proposals to fill gaps in UNDP interventions, at a modest additional cost, under the Development of Training in Telecommunications (TUR/75/069) and Strengthening Textile Training and Research (TUR/77/012) projects. In addition UNDP will provide telecommunications training in digital switching and transmission in view of the substantial investment by the Government for improving telecommunication facilities. It will also strengthen the textile training and research establishment at Bursa to complement substantial capital assistance to the textile sector by the World Bank.

17. It is fairly common in Europe to implement projects in more than one phase. This can mainly be accounted for by the fact that the complexity of the projects makes it necessary to cautiously test operations under preliminary phases prior to undertaking more elaborate ventures. The successor projects therefore constitute a logical follow-up to previous phases rather than a continuation of previous activities.

18. In view of the nature of many projects in Europe, representing sophisticated and advanced levels of technology and know-how, a significant emphasis is being placed by UNDP on promoting collaboration, under specific projects, between IPF-assisted countries in Europe and developing countries in other regions. The success of such initiatives will depend almost **entirely** on the extent to which the concerned Governments are willing to finance specific activities under arrangements for technical co-operation among developing countries.

II. FACTORS AFFECTING PROGRAMME IMPLEMENTATION

19. As in previous years, delays due to licensing difficulties continue to be experienced in the delivery of some highly-specialized items of equipment. It has normally been possible to eventually provide the equipment needed, sometimes after adjusting the technical specifications.

20. In Albania, there were some delays in the preparation, by the Government, of the required terms of reference for consultancies and in the submission of nomination forms for fellows. The latter, in particular, has added to the difficulties incurred at times in placing fellows at selected institutions. Some problems have also been experienced by some fellows' insufficient knowledge of the language of instruction.

21. In Cyprus, political developments continued to affect the structure and pace of programme operations. By the middle of 1984, the Secretary-General had once more contacted the Greek Cypriot and Turkish Cypriot communities in order to offer his good offices for the resolution of their differences. A series of

"proximity talks" were held from September to December 1984 that paved the way for direct discussions between the leaders of the two communities. Once this process was under way, it was considered preferable to await its results before trying to settle the question of pending assistance to the Turkish Cypriot community. As a result, a number of approvals of new projects for the North were held in abeyance. Since there were no major approvals of projects for the South either, owing to lengthy preparations of project documents, equitable distribution remained at the same satisfactory level as it was at the end of 1983. The result of the low approval rate, however, was that only about 60 per cent of projected expenditures were actually incurred in Cyprus.

22. Both in Greece and Turkey, the reorganization of the government structure resulted in personnel changes which also delayed somewhat the implementation rate as the formal approval process by these Governments had slowed down.

23. In the cases of Poland, Portugal and Yugoslavia, constraints in the national budget led to a reduction or delay in the government contribution for some projects, in turn giving rise either to delays in establishing necessary infrastructure, shortfalls in national staffing levels, or delays in cost sharing contributions. In consequence, some project work plans have been, or will have to be, rescheduled.

III. COMPLETED PROJECTS

24. Several projects were completed in Europe during 1984. There were two in Cyprus: the first-phase Nicosia Master Plan (CYP/79/007) and the project in Agricultural Meteorology (CYP/79/006). The former was remarkably successful in producing a physical plan for the whole of Nicosia to be achieved by the year 2000, including the main zoning policy and administrative measures required to produce a controlled and rational growth of the city. The final report has been accepted by both communities as the framework for the future development of Nicosia. The second phase (CYP/82/007), approved during the year, will allow investment plans and specific schemes to be formulated for immediate implementation. The project in Agricultural Meteorology, although requiring only a small expenditure of UNDP resources, represents a new and important departure for Cyprus. Information of practical value to farmers can henceforth be disseminated directly to them through daily radio bulletins.

25. In Hungary, 674 nationals were trained in the **Repair** and Maintenance of Equipment (HUN/78/004) by the time of the project's completion at the end of 1984.

26. In Malta, the project for the Development of Marsaxlokk Harbour (Mat/78/001) was completed in March 1984. The project, Maintenance and Improvement of the Sewerage Network (MAT/78/007) was also completed in December 1984, although assistance will continue in the Water Resources sector (MAT/81/003). It is noteworthy that the public works programmes in the ports and water sectors, to which UNDP assistance has been primarily directed, attracted nearly \$65.3 million in investments during 1984.

27. Projects completed in Portugal included Co-operative Development (POR/81/005), which prepared sectoral studies as the basis for recommendations to strengthen the sector, modules for training courses, of which 66 were conducted with a total of approximately 900 participants; and supported the investment planning of 13 co-operatives leading to investments worth \$2.8 million.

28. Field operations were completed on eight projects in Turkey covering such diverse fields as rural development in Central Anatolia, research on cotton pest control, improved efficiency and productivity in state and private enterprises and the establishment of a micro-processor development centre to support industry in south-western Turkey.

IV. ADDITIONAL RESOURCES FOR THE IMPLEMENTATION OF COUNTRY PROGRAMMES

29. In general, in Europe the possibility of funding from sources other than UNDP and the national budget is limited. Cost sharing from the latter source is of considerable significance in Portugal and Turkey. In the former, cost sharing for 1984-1985 is expected to match approximately the level of IPF resources for the same period whereas in Turkey it is estimated at \$775,000 in 1984 while the comparable IPF figure is \$1,890,000. In three cases Governments have made an effort to make convertible currency available to certain top priority projects during 1984. In Bulgaria, the Government approved a significant allocation (\$3 million) for a computer-supported maintenance sub-system for the Sofia telephone network to ensure the success of the Research Centre for Telecommunications (BUL/81/007). An Agreement between the Government of Bulgaria and the International Telecommunication Union is expected to be signed in 1985. In Greece the cost sharing element in convertible currency and Government cash counterpart contributions to two projects, Telecommunications (GRE/83/003) and De-ironed Bauxite (GRE/83/005) matched the IPF contributions to these projects. Similarly, the Government of Yugoslavia approved \$700,000 as cost sharing for the Aleksinac Oil Shales (YUG/83/013) and the Drina River System Analysis (YUG/83/003) projects. However, though instances of cost sharing are few owing to the difficulties faced by Governments in making convertible currency available, this is considerably offset by the small IPF contributions as compared to counterpart contributions to projects.

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