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S U P P O R T

PROGRAMME PLANNING

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

Implementation of country programmes in Europe 1985

Report of the Administrator

Summary

This report is submitted in accordance with Governing Council decision 81/15. It refers to significant events that have occurred in the European region and actions taken to improve programme delivery.

The report focuses on changes in priorities in country programmes and provides an overview of programme implementation and trends, including factors affecting programme performance. It describes the composition of project inputs and the impact of certain evaluations of projects conducted in 1985, while presenting conclusions on programme performance in the third cycle in order to derive lessons for the nature and scope of fourth cycle programmes. It also describes the implementation of the regional programme in Europe and indicates developments with regard to co-ordination of assistance with other sources.

INTRODUCTION

Special developments

1. Although the UNDP programme in Europe over the past year was not seriously affected by any major event, the adoption of austerity measures by some Governments somewhat restricted their ability to provide counterpart funds for many UNDP-assisted projects. However, such effects were limited mainly to those projects which required additional counterpart funding because of high inflation. In general, the implementation of the UNDP programmes remained satisfactory.

Measures taken to enhance implementation

2. The principal measures taken to enhance the quality of country programmes and the effectiveness of programme implementation were continued efforts to improve project design and the application of organization-wide measures to improve monitoring and evaluation techniques. Analyses are under way, in co-operation with the field offices, to identify the causes of implementation delays in order to take appropriate measures to improve delivery in 1986.

Scope of the report

3. In view of the limited number of programmes in Europe, the present report does not single out any country for special attention but rather reports on significant developments in any of them.

I. GENERAL OVERVIEW OF THE REGION

Changes in priorities

4. There were no significant changes in priorities in any of the programmes in 1985. However, taking the longer view and bearing in mind that most of the programmes were formulated in 1981 on the basis of the full amounts of the illustrative indicative planning figures (IPFs) approved by the Governing Council, the subsequent reduction to 55 per cent has inevitably resulted in some shifts in the sectoral distribution of programmes, particularly given the small size of most of them, where postponement of a single large-scale project could significantly affect the overall distribution. There is, however, no example in Europe of a shift in the programme priorities because of changes in policy.

Programme trends

5. The majority of programmes being at an advanced stage of implementation in the third cycle, there was little change in implementation modalities. Apart from Cyprus and Portugal where resident experts still constitute the major component of projects, the majority of the other programmes show an emphasis on the provision of specialized equipment and training. Short-term consultancies are used as a means to tackle specific issues of a specialized nature requiring outside expertise.

6. Government-execution of projects is not a prominent feature in Europe, although Bulgaria, Cyprus, Greece and Yugoslavia use this modality to a limited extent. While in all countries projects are usually managed by national project co-ordinators, the majority of European Governments are content with traditional implementation modalities.

Availability and delivery of resources

(a) Availability of resources

7. As mentioned in previous reports, IPF inputs to projects in the European region are usually small in comparison to counterpart contributions. Cost-sharing is particularly significant in Portugal and Turkey. In the former, IPF resources during the last two years of the third cycle were more than matched by Government cost-sharing funds. In the latter, the cost-sharing commitments for the country programme are expected to be 32 per cent of the IPF allocation. In Cyprus and Greece, project cost-sharing in 1985 amounted to \$44,000 for each, while the corresponding amount for Yugoslavia was \$114,000. Some additional funding became available also in Albania where the French authorities are financing 14 fellowships (for a total of 72 man-months) to train staff in the utilization of newly established computer capacities.

8. The approval rate of projects as of end 1985 was 82 per cent of programmable resources for 1985-1986, which compares favourably with the average for UNDP as a whole. Particularly noteworthy were revisions/approvals of projects in Cyprus where the Thalassaemia Prevention (CYP/82/003) and Animal Fertility (CYP/81/010) projects were extended for the benefit of the north, as were the bicomunal Nicosia Master Plan (CYP/82/007) and the Vassilikos-Pendaskinos Irrigation (CYP/79/004) projects. In addition, two new projects approved for the south are the Industrial Rationalization (CYP/82/003) and the Productivity Improvement (CYP/85/001) projects. As a result, the amount of approvals for Cyprus in 1985 totalled \$684,000.

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9. The approval rate in 1985 would have been even better if delays could have been avoided in several projects. In Albania, while the formulation of the large-scale industrial process control project (ALB/84/001) was slow and protracted, there were also delays in the submission of official requests for three new projects in the health sector. In Turkey, as a result of wide-ranging changes of personnel at key and high-echelon posts, as well as changes in Government priorities, there were delays in the approval of several new projects. Finally, preparatory negotiations for several new regional projects were much longer than expected.

(b) Delivery of resources

10. For a variety of reasons, the level of delivery is not expected to be different from the performance in 1984 when the actual expenditure as a proportion of the peak budget was 68 per cent. In Albania, the number of fellows to be trained under UNDP projects was overestimated. In Bulgaria, difficulties were encountered by the agencies in the timely fielding of consultants and the placement of fellows at training institutions abroad. In Czechoslovakia, apart from similar delays, there were also delays in the delivery of equipment. In Malta, the largest UNDP-assisted project for the operation of a Container Terminal at Marsaxlokk Harbour (MAT/83/002) remained at a standstill throughout 1985. Although construction work on the terminal was completed in June 1984, the Government was unable to equip it fully on schedule so as to enable it to commence operations in 1985. The implementation of the UNDP project designed to establish efficient and durable management and operational systems at the terminal was accordingly delayed. Similarly, the Grain Terminal at the Grand Harbour project (MAT/83/003) was to have begun operations in 1985. However, the task entrusted to UNDP and the United Nations Industrial Development Organization (UNIDO) under the Container Terminal project of ensuring that the mechanical and other equipment is installed in accordance with internationally accepted standards is taking a longer time than originally envisaged. Also, there was no expenditure under the Utilization of Water Resources project (MAT/81/003) as the Government was engaged in various bilateral negotiations on technical and other requirements in the water sector, and the nature and scope of the project requires revision. In Poland, delays in the construction of the training centre for extension workers in the dairy project (POL/81/006) is the result of financial constraints in the national budget. In Portugal, the elections have affected important decisions on the nature and scope of certain projects, thereby affecting implementation. In Romania delays in equipment procurement was the principal obstacle to smooth implementation. In Turkey, the Government's ban on recruitment of new staff for the State economic enterprises had a negative impact on a number of projects. In Yugoslavia, owing to the high inflation rate and as a result of the stabilization policy and austerity measures in effect, additional counterpart funds required for the smooth implementation of projects were not always available.

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Effectiveness of reviews and evaluations conducted

11. In the seven countries for which the Geneva office performs the function of resident representative, tripartite reviews are held frequently as they provide an effective monitoring technique in the absence of resident UNDP staff. Tripartite reviews of projects were frequently held in the other countries too. For the first time in 1985 internal evaluations of projects were conducted by some national project managers. The various reviews were very effective in ensuring the successful implementation of projects.

12. Seven projects were evaluated in the region in 1985. While the evaluation reports of the University Science Education Project (ALB/81/006) in Albania and three fellowships projects in Turkey are awaited, the results of the evaluations of the projects for which reports have been received are encouraging. Noteworthy are the reports of the evaluations of the National Technical Consultancy and Training Centre (NTCTC) project (CZE/82/006) in Czechoslovakia and the forestry project (GRE/78/003) in Greece. In both cases the evaluation exercises were successful in identifying problems being faced and setting the course of action required for the attainment of the respective projects' objectives.

II. COUNTRY PROGRAMMES REVIEWED

13. In view of the fact that seven country programmes were scheduled for submission to the June 1986 session, formal reviews were conducted in all countries except Albania, Cyprus, Czechoslovakia, Portugal and Romania. In the latter countries, although no formal reviews were scheduled, several of the major projects were reviewed. A major objective of some of the annual reviews was to determine the effectiveness of third cycle programmes prior to the preparation of country programmes for the fourth cycle.

III. CONCLUSIONS OF THE REVIEWS

14. In view of the similarity of programmes, across-the-board inferences can be made on the reviews. The outcome was clearly positive, and several reviews mention the possibility of utilizing in other regions the successful results of projects implemented in Europe. The Governments view UNDP co-operation as an essential, albeit small, component of their overall development effort, and UNDP inputs are designed to fill technological gaps towards the attainment of specific economic goals.

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15. The composition of projects is also considered appropriate. Short-term consultancies, with follow-up missions when warranted, have proven to be not only cost-effective but also adequate in the European context where the problems to be tackled are of a highly specialized, short-term and technical nature. The fact that the provision of specialized equipment is also a common feature of European programmes has meant not only that countries have benefited from the acquisition of advanced technology from an efficiency standpoint, but that local personnel are being trained in its use, thereby making for self-reliance in the process of socio-economic development. Also, as national staff manage UNDP-assisted projects, the responsibility for successful implementation largely rests with the Governments, which has the added advantage of ensuring a successful continuation of activities following the termination of UNDP co-operation.

16. The nature of the inputs sometimes led to delays in delivery. This is, however, not an insurmountable problem. In the fourth cycle an emphasis will be given to minimizing the type of implementation delays experienced for this reason. Several measures are under consideration, particularly relating to the realistic and timely rephasing of budgets and greater involvement of the agencies in ensuring timely implementation. It is also felt that the agencies have acquired sufficient experience and knowledge about the types of equipment which are difficult to provide for various reasons. Knowledge is also available now on alternative acceptable types and specifications. Action on the consultancy and training components of projects will be taken with sufficient lead-time. The executing agencies have also a better knowledge of institutions offering specialized training in a variety of fields. In several cases, a subcontractor providing equipment will also provide specialized training. An interesting feature in Turkey is that there is a tendency, at least where high-cost training is concerned, to secure the services of a consultant to train the counterpart staff in the country rather than send only one or two fellows abroad for the same amount of funds. Such arrangements will be pursued in the fourth cycle.

IV. REVIEW OF INTERCOUNTRY PROGRAMMES

17. Efforts to strengthen the energy sector of the regional programme in Europe to adhere more closely to the percentage distribution of resources laid down in the third cycle regional programme were successful when in 1985 two important new projects were approved, namely, that for Energy Conservation in Industry (RER/83/003) and that for Low Calorie Coal Utilization Technology (RER/80/004).

18. The Governing Council's decision on fourth cycle IPFs removed the uncertainty regarding future programmes in Europe. As a first step in

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developing the fourth cycle regional programme, a mission of two UNDP consultants took place in September and October 1985 who, as part of their task, reviewed implementation of the third cycle programme. While the results of this review will be reflected in the Administrator's proposals for the fourth cycle programme, it can be reported at this stage that Governments were generally satisfied with the status of the programme and tended to confirm its priority areas, namely, energy, environment, transport and communications and science and technology. A number of projects were reviewed either by a mission or in the context of regular intergovernmental project meetings. These reviews tend to show not only strong technical co-operation among the European IPF countries but also between the latter and European countries that do not receive UNDP assistance.

V. CO-ORDINATION ACTIVITIES

19. In Europe, the co-ordinating role of the Resident Co-ordinator is of limited significance, 7 of the 12 country programmes being handled by the European office at Geneva. In addition, as the countries are at a relatively higher stage of development, there are only a few resident United Nations agency missions or bilateral aid missions in most countries. The co-ordination of technical co-operation activities is most significant in Turkey, the largest IPF country, where inter-agency meetings of the various organizations of the United Nations system are convened regularly to ensure a co-ordinated and integrated approach to development activities in the country.

20. For the countries that are members of the World Bank, a certain amount of complementarity exists between the UNDP- and Bank-financed programmes. Possibilities of improvement in this respect were limited in 1985 because the third cycle IPFs were largely committed. Opportunities for collaboration in the fourth cycle will be explored following the preparation of the regional and national programmes. It may be noted that Turkey is the largest single borrower in the Europe, Middle East and North Africa region, and Yugoslavia is the third largest, which enhances the prospects of such collaboration.
