



**Governing Council
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PROGRAMME PLANNING

FOURTH PROGRAMMING CYCLE

Assistance to Lebanon

Note by the Administrator

SUMMARY

The present note provides background for the Governing Council with respect to UNDP assistance to the Government of Lebanon as requested in its decision 88/31 of 1 July 1988.

I. INTRODUCTION

1. In its decision 88/31 B of 1 July 1988, the Governing Council requested the Administrator to take urgent steps to obtain the necessary statistical data needed to permit adjustment of Lebanon's interim illustrative indicative planning figure (IPF) for the fourth cycle (1987-1991). The Council also requested that the Administrator take steps to accelerate programme activities, and authorized expenditure of up to 60 per cent of the provisional calculated IPF for the fourth cycle, including amounts carried over from the third cycle (1982-1986). Lastly, the Council decided to examine the situation of Lebanon at its thirty-sixth session, as a matter of priority.

II. AVAILABILITY OF DATA

2. The Governing Council will recall that in the absence of adequate information on the gross national product (GNP) for Lebanon, it has not been possible to establish an appropriate level of IPF for the country. Accordingly, the Council, in its decisions 81/16 of 27 June 1981, 82/16 of 18 June 1982 and 83/13 of 15 June 1983, decided to hold the third and fourth cycle illustrative IPFs at the level established for the second cycle (1977-1981): \$5.5 million.

3. Lebanon's GNP and other national accounts have not been available on a regular basis to the United Nations Statistical Office or to the World Bank since the latter part of the 1970s. As a result, several international and regional agencies have made estimates of GNP and related aggregates, utilizing extrapolation methods as well as any available indicators, to bring forward GNP estimates to more recent years.

4. There are several difficulties in using these estimates. All estimates are based on outdated base year information when circumstances in which productive capacity and income generated were different from those at present. Further, the previous United States dollar figure estimates are also unreliable because of the substantial inflation and corresponding devaluation of the national currency, particularly in recent years.

5. It is also recognized that the matter of data availability is likely to be a problem for the preparation of the fifth programming cycle (1992-1996), which in all likelihood will be determined in June 1990. In view of the above, it was agreed with the Government of Lebanon to undertake a study mission aimed at compiling a bench-mark estimate of GNP for 1987 or 1988, based partly on primary data collection and partly on estimates of other GNP components. An expected output of this study will be an estimate of 1983 per capita GNP, the base year data for the calculation of fourth cycle IPFs.

6. The study began in January 1989 when consultations were held between the expert consultant selected to lead the study and representatives of the United Nations Statistical Office and the World Bank. In the interim, the terms of reference, work plan and budgetary arrangements have been finalized and the

implementation of the project is expected to begin in the near future. The report is scheduled to be completed by December 1989.

III. ASSISTANCE TO LEBANON

7. Subsequent to Governing Council decision 88/31, the provisional IPF for Lebanon was calculated using an appropriate estimate for 1983 per capita GNP. As noted in paragraph 4 above, this estimate may be outdated, but it constitutes the best internal estimate available. Calculation of a provisional fourth cycle IPF for Lebanon on this basis, and in accordance with Council decision 88/31, yields a provisional calculated IPF of \$8.6 million. The uncommitted IPF resources carried forward from the third cycle total \$5.4 million. The total provisional resources available to Lebanon during the fourth cycle equal \$13.9 million. Pending the outcome of the study referred to above, further adjustment to Lebanon's fourth cycle IPF may be necessary.

V. PROGRAMME ACTIVITIES

8. In conformity with Governing Council decision 88/31, technical co-operation activities were continued on a project-by-project basis. In addition, in view of the slightly improved operational conditions in certain areas of Lebanon, UNDP decided in mid-1988 to proceed with a revitalization of the programme, albeit at a measured pace, beginning with the appointment of the Resident Representative.

9. Funds committed under the IPF in 1987 and 1988 amounted to \$2.9 million. As a result, 12 projects are currently operational in the following sectors: agriculture, human resources development and vocational training, telecommunications and postal services. Despite operational difficulties inherent in the prevailing situation in Lebanon, these projects are being implemented in a satisfactory manner and are expected to achieve their immediate objectives.

10. New project proposals for UNDP technical co-operation amounting to more than \$10.0 million have been identified in close collaboration with national authorities and non-governmental organizations (NGOs) in crucial areas such as primary health care, water supply, technical education for women, handicrafts, agricultural research and production, environment quality control and vocational training. While every effort will be made to expand the ongoing programme in order to respond in a timely and most effective manner to the pressing needs of the country, its actual implementation will depend on the operational situation within the country.
