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PROGRAMME PLANNING

FOURTH PROGRAMMING CYCLE

Questions relating to Namibia

Report of the Administrator

SUMMARY

With reference to the Administrator's statement on issues relating to Namibia at the special session of the Governing Council of the United Nations Development Programme (UNDP) in February 1989, the Council agreed to place the question of the indicative planning figure (IPF) for Namibia on the agenda of its thirty-sixth session, in June 1989.

In this respect the Administrator noted that reliable information on financial, economic and social conditions of Namibia continued to be insufficient and outdated for planning purposes, including the establishment of a realistic IPF for Namibia. The present report provides information on a series of missions launched by UNDP to undertake base studies on financial, economic and social aspects for the arrangements for independence in Namibia. Inasmuch as the additional information obtained from these missions will not be available in time for the thirty-sixth session of the Governing Council, the Administrator requests the Council to defer consideration of the question of the IPF for Namibia to its thirty-seventh session.

I. BACKGROUND

1. The fourth cycle indicative planning figure (IPF) for Namibia for 1987-1991 was established provisionally in 1985 at \$4.2 million. At the request of the United Nations Council for Namibia, the Governing Council of UNDP, at its thirty-second session, in June 1985, agreed to increase the IPF by 50 per cent, to \$6.4 million. A further increase of \$3.0 million for a total \$9.4 million was made conditional on cost-effective utilization thereof. This bonus was approved by the Governing Council in June 1986.

2. According to Governing Council decision 88/31 A of 1 July 1988, on revised IPF levels, the Namibia IPF was increased by \$1.2 million to \$10.6 million in June 1988. Taking into account the third cycle carry-over of \$357,000 to the fourth cycle, the total programmable resources under the Namibia IPF amounted to \$10.9 million in March 1989. Release of the remaining 25 per cent balance of the increased IPF, according to Council decision 88/31, is expected to take place in 1990. The additional amount will be \$408,000. There will also be an independence bonus of \$1.6 million added to the IPF. When these two increases are added to the programmable resources, the IPF will amount to \$13.0 million.

II. THE PROGRAMME

3. The present IPF programme for Namibia consists of four projects, three of which assist the United Nations Institute for Namibia (UNIN) in Lusaka and the United Nations Vocational Training Centre for Namibians (UNVTC), in Cuacra, Angola. A fourth project was approved in March 1989 to undertake base studies on the financial, economic and social aspects of the arrangements for independence in Namibia.

4. Assistance to UNIN is given under the project entitled "Assistance to the United Nations Institute for Namibia" (NAM/82/005), executed by the Office for Project Services (OPS). The latest approved budget for the UNDP contribution totals \$4.8 million, of which \$1.6 million has been approved under the fourth cycle until the end of 1989.

5. Assistance to UNVTC is given under two projects: "Assistance to UNVTC" (NAM/86/005), executed by the International Labour Organisation (ILO); and "Support to Operations of UNVTC" (NAM/87/001), executed by OPS. The total approved budget for project NAM/86/005 amounts to \$1.7 million, all for the fourth cycle. The support project, NAM/87/001, has been approved for a total of \$556,070, covering the period 1987-1989.

6. A fourth project was approved in March 1989 to undertake base studies on the financial, economic and social aspects of the arrangements for independence in Namibia. This project has a total UNDP budget of \$715,000, and is expected to be completed by the end of 1989.

7. In addition, IPF funds totalling \$2.0 million have been earmarked for extension of the three ongoing projects assisting UNIN and UNVTC. Total resources

available for programming at present therefore amount to \$4.4 million (see annex to the present report). Once the balance of the revised IPF and the independence bonus are available, programmable resources will total \$6.4 million.

8. Assistance to Namibians has also been given under projects that are funded by the share of the South West Africa People's Organization (SWAPO) in the IPF for the national liberation movements recognized in its area by the Organization of African Unity (OAU). This share of the programme amounts to approximately \$5.4 million, which corresponds to almost half of the total committed funds of the IPF for the national liberation movements.

9. Certain financial commitments are expected to be made by UNDP for the remainder of the fourth cycle, to ensure an orderly winding down and transfer to Namibia of those projects for which Namibians are the beneficiaries.

10. In the case of the two training institutes for Namibians to which UNDP contributes with funding from the Namibia IPF, the governing bodies of the institutes have approved plans for a transitional period to allow the ongoing training programmes to continue without disruption until the currently enrolled trainees have completed their studies.

III. CONCLUSION

11. Since the inception of the latest round of talks, in London, on 3 May 1988, on the conflict in south-western Africa, there has been an acute awareness within the United Nations system and the international donor community that co-ordinated action will be required for organizing development assistance in an independent Namibia.

12. Following the signing of the settlement agreements on 22 December 1988, that set forth the time schedule for the withdrawal of troops from Angola and Namibia, which also set in motion the process of transition of Namibia towards independence, it was agreed between UNDP and the Office of the Special Representative of the Secretary-General for Namibia, that UNDP would dispatch a data collection and reconnaissance mission to Namibia.

13. The main objective of the fact-finding mission is to collect and analyse data on the economic, financial and social spheres of Namibia. The mission would also provide the Government of an independent Namibia with as much information as can be assembled in those fields to enable it to take important decisions needed for the maintenance of essential services immediately after independence and the drafting of a development programme for further economic and social growth.

14. The initial fourth cycle IPF for Namibia was calculated on the basis of outdated statistical information, the reliability of which could not be verified at the time. The UNDP mission will also try to establish a solid base for national income calculations for realistic IPF. On the basis of the mission's report, UNDP will be able to establish a GNP figure that could be projected onto the 1983 level to achieve an IPF comparable to other fourth cycle IPFs.

IV. RECOMMENDATION

15. Taking the foregoing into consideration, the Administrator recommends to the Council that it defer the question of a definitive fourth cycle IPF for Namibia to its thirty-seventh session, to be held in 1990, to enable the Administrator to provide the Council with the relevant information.

Annex

PROGRAMME RESOURCE INFORMATION

(United States dollars)

| | | |
|----|---|----------------------|
| 1. | <u>Resources</u> | |
| | IPF resources for the fourth cycle | 10 618 000 <u>a/</u> |
| | IPF carry-over from the third cycle | <u>357 000</u> |
| | Total available resources | 10 975 000 <u>b/</u> |
| 2. | <u>Commitments as at 31 March 1989</u> | |
| | Approved projects, fourth cycle | 4 553 000 |
| | Earmarked for new assistance | <u>2 010 000</u> |
| | Total programmed resources | 6 563 000 |
| 3. | <u>Balance of resources available for programming</u> | 4 412 000 <u>b/</u> |

a/ Includes 75 per cent of the additional IPF resources according to Governing Council decision 88/31 A. The remaining 25 per cent (\$408,000) will be available in 1990.

b/ An independence bonus of \$1,621,250, including a lump sum of \$500,000, will be available later in 1989.
