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Dates: 02/01/1982 - 03/02/1984

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THE WORLD BANK

Washington, D.C.

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The World Bank

1818 H Street NW

Washington DC 20433

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CLAUSEN'S'. UN Development Programme

Vol 1



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Clausen Papers - United Nations Development Programme (UNDP) - Correspondence 0



RI

THE ADMINISTRATOR
UNITED NATIONS DEVELOPMENT PROGRAMME

251

6 February 1984

Dear Tom -

This is just a short note to let you know how much I appreciated the kind words I have been told you had for UNDP during your recent successful visit to Algeria.

Our several important cooperative efforts in Algeria have, indeed, yielded fruitful results for which both the Bank and UNDP can be proud.

With highest esteem and warmest personal regards.

Yours sincerely,

Bradford Morse

Mr. A.W. Clausen, President
World Bank
1818 H Street, N.W.
Washington, D.C. 20433.

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1984 FEB 15 PM 3: 26

RECORDING MAIL UNIT

RECEIVED

1984 FEB 15 PM 4: 27

OFFICE OF THE PRESIDENT

February 1, 1984

Dear Brad,


Thank you for your letter of January 17 regarding the Inter-Agency Consultative Meeting which you are convening in London on April 18.

From your earlier correspondence, I had concluded that this was a discussion in which I should participate, if possible. Regretfully, other commitments will make it impossible for me to travel to London at that time - a circumstance which also bars my participation in the session of ACC.

The Bank will be represented at ACC by Munir Benjant, Vice President, External Relations. Accordingly I am designating him also to represent the Bank at IACM, and to report back to me on the discussions which take place. Meanwhile I offer you every good wish for a successful meeting.

Warm regards.

Sincerely,



A.W. Clausen

Mr. Bradford Morse
Administrator
United Nations Development Programme
One United Nations Plaza
New York, New York 10017

✓ VJRiley/ar



THE ADMINISTRATOR
UNITED NATIONS DEVELOPMENT PROGRAMME

17 January 1984

Dear Tom -

As I promised you in my cable of 12 January 1984, I am writing now to give you further information about the Inter-Agency Consultative Meeting (IACM), which I am convening on Wednesday, 18 April 1984, at the headquarters of the International Maritime Organization (IMO) in London, directly following the spring session of the Administrative Committee on Co-ordination (ACC).

Regarding the structure of the meeting on Wednesday, a general consensus has emerged from the response of Executive Heads to my letter of 10 November 1983 that it should be informal, and that a formal agenda and records be dispensed with in order to encourage the frankest possible exchange of views. Following my introductory remarks and the remarks of Mr. Jean Ripert, my colleagues may wish to have a dialogue on matters related to the relationship between UNDP and the executing agencies. Those areas we identify as being of wide concern during the discussion, could be further deliberated.

Mr. A.W. Clausen
President
World Bank
Washington, D.C.

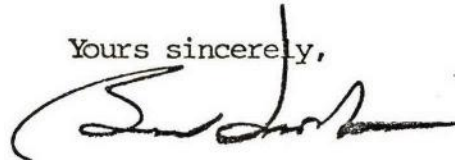
As a preparatory step, we have drawn up an illustrative list of issues of mutual concern. Participants may wish to select items from the list, which is attached to this letter, for detailed consideration during the meeting. The list is neither intended to be prescriptive nor exhaustive. Colleagues are therefore invited to raise additional items in the discussion.

The meeting on 18 April will have both a morning and afternoon session. I will be hosting a luncheon for Executive Heads that day at 1:15 p.m. in the IMO dining room.

I very much hope that you will be able to attend the meeting and the luncheon on the 18th.

With highest esteem and warm personal regards, I am,

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Bradford Morse', written in a cursive style.

Bradford Morse

Suggested topics for the April 1984 meeting

1. Review of the resources of all funds administered by UNDP, including results of latest Pledging Conference and forecast of programmes for the years 1984-86. This review to be done in the context of overall ODA resources transfers, the changing relative position of the multi-lateral system in these transfers, donor and recipient country perceptions and attitudes to the multilateral system based on statements in inter-governmental bodies and consultations with governments.
2. Review of changing technical co-operation needs of developing countries and how best the UNDP/Agencies can meet these changes. Information to be provided on the results of studies undertaken, including consultations undertaken.
3. Practical matters arising from UNDP/Agency operations:
 - Resident Co-ordinator
 - Government execution
 - Direct Execution
 - Agency backstopping
 - TCDC
 - World Bank/UN system relationships
4. Inter-Agency Task Force.
5. Should there be a world conference on the relevance and contribution of technical assistance and the operational activities of the UN system to the economic growth and development of the developing countries covering such subjects as programmes, effectiveness and efficiency, and the relationship of capital assistance and technical assistance?

OFFICE MEMORANDUM

DATE: January 18, 1984

TO: Mr. A.W. Clausen
through Munir P. Benjenk

FROM: V.J. Riley, J.R:D. *May*

EXTENSION: 74455

SUBJECT: Bradford Morse

In a meeting yesterday with UNDP Administrator Bradford Morse, I found him intensely curious and deeply concerned about the most recent developments on IDA. Then, with a touch of "gallows humor", he asked that I convey to you a welcome to the "Fifty-five Percent Club".

As you may know, UNDP's Governing Council authorized it to develop its current (1982-1986) program at a level equal to about \$6.4 billion. But contributions, instead of continuing to grow, leveled off, and UNDP's program has had to be cut, these last two years, to 55 percent of the authorized level. As he noted with dismay, your earlier figure for projected IDA VII needs was \$16 billion, and the amount agreed last weekend is just about 55 percent of that figure.

It's likely Mr. Morse will want to call on you soon again, not only to discuss further Bank/UNDP collaboration but also to talk to you about the work and proposed studies program of the Inter Action Council, the group of former heads of state and government for which Morse serves as Secretary-General. Some of this work is potentially quite relevant to the Bank's activities.

Action reading

OFFICE MEMORANDUM

DATE January 10, 1984

TO Mr. A.W. Clausen
Thru: Mr. M.P. Benjenk *MB*
FROM Shahid Javed Burki, Director, IRD *SJ*

EXTENSION 72407

SUBJECT Meeting of Executive Heads of Agencies

This is with reference to your note to us regarding the IACB-type meeting being convened by Brad Morse. Brad has now decided to take advantage of the presence of Heads of Agencies in London for the spring ACC meeting (April 16 and 17) and to have his meeting held on April 18. Mr. Benjenk will represent you at the ACC meeting.

SJBurki:fvf

1/12
ROY -
WHAT "NOTE"
TO BURKI & BURKI?
A

Wg
I should try to
attend this
meeting when

where held?
why not 49?
I should take
last week.
BUAKI?

net up / Perhaps
we could take
initiative & call
Boggs' office
regarding date
held for me
&

WORLD BANK WSH

TO INFOMASTER 4-D161264364 12/30/83

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TEL 19003 WORLDBANK US

WORLD BANK

100 F STREET NW

WASHINGTON DC 20433

Mr. Burki (IRDDR)

Mr. Clausen ✓

Mr. Benjenk (VPE)

ALSO TO CLAUSEN.

THANKFUL YOUR RESPONSE TO MY LETTER OF 10 NOVEMBER 1983
REGARDING THE HOLDING OF AN IACI-TYPE MEETING ON 23 JANUARY
1984. A NUMBER OF OUR COLLEAGUES, WHILE WISHING TO PARTICIPATE
HAVE INDICATED THAT THE OTHER LONGSTANDING COMMITMENTS WILL
PREVENT THEM FROM BEING PRESENT ON THE SUGGESTED DATE.
ACCORDINGLY, I HAVE UNDERTAKEN CONSULTATIONS TO DETERMINE
MORE CONVENIENT DATE IN LATE MARCH OR EARLY APRIL. WILL
CONTACT YOU BEFORE 15 JANUARY REGARDING NEW DATE. THANK YOU
FOR YOUR UNDERSTANDING AND BEST WISHES FOR NEW YEAR.

(HORSE UNDEVPRO NYK)

COL CKD

TOM 30 1803 LT

;12310127

November 28, 1983

Dear Brad:

Thank you for your letter of November 10, suggesting a meeting of the Executive Heads of Agencies to be held in Geneva, January 23, 1984. You have suggested a most interesting agenda, and I have no additions to propose.

Unfortunately, some longstanding commitments in Africa at that time will prevent my personal participation. However, the Bank could make a contribution on many of the subjects suggested, and we certainly would be interested in learning the views of other participants.

Thus, I would like to designate one of my senior staff to participate on behalf of the Bank and to report back to me on what transpires. Please let me know if this would be acceptable.

Meanwhile, please accept every good wish for a successful meeting.

Warm regards.

Sincerely,



A. W. Clausen

Mr. Bradford Morse
Administrator
United Nations Development Programme
One United Nations Plaza
New York, N. Y. 10017

VJRiley/VRS:MH

ROUTING SLIP

Date
Nov. 22, 1983

OFFICE OF THE PRESIDENT

Name	Room No.
Mr. Benjenk	E-823
<i>Mr. Benjenk</i>	

To Handle	Note and File
Appropriate Disposition	Prepare Reply
Approval	Per Our Conversation
Information	Recommendation

Remarks

Could you please prepare a reply for Mr. Clausen's signature, if possible by November 28?

~~_____~~

Roy Southworth

From

1308



THE ADMINISTRATOR
UNITED NATIONS DEVELOPMENT PROGRAMME

10 November 1983

Dear Mr. Clausen,

It is almost three years since I have had an opportunity of meeting with Executive Heads of Agencies in what may be described as an IACB-type meeting. In discussion with some of our colleagues, I concluded that it would be mutually profitable to have such a meeting early next year.

At such a meeting, we could discuss the important matters concerning the mutual relationships between UNDP and our Agency partners, and some of the wider issues in the field of the UN system's operational activities for development insofar as these affect our operations.

I am glad to say that Francis Blanchard has agreed that meeting facilities would be provided at the ILO in Geneva.

The suggested date is 23 January 1984. I shall be glad to hear from you whether you agree that such a meeting will be useful and if so, if the place and time are acceptable.

.....
A list of subject headings which could form the agenda of such a meeting is attached. At the same time, I would welcome your suggestions as to any matter which you would wish to have added to the agenda. I would propose that such a meeting would be informal, and without formal records. Such a format would, I hope, encourage the frankest exchange of views without which such a meeting would serve no useful purpose. I envisage too that we would seek to avoid formal statements and that proceedings would be in the form of an active dialogue between all parties.

With highest esteem and warmest personal regards, I am,

Yours sincerely,

Bradford Morse

Mr. A.W. Clausen
President
World Bank
Washington, D.C.

Suggested Topics for the January 1984 Meeting

1. Review of the resources of all funds administered by UNDP, including results of latest Pledging Conference and forecast of programmes for the years 1984-86.
2. Review of overall resources transfer and ODA and changing relative position of the multilateral system in these transfers.
3. Donor and recipient country perceptions and attitudes to the multilateral system based on statements in inter-governmental bodies and consultations with governments.
4. Should there be a world conference on the relevance and contribution of technical assistance and the operational activities of the UN system to the economic growth and development of the developing countries covering such subjects as programmes, effectiveness and efficiency, and the relationship of capital assistance and technical assistance?
5. Review of changing technical co-operation needs of developing countries and how best the UNDP/Agencies can meet these changes.
6. Practical matters arising from UNDP/Agency operations:
 - Resident Co-ordinator
 - Role of UNDP Field Offices
 - Government Execution
 - Direct Execution
 - Agency backstopping
 - TCDC
 - World Bank/UN system relationships
 - Provision of experts on a career basis
7. Inter-Agency Task Force

Ask Myra - 7 0
AWE!

Susan:

Alex Sharrow's
office is handling
this! - Please
give to me on Tuesday
so I can track.

Roy
1/16/84

AL

1-4-84

OK

I should try to
attend this

meeting when
I get up

where held?
why not 79?
I should talk
last week.
Bucki?

we could take
initiative & call
Bucki, Spino &
myself
talk to me
&

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WORLD BANK
1813 H STREET NW
WASHINGTON DC 20433

Mr. Burki (IRDDR)
Mr. Clausen ✓
Mr. Benjenk (VPE)

BT

.MISC 278 CLAUSEN.

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(MORSE UNDEVPRO NYK)
COL CKD

TOM 30 1805 LT

;12310127

ROUTING SLIP

Date
Nov. 22, 1983

OFFICE OF THE PRESIDENT

Name

Room No.

Mr. Benjenk

E-823

R. Benjenk

To Handle

Note and File

Appropriate Disposition

Prepare Reply

Approval

Per Our Conversation

Information

Recommendation

Remarks

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Mr. Clausen's signature, if possible
by November 28?

~~_____~~

Roy Southworth

From

1308



THE ADMINISTRATOR
UNITED NATIONS DEVELOPMENT PROGRAMME

10 November 1983

John T. Morse
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With highest esteem and warmest personal regards, I am,

Yours sincerely,
Bradford Morse
Bradford Morse

Mr. A.W. Clausen
President
World Bank
Washington, D.C.

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1983 NOV 18 PM 5:06

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Suggested Topics for the January 1984 Meeting

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7. Inter-Agency Task Force

November 28, 1983

Dear Brad:

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Unfortunately, some longstanding commitments in Africa at that time will prevent my personal participation. However, the Bank could make a contribution on many of the subjects suggested, and we certainly would be interested in learning the views of other participants.

Thus, I would like to designate one of my senior staff to participate on behalf of the Bank and to report back to me on what transpires. Please let me know if this would be acceptable.

Meanwhile, please accept every good wish for a successful meeting.

Warm regards.

Sincerely,



A. W. Clausen

Mr. Bradford Morse
Administrator
United Nations Development Programme
One United Nations Plaza
New York, N. Y. 10017

VJRiley/VRS:MH

WORLD BANK OUTGOING MESSAGE FORM Cable, Telex

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3 UNDEVPRO, NEW YORK

4 BRADFORD MORSE, ADMINISTRATOR. WARMEST CONGRATULATIONS ON YOUR

5 CONFIRMATION TO A THIRD TERM AS ADMINISTRATOR OF UNDP. MY

6 COLLEAGUES AND I LOOK FORWARD TO CONTINUING THE CLOSE, USEFUL AND

7 PRODUCTIVE COLLABORATION WITH YOU AND YOUR ASSOCIATES THAT HAS

8 LONG CHARACTERIZED RELATIONS BETWEEN WORLD BANK AND UNDP. BEST

9 REGARDS, A.W. CLAUSEN.

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CLASS OF SERVICE: TELEX		TELEX NO.: 125 980	DATE: 12/20/83
SUBJECT: UNDP		DRAFTED BY: VJRiley:rd	EXTENSION: 74455
CLEARANCES AND COPY DISTRIBUTION:		AUTHORIZED BY (Name and Signature): A. W. Clausen	
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104
THE ADMINISTRATOR
UNITED NATIONS DEVELOPMENT PROGRAMME

4 January 1984

Dear Tom -



Thank you so very much for your kind message regarding the confirmation of my reappointment as Administrator of the United Nations Development Programme. Your remarks were generous indeed, and I am most grateful to you, for your thoughtfulness.

The productivity of UNDP over the past few years has been achieved through the efforts of a very dedicated staff and the cooperation of my colleagues in the System. For this, I am personally grateful to you. I look forward to working with you in the years ahead with renewed confidence and optimism. Again, my most sincere thanks for your kindness.

With highest esteem, and warmest personal regards and best wishes for a New Year of happiness and peace, I am,

Yours sincerely,

A handwritten signature in black ink, appearing to be 'Bradford Morse'.

Bradford Morse

Mr. A. W. Clausen
President
World Bank
1818 H Street, N.W.
Washington, D.C. 20433

RECEIVED

1984 JAN 23 AM 9:55

OFFICE OF THE PRESIDENT

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1984 JAN 23 AM 9:55

WORLD BANK OUTGOING MESSAGE FORM Cable, Telex

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UNDEVPRO, NEW YORK
BRADFORD MORSE, ADMINISTRATOR. WARMEST CONGRATULATIONS ON YOUR
CONFIRMATION TO A THIRD TERM AS ADMINISTRATOR OF UNDP. MY
COLLEAGUES AND I LOOK FORWARD TO CONTINUING THE CLOSE, USEFUL AND
PRODUCTIVE COLLABORATION WITH YOU AND YOUR ASSOCIATES THAT HAS
LONG CHARACTERIZED RELATIONS BETWEEN WORLD BANK AND UNDP. BEST
REGARDS, A.W. CLAUSEN.

END
OF
TEXT

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CLEARANCES AND COPY DISTRIBUTION:		AUTHORIZED BY (Name and Signature): A. W. Clausen	
		DEPARTMENT: EXC	
		SECTION BELOW FOR USE OF CABLE SECTION CHECKED FOR DISPATCH	

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

ONE UNITED NATIONS PLAZA
NEW YORK, N.Y. 10017

TELEPHONE: 906-5000

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: INT/83/005

9 September 1983

Dear Mr. Stern,

From the time in November 1982, when the Joint UNDP/World Bank Energy Sector Assessment Programme and Energy Sector Management Programme Progress Report was issued, substantial progress has been made towards meeting its substantive and financial requirements. Mr. Bharier and I made severally and jointly a number of visits to donor country capitals, which included a consultation with the EEC, as a result of which substantial commitments have been made to the programme both from multilateral resources of donor countries to the Energy Account and from their bilateral "earmarked" funds to developing "target" countries. Within the latter category CIDA of Canada is at present negotiating with us a total contribution of about C\$2 million to be applied to the Energy Assessment Programme to be used in target countries, and we have received from CIDA an indication that they would be prepared to consider up to C\$5 million for activities in the Energy Management Programme. Others who are considering tied contributions include France, Finland and Italy. Direct contributions already received by or committed to the Energy Account include the Netherlands, Norway, Sweden, Switzerland, Denmark and the United Kingdom. Other donor countries will, hopefully, join in 1984, and it is anticipated that those who have already made contributions will continue to make them in the future. Again, while I would hesitate to give precise figures until we have definite confirmations all around, I would estimate that the Energy Assessment Programme is well covered to carry out operations over the next eighteen to twenty-four months. Modest work has already been initiated in the Energy Management Programme and will be expanded at a steady rate. Although it is too early to make forecasts for the Management Programme, given the present climate of bilateral and multilateral aid, I would say that the strong support this programme has received from all sides, the prospects for funding appear to be not unfavourable.

Mr. Ernest Stern
Senior Vice-President, Operations
The World Bank
1818 H Street, N.W.
Washington, D.C. 20433

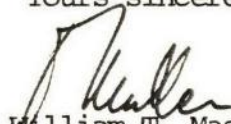


-2-

I thought that I should give you this brief, albeit incomplete account as seen by UNDP as I am sure you will have received reports from your own staff who are working in the programme. Moreover, I want to take this opportunity of informing you of the excellent co-operation between our staffs which has characterized this programme since its very inception. The quality and efficiency with which the work has been carried forward, on a timely basis, by the staff of the Bank is not only a matter of deep satisfaction to me but has found similar expressions of appreciation from a wide spectrum of agencies in the donor community, as well as from the developing countries themselves. I have had many expressions of appreciation, as well, from UNDP Resident Representatives in the field. Mr. Rovani, Mr. Bharier and all others who have worked with us cannot be too highly commended for their fine work and professionalism. More than that, we have formed the not inconsiderable by-product of personal friendship. All these elements put together have made this sometimes complicated and difficult undertaking a pleasurable one and, what is more important, a successful operation.

May I, therefore, express to you and through you to them, my sincere appreciation, coupled with the hope that in the coming years and with growing experience, the programme will reach its stated objectives. Last but not least, I would like to thank you for the very supportive role you have played in this joint endeavour.

Yours sincerely,


William T. Mashler
Senior Director

Division for Global and Interregional Projects

Mr. William T. Mashler
Senior Director
Division for Global and
Interregional Projects
United Nations Development
Programme
One United Nations Plaza
New York, New York 10017



Dear Mr. Mashler:

Thank you very much for your letter of September 9 concerning the Energy Sector Assessment and Management Programmes. We are of course very pleased indeed at the positive response by both developing and donor countries, and are particularly grateful for the financial support which you have been so instrumental in obtaining. We are also gratified to see that the Assessments Programme is moving along at an increasing rate, with twenty-one Blue Cover Reports issued to date and work on a further 30 countries planned to be completed or well advanced by the middle of 1984. By the middle of 1985, we expect that work will be substantially completed on more than the 60 countries originally envisaged under the Programme.

The success of the Assessments Programme makes it all the more important to ensure that there is effective and timely follow-up to the Assessment Reports by all concerned and that they help support to the fullest extent possible international cooperation as well as energy development in the recipient countries. In this context, we believe that the Joint Energy Sector Management Programme will play an important catalytic role. As you have noted, the Programme is already off to a promising start in terms of both financial support from donor countries as well as positive response to the Programme's early output. As you know, the Bank is strongly committed to the successful implementation of both the Energy Assessments and the follow-up Sector Management Programmes.

Following the current funding efforts, we will be reviewing the appropriate level of the Bank's contribution for the forthcoming fiscal year.

It is also with great pleasure that I note the effective collaboration that has taken place on these Programmes between you, your staff and that of the Bank's Energy Department. We all thank you for your compliments in this regard.

Finally, may I extend to you my appreciation for the role you have played personally in promoting the success of the Assessment and Sector Management Programmes.

Yours sincerely,

Ernest Stern
Senior Vice-President
Operations

bcc: Mr. Clausen ✓
Mr. Dherse

HEWackman:jrs

9-103

UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

ONE UNITED NATIONS PLAZA
NEW YORK, N.Y. 10017

TELEPHONE: 906-5000

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: INT/83/005

9 September 1983

Dear Mr. Stern,

From the time in November 1982, when the Joint UNDP/World Bank Energy Sector Assessment Programme and Energy Sector Management Programme Progress Report was issued, substantial progress has been made towards meeting its substantive and financial requirements. Mr. Bharier and I made severally and jointly a number of visits to donor country capitals, which included a consultation with the EEC, as a result of which substantial commitments have been made to the programme both from multilateral resources of donor countries to the Energy Account and from their bilateral "earmarked" funds to developing "target" countries. Within the latter category CIDA of Canada is at present negotiating with us a total contribution of about C\$2 million to be applied to the Energy Assessment Programme to be used in target countries, and we have received from CIDA an indication that they would be prepared to consider up to C\$5 million for activities in the Energy Management Programme. Others who are considering tied contributions include France, Finland and Italy. Direct contributions already received by or committed to the Energy Account include the Netherlands, Norway, Sweden, Switzerland, Denmark and the United Kingdom. Other donor countries will, hopefully, join in 1984, and it is anticipated that those who have already made contributions will continue to make them in the future. Again, while I would hesitate to give precise figures until we have definite confirmations all around, I would estimate that the Energy Assessment Programme is well covered to carry out operations over the next eighteen to twenty-four months. Modest work has already been initiated in the Energy Management Programme and will be expanded at a steady rate. Although it is too early to make forecasts for the Management Programme, given the present climate of bilateral and multilateral aid, I would say that the strong support this programme has received from all sides, the prospects for funding appear to be not unfavourable.

Mr. Ernest Stern
 Senior Vice-President, Operations
 The World Bank
 1818 H Street, N.W.
 Washington, D.C. 20433

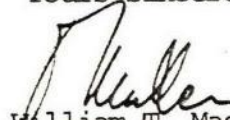


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I thought that I should give you this brief, albeit incomplete account as seen by UNDP as I am sure you will have received reports from your own staff who are working in the programme. Moreover, I want to take this opportunity of informing you of the excellent co-operation between our staffs which has characterized this programme since its very inception. The quality and efficiency with which the work has been carried forward, on a timely basis, by the staff of the Bank is not only a matter of deep satisfaction to me but has found similar expressions of appreciation from a wide spectrum of agencies in the donor community, as well as from the developing countries themselves. I have had many expressions of appreciation, as well, from UNDP Resident Representatives in the field. Mr. Rovani, Mr. Bharier and all others who have worked with us cannot be too highly commended for their fine work and professionalism. More than that, we have formed the not inconsiderable by-product of personal friendship. All these elements put together have made this sometimes complicated and difficult undertaking a pleasurable one and, what is more important, a successful operation.

May I, therefore, express to you and through you to them, my sincere appreciation, coupled with the hope that in the coming years and with growing experience, the programme will reach its stated objectives. Last but not least, I would like to thank you for the very supportive role you have played in this joint endeavour.

Yours sincerely,


William T. Mashler
Senior Director

Division for Global and Interregional Projects

THE WORLD BANK

ROUTING SLIP

Date

Oct.1/82

OFFICE OF THE PRESIDENT

Name

Room No

Mr. Benjenk

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

Please prepare reply for Mr. Clausen's signature, by October 6. Also, please note that Mr. Morse has tried to personalize this form ltr.

Roy

From



THE ADMINISTRATOR
UNITED NATIONS DEVELOPMENT PROGRAMME

R.1

cc:unc
10/

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A

23 September 1982

Dear Tom,

In accordance with the conclusions of the Interagency Consultations on the new Substantial New Programme of Action for the 1980s for the Least Developed Countries, (Geneva, 25-26 May, 1982), I am pleased to provide you with the enclosed tentative list of government focal points and an indication of the provisional timing for country review meetings.

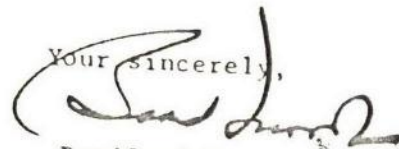
I should like to emphasize the tentative nature of most dates of country review meetings which are subject to change as a result of continuing consultations between UNDP and the respective LDC governments. We will provide you with a periodic update of these dates.

The list covers all LDCs, including LDCs which do not expect to call upon UNDP as lead agency for Round Table meetings. Thus, you will note that the World Bank is acting as lead agency for seven countries: (Bangladesh, Haiti, Nepal, Somalia, Sudan, Tanzania and Uganda), and that two countries (Chad and Yemen Arab Republic) have chosen different arrangements.

As you know, agency involvement in the preparation of Round Table meetings has been discussed extensively at the above-mentioned interagency consultations. As concerns the general policy, UNDP's approach is guided by Chapter III of the SNPA and, above all, the specific requirements of governments. This position has been communicated at the Interagency Consultations and is reflected in paragraphs 20 and 21 of its report. Concerning the operational aspects of the preparation of Round Table meetings, the UNDP Regional Bureau Director will continue to be in direct contact with you whenever a need for agency participation arises.

I look forward to our continued effective collaboration in support to the Least Developed Countries.

Your sincerely,



Bradford Morse

Mr. A. W. Clausen
President
World Bank
1818 H Street, N.W.
Washington, D.C. 20433

United Nations Development Programme
Tentative schedule of Country Review Meeting as follow-up to LDC/SNPA

LDC	Formal reply to Note Verbale of UNDP/UNCTAD of -Nov. '81	Government Focal Point	Consultative Mechanism/lead agency	Date of country review meeting
<u>AFRICA</u>				
Benin	-	-	Round Table UNDP	24-27 Jan 1983
Botswana	Yes Date	Not specified	(Continuation on-going bilateral exercises) UNDP	(May 1983)
Burundi	Yes	-	Round Table UNDP	(March 1983)
Cape Verde Islands	2 Feb.1982	Secretary of State for Co- operation and Planning	Round Table UNDP	Completed 21-24 June '82
Central African Republic	Yes Date	Ministere du Plan, de la Co-operation Internationale et des Statis- tiques.	Round Table UNDP	(Oct. 1983)

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LDC	Formal reply to Note Verbale of UNDP/UNCTAD of -Nov. '81	Government Focal Point	Consultative Mechanism/lead agency	Date of country review meeting
Chad	-	-	UN/OAU meeting on the re-construction of Chad; UNDP helps prepare documentation.	(March-April '83)
Comoros	Yes	-	Round Table UNDP	(March 1983)
Ethiopia	Yes	-	Round Table UNDP	(May 1983)
Gambia	-	-	Round Table UNDP	(First half 1983)
Guinea	Yes Date	Prime Minister's Office	Round Table UNDP	(March/April 1983)
Guinea Bissau	-	-	Round Table UNDP	(2nd quarter of 1983)
Lesotho	-	-	Round Table	(Sept. 1983)

/...

LDC	Formal reply to Note Verbale of UNDP/UNCTAD of -Nov. '81	Government Focal Point	Consultative Mechanism/lead agency	Date of country review meeting
Malawi	-	-	Round Table UNDP	(Second half of 1983)
Mali	-	-	Round Table UNDP	11-16 December 1982
Niger	-	-	Round Table UNDP	(Second half of 1983)
Rwanda	Yes Date	Ministerie des Affaires Etrangères et de la Co-operation	UNDP and "Commissions Mixtes"	1-4 December 1982
Somalia	Yes Date	Ministry of National Planning	World Bank Consortium	-
Tanzania	Yes 3 April '82	Ministry of Planning and Economic Affairs	World Bank Consortium	(Late 1982)
Uganda	Yes Date	Not specified	World Bank Consortium	(May 1982)
Upper Volta	-	-	Round Table UNDP	(April 1983)

/...

LDC	Formal reply to Note Verbale of UNDP/UNCTAD of -Nov. '81	Government Focal Point	Consultative Mechanism/lead agency	Date of country review meeting
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ASIA

Bangladesh	Yes Date	Ministry of Finance, External Resources Div.	Donor Consortium arrangement with World Bank	(April 1982)
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Afghanistan	Yes	Department of Foreign Economic Relations of the State Planning Committee	Asian Pacific Round Table Meeting for each country, at a common site with UNDP as lead agency	May 1983
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Nepal	-	-	Donor Consortium arrangement with World Bank	(December '81)
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Bhutan	Yes 20 April 1982	Economic Div. Ministry of Foreign Affairs	Asian Pacific Round Table Meeting for each country, at a common site with UNDP as lead agency	May 1983
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Laos	Yes 31 March '82	Ministry of Foreign Affairs	-ditto-	May 1983
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LDC	Formal reply to Note Verbale of UNDP/UNCTAD of -Nov. '81	Government Focal Point	Consultative Mechanism/lead agency	Date of country review meeting
Maldives	-	External Resources Section of the Ministry of Foreign Affairs	Asian Pacific Round Table Meeting for each country, at a common site with UNDP as lead agency.	May 1983
W. Samoa	-		-ditto-	May 1983
<u>LATIN AMERICA</u>				
Haiti	-	Secretariat of State for Planning	Joint Commission for External Co-operation Programmes in Haiti	(June 1982)
<u>ARAB STATES</u>				
Yemen Arab Republic	-	-	Second Yemen International Development Conference	April 1982
Democratic Yemen	-	-	(Possibly a Round Table)	(Mid 1983)
Sudan	-	-	World Bank Aid Consortium	(After July '82)

International Bank for Reconstruction and Development

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FROM: Vice President and Secretary

August 8, 1983

UNDP Governing Council

Attached for your information is a copy of the report, prepared in the International Relations Department, on the proceedings of the 30th Session of the Governing Council of the United Nations Development Programme, held in New York from June 6 to 24, 1983.

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REPORT ON
UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)

Governing Council -- 30th Session

New York, June 6-24, 1983

1. The UNDP Governing Council^{1/} held its 30th Session under a shadow cast by three developments:
 - (a) Last December, following the fourth successive conference at which the level of resources pledged to UNDP remained static at approximately \$700 million per year, the Administrator had reduced the Country Indicative Planning Figures (IPF's)^{2/} for 1982-86 to 55% of the level which had been established in 1981.
 - (b) In June 1982, the Governing Council had established an Intersessional Committee of the Whole to look at resources, program approvals, and other issues. It had met three times between September 1982 and April 1983, and its recommendations were before the Council.
 - (c) The Administrator, Bradford Morse, was incapacitated by illness which kept him away from the conference for much of the time, and limited his participation when he was present.
2. The focus of the Council's general debate was the recommendations of the Intersessional Committee of the Whole. These had been described by the Committee chairman as "modest but significant". Nevertheless, delegates reopened and re-examined many of them in ways that high-lighted divisions between developed and developing countries. In the end, the recommendations were substantially reaffirmed, although sometimes in rather diluted form. The highlights of the Council's decisions on the general debate were:

^{1/} The Council membership consists of 48 countries, elected for terms of three years, in accordance with a formula apportioning the seats among regions and national groupings; approximately one-third of the terms expire each year.

^{2/} UNDP's term "Indicative Planning Figures" and its abbreviation (IPF's) are used throughout this paper to refer to the target allocations which have been established for each developing country for the period 1982-86.

- (a) Regarding UNDP's Longer Term Resource needs, the Council called for (1) governments to "make their best efforts towards the maintenance of the real value of their contributions"; (2) an annual pledging conference with firm pledges for one year, and for those able to do so, indicative or tentative pledges for the following two years, expressed in SDRs, if governments so choose; and (3) informal consultations arranged by the Administrator among all participating governments prior to setting resource targets, with a view to setting planning levels consistent with the readiness of donors to contribute.
- (b) On measures to increase resources in the short term, all that emerged was an appeal that donor governments finding unspent resources in their bilateral aid programs at the end of the fiscal year, consider transferring these to UNDP. In addition, two governments, Italy and Switzerland, announced supplementary contributions to UNDP for 1983 (respectively, about \$2.0 million and \$2.4 million equivalent).
- (c) A recommendation that a program committee be established to look at country programs, projects and related matters proved unacceptable to developing countries and was rejected. Instead, the Council decided for a three-year trial period, that in the context of its regular sessions, it would resolve into a committee of the whole to consider programs, projects, and other matters relating to the substantive activities which UNDP finances. At issue is the extent to which the Governing Council will have a voice in program content. Many developing country speakers saw the question of program content as one for solely national determination. The issue proved highly troublesome and the compromise above was reached only as the Council neared its close and after lengthy and intensive negotiations.
- (d) The Council agreed to establishment of a small Central Evaluation Unit in UNDP, which had been recommended by the UN Joint Inspection Unit and proposed by the Administrator. Many of the developing country speakers had questioned it, however, and urged that evaluation be confined to that done at the country level.
- (e) The Council authorized UNDP to use its field offices and other facilities to provide substantive and administrative assistance in the implementation of bilateral aid programs in the countries in which it operates, where both donor and recipient countries requested. Donor governments would be charged the costs of any services provided.

The discussion of these issues took place primarily as part of the Council's "General Debate". A distinctive feature of this year's general debate was the frequent references to the World Bank.

- The Bank's expanded lending for Technical Assistance, totalling more than \$1.4 billion in CY82, is overshadowing the static level of UNDP's assistance (\$576 million in 1982) and raising questions on the appropriateness of UNDP's continuing to assert a coordinating role in Technical Assistance in many countries. W. U. B.
- An overwhelming number of participating governments responded very positively to references in the Administrator's opening statement to his meeting last December with Mr. Clausen, and to the arrangements being established for increased collaboration between the Bank and UNDP in a number of operational areas. He cited particularly steps to enhance UNDP's service role, through contracts with Bank borrowers for the implementation of technical aspects of certain World Bank loans.

One manifestation of support for this association of UNDP and the World Bank was the Governing Council's decision to budget an additional \$320,000 to support a continuation in 1984-85, of the training programs conducted by the Economic Development Institute for UNDP Resident Representatives and their deputies. Five such programs have been conducted to date; a sixth is scheduled for December. The additional allocation will provide funding for two additional courses.

In other actions, the Governing Council gave its approval to a number of country programs, changes in indicative planning figures and similar program and project matters. Details are set out in the annex.

Fund for Population Activities

The Governing Council, during its session, also sits as the Council for the UN Fund for Population Activities (UNFPA). In this capacity the Council had a report from the Executive Director, Rafael M. Salas, on UNFPA's 1982 activities and it endorsed his recommendations on the program levels for 1984 and later. The approval authority for 1984 will be \$138 million, down from the \$149 million level authorized for 1983.

In 1982, contributions to UNFPA totalled \$130.9 million, an increase of about \$5.4 million over 1981. Project allocations in 1982 totalled \$120.4 million, a decline of nearly \$11 million from the preceding year. Expenditures also declined from \$136.4 million to \$120.4 million.

Despite these declines, progress was achieved toward some of the goals and priorities previously established by the Governing Council:

- UNDP assistance in the area of family planning was raised to 40.5 percent of program allocations, compared to 31.7 percent in the year before, and the Executive Director said he expects even further increases in 1983.
- The resources going to the 53 designated "priority countries" rose to 69 percent, slightly exceeding the two-thirds goal which the Council had established.
- The allocations for intercountry programs dropped to 29.6 percent, compared to 34.9 percent in 1981. The Council's target in this area, 25 percent, is expected to be reached in 1984.

One of the more vigorously discussed items in the UNFPA debate was a report on the role that UNFPA should play in the area of contraceptive research and development. A key question in the debate concerned UNFPA's continued funding (at a rate of \$2 million annually) to WHO's Programme of Research, Development, and Research Training in Human Reproduction, including the research priorities of that program. The council approved the \$2 million annual funding level for four years, in principle, but also decided on an annual review by the Council based, inter alia, on available resources and a report on UNFPA's strategy for support of contraceptive research through all appropriate organizations.

In other approval actions, the Governing Council agreed to UNFPA assistance to the large scale country programs or projects for: Benin, Malawi, Niger, Thailand, Zaire and Zimbabwe; and authorized an additional \$3.5 million for a four-year contribution of UNFPA funding to various intercountry limographic research and training centers.

The Executive Director's report to the Governing Council also included a discussion of arrangements being made for the International Conference on Population to be held in Mexico City August 6-13, 1984. Mr. Salar will serve as Secretary General of that conference. He was able to report to the Council success in obtaining pledges from 21 governments for a total of more than \$1 million in extra-budgetary funds in support of the conference. Additional funding, to raise the total to \$1.5 million is now being sought.

Next Session

The 31st Session of the Governing Council will be held in Geneva, May 29--June 22, 1984. At that time, the major item on the agenda is expected to be the review of Indicative Planning Figures for the remainder of UNDP Third Programme Cycle (1982-86). Preliminary discussions during the just completed 30th Session indicate that efforts will be made by a number of governments to insulate, at least partially, the least developed and other very poor countries from the full effects of the general program cut backs that have had to be made because of UNDP's shortfall in resources. The effect of such a move, in the absence of significant additional resources, would be an even sharper cut-back in UNDP funds going to middle-income countries.

Program and Project Decisions of
UNDP Governing Council

Among the actions taken at its 30th session, on program, project and related matters, the Governing Council:

1. Approved new multi-year programs of technical assistance for 21 countries:
 - (a) Africa: Central African Republic, Chad, Equatorial Guinea, Ghana, Ivory Coast, Liberia, Uganda, United Republic of Cameroon;
 - (b) Arab States: Syrian Arab Republic;
 - (c) Asia and the Pacific: Iran, Kiribati, Niue, Sri Lanka, Tokelau, Tuvalu;
 - (d) Europe: Cyprus;
 - (e) Latin America: Belize, Columbia, Costa Rica, Nicaragua, Trinidad and Tobago;
2. Authorized the Administrator to approve assistance to projects submitted by the Governments of Lebanon and Swaziland until new country programs for these countries have been approved;
3. Extended through 1983 the previously approved country programs for Benin, Bolivia, and Suriname;
4. Noted the one year extension of country programs approved by the Administrator for El Salvador and Indonesia;
5. Noted the regional program for the Arab States, 1983-86, presented by the Administrator and the general arrangements for its implementation;
6. Approved supplementary assistance of \$850,000 for the global project, Increasing the Fixation of Soil Nitrogen and the Efficiency of Soil Water Use in Rainfed Agricultural Systems in the Countries of North Africa and Western Asia;

7. Took the following actions regarding the five year indicative planning figures (IPF's) for the countries indicated;
 - (a) Increased the IPFs for 1982-86 for the following countries in view of their designation as least developed countries: Equatorial Guinea, by \$1 million to \$12,750,000; Sierra Leone, by \$2.4 million to \$34.9 million; Togo, by \$1.8 million to \$23,500,000;
 - (b) Increased the IPF for 1982-86 for St. Kitts-Nevis from the currently set amount of \$1.3 million by \$695,000 to \$1,995,000, conditional upon actual accession to independence.
 - (c) Established a separate IPF for 1982-86 for Anguilla (previously included with St. Kitts-Nevis) in the amount of \$800,000.
 - (d) Declined a request from the Government of Liberia that it be accorded treatment as if it had been included in the list of "least developed countries." (Approval of the request would have meant an increase in Liberia's IPF, similar to those noted in sub-paragraph 7(a) above.
 - (e) Decided that for the smallest (mainly island) developing countries (i.e. those with a 5-year IPF of \$1.5 million or less) an exception should be made to the policy that overall resource shortfalls are to be distributed proportionately to all programs and recipients. For these small countries, the floor will be 80 percent of the established IPF compared to the reduction to 55 percent of established IPF currently in effect for other countries (see paragraph 1(a) of the Report).

VJRiley/js/rd

OFFICE MEMORANDUM

TO: Mr. Roy Southworth, EXC

DATE: March 30, 1983

FROM: James A. Lee, PASEN

SUBJECT: Invitation to Mr. Clausen from Mr. Bradford Morse, UNDP

1. You may recall that in 1981 the ten major multilateral development assistance institutions became signatories to a Declaration of Environmental Policies and Procedures. This declaration, in effect, harmonizes the environmental activities of those organizations with those of the World Bank. To give effect to the declaration, the Committee of International Development Assistance Institutions on the Environment (CIDIE) was established. Meeting annually, the Committee oversees the implementation of the declaration through a spectrum of activities designed to assist and strengthen the environmental programs of the institutions.

2. The 1983 meeting of CIDIE will be at UNDP headquarters in New York, May 31-June 3. Dr. Mustafa Tolba, Executive Director of the United Nations Environment Programme (UNEP) and Mr. Bradford Morse, Administrator of UNDP, will make short presentations and take part in the opening ceremonies. Mr. Morse, as host, has indicated he will telephone Mr. Clausen and invite him to participate. If Mr. Clausen's schedule permits and he wishes to accept the invitation, some appropriate remarks can be prepared. In the event Mr. Clausen cannot accept, he may wish to suggest a senior staff member to represent him.

JALee:on

If he means May 31,
AWC will be
en route from Japan/
home

WVP

April 4, 1983

Dear Brad:

Thank you very much for your letter on the "International Initiative for Global Interdependence" and the attached communique on the Vienna meeting last month of the Founding Committee.

My colleagues and I have been following with considerable interest the reports on this effort. All would concur that an intensive effort to create greater public understanding, leading to heightened political support for development-related issues, is very much in order. We applaud your initiative in getting this program underway.

I have noted also your intention to draw upon the work done within the United Nations system, and I can assure you of our full cooperation. As you know, the World Bank gathers considerable information, and does considerable research and analysis on subjects bearing on the work of your group, and we are prepared to share with you the results of this work, which may be relevant.

In short, your initiative has my full support, and I look forward to hearing further from you as the work of the "Initiative" develops.

Sincerely,



A. W. Clausen

Mr. Bradford Morse
Administrator
United Nations Development Programme
One United Nations Plaza
New York, New York 10017

cleared and cc: Mr. Vogl
cc: Mr. Burki

VJRiley/eb

THE WORLD BANK

ROUTING SLIP		Date	
		3/31/83	
OFFICE OF THE PRESIDENT			
Name		Room No.	
Mr. Benjenk			
Mr. Chateray		W. H. H. H.	
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<input type="checkbox"/>	Information	<input type="checkbox"/>	Recommendation
Remarks			
Would you please prepare a reply by April 6.			
Roy Southworth			
From			



THE ADMINISTRATOR
UNITED NATIONS DEVELOPMENT PROGRAMME

22 March 1983

168
Dear Tom,

From our extended discussions in the ACC, it has become apparent that there is no shortage of valuable ideas as to what must be done to help the world meet the enormous development-related challenges with which it is confronted, but that the lack of public understanding and political support at the national level have inhibited the progress which all of us would like to have witnessed.

Over the past several months, I have had a number of meetings with former Prime Minister of Japan, Mr. Takeo Fukuda, in his capacity of Chairman of an organisation created in 1982, the Global Committee of Parliamentarians for Population and Development. After extensive discussions, Mr. Fukuda and I concluded that an intensive effort to create greater public understanding which would lead to heightened political support for development-related issues would be in order. We thus decided to co-sponsor an initiative which would be centered around former heads of state and government who have universal respect, broad experience in national and international affairs, and a commitment to the solution of the challenging development-related issues which confront the world.

The Founding Committee of the undertaking, which for the time being has been designated the "International Initiative for Global Interdependence", met in Vienna on 7 - 9 March 1983, and I want to bring to your personal ... attention the communiqué which its participants adopted. As you will note, the aims of the Initiative are consistent with many of the objectives which we have indentified in ACC.

It is not the intention of the Initiative to produce a new report, but rather to take advantage of the relevant research and analyses which have been accomplished by many organisations, including, in particular, the various components of the United Nations system. The thrust of the Initiative is to bring to the personal attention of the present heads of government, responsible ministers, parliamentarians, business and trade

Mr. Tom W. Clausen
President
The World Bank
Washington, D.C. 20433

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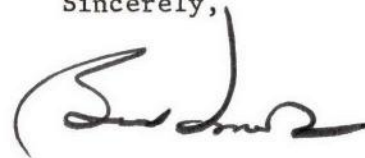
union leaders, concerned non-governmental organisations, and the media in both developed and developing countries approaches which can lead to progress on the critical development-related problems which threaten the world today. It is envisaged that the Initiative will become a process for the achievement of greater public understanding and political support for the solutions to these problems.

As you will note, former Secretary-General Kurt Waldheim was designated by the Founding Committee as Chairman of the Initiative, and I was asked to serve, in my personal capacity, as Secretary-General. You will note that the distinguished participants intend to draw upon the work done within the United Nations system over the years and, to that end, I will seek practical ways and means for effective communication so that your advice and suggestions on the work of the Initiative as it develops may be available to the former heads of government who will participate.

Unfortunately, for personal reasons, I will not be able to attend the Paris ACC meetings, but Mr. G. Arthur Brown, Deputy Administrator, who will represent the United Nations Development Programme, will be available to elaborate upon the Initiative and respond to your questions.

With highest esteem and warmest personal regards, I am,

Sincerely,

A handwritten signature in black ink, appearing to read 'Bradford Morse', written in a cursive style.

Bradford Morse

The Hofburg Palace,
Vienna

Wednesday, 9th March 1983

Org: English

Communiqué

A group of statesmen from both developed and developing countries meeting in Vienna have launched an international Initiative to contribute to the promotion of action on world peace and development. The participants who have held the highest responsibilities in their respective countries as Heads of State or Heads of Government have come together to originate this Initiative at the joint invitation of Mr. Takeo Fukuda in his capacity as Chairman of the Global Committee of Parliamentarians on Population and Development, and of Mr. Bradford Morse, Administrator of the United Nations Development Programme. The participants are as follows:

- Mr. Takeo Fukuda, Prime Minister of Japan from 1976 to 1979
- Mr. Manea Mănescu, Prime Minister of the Government of the Socialist Republic of Romania from 1974 to 1979
- Mr. Hédi Nouria, Prime Minister of Tunisia from 1970 to 1980
- Dr. Misael Pastrana Borrero, President of Colombia from 1970 to 1974
- Mr. Léopold Sédar Senghor, President of the Republic of Senegal from 1960 to 1980
- Dr. Kurt Waldheim, Secretary-General of the United Nations from 1972 to 1981

In addition, Dr. Helmut Schmidt, Chancellor of the Federal Republic of Germany from 1974 to 1982, although unable to attend the meeting, has agreed to participate in the Initiative and to endorse the conclusions of this first session.

Mr. Edward Heath, Prime Minister of the United Kingdom from 1970 to 1974, participated in the meeting and, as a Member of the Independent Commission on International Development Issues, the Brandt Commission, he outlined the conclusions of the Commission's most recent work.

At the conclusion of the meeting, the participants adopted the following communiqué:

"We have decided to undertake an Initiative as a result of our deep concern over the world situation as it is today, and as it may develop in the absence of effective international action. Having reviewed the serious political and economic difficulties and imbalances confronting the world community, and the resulting threats to economic and social progress and world peace, we wish to emphasize the urgency of initiating concerted action on major world development-related issues.

There is an evident need to encourage and preserve co-operation among nations at this time of tension and uncertainty in world affairs, when public opinion in many countries is preoccupied with immediate domestic problems. We find it regrettable that so many efforts to advance the cause of development have produced so little practical progress. We therefore intend that the Initiative shall concentrate on the implications and opportunities of international interdependence among nations, recognizing that new approaches and strategies are needed to promote world peace and development as a matter of vital and urgent common interest of all nations, developing and developed.

The numerous international meetings, studies and resolutions on world development issues have not resulted in political decisions and effective

action. The Initiative must therefore build on the base of analyses already conducted and efforts already undertaken in the United Nations and elsewhere, but it will focus essentially on stimulating action on major world development-related issues and on promoting changes in attitudes and conceptions of development.

During our meeting, we have been able to decide on specific steps to launch the Initiative. We have agreed to call together, later in 1983, a group of 20 or 25 former Heads of State or Government from all over the world, thus constituting an action committee to direct a continuing process of reflection, consultation and action, so as to intensify and broaden the international dialogue on major world development-related issues at the highest levels, and to clarify key issues where progress can be made. We have designated Dr. Kurt Waldheim, former Secretary-General of the United Nations to be Chairman of this group and Mr. Bradford Morse as Secretary-General of the Initiative. It is intended that this group of senior statesmen will be complemented by an informal network of eminent persons in the world political, intellectual and business communities and from non-governmental organizations, so as to ensure its proper linkage to ideas and efforts to promote peace and development throughout the world. Recognising that the ability of governments to act depends on the understanding and support of public opinion, we have also agreed to make arrangements to ensure the proper association of the press and media with the Initiative.

Through this Initiative, we will endeavour to propose realistic lines of action on specific issues, together with suggestions as to how governments, organizations and public opinion may be motivated and mobilized to support them. We will particularly need to seek innovative ways of communication and persuasion, and we have therefore decided that the proposals resulting from the Initiative shall be conveyed directly, through

a series of high level missions by the participants, to the capitals of key industrialized and developing countries.

We have also had a first exchange of views on the main issues for which, on an urgent basis, the plenary group should seek to develop action proposals. Among the issues raised, the following were given particular importance: the current depressed levels of economic activity and employment in the developed and developing countries; the imbalances and instability of the world monetary system and the external debt of the developing countries; diminishing flows of concessional and non-concessional resources to developing countries; the terms of trade between developing and developed countries and the impact of protectionism; the negative effects of the arms race and the expenditure of resources devoted to armaments on the prospects for world development; the implications of projected population growth in relation to food supplies, energy availability and to overall, longer term constraints on development. We also consider that the United Nations Organization can play a greater role in the solution of the major problems with which humanity is confronted.

To ensure a rapid start, we have, in addition constituted a small executive group to supervise the preparations and agreed on a budget to be raised from specific contributions to support the Initiative."

During its meeting in Vienna, the participants were received by Dr. Rudolf Kirchschräger, President of the Republic of Austria, Dr. Bruno Kreisky, Chancellor and Dr. Willibald Pahr, Foreign Minister who, underlining the importance attached by Austria to the issues of world development, conveyed the wishes of the Government and People of Austria for the success of the Initiative.

DEVELOPMENT INITIATIVE OF ELDER STATESMEN

As the oil crisis did ten years ago, the present critical situation of the world economy affects those countries most seriously, which are at their lowest state of industrial development. Unemployment rates of well over 30% and virtually unchecked external debt is, since a long time, a permanent situation for most of the young states mainly for those lacking raw materials. They must fail to understand the latter day hysteria, which gains currency in the western industrialized states when their standard of living threatens to stagnate at a level, which by itself must appear to the third world as a paradise-like, unreachable situation.

The developing countries, however, do not only suffer more intensely from worldwide economic problems, but in addition, also from restrictive measures of the industrialized world: increasing pressure on the prices for raw materials and high prices for manufactured and industrial goods. Even the Federal Republic of Germany, which after years with balance of trade deficits has reached a relatively comfortable position, has modified development assistance in such a way that it now resembles the long-standing practice of other industrialized countries. This policy is a mixture of export promotion under the humanitarian cloak and of financial assistance as bonus for appropriate foreign policy conduct by developing countries.

Such a policy geared towards national interest, must lead to a stronger dependence of developing countries and to a series of bankruptcies by states. To check this development, the United Nations now tries to launch an Initiative for a North-South dialogue by means of a conference of experienced former heads of State and Government in Vienna. It is not the intention to form a new Brandt Commission, but - using their conclusions and other analyses - to initiate a permanent dialogue, sensitive to current crisis, within the structure of the United Nations. Basically, it is an appeal to change the eyeglasses: national shortsightedness should be compensated by international farsightedness.

from: Sueddeutsche Zeitung,
Munich, Federal Republic of Germany
7 March 1983

BY NO MEANS SENIOR CITIZENS

Whenever one speaks about elder statesmen, the German-speaking ordinary citizen thinks of senior citizens giving advice without being capable of understanding present politics. Some others might as well think of some leadership body of communist regimes - known by the term "gerontocracy". That such connotations do not entirely apply to the term "elder statesmen" was proven by the meeting of former presidents and prime ministers, including the former Secretary-General of the United Nations, on Monday in Vienna. While it is up to them whether they will be able to introduce constructive elements into world politics, one conclusion can already be drawn: in today's world of complex and inter-related problems and dependencies, the community of states cannot afford to ignore an "armada" of former distinguished politicians. It is in that vein that one needs not specifically to wish success to the Vienna conference. The very idea is already a success.

from: Die Presse, Vienna
8 March 1983

OFFICE

Mr. Southworth

E-1227

EXR/MC/83-13

DATE February 23, 1983

TO Managing Committee
THRU: Mr. M.P. Benjenk
FROM Shahid Javed Burki, Director, IRD

EXTENSION 72407

SUBJECT Search by UNDP for Funding Formulae

Attached for the information of the Managing Committee is a memorandum that describes Brad Morse's efforts to find a more viable basis for financing UNDP. He is putting a great deal of political effort in getting his contributors to accept "negotiated replenishment" as the means for funding UNDP. If he succeeds in his efforts, there will be important implications for IDA.

Attachment

OFFICE MEMORANDUM

TO: Mr. S. Javed Burki, Director, IRD
DATE: February 15, 1983

FROM: Vincent J. Riley, UNDP/UN Operational Activities, IRD *VR*

SUBJECT: UNDP Governing Council Committee of the Whole -
Second Meeting, February 9 - 12, 1983.

1. The Inter-Sessional Committee of the Whole (ICW) of the UNDP Governing Council held its second meeting in New York, February 9-11. Douglas Lindores, of Canada, who was President of the Governing Council for 1982, is serving as Chairman.

2. The ICW was established by the Governing Council last June to explore ways to increase the flow of resources to UNDP, and make up for the deficiencies arising from the failure of voluntary contributions to reach the growth targets on which UNDP has based its country programme and indicative allocations for 1982-86. The assumed growth rate was 14 percent annually; actually, contributions have been essentially flat (even in nominal terms) since 1980. As a result country allocations have had to be cut to 55 percent of the planned targets.

3. The new Brandt Commission report had been published the day the ICW opened and the UNDP Administrator, Bradford Morse, took the opportunity to quote from the report. He noted:

"It refers to the United Nations agencies as "presently starved of funds." It speaks specifically of the United Nations Development Programme as having been "particularly hard hit." And it contains the specific recommendation, and I quote, "we urge the donor community to restore the funding of these agencies on an adequate basis."

4. Most of the debate in the ICW was on (a) short term and (b) long term funding mechanisms. In the short term, UNDP is seeking a "one-shot" contribution from donors, to overcome the most acute aspects of its cut-back. The Administrator and his senior staff have engaged in a vigorous effort to persuade governments to make such supplemental contributions. Only one country, Norway, has responded (with an additional \$10 million) but several others have indicated possible interest, at least if others go along. In what could be an important tactical break-through, ICW concurred in the Chairman's expression of intent to call a meeting of potential donors to which he would invite the DAC countries, and other countries with per capita GNP above \$3,000 (mainly eastern European states and oil exporters). That meeting is scheduled for Tuesday, February 15.

5. Unfortunately for UNDP, the support for a negotiated replenishment did not carry over to the search for a long term solution. The Administrator is convinced that in past years, organizations with negotiated replenishments (IDA, IFAD, the Regional Development Banks) have fared better than UNDP which depends on annual voluntary pledges. As part of the Administrator's initiative a considerable amount of data was assembled, and discussions were held with member delegations, to get support for a negotiated replenishment solution, but so far, to little avail. Particularly disappointing, from UNDP's point of view, was the almost total disinterest (and in some cases opposition) shown by third world states. G. Arthur Brown of Jamaica, UNDP Deputy Administrator, expressed concern (in an inter-agency meeting) that third-world countries had perceived this as a North/South issue, and in rejecting any innovation had ended up seemingly endorsing the existing voluntary system, that had recently served them so poorly. This resistance, coupled with the outright opposition of the U.S. and the U.S.S.R. and the "conditional flexibility" of all but a handful of other states, left UNDP facing the prospect of no change in its fund raising procedures. Nevertheless, the Chairman (Lindores) and UNDP are continuing an effort to find some acceptable formula for multi-year financing, negotiated among major donors, but not labeled "replenishment" (a word that seems to connote a system borrowed from other international organizations which have a different role to play). The Chairman's search for a formula will continue until the next ICW meeting in April.

6. The Governing Council also looked at ways to enhance UNDP's attractiveness to donors, by building up its "evaluation" capacity; by revising the Council's own work rules for looking at country programs, and by strengthening UNDP's public relations efforts. These proposals drew mixed responses, and only changes, that can be made without increasing the existing UNDP administrative budget, are likely to be included in the final report issued at the next ICW.

7. The next ICW meeting will be held in New York April 6-8. The report of that meeting will go to the regular meeting of the Governing Council in June.

cc: Regional Technical Assistance Officers
C. M. Southall, LEG
F. J. Lethem, PAS

1694

Summary notes on the meeting between Messrs. Clausen, Stern, Morse and Brown; December 10, 1982

12-21-82
A

1. The purpose of the visit by the Administrator and Deputy Administrator of UNDP was to suggest that arrangements should be made to promote enlarged cooperation between UNDP and the Bank, with more regular contacts between the senior staff of both institutions. Using the energy assessment exercise and the Technical Assistance (TA) loan to Jamaica as examples of successful cooperation, the visitors mentioned additional areas in which collaboration could be arranged. They indicated, for example, that the Bank and the Capital Development Fund administered by UNDP could work more closely together. Thirty to forty percent of the UNDP program went to the supply of capital goods rather than to technical assistance. There was room here for the Bank to increase its activities. Mr. Stern observed that the decision about the use of UNDP allocations was for governments to make. On a country basis, taking the example of Paraguay, the Bank and UNDP could plan and provide technical assistance in a more coordinated way, said Bradford Morse. The Bank could make more use of UNDP field staff and of UNDP expertise in identifying TA needs. UNDP was weak in economic policy analysis capacity and would like to have greater access to the Bank's output in that area.

2. Mr. Clausen replied that he was entirely in favor of increased cooperation, not of a rhetorical sort, but wherever it made sense operationally and was feasible. Anything that helped stretch the use of each available dollar was welcome. Mr. Stern said that if UNDP needed to see more Bank documents, in addition to what was already sent to UNDP Headquarters regularly, they should ask and the Bank would provide all it could.

*I'll follow!
Ray
12/14/82*

3. Bradford Morse appreciated the Bank's response and suggested that the next question was about the arrangements to be made so that enlarged cooperation could be put in place in line with the views of senior management. He would write to Mr. Clausen in a few weeks with suggestions. In the meanwhile, Ernie Stern and Arthur Brown would consult. Mr. Stern expressed the view that, at country level, Bank/UNDP cooperation worked well and that the same could be said, generally, for cooperation at the regional level. It was on the overview plane that better arrangements could be devised, he thought.

4. Arthur Brown asked how UNDP could cooperate with the Development Committee's Task Force on Concessional Flows, a sector in which UN had some experience to offer. He was told that the step to take would be to contact John Lewis, the Task Force chairman.

Distribution:

- Messrs. Clausen, Stern, Benjenk, Mrs. Boskey,
- Messrs. Burki, Riley, de Lusignan.

LP LPChatenay/sh
December 13, 1982

OFFICE OF THE PRESIDENT

1982 DEC 14 AM 11:39

RECEIVED

January 24, 1983

Dear Brad:

Thank you for your letter with the summary of the points covered in our meeting in December, which I found on my return from a trip. The summary well reproduces the exchange of views we had.

Concerning the proposed senior level working party, I agree that we should test such a system and see how it can help improve effective cooperation between our institutions. On the Bank side Mr. S. Shahid Husain, Vice President, Operations Policy Staff, assisted by Mr. Shahid Javed Burki, Director, International Relations Department, will lead the group. Mr. Husain will be able to have senior members of his staff join depending on the items to be discussed.

Many thanks for your good wishes which I am pleased to reciprocate.

With warm regards,

Sincerely,



Mr. Bradford Morse
Administrator
United Nations Development Programme
One United Nations Plaza
New York, New York 10017

Cleared with & cc: Mr. Husain
cc: Messrs. Stern

Benjenk
Chatenay

LPChatenay:dpw




THE ADMINISTRATOR

R1
Copies to Ernie and
Peter. A reply
is being prepared for
your return.
Roy
1/11/83

28 December 1982

112
Dear Tom:

It was good to meet with you, Ernie and Mr. Chatenay earlier in the month.

As agreed at our meeting, I am writing in connection with the next steps we may take following our discussion. 

I have attached our summary of the main areas covered at the meeting. I hope this accurately reflects what we discussed but if not, please let me know what amendments you would suggest.

I have thought about the working group which we will set up. On our side, we would propose one senior level person with extensive knowledge of both our field and headquarters organization, one senior level person dealing with policy and one dealing with the Capital Development Fund. I am, therefore, nominating Andrew Joseph, our Senior Assistant Administrator and Director of the Regional Bureau for Asia and the Pacific; Horst Wiesebach, Assistant Administrator and head of the Bureau for Programme Policy and Evaluation; and Galal Magdi, head of the Capital Development Fund.

As agreed, this group, when joined by your nominees, would report to Ernie Stern and Arthur Brown. Arthur will of course fully brief the UNDP side before the meeting.

continued/.....2

Mr. Tom Clausen
President
World Bank
1818 H Street
Washington, D.C. 20433

If the foregoing is agreeable to you, please let me know of the Bank's nominees in order that arrangements may be made for the initial meeting.

I am confident that even greater 'real' (to use your word) co-operation between the Bank and UNDP can be enormously productive in the discharge of our respective mandates.

With highest esteem and warm personal good wishes for the year ahead, I am,

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Bradford Morse', written in a cursive style.

Bradford Morse

RECEIVED

1983 JAN 11 AM 10:23

OFFICE OF THE PRESIDENT

1/11/83

[Faint handwritten signature]

10:23 AM

[Faint, illegible typed text, likely a memorandum or letter body]

Meeting at the World Bank
10 December 1982

Present: Mr. Clausen - President, World Bank
Mr. Stern
Mr. Chatenay
Mr. Morse - Administrator, UNDP
Mr. Brown

A

The object of the meeting was to explore the practical steps which might be taken to enhance closer collaboration between the Bank and UNDP. Mr. Morse reviewed the several areas in which the two Institutions were already working together such as energy, water, health, LDC Round Tables and Consortiums, etc.

The following were identified as areas in which both Institutions should examine whether and how best they could work together:

(a) The Bank, for various reasons, had greatly expanded its technical assistance financing and operations. How could UNDP be involved? In SAL lending, for example, there would be situations in which the Bank and the Government would find it advantageous to entrust implementation of the Technical Assistance component to UNDP. UNDP could assist the Bank in identification of Technical Assistance needs in a country particularly as in the country programming exercise more TA needs were identified than UNDP could finance.

(b) We should explore the possibilities of CDF and the Bank working together in the areas of relatively small scale (by Bank standards) projects not involving elaborate engineering and planning such as rural roads, small village water supplies, etc. CDF and the Bank could co-finance such projects and CDF could be made responsible for execution.

(c) UNDP was comparatively weak in such areas as economic research, overall economic and sectoral surveys whilst the Bank had large staff deployed in these areas. The Bank could help UNDP in giving access to unpublished papers in these areas. The Bank did not see any immediate objection to this.

(d) UNDP's field presence was worldwide and the Bank could make more use of the experience of the field offices by having a greater two way flow of information between Bank missions and the Field Offices.

/...

(e) Was it possible to have more staff exchanges on secondments, including secondment of Bank staff to UNDP field offices? No objection was seen to this.

(f) In those Technical Assistance projects with a high equipment component and in the case of projects financed by CDF, the Revolving Fund for Natural Resources, the Science and Technology Fund, was it possible for the Bank/IDA with the agreement of the Government and if Bank criteria are met to take over by loan financing the equipment component in these projects? This would have to be examined further as there are some areas, e.g. in the socialist countries where the equipment component in UNDP programmes was high but where Bank loans may not be available. In countries like India, it is unlikely the government would agree.

(g) The Bank was concerned about slow disbursements of its IDA loans. It might be possible by entrusting Technical Assistance components to UNDP to speed up disbursements here and in turn improve the administrative capacity of the country which would improve in turn its absorptive capacity. A closer working relationship with CDF as mentioned above would undoubtedly help where the projects were not complex ones.

(h) The enhancement of collaboration at the field should be matched by better collaboration at the Headquarters level. The Regional Bureau, in both organizations, had a good working relationship. These areas of collaboration should be topped off by a somewhat more structured senior level relationship. This could involve, for example, a small senior group meeting twice a year.

To examine in further detail the suggested areas of collaboration identified above and to identify any other areas, it was agreed that a small working group from both Institutions be set up at senior level. Other matters mentioned at the meeting were the following:

(i) UNDP was advised that if it wished to have a presence on the Task Force on concessional flows set up by the Development Committee, we should contact Mr. John Lewis, the Chairman of the Woodrow Wilson School, Princeton.

(j) Was it possible to influence the direction of concessional aid flows? This could be examined further especially as it is well known that bilateral flows favoured disproportionately a few selected countries.

(k) It was hoped that because of the success of the Bank/UNDP work in the field of energy that funds would be available to countries for the energy assessment programme and to expand this to include an energy management programme.

International Bank for Reconstruction and Development
FOR OFFICIAL USE ONLY

SecM82-950

FROM: Vice President and Secretary

November 22, 1982

JOINT UNDP/WORLD BANK ENERGY SECTOR ASSESSMENT PROGRAMME
AND ENERGY SECTOR MANAGEMENT PROGRAMME
A PROGRESS REPORT

Attached for information is a Progress Report on the Joint UNDP/World Bank Energy Sector Assessment Programme and Energy Sector Management Programme.

Distribution:

- Executive Directors and Alternates
- President
- Senior Vice Presidents
- Senior Management Council
- Vice Presidents, IFC
- Directors and Department Heads, Bank and IFC

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A Progress Report

The Joint UNDP/World Bank Energy Sector Assessment Programme and Energy Sector Management Programme

November 1982



During the past several years decision-making in the energy sector has become increasingly complex. Most of the nations of the world have had to allocate dramatically increased financial and human resources to tackling the problems resulting from higher energy costs. Even with some easing in the increase of international energy prices, most developing countries are still facing major difficulties in adapting to the heavy burden of high imported energy costs. The need and scope for increasing domestic energy supplies and improving the efficiency of energy use is substantial. Moreover, effective management and development of the energy sector has a major influence on the growth prospects of the developing countries. UNDP and the World Bank are committed to helping these countries achieve this, and this paper describes the work of our joint Energy Sector Assessment Programme--which diagnoses the problems and evaluates the options for dealing with them--as well as the progress we have made towards developing an Energy Sector Management Programme to assist countries in implementing the recommendations made by the Assessment Programme. We recognize that many industrialized nations have increased their bilateral efforts to address these problems, and we are being careful not to duplicate these efforts. However, to meet the growing number of requests by developing countries for assistance in this area a further concerted effort is required. In presenting the programmes outlined in this paper we encourage others to support us in expanding this major international effort.



A. W. Clausen
President
World Bank



Bradford Morse
Administrator
United Nations Development Programme

1. INTRODUCTION AND SUMMARY

By the end of the 1970s most developing countries found that they had to deal with new and massive problems of adjustment to higher world oil prices. However, decisions on the substitution of imported oil by cheaper indigenous resources or other types of imported fuels were by no means easy to make. There were great uncertainties about domestic energy resource potential, about the types of technologies which could be adopted for the production, distribution and use of different fuels, about the availability and cost of finance for energy resource development and the time required to prepare and implement appropriate projects.

Moreover, in most developing countries comprehensive energy sector management (if it existed at all) was in a rudimentary state. Basic information, for example, on demand patterns and growth, was poor, policy and investment analysis (particularly in the public sector) was weak and there was little policy interaction between the various users and producers of different types of energy. While many countries clearly needed to improve the efficiency of energy use there was little experience or technical capability in this area.

In response to this situation, the World Bank and the United Nations Development Programme in November 1980 jointly launched a ~~60-country Energy Sector Assessment Programme~~ designed to provide a rapid diagnosis of the major energy problems faced by the developing countries and an evaluation of the options for solving these problems. These assessments analyze the scope for changes in pricing, institutional and other policies for encouraging greater production from indigenous energy sources and greater efficiency in the use of energy; they assess the investment priorities in the energy sector; and they provide a framework for multilateral and bilateral technical assistance in the sector. The reports aim to help decision-makers in the developing countries address the more pressing energy problems confronting them in a systematic and realistic way. Furthermore, this contribution towards more effective decision-making in a highly capital-intensive sector will help lead to improved investment returns and less risk of errors in judgement and bad investments that can be so costly to the developing countries and the entire international community.

Since the Energy Sector Assessment Programme began, ~~eleven assessments have been completed~~, a further 13 are in various stages of preparation and 13 are planned to start in the next 12 months (see Table 1).

Table 1
The Joint UNDP/World Bank Energy Assessment Programme

Assessments completed since Nov. 1980	Assessments in progress	Assessments to start in the next year	Countries requesting assessments to date
Bangladesh	Bolivia	Benin	Barbados
Burundi	Fiji	Botswana	Belize
Haiti	Morocco	Cameroon	Bhutan
Indonesia	Nepal	Colombia	British Virgin Islands
Kenya	Niger	Ecuador	Comoros
Malawi	Nigeria	Ethiopia	Costa Rica
Mauritius	Peru	Mauritania	Cyprus
Papua New Guinea	Senegal	Portugal	El Salvador
Rwanda	Solomons	Seychelles	Grenada
Sri Lanka	Sudan	Somalia	Guyana
Zimbabwe	Turkey	Tanzania	Ivory Coast
	Uganda	Togo	Jamaica
	Zambia	Yemen A.R.	Korea, Republic of
6	6	7	Lebanon
			Lesotho
			Liberia
			Mali
			Malta
			Paraguay
			St. Lucia
			St. Vincent
			Thailand
			Upper Volta
			Uruguay
			Western Samoa

By the end of 1983 some 37 countries will therefore have been covered by the programme. The costs of these assessments have ranged from \$50,000 to \$250,000 per country (depending on the size of the country and the complexity of its energy sector) and the reports are being submitted to governments about eight months after the field missions. Each mission, which normally includes four to eight participants and stays in the country for up to one month, responds to a specific request from the government for advice on the energy sector and follows agreement with the government on the priority issues to be tackled. The Bank and UNDP have developed a staff capability for this purpose, and also call on a number of consultant technical specialists for assistance in carrying out the individual country assessments.

The response to the Assessment Programme has been strong and the number of requests to date from governments is currently more than the 60 originally envisaged and in excess of the present capability of the World Bank and UNDP to meet this demand. There is also ~~growing evidence that governments are making extensive use of the advice provided by the assessments.~~ 1/ Other sources of external assistance, both bilateral and multi-lateral, have generally been supportive of the Assessment Programme, and several have either contributed to the UNDP Energy Account for this purpose or indicated a willingness to do so. The assessment reports have begun to be used as a basic document for aid coordination meetings and they have also been useful to governments in the selection of priority projects for their investment programmes. Besides identifying priority sector investments, the assessments have identified various follow-up activities requiring further assistance, such as more detailed definition of energy technical assistance packages and specific assistance in energy efficiency programmes, support to indigenous energy planning and management capability in the countries concerned, rural and renewable energy programmes and institutional and manpower development for improved energy management. For this reason the UNDP and the Bank have recently made progress towards developing an Energy Sector Management Programme encompassing these activities. Further resources are required, however, before the formal operation and full potential of this programme in meeting the needs of the developing countries can be achieved.

2. THE PURPOSE OF THE ENERGY SECTOR ASSESSMENT PROGRAMME

The long-term objective of the Energy Sector Assessment Programme and the Energy Sector Management Programme is to assist countries in improving their energy situation and in establishing an indigenous capability to prepare and supervise all types of energy projects within the framework of an integrated and coherent energy sector development and management strategy. This capability cannot be developed quickly and this is reflected in the phased approach of these two programmes.

Thus, the immediate objectives of the Assessment Programme are to analyze the major issues in the energy sector of each country and evaluate the investment and policy options for dealing with these issues and to provide a framework for coordinating external technical and financial assistance for energy in each country. The vehicle for this process is the Energy Assessment Report.

1/ See section 5. The Results of the Assessment Programme

The objectives of the Management Programme are to improve policies, institutions, programmes and decision-making in the energy sector and to provide governments with timely and well-focussed assistance in response to their requests for help in implementing the immediate actions recommended by the Energy Assessment Report and in preparing the groundwork for other recommended studies and activities.

3. HOW THE ENERGY ASSESSMENTS ARE DONE

The energy assessment process has six principal stages designed to ensure thorough preparation and co-ordination of internal and external inputs and an effective review process. The purpose and scope of each stage is discussed below:

(a) Country selection

The energy assessment work responds to a request from the government. Since the number of requests for assessments has exceeded the capacity of the programme to handle them, the following criteria have been developed for selecting countries to be covered under the programme:

- (i) countries whose development is seriously constrained by their energy situation, and especially lower income countries whose net oil imports constitute more than 25 per cent of their commercial energy demand; and
- (ii) countries where governments are committed to resolving their energy problems and, where necessary, to introducing institutional, structural and policy changes.

Applying these criteria, a work programme for each year is arrived at through consultations between UNDP and the World Bank.

(b) Preparation

The preparation of a country assessment is initiated by a review of all available information on a country's energy sector with the aims of making a preliminary identification of the major issues in the sector and focussing further data-gathering and

analytical efforts to ensure that the assessment builds on, rather than duplicates, existing work.

(c) Reconnaissance Mission

Following the completion of the preparatory review, a short reconnaissance mission to the country is undertaken by the person designated to lead the full assessment mission which takes place about two months later. The purposes of the reconnaissance mission are to familiarize government officials with the assessment concept and process; to reach agreement on the priority issues, scope and depth of analysis needed; to confirm the government's commitment to the exercise and its follow-up; and to identify counterparts and initiate data collection.

(d) Assessment Mission

The assessment mission usually visits the country for up to four weeks and consists of 4-8 persons, including both World Bank staff and consultants. The composition of the mission reflects the priority issues that have been identified, though most missions include an energy economist, an electric power specialist, a rural and renewable energy specialist, a petroleum specialist and an energy efficiency engineer. Other technical specialists (e.g. refinery engineers, geologists, ethanol specialists) are called upon to join the mission when appropriate. Expert staff of other United Nations Organizations, Regional Development Banks and bilateral aid agencies have also been invited to participate in the missions. The mission team works in close consultation with country officials and is provided support as required by UNDP and World Bank field offices.

(e) Draft Report

The draft Energy Sector Assessment Report is sent to the country for review by the government and is then discussed in the country by the mission leader, accompanied by the UNDP Resident Representative and a senior member of the Bank's country programs staff over a period of 2-3 days. There are two major objectives for this discussion; first to obtain the government's views on the findings of the report and to consider suggested amendments before the report is issued; second, to

help the government draw up an agenda for action in the energy sector, to determine what external assistance the government may need, and to indicate the type of financial and technical assistance that may be available from the Bank and UNDP. Ideally, at the end of this discussion, there should be agreement between the government and Bank/UNDP staff on the programme of measures to be taken in the energy sector and steps to be taken to mobilize whatever external assistance is deemed necessary.

(f) Publication of the Report

The published report is sent to the government as well as to Executive Directors of the World Bank, Members of the UNDP Governing Council and bilateral and multilateral agencies dealing with energy to assist in mobilizing support needed for prompt implementation of the recommended programme of action in the country.

4. STAFFING AND FINANCING THE ASSESSMENTS

The resources required for each assessment are related to the size and complexity of the country. On the basis of experience, a small country with limited indigenous energy resources (e.g. Burundi, Mauritius) requires about 30 weeks of staff and consultant time, an average country (e.g. Kenya, Zimbabwe) 80 weeks and a large, complex country (e.g. Turkey, Indonesia) about 150 weeks. There are similar variations in the total costs of the missions; these (including travel and support staff costs) range from about \$50,000 to \$250,000.

Finance for the core programme of 60 country energy assessments is provided from two sources: the UNDP Energy Account which has currently allocated \$3.4 million over four years, 1981-84, and the Bank which allocates about \$1.5 million annually from its administrative budget as well as providing the essential expertise for the implementation and review of the work. The basic managerial, professional, assistant and support staff are located in the Energy Assessments Division of the World Bank's Energy Department, which receives support from the Bank's sub-sectoral and economic staff. In UNDP, the Division for Global and Interregional Projects is responsible for the management of the programme. It collaborates closely with the Energy Office and the Regional Bureaux of UNDP at all stages of report preparation and follow-up.

At the request of countries consideration has been given to mobilizing additional resources to accelerate the Assessment Programme and broaden it to cover more than 60 countries. Specifically, a Small-Country Assessment Programme, covering 16 countries and costing \$1 million over four years, has been proposed to interested donor agencies and one donor country has already agreed to finance, through the UNDP Energy Account, the first part of this programme.

5. THE RESULTS OF THE ASSESSMENT PROGRAMME

The coverage of the Energy Sector Assessment Reports is selective, reflecting inter alia, the importance of particular issues in the country concerned and the availability of information. Generally, the reports evaluate and make recommendations on:

- (i) the evolution of energy demand for commercial and non-commercial energy;
- (ii) the present and potential supply of commercial and non-commercial energy;
- (iii) the present and forecasted energy balance;
- (iv) energy prices, taxes and subsidies;
- (v) energy sector organization and institutions;
- (vi) energy conservation and demand management; and
- (vii) the investment and technical assistance requirements of the energy sector.

In most countries it has emerged that a single major issue overshadows many of the others. In Indonesia, for example, it was noted that if the subsidy on kerosene could be removed many of the other energy problems could be handled more easily; in Haiti, a large reforestation programme could alleviate problems in agriculture and transport as well as energy; in Zimbabwe, many decisions rest on the viability or otherwise of reopening a mothballed refinery; in Sri Lanka, the priority is a broad-based, effective energy conservation programme; in Mauritius, the more efficient use of bagasse for power generation could dramatically reduce the oil import bill. But even if the importance of the major issue had been clearly recognized by the government concerned, there was often insufficient commitment, staff analysis or financial resources devoted to deal fully with it. The assessment process has

generally served to strengthen the first of these and suggest ways of improving the second and third.

In most countries also it has become apparent that there is a lack of integration between the policies and programmes of the various energy subsectors (power, petroleum, coal, traditional fuels, etc.) as well as between the energy sector and other sectors. This is mainly the result of institutional fragmentation in an area where decisions are now closely inter-related. The Assessment Reports' recommendations on strengthening national energy planning institutions have varied widely in accordance with the capabilities of existing institutions in the country. For example, in Indonesia the recommendation was for an inter-ministerial commission supported by a Secretariat, in Malawi for an energy planning unit in the Economic Planning Division, and in Kenya for a strengthened Ministry of Energy. In Burundi and Rwanda the mission felt that emphasis should be placed on sub-sector planning and policies rather than on overall energy planning.

As the Assessment Programme has evolved it has become clear that the efforts required to develop a diagnostic approach in the energy sector had been underestimated in some areas. The largest of these areas is rural energy; while this has been discussed briefly in all the Assessment Reports, it was not until the work was actually started in the field that the real magnitude of the effort required was realized. A second area is energy conservation; much of the assessments' contributions to this problem have focussed on specific energy-intensive industries and/or general energy pricing policies, whereas it is now apparent that much more work is required on, for example, overall strengthening of institutions and national policies and programmes, loss reduction in electric power, energy savings in transport and buildings and energy audit programmes for small industry. A third area is the analysis of the energy investment programme; each report develops priorities for investment in the energy sector but so far has not quantified the contribution of each investment to solving the overall energy problem. A fourth area is the assessment of manpower and training needs in the energy sector and the articulation of an appropriate strategy for ensuring that the necessary skills are available to manage the sector and design and operate modern facilities used in the development and use of indigenous energy resources. In addition, more work needs to be done in developing the Assessment Reports' recommendations on institutional and management strengthening into a well-defined programme of action that will lead to the kind of indigenous energy planning and sector management capability which was initially envisaged as the ultimate objective of the Energy Sector Assessment Programme. For this reason the UNDP and the World Bank are developing a series of assessment follow-up activities collectively known as the Energy Sector Management Programme.

6. THE ENERGY SECTOR MANAGEMENT PROGRAMME

From the start of the Energy Sector Assessment Programme it has been obvious that mechanisms would have to be developed to assist governments to implement effectively the recommendations of the reports. Full consideration of these mechanisms was postponed until it had been demonstrated that a satisfactory process had been established for the preparation of Energy Assessment Reports, that the reports were timely and well-focussed on priority issues and that they made practical recommendations for further action in the energy sector.

Experience shows that the governments in countries that have had energy assessments have used these reports to clarify their sector strategy and prepare solutions to major problems. While donor agencies have demonstrated a willingness to contribute resources to implement specific investment or technical assistance projects, governments have requested the UNDP/Bank's continued assistance in providing independent and objective policy and programme advice and support after the Assessment Report has been completed.

The Energy Sector Management Programme which is being developed by the UNDP/Bank would comprise four major inter-related activities:

1. Energy Management Assistance Programme

This programme would enable the government to draw on Bank and/or UNDP resources, basically the same expertise as has been used in the assessment process, to help it develop the capability to effectively manage its energy sector and co-ordinate external assistance. If the government so requests, the process of helping the country could include:

- (a) defining the specifics of technical assistance and pre-investment activities, including, e.g., the objectives, work plan and required inputs for both the government and external contributions in a format the government can use in discussion with official bilateral and multilateral financing agencies or with interested private investors;
- (b) helping the government identify sources of finance, both public and private, for each of the follow-up activities identified during the assessment. This can include participating in meetings of aid consultative groups or UNDP Round Tables for the least developed countries, arranging special meetings or seeking financing through bilateral discussions with individual financing agencies;

- (c) assisting the government in developing a medium-term investment plan and an associated portfolio of project profiles for the major projects;
- (d) assisting the government in improving its capacity for sector management through technical advice and support for the country's energy planning and management organization; technical assistance for establishing and maintaining an appropriate energy data base, and definition, preparation, supervision and review of selected pre-feasibility studies.

Given the number and urgency of requests already received from governments, the UNDP/Bank have already begun to assist in a variety of ways, drawing on a limited amount of funds reallocated from the other UNDP/World Bank activities. For example, assistance is being given to the government of Bangladesh to help draw up a medium-term energy investment plan; in Mauritius assistance has been provided for drawing up the terms of reference and mobilizing funds for an Energy Technical Assistance Project (to be financed jointly by UNDP and the UK and executed by the Bank); and in Haiti assistance is being provided to help prepare for a donors meeting for the energy sector. In Niger, additional funds made available by the UN Sudano-Sahelian Office have financed a resident Energy Adviser in Niamey who is participating in the energy assessment and its follow-up and is giving day-to-day guidance to the government. A growing file of requests from other governments for such assistance now exists but cannot be financed from existing resources.

Full and formal operation of the Energy Management Assistance Programme--based on the estimate that the equivalent of about one year of expert services and associated travel and support will be required for each of 12 countries to be covered each year--implies additional financing amounting to \$1.5 to \$2.0 million annually.

2. Energy Efficiency Programme:

The Energy Sector Assessment Programme has identified an increasing list of developing countries where improvement in the efficiency of energy use has substantial potential and high returns and therefore deserves high priority in their energy planning efforts. The following matrix gives a tentative indication of the type of work likely to be requested in each country.

Energy Efficiency Program (1983-86)

<u>Country</u>	<u>Technical Assistance</u>			<u>Power Losses</u>	<u>Pre-Feasibility Studies</u>	
	<u>General</u>	<u>Industry</u>	<u>Transport</u>		<u>Industry</u>	<u>Transport</u>
Bangladesh		x		x	x	
Bolivia		x				x
Burundi/Rwanda				x		
Haiti				x		
Indonesia	x	x		x	x	x
Kenya		x		x	x	
Malawi		x			x	
Morocco	x	x			x	
Nepal				x		
Niger				x		
Pakistan				x		
Papua New Guinea				x		
Peru	x	x	x		x	
Turkey	x	x		x	x	
Senegal		x		x		
Sri Lanka	x	x	x	x	x	
Zambia		x		x	x	
Zimbabwe		x		x	x	

An Energy Efficiency Programme has therefore been designed which would include:

- (a) assistance to governments in the establishment of a national energy efficiency capability, including manpower development and institutional strengthening, the development of appropriate policies and programmes for managing energy demand and the implementation of energy audits in the industrial, transport and other sectors with the objective of identifying energy savings opportunities and providing recommendations for achieving these.
- (b) assistance in preparing pre-feasibility studies of potential energy saving investments in economic subsectors where energy saving potential has already been identified. This includes a preliminary survey of the subsector to pinpoint the most promising energy conservation investment projects and the preparation of technical and economic pre-feasibility

studies leading to the preparation of energy conservation investment projects for implementation by the appropriate financing sources.

- (c) Power System Loss Reduction Project. This project, for which preparatory work started in 1982, would identify and quantify efficiency improvement requirements in electric power systems in some 15 to 20 countries which are willing to take steps to effectively reduce power system losses. Individual system improvement projects would be identified and subsequently prepared to the point where they would be suitable for financing by the World Bank, UNDP or other multilateral and/or bilateral institutions. Finance of the preparatory work (\$250,000) in 1982 was from the UNDP Energy Account.

In total it is estimated that the Energy Efficiency Program will require a budget of about \$19 million over 4 years, growing from \$3.0 million in 1983 to \$5.5 million in 1986.

3. Rural/Renewable Energy Pilot Programme:

The energy assessment missions have confirmed the long-term potential of new and renewable energy sources in a number of developing countries, but have also emphasized the need in many countries for help in establishing better institutions, policies and practical programmes to develop more effectively the potential in this area, particularly in the rural sector. A variety of pilot projects has been identified and these need to be implemented before major investments can be made in renewable energy supply and conservation. These projects are relatively small-scale (\$50,000 to \$250,000 each) but heavy staff inputs are required for their preparation and supervision. While many donor agencies have expressed interest in providing funds for the projects themselves a mechanism is needed by which expert preparation and supervision resources can be provided to assess the performance of pilot projects and identify their investment potential, as well as to develop the necessary skills in the country to continue with this work. The proposed Rural/Renewable Energy Pilot Programme is designed to meet this need. It will neither duplicate the work of other agencies active in the field nor cover activities not directly flowing from the Assessment Programme, but will provide a focus for rural/renewable energy activities as well as a means of ensuring that experience gained in pilot projects is disseminated to all concerned countries. The criteria for involvement in specific pilot projects will be the existence of (or commitment to) an appropriate institutional framework and a clear indication that the pilot project and its potential follow-up investment will be included as part of a national programme.

There are eight major areas which have been identified for pilot projects in the rural/renewable energy field and the following matrix shows which are tentatively expected to be required in 20 countries already covered by the energy assessment programme:

	Indonesia	Kenya	Morocco	Burundi	Rwanda	Zambia	Zimbabwe	Haiti	Papua New Guinea	Bolivia	Sri Lanka	Turkey	Bangladesh	Malawi	Fiji	Nepal	Senegal	Niger	Nigeria	Peru
Improved stoves and kilns	x	x	x	x	x	x	x	x			x	x	x	x	x	x	x	x	x	x
Wind pumps			x			x	x				x				x					
Solar crop-driers		x	x	x	x	x	x			x	x		x		x		x	x		
Solar water-heaters		x							x	x					x		x	x		
Micro-hydro						x	x		x	x				x						x
Peat for domestic use				x	x												x			
Biomass for power/heat	x							x	x	x			x		x			x	x	x
Biogas							x						x							

The funds required for this programme will increase as the number and pace of pilot projects increases over time. On the basis of experience of such projects (e.g. in Bangladesh, where pilot projects are being based on a special Rural Energy Assessment Report) it is estimated that the requirements will grow from \$1.0 million in 1983 to \$3.0 million in 1986.

4. Manpower and Institutional Development Programme

The Assessment Programme and other work done by various UN agencies and the World Bank have identified a critical need for strengthening manpower and institutional development in the energy sector. Most of the agencies and institutions in the sector suffer from a shortage of adequately trained policy-makers, managers, analysts, planners, and technicians which, together with organizational and other managerial shortcomings acts as a major constraint on effective development of the sector. Various agencies have made initiatives to address these problems (e.g. UNDP, ILO, the Bank's Economic Development Institute), but more effort is needed, specifically targeted to energy sector problems as identified in the assessment work. The other components of the Energy Sector Management Programme will address these problems in their relevant areas (sector management, energy efficiency, rural/renewable energy), and this integrated approach will be the most effective way

to address certain specific training and institutional development needs. However, there are some types of needs that will not be fully covered in this way, and a supplemental manpower/institutional program is therefore required.

Often this activity will include a more intensive diagnosis of the manpower and institutional development needs of a country's energy sector than is possible under the assessments. This further work will then serve as a basis for determining the best ways to meet the most critical needs in a particular case. Some of the approaches include:

- diagnoses, generally by outside consultants, of organizational/managerial/manpower problems in key sector institutions with recommendations and preparation of terms of reference for further implementation programs
- in-country training programmes to meet specific specialist needs (energy planning, energy economics, finance, technical specialities)
- workshops and seminars involving technical experts from various developing countries to exchange ideas and experience
- overseas training courses in various specialities (technical, economic, etc.)
- overseas secondment of key individuals to foreign energy sector institutions and financing agencies
- diagnoses of training/educational institutions and programmes in the country concerned

It is envisaged that this type of training and institutional work, supplemental to the training element in other components of the programme, will be needed in five to ten countries per year and require about \$0.5 million annually.

7. ESTIMATED FINANCIAL REQUIREMENTS

Table 2 summarizes the tentative estimates of financial requirements for the CY1983-86 period for both the Energy Sector Assessment Programme and the Energy Sector Management Programme.

Table 2
Estimated Financial Requirements
1983-86
(\$ million in 1982 prices)

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>Total</u>
<u>Energy Sector Assessment Programme</u>					
60-country base programme	2.50*	2.50*	2.50	2.50	10.00
16-small country programme	0.25**	0.25**	0.25	0.25	1.00
	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>11.00</u>
<u>Energy Sector Management Programme</u>					
Energy Management Assistance Programme	1.50	1.50	2.00	2.00	7.00
Energy Efficiency Programme (industry, transport and major energy-using sectors)	3.00	5.00	5.50	5.50	19.00
(Power Loss-Reduction Project)	(2.00)	(3.50)	(3.50)	(3.50)	(12.50)
Rural/Renewable Energy Pilot Programme	(1.00)	(1.50)	(2.00)	(2.00)	(6.50)
Manpower and Institutional Development Programme	1.00	1.50	2.50	3.00	8.00
	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>0.50</u>	<u>2.00</u>
	<u>6.00</u>	<u>8.50</u>	<u>10.50</u>	<u>11.00</u>	<u>36.00</u>
 TOTAL	 <u>8.75</u>	 <u>11.25</u>	 <u>13.25</u>	 <u>13.75</u>	 <u>47.00</u>

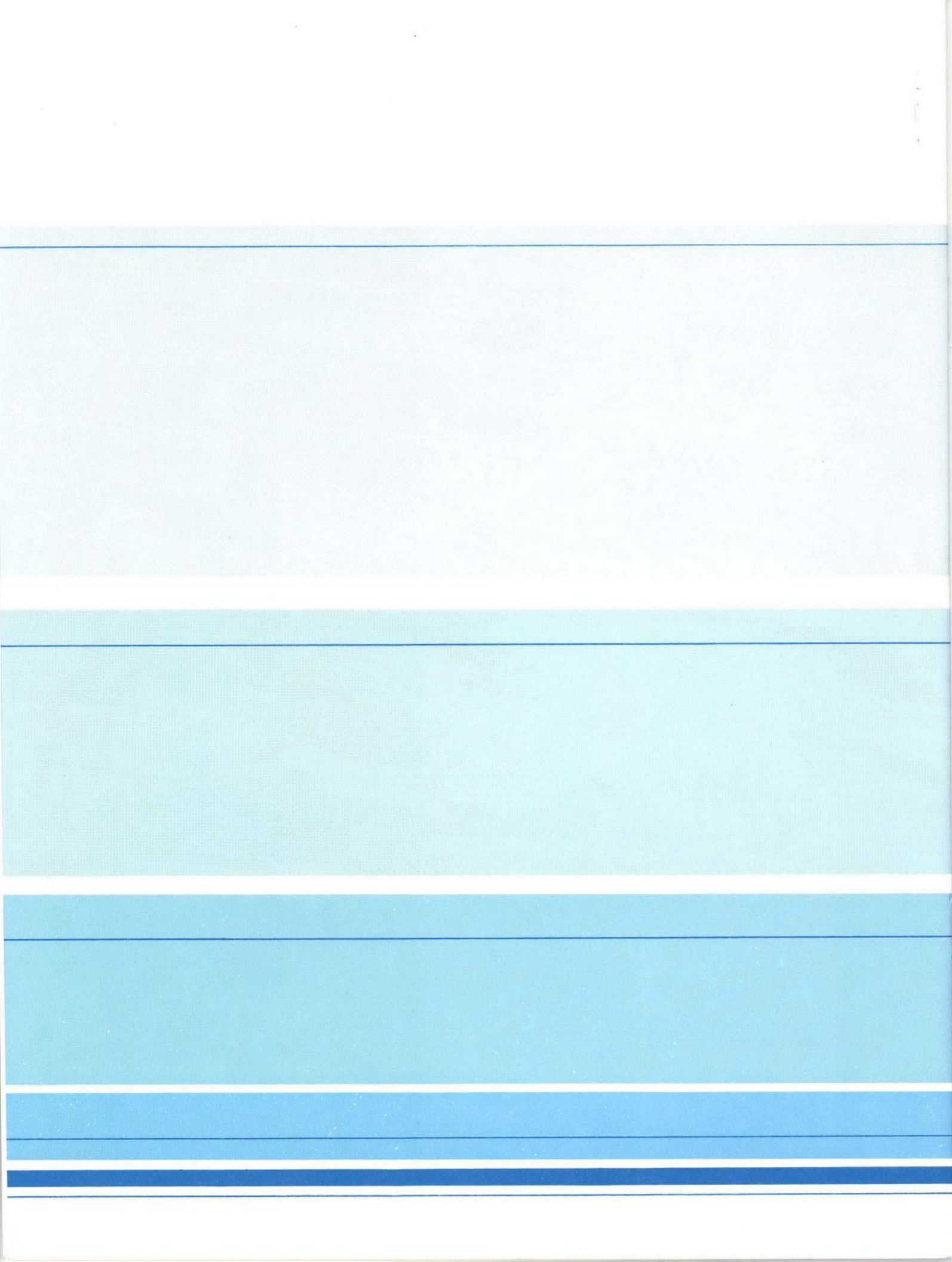
* Funds committed by UNDP/World Bank

** Funds promised by a donor country

Funds for the next two years of the Energy Sector Assessment Programme have been committed by UNDP and the World Bank. To date, however, funds for the rest of the work have not been committed, although various donor agencies have indicated their interest in financing parts of these programmes. Further information on each of the component parts of programmes is available and can be obtained from either

Division for Global and
Interregional Projects
United Nations Development
Programme
One United Nations Plaza
New York, N.Y. 10017

Energy Assessments Division
Energy Department
World Bank
1818 H Street, N.W.
Washington, D.C. 20433



Copy to AWC
12/14/82

1694

Summary notes on the meeting between Messrs. Clausen, Stern,
Morse and Brown; December 10, 1982

1. The purpose of the visit by the Administrator and Deputy Administrator of UNDP was to suggest that arrangements should be made to promote enlarged cooperation between UNDP and the Bank, with more regular contacts between the senior staff of both institutions. Using the energy assessment exercise and the Technical Assistance (TA) loan to Jamaica as examples of successful cooperation, the visitors mentioned additional areas in which collaboration could be arranged. They indicated, for example, that the Bank and the Capital Development Fund administered by UNDP could work more closely together. Thirty to forty percent of the UNDP program went to the supply of capital goods rather than to technical assistance. There was room here for the Bank to increase its activities. Mr. Stern observed that the decision about the use of UNDP allocations was for governments to make. On a country basis, taking the example of Paraguay, the Bank and UNDP could plan and provide technical assistance in a more coordinated way, said Bradford Morse. The Bank could make more use of UNDP field staff and of UNDP expertise in identifying TA needs. UNDP was weak in economic policy analysis capacity and would like to have greater access to the Bank's output in that area.


2. Mr. Clausen replied that he was entirely in favor of increased cooperation, not of a rhetorical sort, but wherever it made sense operationally and was feasible. Anything that helped stretch the use of each available dollar was welcome. Mr. Stern said that if UNDP needed to see more Bank documents, in addition to what was already sent to UNDP Headquarters regularly, they should ask and the Bank would provide all it could.

3. Bradford Morse appreciated the Bank's response and suggested that the next question was about the arrangements to be made so that enlarged cooperation could be put in place in line with the views of senior management. He would write to Mr. Clausen in a few weeks with suggestions. In the meanwhile, Ernie Stern and Arthur Brown would consult. Mr. Stern expressed the view that, at country level, Bank/UNDP cooperation worked well and that the same could be said, generally, for cooperation at the regional level. It was on the overview plane that better arrangements could be devised, he thought.

4. Arthur Brown asked how UNDP could cooperate with the Development Committee's Task Force on Concessional Flows, a sector in which UN had some experience to offer. He was told that the step to take would be to contact John Lewis, the Task Force chairman.

Distribution:

Messrs. Clausen, Stern, Benjenk, Mrs. Boskey,
Messrs. Burki, Riley, de Lusignan.

 LPChatenay/sh
December 13, 1982

1982 DEC 14 AM 11:39

RECEIVED

1982 DEC 14 AM 11:39

OFFICE OF THE PROSECUTOR

Dear Sir:

Reference is made to your letter of December 10, 1982, regarding the above captioned matter. The enclosed copy of the report of the investigation conducted by the Office of the Prosecutor on December 10, 1982, is being furnished to you for your information. The report indicates that the information provided to the Office of the Prosecutor is consistent with the information provided to the Office of the Prosecutor on December 10, 1982.

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Very truly yours,

John J. ...

Handwritten mark or signature

OFFICE MEMORANDUM

TO: Mr. A. W. Clausen

DATE: December 8, 1982

FROM: Shirley Boskey, Acting VPE *SB*SUBJECT: Meeting with Bradford Morse, December 10

1. You will be meeting with Bradford Morse, Administrator of the UN Development Programme (UNDP), at his request, on Friday, December 10, at 9:30. Mr. Morse will be accompanied by Arthur Brown (Jamaica), Deputy Administrator. Morse was told by Mr. Weisebach, an Assistant Administrator of UNDP, who was at your luncheon with the Secretary-General, that you had said you had several times tried to meet with him (Morse) but that your respective schedules did not coincide. That is one reason for the Friday appointment, but he also wants to talk about ways in which UNDP and the Bank can increase their cooperation, in addition to Bank activity as Executing Agency for UNDP-financed pre-investment projects.

2. It is likely that Morse will refer to present cooperation in the energy field. The Bank's Executive Directors were recently given a progress report, over your and Morse's signatures, on the joint UNDP/Bank energy sector assessment and management programs. *attached* The Bank and UNDP agreed two years ago to embark on a 60-country energy sector assessment program to identify the major energy problems faced by developing countries and to evaluate the options for dealing with them. At the time of the report (November), 11 assessments had been completed, 13 were under way and 13 more were planned to begin in the next 12 months. UNDP has allocated \$3.4 million for the program over 1981-84; the Bank contribution is about \$1.5 million a year, exclusive of staff time. The energy sector management program is intended to help governments implement the recommendations of the assessment program. Both programs have received wide support, and the number of assessment requests from governments is more than the 60 initially planned. The funding requirements for the management program are estimated at some \$36 million; these resources are being sought.

3. Morse may also refer to cooperation in the follow-up to the Least Developed Countries Conference of September 1981. *attached* The Program adopted by the Conference calls for strengthening and broadening of existing consultative mechanisms, such as the Bank CGs and UNDP round tables, and left it to individual least developed countries to establish suitable new consultative arrangements where none existed. A number of the least developed countries (there were 31 at the time of the Conference; five more will be added by the current UN General Assembly) have opted for UNDP round tables; despite our public offers to consider new requests for CGs, the Bank has received none since the Conference. It is, however, helping UNDP to organize round tables; we have given UNDP relevant economic and other reports;

UNDP staff have visited the Bank to profit from its CG experience and to learn about Bank programs for the countries in question. Bank staff have agreed to review and comment on draft documentation prepared for the round tables.

4. There has recently been an example of Bank/UNDP cooperation which Morse and Brown would like to see replicated. In March, the Bank made a \$6 million technical assistance loan to Jamaica, in support of a structural adjustment loan. The government then contracted with UNDP's Office of Projects Execution to help it arrange for the requisite technical assistance. UNDP, like other parts of the UN system, would like to play a larger role in implementation of Bank-financed technical assistance, particularly under free-standing technical assistance loans, as distinguished from the technical assistance components of project loans. The Bank encouraged Jamaica to look to UNDP in the case referred to and there may well be other instances in which such an arrangement may likewise be appropriate.

5. Very likely there will be mention of UNDP's financial difficulties. UNDP is financed by voluntary contributions, pledged annually (although programmed by UNDP on a five-year cycle). UNDP's Governing Council some years ago instructed the Administrator to plan on the basis of a 14% annual increase in contributions, but in fact since 1979 contributions have remained level or have declined in nominal terms each year. In real terms, they have dropped drastically. Because of past shortfalls, governments have been planning their programs for the next 5-year cycle (1982-86) on the basis of only 80% of Indicative Planning Figures (IPFs: UNDP's term for allocations to individual governments) established in 1980. However, the outcome of the pledging conference last month was such that governments have since been told that they should plan on the basis of only 55% of the 1980 figures. UNDP will be faced with allocation problems similar to those of IDA, and expects that the least developed countries will mount a campaign against pro rata reductions across the board; they will demand a preference. This will present UNDP with problems in Latin America, since in that region only Haiti is in the least developed category. UNDP's situation is complicated by the fact that pledges are made primarily in national currencies, while more than 80% of UNDP expenditures are made or denominated in dollars. Thus, exchange rates have affected UNDP adversely: even where pledges have increased in nominal terms over those of the previous year, they have often been less when translated into dollars. The strengthening of some of the major currencies against the dollar since the pledging conference has improved the situation somewhat but the vulnerability remains. Mr. Brown, who was here earlier this week to take part in the EDI course for UNDP Resident Representatives (the fourth of five), met with Bank staff to discuss possibilities for a negotiated multi-year replenishment, patterned on IDA.

6. UNDP's Governing Council, last July, established an Inter-sessional Committee of the Whole (ICW) to meet three times (September, February and April) to study UNDP's financial situation and to consider how to increase the efficiency of the Council's work. A possible outcome of these sessions is a reshaping of UNDP. Arthur Brown is convinced that if UNDP is unable, through the ICW or otherwise, to arrive at an early and feasible solution to its funding difficulties, "radical alternatives" will have to be considered. He put forward a proposal in an address made last month at a seminar in The Hague for senior UNDP staff. It was in every sense a personal proposal, since at the time he had not even discussed it with Morse. Brown suggested, in essence, that UNDP should disappear as an independent entity and be replaced by a technical assistance affiliate of the Bank, to which all funds for international technical assistance would be directed. Its financing would be on a grant basis. Technical assistance related to capital projects financed by the Bank would still be provided as a loan. The affiliate would have the same Board of Governors and Executive Directors as the Bank Group, but its voting arrangements would be different (because Brown does not believe the developing countries would agree to a voting system like the Bank's). He says this proposal would give technical assistance administration the benefit of Bank expertise in the way of backstopping, monitoring, research, economic analysis, etc., all of which UNDP headquarters has been unable to provide, and should help increase possibilities for agency coordination at the field level. Brown has emphasized that this proposal is intended to be provocative, to encourage thinking and speculation, and that it is not "official" UNDP policy. While it may not be put forward for discussion, you should be aware of it, since it has achieved wide currency.

7. Mr. Benjenk and I will be away on Friday. Mr. Stern will join you for the meeting, and I have asked Peter Chatenay to be there in the event there is to be any follow-up by IRD.

cc: Mr. Stern, with copy of Brown text
Mr. Benjenk
Mr. Chatenay
Mr. Riley
Mr. de Lusignan

SEBoskey:di

RECEIVED

1982 DEC -8 PM 3:06

OFFICE OF THE PRESIDENT

MEMORANDUM

TO: THE PRESIDENT
FROM: [Illegible]
SUBJECT: [Illegible]

[Illegible text]

[Illegible text]

[Illegible text]

1100 120
R.P. of
(his files)

Mr. Bruno de Maulde, Executive Director for France

August 6, 1982

Shirley Boskey, Acting VP, External Relations

Follow-Up to Least Developed Countries Conference

1. In Mr. Benjenk's absence, I am replying to your request for information about the Bank's role in the follow-up to the Conference on the Least Developed Countries (LLDCs).
2. The Special New Program of Action (SNPA) adopted at the Conference called for a broadening and strengthening of existing consultative arrangements, such as the Bank's Consultative Groups (CGs). Mr. Benjenk had said in the statement he made to the Conference, as head of the Bank delegation, that the Bank would be willing to organize a few new CGs, if the criteria for doing so were met, in particular if a country requested the Bank to do so and if the aid partners agreed. Since the Conference, there have been meetings of the CGs for Nepal, Bangladesh and Uganda. The current tentative schedule calls for meetings of the CGs for the Sudan and Somalia in October and November 1982, respectively. The Somalia CG is a new CG and this would be its first meeting. A meeting of the Tanzania CG was tentatively scheduled for November, but has been postponed, and no new date has yet been set; that CG has not met since 1977.
3. The SNPA provides that governments may take the initiative to establish consultative arrangements where such arrangements do not already exist, and leaves it to the individual government to invite the assistance of appropriate international organizations in establishing such arrangements. Seven Asian LLDCs (Afghanistan, Bangladesh, Bhutan, Laos, Maldives, Nepal and Western Samoa) have asked the UNDP to organize a Round Table for them, collectively, with donors. (There will be individual sessions for five of these countries, with their chosen aid partners; Bangladesh and Nepal will continue their reliance on the Bank-chaired CGs.) UNDP staff and consultants who will be assisting governments to prepare for the Round Table have visited the Bank and have had country-specific discussions with program staff. Bank documentation on the countries, e.g., country economic reports, and information on the lending programs and project pipeline was given to UNDP. (As you know, Bhutan is not a member of the Bank. Credits to Afghanistan were suspended in April 1980.) A senior UNDP official will be meeting with Bank Regional Vice Presidents next week to consider with them the possible nature of Bank participation in the Round Table. way - and
created by
later memo
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4. There will also be a series of UNDP-organized Round Tables for individual countries in Africa, beginning in early CY83. As plans become firm, we shall learn more about what is to be sought from the Bank. We shall, of course, be as helpful as possible.

August 6, 1982

5. It may be relevant to note that the Bank has just agreed to open a resident mission in Uganda, which will have as one of its functions assistance to the government in its foreign aid coordination efforts.

6. As far as concerns resource transfers to the LLDCs, for the period FY1977-81, that group of countries received 29% of IDA financing; for FY1982, the proportion rose to 38%. It is projected to be at that level for FY82-86 (see "Reports on the Administrative Budgets", SecM82-706, August 2, 1982, page 6). As you know, the LLDC category is one which originated with the United Nations; it does not correspond precisely to the "low income" group in Bank terminology, i.e., countries with per capita income of \$410 or less. However, all but three LLDCs fall into the Bank's "low income" group and for this group as a whole the share of IDA financing in FY82 was 88% and is projected to be 91% for FY82-86, compared with 81% in FY77-81. Of course, the level of future IDA commitments will depend on the outcome of IDA VII negotiations.

7. You may find of interest the attached copy of the Bank's reply to an UNCTAD questionnaire on action taken in response to the policy recommendations of the SNPA. The questionnaire itself is lengthy. I think the topics covered will be apparent from the response to each question.

8. It is distressing to read in your memorandum that there is growing criticism among LLDCs of an alleged lack of concern on the part of the Bank about the SNPA. I believe any such criticism is unfounded, as indicated by the data given above. Moreover, the Bank participated actively in preparations for the Conference, prepared an extensive document on "Poverty and the Least Developed Countries" which was distributed to all Conference delegations (available in the Executive Directors' Library), was represented throughout the Conference by a delegation headed by Mr. Benjenk, which engaged in discussions with country delegations and representatives of other international organizations, and submitted a report to the Executive Directors on the Conference (SecM81-794, dated September 25, 1981). In June 1982, it participated in an inter-agency consultation on follow-up to the Conference. Twenty-one of the present 31 LLDCs are in Africa, identified as a priority area for the Bank in Mr. Clausen's Annual Meeting address last year, as well as in a number of statements in other fora by Mr. Clausen and senior Bank officials. To help implement the Bank's commitment to the region, and accordingly to the LLDCs there, more than a dozen economists and technical specialists have been transferred from other parts of the Bank to the Eastern and Western Africa Regional Offices. The Bank will institute in this fiscal year a program under which Bank staff will provide technical assistance services to IDA-only countries, primarily in Sub-Saharan Africa.

August 6, 1982

9. Finally, the publication and extensive promotion of the IDA Retrospective paper, as well as the publication of the "Focus on Poverty" paper which will be made available to the press and others at the Annual Meeting, should serve to draw attention to the activities of the Bank in respect of the poorest of its member countries.

10. I hope this note will provide you with the information you require. If not, please let me know.

Attachment

bcc: Mr. Benjenk
Mr. Chatenay

SEBoskey:dl

International Bank for Reconstruction and Development

FOR OFFICIAL USE ONLY

SecM82-950

FROM: Vice President and Secretary

November 22, 1982

JOINT UNDP/WORLD BANK ENERGY SECTOR ASSESSMENT PROGRAMME

AND ENERGY SECTOR MANAGEMENT PROGRAMME

A PROGRESS REPORT

Attached for information is a Progress Report on the Joint UNDP/World Bank Energy Sector Assessment Programme and Energy Sector Management Programme.

Distribution:

Executive Directors and Alternates
President
Senior Vice Presidents
Senior Management Council
Vice Presidents, IFC
Directors and Department Heads, Bank and IFC

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A Progress Report

The Joint UNDP/World Bank Energy Sector Assessment Programme and Energy Sector Management Programme

November 1982



During the past several years decision-making in the energy sector has become increasingly complex. Most of the nations of the world have had to allocate dramatically increased financial and human resources to tackling the problems resulting from higher energy costs. Even with some easing in the increase of international energy prices, most developing countries are still facing major difficulties in adapting to the heavy burden of high imported energy costs. The need and scope for increasing domestic energy supplies and improving the efficiency of energy use is substantial. Moreover, effective management and development of the energy sector has a major influence on the growth prospects of the developing countries. UNDP and the World Bank are committed to helping these countries achieve this, and this paper describes the work of our joint Energy Sector Assessment Programme--which diagnoses the problems and evaluates the options for dealing with them--as well as the progress we have made towards developing an Energy Sector Management Programme to assist countries in implementing the recommendations made by the Assessment Programme. We recognize that many industrialized nations have increased their bilateral efforts to address these problems, and we are being careful not to duplicate these efforts. However, to meet the growing number of requests by developing countries for assistance in this area a further concerted effort is required. In presenting the programmes outlined in this paper we encourage others to support us in expanding this major international effort.



A. W. Clausen
President
World Bank



Bradford Morse
Administrator
United Nations Development Programme

1. INTRODUCTION AND SUMMARY

By the end of the 1970s most developing countries found that they had to deal with new and massive problems of adjustment to higher world oil prices. However, decisions on the substitution of imported oil by cheaper indigenous resources or other types of imported fuels were by no means easy to make. There were great uncertainties about domestic energy resource potential, about the types of technologies which could be adopted for the production, distribution and use of different fuels, about the availability and cost of finance for energy resource development and the time required to prepare and implement appropriate projects.

Moreover, in most developing countries comprehensive energy sector management (if it existed at all) was in a rudimentary state. Basic information, for example, on demand patterns and growth, was poor, policy and investment analysis (particularly in the public sector) was weak and there was little policy interaction between the various users and producers of different types of energy. While many countries clearly needed to improve the efficiency of energy use there was little experience or technical capability in this area.

In response to this situation, the World Bank and the United Nations Development Programme in November 1980 jointly launched a 60-country Energy Sector Assessment Programme designed to provide a rapid diagnosis of the major energy problems faced by the developing countries and an evaluation of the options for solving these problems. These assessments analyze the scope for changes in pricing, institutional and other policies for encouraging greater production from indigenous energy sources and greater efficiency in the use of energy; they assess the investment priorities in the energy sector; and they provide a framework for multilateral and bilateral technical assistance in the sector. The reports aim to help decision-makers in the developing countries address the more pressing energy problems confronting them in a systematic and realistic way. Furthermore, this contribution towards more effective decision-making in a highly capital-intensive sector will help lead to improved investment returns and less risk of errors in judgement and bad investments that can be so costly to the developing countries and the entire international community.

Since the Energy Sector Assessment Programme began, eleven assessments have been completed, a further 13 are in various stages of preparation and 13 are planned to start in the next 12 months (see Table 1).

Table 1
The Joint UNDP/World Bank Energy Assessment Programme

Assessments completed since Nov. 1980	Assessments in progress	Assessments to start in the next year	Countries requesting assessments to date
Bangladesh	Bolivia	Benin	Barbados
Burundi	Fiji	Botswana	Belize
Haiti	Morocco	Cameroon	Bhutan
Indonesia	Nepal	Colombia	British Virgin Islands
Kenya	Niger	Ecuador	Comoros
Malawi	Nigeria	Ethiopia	Costa Rica
Mauritius	Peru	Mauritania	Cyprus
Papua New Guinea	Senegal	Portugal	El Salvador
Rwanda	Solomons	Seychelles	Grenada
Sri Lanka	Sudan	Somalia	Guyana
Zimbabwe	Turkey	Tanzania	Ivory Coast
	Uganda	Togo	Jamaica
	Zambia	Yemen A.R.	Korea, Republic of
			Lebanon
			Lesotho
			Liberia
			Mali
			Malta
			Paraguay
			St. Lucia
			St. Vincent
			Thailand
			Upper Volta
			Uruguay
			Western Samoa

By the end of 1983 some 37 countries will therefore have been covered by the programme. The costs of these assessments have ranged from \$50,000 to \$250,000 per country (depending on the size of the country and the complexity of its energy sector) and the reports are being submitted to governments about eight months after the field missions. Each mission, which normally includes four to eight participants and stays in the country for up to one month, responds to a specific request from the government for advice on the energy sector and follows agreement with the government on the priority issues to be tackled. The Bank and UNDP have developed a staff capability for this purpose, and also call on a number of consultant technical specialists for assistance in carrying out the individual country assessments.

The response to the Assessment Programme has been strong and the number of requests to date from governments is currently more than the 60 originally envisaged and in excess of the present capability of the World Bank and UNDP to meet this demand. There is also growing evidence that governments are making extensive use of the advice provided by the assessments. 1/ Other sources of external assistance, both bilateral and multi-lateral, have generally been supportive of the Assessment Programme, and several have either contributed to the UNDP Energy Account for this purpose or indicated a willingness to do so. The assessment reports have begun to be used as a basic document for aid coordination meetings and they have also been useful to governments in the selection of priority projects for their investment programmes. Besides identifying priority sector investments, the assessments have identified various follow-up activities requiring further assistance, such as more detailed definition of energy technical assistance packages and specific assistance in energy efficiency programmes, support to indigenous energy planning and management capability in the countries concerned, rural and renewable energy programmes and institutional and manpower development for improved energy management. For this reason the UNDP and the Bank have recently made progress towards developing an Energy Sector Management Programme encompassing these activities. Further resources are required, however, before the formal operation and full potential of this programme in meeting the needs of the developing countries can be achieved.

2. THE PURPOSE OF THE ENERGY SECTOR ASSESSMENT PROGRAMME

The long-term objective of the Energy Sector Assessment Programme and the Energy Sector Management Programme is to assist countries in improving their energy situation and in establishing an indigenous capability to prepare and supervise all types of energy projects within the framework of an integrated and coherent energy sector development and management strategy. This capability cannot be developed quickly and this is reflected in the phased approach of these two programmes.

Thus, the immediate objectives of the Assessment Programme are to analyze the major issues in the energy sector of each country and evaluate the investment and policy options for dealing with these issues and to provide a framework for coordinating external technical and financial assistance for energy in each country. The vehicle for this process is the Energy Assessment Report.

1/ See section 5. The Results of the Assessment Programme

The objectives of the Management Programme are to improve policies, institutions, programmes and decision-making in the energy sector and to provide governments with timely and well-focussed assistance in response to their requests for help in implementing the immediate actions recommended by the Energy Assessment Report and in preparing the groundwork for other recommended studies and activities.

3. HOW THE ENERGY ASSESSMENTS ARE DONE

The energy assessment process has six principal stages designed to ensure thorough preparation and co-ordination of internal and external inputs and an effective review process. The purpose and scope of each stage is discussed below:

(a) Country selection

The energy assessment work responds to a request from the government. Since the number of requests for assessments has exceeded the capacity of the programme to handle them, the following criteria have been developed for selecting countries to be covered under the programme:

- (i) countries whose development is seriously constrained by their energy situation, and especially lower income countries whose net oil imports constitute more than 25 per cent of their commercial energy demand; and
- (ii) countries where governments are committed to resolving their energy problems and, where necessary, to introducing institutional, structural and policy changes.

Applying these criteria, a work programme for each year is arrived at through consultations between UNDP and the World Bank.

(b) Preparation

The preparation of a country assessment is initiated by a review of all available information on a country's energy sector with the aims of making a preliminary identification of the major issues in the sector and focussing further data-gathering and

analytical efforts to ensure that the assessment builds on, rather than duplicates, existing work.

(c) Reconnaissance Mission

Following the completion of the preparatory review, a short reconnaissance mission to the country is undertaken by the person designated to lead the full assessment mission which takes place about two months later. The purposes of the reconnaissance mission are to familiarize government officials with the assessment concept and process; to reach agreement on the priority issues, scope and depth of analysis needed; to confirm the government's commitment to the exercise and its follow-up; and to identify counterparts and initiate data collection.

(d) Assessment Mission

The assessment mission usually visits the country for up to four weeks and consists of 4-8 persons, including both World Bank staff and consultants. The composition of the mission reflects the priority issues that have been identified, though most missions include an energy economist, an electric power specialist, a rural and renewable energy specialist, a petroleum specialist and an energy efficiency engineer. Other technical specialists (e.g. refinery engineers, geologists, ethanol specialists) are called upon to join the mission when appropriate. Expert staff of other United Nations Organizations, Regional Development Banks and bilateral aid agencies have also been invited to participate in the missions. The mission team works in close consultation with country officials and is provided support as required by UNDP and World Bank field offices.

(e) Draft Report

The draft Energy Sector Assessment Report is sent to the country for review by the government and is then discussed in the country by the mission leader, accompanied by the UNDP Resident Representative and a senior member of the Bank's country programs staff over a period of 2-3 days. There are two major objectives for this discussion; first to obtain the government's views on the findings of the report and to consider suggested amendments before the report is issued; second, to

help the government draw up an agenda for action in the energy sector, to determine what external assistance the government may need, and to indicate the type of financial and technical assistance that may be available from the Bank and UNDP. Ideally, at the end of this discussion, there should be agreement between the government and Bank/UNDP staff on the programme of measures to be taken in the energy sector and steps to be taken to mobilize whatever external assistance is deemed necessary.

(f) Publication of the Report

The published report is sent to the government as well as to Executive Directors of the World Bank, Members of the UNDP Governing Council and bilateral and multilateral agencies dealing with energy to assist in mobilizing support needed for prompt implementation of the recommended programme of action in the country.

4. STAFFING AND FINANCING THE ASSESSMENTS

The resources required for each assessment are related to the size and complexity of the country. On the basis of experience, a small country with limited indigenous energy resources (e.g. Burundi, Mauritius) requires about 30 weeks of staff and consultant time, an average country (e.g. Kenya, Zimbabwe) 80 weeks and a large, complex country (e.g. Turkey, Indonesia) about 150 weeks. There are similar variations in the total costs of the missions; these (including travel and support staff costs) range from about \$50,000 to \$250,000.

Finance for the core programme of 60 country energy assessments is provided from two sources: the UNDP Energy Account which has currently allocated \$3.4 million over four years, 1981-84, and the Bank which allocates about \$1.5 million annually from its administrative budget as well as providing the essential expertise for the implementation and review of the work. The basic managerial, professional, assistant and support staff are located in the Energy Assessments Division of the World Bank's Energy Department, which receives support from the Bank's sub-sectoral and economic staff. In UNDP, the Division for Global and Interregional Projects is responsible for the management of the programme. It collaborates closely with the Energy Office and the Regional Bureaux of UNDP at all stages of report preparation and follow-up.

At the request of countries consideration has been given to mobilizing additional resources to accelerate the Assessment Programme and broaden it to cover more than 60 countries. Specifically, a Small-Country Assessment Programme, covering 16 countries and costing \$1 million over four years, has been proposed to interested donor agencies and one donor country has already agreed to finance, through the UNDP Energy Account, the first part of this programme.

5. THE RESULTS OF THE ASSESSMENT PROGRAMME

The coverage of the Energy Sector Assessment Reports is selective, reflecting inter alia, the importance of particular issues in the country concerned and the availability of information. Generally, the reports evaluate and make recommendations on:

- (i) the evolution of energy demand for commercial and non-commercial energy;
- (ii) the present and potential supply of commercial and non-commercial energy;
- (iii) the present and forecasted energy balance;
- (iv) energy prices, taxes and subsidies;
- (v) energy sector organization and institutions;
- (vi) energy conservation and demand management; and
- (vii) the investment and technical assistance requirements of the energy sector.

In most countries it has emerged that a single major issue overshadows many of the others. In Indonesia, for example, it was noted that if the subsidy on kerosene could be removed many of the other energy problems could be handled more easily; in Haiti, a large reforestation programme could alleviate problems in agriculture and transport as well as energy; in Zimbabwe, many decisions rest on the viability or otherwise of reopening a mothballed refinery; in Sri Lanka, the priority is a broad-based, effective energy conservation programme; in Mauritius, the more efficient use of bagasse for power generation could dramatically reduce the oil import bill. But even if the importance of the major issue had been clearly recognized by the government concerned, there was often insufficient commitment, staff analysis or financial resources devoted to deal fully with it. The assessment process has

generally served to strengthen the first of these and suggest ways of improving the second and third.

In most countries also it has become apparent that there is a lack of integration between the policies and programmes of the various energy subsectors (power, petroleum, coal, traditional fuels, etc.) as well as between the energy sector and other sectors. This is mainly the result of institutional fragmentation in an area where decisions are now closely inter-related. The Assessment Reports' recommendations on strengthening national energy planning institutions have varied widely in accordance with the capabilities of existing institutions in the country. For example, in Indonesia the recommendation was for an inter-ministerial commission supported by a Secretariat, in Malawi for an energy planning unit in the Economic Planning Division, and in Kenya for a strengthened Ministry of Energy. In Burundi and Rwanda the mission felt that emphasis should be placed on sub-sector planning and policies rather than on overall energy planning.

As the Assessment Programme has evolved it has become clear that the efforts required to develop a diagnostic approach in the energy sector had been underestimated in some areas. The largest of these areas is rural energy; while this has been discussed briefly in all the Assessment Reports, it was not until the work was actually started in the field that the real magnitude of the effort required was realized. A second area is energy conservation; much of the assessments' contributions to this problem have focussed on specific energy-intensive industries and/or general energy pricing policies, whereas it is now apparent that much more work is required on, for example, overall strengthening of institutions and national policies and programmes, loss reduction in electric power, energy savings in transport and buildings and energy audit programmes for small industry. A third area is the analysis of the energy investment programme; each report develops priorities for investment in the energy sector but so far has not quantified the contribution of each investment to solving the overall energy problem. A fourth area is the assessment of manpower and training needs in the energy sector and the articulation of an appropriate strategy for ensuring that the necessary skills are available to manage the sector and design and operate modern facilities used in the development and use of indigenous energy resources. In addition, more work needs to be done in developing the Assessment Reports' recommendations on institutional and management strengthening into a well-defined programme of action that will lead to the kind of indigenous energy planning and sector management capability which was initially envisaged as the ultimate objective of the Energy Sector Assessment Programme. For this reason the UNDP and the World Bank are developing a series of assessment follow-up activities collectively known as the Energy Sector Management Programme.

6. THE ENERGY SECTOR MANAGEMENT PROGRAMME

From the start of the Energy Sector Assessment Programme it has been obvious that mechanisms would have to be developed to assist governments to implement effectively the recommendations of the reports. Full consideration of these mechanisms was postponed until it had been demonstrated that a satisfactory process had been established for the preparation of Energy Assessment Reports, that the reports were timely and well-focussed on priority issues and that they made practical recommendations for further action in the energy sector.

Experience shows that the governments in countries that have had energy assessments have used these reports to clarify their sector strategy and prepare solutions to major problems. While donor agencies have demonstrated a willingness to contribute resources to implement specific investment or technical assistance projects, governments have requested the UNDP/Bank's continued assistance in providing independent and objective policy and programme advice and support after the Assessment Report has been completed.

The Energy Sector Management Programme which is being developed by the UNDP/Bank would comprise four major inter-related activities:

1. Energy Management Assistance Programme

This programme would enable the government to draw on Bank and/or UNDP resources, basically the same expertise as has been used in the assessment process, to help it develop the capability to effectively manage its energy sector and co-ordinate external assistance. If the government so requests, the process of helping the country could include:

- (a) defining the specifics of technical assistance and pre-investment activities, including, e.g., the objectives, work plan and required inputs for both the government and external contributions in a format the government can use in discussion with official bilateral and multilateral financing agencies or with interested private investors;
- (b) helping the government identify sources of finance, both public and private, for each of the follow-up activities identified during the assessment. This can include participating in meetings of aid consultative groups or UNDP Round Tables for the least developed countries, arranging special meetings or seeking financing through bilateral discussions with individual financing agencies;

- (c) assisting the government in developing a medium-term investment plan and an associated portfolio of project profiles for the major projects;
- (d) assisting the government in improving its capacity for sector management through technical advice and support for the country's energy planning and management organization; technical assistance for establishing and maintaining an appropriate energy data base, and definition, preparation, supervision and review of selected pre-feasibility studies.

Given the number and urgency of requests already received from governments, the UNDP/Bank have already begun to assist in a variety of ways, drawing on a limited amount of funds reallocated from the other UNDP/World Bank activities. For example, assistance is being given to the government of Bangladesh to help draw up a medium-term energy investment plan; in Mauritius assistance has been provided for drawing up the terms of reference and mobilizing funds for an Energy Technical Assistance Project (to be financed jointly by UNDP and the UK and executed by the Bank); and in Haiti assistance is being provided to help prepare for a donors meeting for the energy sector. In Niger, additional funds made available by the UN Sudano-Sahelian Office have financed a resident Energy Adviser in Niamey who is participating in the energy assessment and its follow-up and is giving day-to-day guidance to the government. A growing file of requests from other governments for such assistance now exists but cannot be financed from existing resources.

Full and formal operation of the Energy Management Assistance Programme--based on the estimate that the equivalent of about one year of expert services and associated travel and support will be required for each of 12 countries to be covered each year--implies additional financing amounting to \$1.5 to \$2.0 million annually.

2. Energy Efficiency Programme:

The Energy Sector Assessment Programme has identified an increasing list of developing countries where improvement in the efficiency of energy use has substantial potential and high returns and therefore deserves high priority in their energy planning efforts. The following matrix gives a tentative indication of the type of work likely to be requested in each country.

Energy Efficiency Program (1983-86)

<u>Country</u>	<u>Technical Assistance</u>			<u>Power Losses</u>	<u>Pre-Feasibility Studies</u>	
	<u>General</u>	<u>Industry</u>	<u>Transport</u>		<u>Industry</u>	<u>Transport</u>
Bangladesh		x		x	x	
Bolivia		x				x
Burundi/Rwanda				x		
Haiti				x		
Indonesia	x	x		x	x	x
Kenya		x		x	x	
Malawi		x			x	
Morocco	x	x			x	
Nepal				x		
Niger				x		
Pakistan				x		
Papua New Guinea				x		
Peru	x	x	x		x	
Turkey	x	x		x	x	
Senegal		x		x		
Sri Lanka	x	x	x	x	x	
Zambia		x		x	x	
Zimbabwe		x		x	x	

An Energy Efficiency Programme has therefore been designed which would include:

- (a) assistance to governments in the establishment of a national energy efficiency capability, including manpower development and institutional strengthening, the development of appropriate policies and programmes for managing energy demand and the implementation of energy audits in the industrial, transport and other sectors with the objective of identifying energy savings opportunities and providing recommendations for achieving these.
- (b) assistance in preparing pre-feasibility studies of potential energy saving investments in economic subsectors where energy saving potential has already been identified. This includes a preliminary survey of the subsector to pinpoint the most promising energy conservation investment projects and the preparation of technical and economic pre-feasibility

studies leading to the preparation of energy conservation investment projects for implementation by the appropriate financing sources.

- (c) Power System Loss Reduction Project. This project, for which preparatory work started in 1982, would identify and quantify efficiency improvement requirements in electric power systems in some 15 to 20 countries which are willing to take steps to effectively reduce power system losses. Individual system improvement projects would be identified and subsequently prepared to the point where they would be suitable for financing by the World Bank, UNDP or other multilateral and/or bilateral institutions. Finance of the preparatory work (\$250,000) in 1982 was from the UNDP Energy Account.

In total it is estimated that the Energy Efficiency Program will require a budget of about \$19 million over 4 years, growing from \$3.0 million in 1983 to \$5.5 million in 1986.

3. Rural/Renewable Energy Pilot Programme:

The energy assessment missions have confirmed the long-term potential of new and renewable energy sources in a number of developing countries, but have also emphasized the need in many countries for help in establishing better institutions, policies and practical programmes to develop more effectively the potential in this area, particularly in the rural sector. A variety of pilot projects has been identified and these need to be implemented before major investments can be made in renewable energy supply and conservation. These projects are relatively small-scale (\$50,000 to \$250,000 each) but heavy staff inputs are required for their preparation and supervision. While many donor agencies have expressed interest in providing funds for the projects themselves a mechanism is needed by which expert preparation and supervision resources can be provided to assess the performance of pilot projects and identify their investment potential, as well as to develop the necessary skills in the country to continue with this work. The proposed Rural/Renewable Energy Pilot Programme is designed to meet this need. It will neither duplicate the work of other agencies active in the field nor cover activities not directly flowing from the Assessment Programme, but will provide a focus for rural/renewable energy activities as well as a means of ensuring that experience gained in pilot projects is disseminated to all concerned countries. The criteria for involvement in specific pilot projects will be the existence of (or commitment to) an appropriate institutional framework and a clear indication that the pilot project and its potential follow-up investment will be included as part of a national programme.

There are eight major areas which have been identified for pilot projects in the rural/renewable energy field and the following matrix shows which are tentatively expected to be required in 20 countries already covered by the energy assessment programme:

	Indonesia	Kenya	Morocco	Burundi	Rwanda	Zambia	Zimbabwe	Haiti	Papua New Guinea	Bolivia	Sri Lanka	Turkey	Bangladesh	Malawi	Fiji	Nepal	Senegal	Niger	Nigeria	Peru
Improved stoves and kilns	x	x	x	x	x	x	x	x			x	x	x	x	x	x	x	x	x	x
Wind pumps			x	x		x	x			x	x			x						
Solar crop-driers			x	x	x	x	x			x	x		x				x	x		
Solar water-heaters		x							x	x				x			x	x		
Micro-hydro						x	x		x	x			x							x
Peat for domestic use				x	x												x			
Biomass for power/heat	x							x	x	x			x	x				x	x	x
Biogas						x							x							

The funds required for this programme will increase as the number and pace of pilot projects increases over time. On the basis of experience of such projects (e.g. in Bangladesh, where pilot projects are being based on a special Rural Energy Assessment Report) it is estimated that the requirements will grow from \$1.0 million in 1983 to \$3.0 million in 1986.

4. Manpower and Institutional Development Programme

The Assessment Programme and other work done by various UN agencies and the World Bank have identified a critical need for strengthening manpower and institutional development in the energy sector. Most of the agencies and institutions in the sector suffer from a shortage of adequately trained policy-makers, managers, analysts, planners, and technicians which, together with organizational and other managerial shortcomings acts as a major constraint on effective development of the sector. Various agencies have made initiatives to address these problems (e.g. UNDP, ILO, the Bank's Economic Development Institute), but more effort is needed, specifically targeted to energy sector problems as identified in the assessment work. The other components of the Energy Sector Management Programme will address these problems in their relevant areas (sector management, energy efficiency, rural/renewable energy), and this integrated approach will be the most effective way

to address certain specific training and institutional development needs. However, there are some types of needs that will not be fully covered in this way, and a supplemental manpower/institutional program is therefore required.

Often this activity will include a more intensive diagnosis of the manpower and institutional development needs of a country's energy sector than is possible under the assessments. This further work will then serve as a basis for determining the best ways to meet the most critical needs in a particular case. Some of the approaches include:

- diagnoses, generally by outside consultants, of organizational/managerial/manpower problems in key sector institutions with recommendations and preparation of terms of reference for further implementation programs
- in-country training programmes to meet specific specialist needs (energy planning, energy economics, finance, technical specialities)
- workshops and seminars involving technical experts from various developing countries to exchange ideas and experience
- overseas training courses in various specialities (technical, economic, etc.)
- overseas secondment of key individuals to foreign energy sector institutions and financing agencies
- diagnoses of training/educational institutions and programmes in the country concerned

It is envisaged that this type of training and institutional work, supplemental to the training element in other components of the programme, will be needed in five to ten countries per year and require about \$0.5 million annually.

7. ESTIMATED FINANCIAL REQUIREMENTS

Table 2 summarizes the tentative estimates of financial requirements for the CY1983-86 period for both the Energy Sector Assessment Programme and the Energy Sector Management Programme.

Table 2
Estimated Financial Requirements
1983-86
(\$ million in 1982 prices)

	<u>1983</u>	<u>1984</u>	<u>1985</u>	<u>1986</u>	<u>Total</u>
<u>Energy Sector Assessment Programme</u>					
60-country base programme	2.50*	2.50*	2.50	2.50	10.00
16-small country programme	0.25**	0.25**	0.25	0.25	1.00
	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>2.75</u>	<u>11.00</u>
<u>Energy Sector Management Programme</u>					
Energy Management Assistance Programme	1.50	1.50	2.00	2.00	7.00
Energy Efficiency Programme (industry, transport and major energy-using sectors)	3.00	5.00	5.50	5.50	19.00
(Power Loss-Reduction Project)	(2.00)	(3.50)	(3.50)	(3.50)	(12.50)
(Power Loss-Reduction Project)	(1.00)	(1.50)	(2.00)	(2.00)	(6.50)
Rural/Renewable Energy Pilot Programme	1.00	1.50	2.50	3.00	8.00
Manpower and Institutional Development Programme	0.50	0.50	0.50	0.50	2.00
	<u>6.00</u>	<u>8.50</u>	<u>10.50</u>	<u>11.00</u>	<u>36.00</u>
 TOTAL	 <u>8.75</u>	 <u>11.25</u>	 <u>13.25</u>	 <u>13.75</u>	 <u>47.00</u>

* Funds committed by UNDP/World Bank

** Funds promised by a donor country

Funds for the next two years of the Energy Sector Assessment Programme have been committed by UNDP and the World Bank. To date, however, funds for the rest of the work have not been committed, although various donor agencies have indicated their interest in financing parts of these programmes. Further information on each of the component parts of programmes is available and can be obtained from either

Division for Global and
Interregional Projects
United Nations Development Programme
One United Nations Plaza
New York, N.Y. 10017

or Energy Assessments Division
Energy Department
World Bank
1818 H Street, N.W.
Washington, D.C. 20433

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10

October 4, 1982

Dear Mr. Morse:

On behalf of Mr. Clausen, I acknowledge and thank you for your letter of September 23, with its information on the schedule for the country review meetings to be held as follow-up to the Substantial New Programme of Action for the Least Developed Countries. We have taken note of your caveat that the indicated timing is tentative and of your intention to provide revised dates periodically.

Your letter states that The World Bank is the lead agency for country review meetings for Haiti and Tanzania. However, as the annex to your letter correctly shows, the Bank is not playing the lead agency role for Haiti. A Bank mission is in Tanzania at present to discuss with the government, among other things, the future of the consultative group.

We have also noted that in the case of a number of countries, the attachment to your letter describes the mechanism chaired by the Bank as a "consortium". In Bank parlance, the use of "consortium" is confined to the mechanisms for India and Pakistan. All others are referred to as "consultative groups". May we suggest that your lists in future likewise make this distinction.

Sincerely,

Shirley Boskey
Acting Vice President
External Relations

Mr. Bradford Morse
Administrator
United Nations Development Programme
1 United Nations Plaza
New York, N.Y. 10017

cc: Mr. Southworth, ref. your log number 3993. ✓
Mr. Chatenay, for LLDC file

SEBoskey:di

bi

THE WORLD BANK

ROUTING SLIP

Date

Oct. 1/82

OFFICE OF THE PRESIDENT

Name

Room No.

Mr. Benjenk

3993

To Handle

Note and File

Appropriate Disposition

Note and Return

Approval

Prepare Reply

Comment

Per Our Conversation

Full Report

Recommendation

Information

Signature

Initial

Send On

Remarks

Please prepare reply for Mr. Clausen's signature, by October 6. Also, please note that Mr. Morse has tried to personalize this form ltr.

To Handle

Roy

From



THE ADMINISTRATOR
UNITED NATIONS DEVELOPMENT PROGRAMME

cc: [unclear] 10/11

23 September 1982

Dear Tom,

... In accordance with the conclusions of the Interagency Consultations on the new Substantial New Programme of Action for the 1980s for the Least Developed Countries, (Geneva, 25-26 May, 1982), I am pleased to provide you with the enclosed tentative list of government focal points and an indication of the provisional timing for country review meetings.

I should like to emphasize the tentative nature of most dates of country review meetings which are subject to change as a result of continuing consultations between UNDP and the respective LDC governments. We will provide you with a periodic update of these dates.

The list covers all LDCs, including LDCs which do not expect to call upon UNDP as lead agency for Round Table meetings. Thus, you will note that the World Bank is acting as lead agency for seven countries: (Bangladesh, Haiti, Nepal, Somalia, Sudan, Tanzania and Uganda), and that two countries (Chad and Yemen Arab Republic) have chosen different arrangements.

As you know, agency involvement in the preparation of Round Table meetings has been discussed extensively at the above-mentioned interagency consultations. As concerns the general policy, UNDP's approach is guided by Chapter III of the SNPA and, above all, the specific requirements of governments. This position has been communicated at the Interagency Consultations and is reflected in paragraphs 20 and 21 of its report. Concerning the operational aspects of the preparation of Round Table meetings, the UNDP Regional Bureaux Director will continue to be in direct contact with you whenever a need for agency participation arises.

I look forward to our continued effective collaboration in support to the Least Developed Countries.

Your sincerely,

Bradford Morse

Mr. A. W. Clausen
President
World Bank
1818 H Street, N.W.
Washington, D.C. 20433

file

109

September 3, 1982

Dear Mr. Morse:

On behalf of Mr. Clausen, I am writing to thank you for sending the new Guidelines for Direct Execution. They are being circulated to all those concerned in the Bank.

The Bank plans to be represented at the next IACN in December, and should we have any comments on the Guidelines, we will be prepared to present them at that time.

Yours Sincerely,

L. Peter Chatenay
Acting Director
International Relations Department

Mr. Bradford Morse
Administrator
→ United Nations Development Programme
One United Nations Plaza
New York, New York 10017

✓ cc: Mr. Southworth - w/incoming

VJRiley/eb

30-18



THE ADMINISTRATOR
UNITED NATIONS DEVELOPMENT PROGRAMME

13 August 1982

Dear Mr. Clausen,

As you know, the subject of direct execution of projects by UNDP through its office for Projects Execution has long been a subject of discussion between UNDP and its partner agencies. In order to achieve a better understanding about this subject, in intimate collaboration with the Inter-Agency Task Force, a revised set of guidelines for Direct Execution of Projects by UNDP has been drawn up; a copy of which I am enclosing for your information.

I would like, in particular, to call your attention to two paragraphs in the Revised Guidelines. Paragraph Two briefly describes the consultative process which was followed in revising the Guidelines, as well as the fundamental principles on which they are based. Paragraph Seven indicates that a determination regarding direct execution should be based not solely on written comments received from agencies, but provides for a dialogue with the agency or agencies concerned, and notes primary consideration in the selection of execution arrangements will be the best interest of the developing countries.

The Revised Guidelines will soon be formally issued, but because of the interest that has been shown in this subject, I am bringing them to your personal attention.

I hope you will find these Guidelines fully acceptable. While they are going into effect as of this date, you are, of course, free to comment on them at the next IACM in December 1982.

With kind personal regards, I am,

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Bradford Morse'.

Bradford Morse

Mr. A. W. Clausen
President
World Bank
1817 H Street, NW
Washington, DC 20433

UNITED NATIONS
DEVELOPMENT
PROGRAMME



UNDP

UNDP/PROG/64/Rev.1
UNDP/PROG/FIELD/95/Rev.1
UNDP/PROG/HQTRS/109/Rev.1

6 August 1982

To: Participating and Executing Agencies of UNDP, Field Offices of UNDP
and UNDP Headquarters Staff

From: G. Arthur Brown
Deputy Administrator

Subject: Guidelines for Direct Execution

1. The ultimate authority for the choice of an executing agency for the implementation of UNDP assistance lies with the Administrator. The purpose of this circular is to revise procedures which will assist him in the discharge of this responsibility for the designation of the UNDP Office for Projects Execution (OPE) as the executing agency for projects financed from IPF resources (including cost-sharing), the UNDP Special Programme Resources (previously "Programme Reserve") and the Special Measures Fund for Least Developed Countries.
2. This revision has been carried out in consultation with the Inter-Agency Task Force (IATF) at UNDP headquarters, following the consideration of the Task Force study on UNDP direct execution by the December 1980 Inter-Agency Consultative Meeting. It is based on the fundamental notion of a United Nations development system and the inherent concept of partnership, in which spirit the guidelines must also be applied. It is, furthermore, based on the recognition of UNDP's central role as an essential catalyst and co-ordinator, and on the premise that maximum use should be made of the considerable accumulated technical experience of the system and therefore first recourse should be had to that experience. Moreover, while direct execution should only be considered and/or proposed where there is a clear indication that it will be more effective than any other in the interest of the developing country involved, this should not preclude appropriate use of the technical agency (agencies) concerned.
3. In accordance with the relevant provisions of the UNDP Policies and Procedures Manual (see PPM section 3433), a resident representative, having taken all necessary steps to ensure the technical soundness of the project, has the responsibility to propose an executing agency to the regional bureau in each case. For this purpose, the resident representative will consult with the Government and the field-level agency representative, or agency headquarters as appropriate, on the nature, scope and desirable method of execution of the proposed project.
4. If, on the basis of these consultations, the resident representative concludes that direct execution of the proposed project by UNDP would be appropriate, he/she informs the regional bureau of the reason(s) why the execution of the project should be entrusted to UNDP. The resident representative should detail those aspects of the execution arrangements which

would facilitate a considered decision by the Administrator, or the assistant administrator concerned, as the case may be. In the Summary of Project Proposals attached to the Country Programme Management Plan, the designation of an executing agency should be left open, pending a decision by the Administrator or the assistant administrator, as appropriate.

5. At the same time, the resident representative will send to the agency (agencies) concerned the draft project document or, if not available, appropriate and adequate information on the project, with the request that the comments of the agency be sent to the regional bureau as early as possible, preferably by cable, but in any case within four (4) weeks after receipt of the communication. The agency comments should include:

- (i) Its technical appraisal, if appropriate, of the proposal and information on any related activities;
- (ii) Comments on the proposed execution arrangements, including suggestions on alternative execution arrangements, if deemed appropriate;
- (iii) A description of any special technical contribution which the agency considers it could make to the formulation and/or implementation of the project.

6. In those instances where the Government has formally requested UNDP execution, either by stating this in the draft project document or in a letter, the regional bureau and the agency (agencies) concerned should be specifically advised to this effect by the resident representative.

7. Where the decision by the resident representative not to propose an agency for the execution of a project is based on dissatisfaction of the Government or of the resident representative with the performance of the agency, the agency concerned should be informed immediately, by the regional bureau, and the reasons for such dissatisfaction should be given to enable the agency to include its observations thereon with the comments referred to in paragraph 5 above.

8. Such information should also be transmitted to the agency (agencies) concerned during the execution of the project as soon as it becomes known to UNDP, so as to permit corrective action by the agency (agencies).

9. The comments made by the agency (agencies) will be taken into account fully in deciding on the designation of the executing agency, and, after such further consultations as may be deemed necessary with the agency (agencies) concerned, the regional bureau will consider whether the proposal for direct execution by UNDP should be maintained, or whether alternative execution arrangements should be made. The regional bureau may consult, where appropriate, the Bureau for Programme Policy and Evaluation prior to a decision being taken on the execution arrangements. In all cases, the primary consideration shall be the selection of the execution arrangement which will ensure the maximum benefit from the project to the developing country.

10. If the regional bureau does not endorse the resident representative's proposal for UNDP execution, or where it has been ascertained that OPE is not in a position to execute the project, the regional bureau will propose an alternative executing agency (see PPM section 3433, paragraph 3.3), and the agency concerned will be notified immediately, with a copy to the resident representative.
11. Where agency concurrence is obtained, the decision to approve direct execution by UNDP will rest with the assistant administrator and the regional director, acting on behalf of the Administrator. If the proposal for direct execution is maintained, and the concurrence of the agency (agencies) concerned cannot be obtained, the final decision on the designation of the executing agency will be taken by the Administrator.
12. When execution by UNDP is approved, the resident representative will be so informed. The regional bureau will also inform each agency consulted of this decision and, if applicable, of the proposed arrangements for its association with the proposed project. The resident representative will confirm to the Government the designation of UNDP as executing agency and any proposed arrangements for the association of any other agency (agencies) concerned.
13. UNDP-executed projects will be subject to the same monitoring and evaluation procedures as exercised over all UNDP-financed projects.
14. The regional bureau will, as in other projects proposed for UNDP execution, ensure that the agencies are consulted prior to the designation of UNDP as the executing agency of a proposed regional or interregional project, when such a proposal is first considered.
15. UNDP will circulate annually a report informing the agencies of projects which have been designated for direct execution by UNDP during the past calendar year.
16. The procedures for consultation outlined above will be applied in all cases unless, in the Administrator's opinion, urgent and exceptional circumstances prevail to the point where he would wish to supersede these arrangements. In such cases, the agency concerned will be informed.
17. Governments should be made fully aware of the provisions contained in these guidelines.
18. The procedures outlined in this circular supersede those set out for the designation of UNDP as an executing agency in UNDP/PROG/64, UNDP/PROG/FIELD/95, UNDP/PROG/HQTRS/109 of 26 August 1977 and supplement the instructions in the Policies and Procedures Manual on the selection of an executing agency (PPM 3433). In due course, the present procedures will be incorporated into the relevant PPM section which will also undergo a revision, including the criteria for direct execution.

file

August 17, 1982

Dear Mr. Brown:

I have been asked to reply to your letter (PRO/301. Co-op. Act. Water) to Mr. Clausen, asking that the World Bank, as a member of the Steering Committee for the International Drinking Water Supply and Sanitation Decade, again urge its field staff to support and participate actively in the work of the Technical Support Teams for the Decade.

The Bank's representative on the Steering Committee will be pleased to do so; it will be, as you know, a reminder, since the attention of our resident missions was earlier drawn to the existence and work of the Teams.

Sincerely,

Shirley Boskey
Director
International Relations Department

Mr. G. Arthur Brown
Deputy Administrator
United Nations Development Programme
One United Nations Plaza
New York, New York 10017

cc: Mr. Kalbermatten, Mr. Clausen's office

logged

SEBoskey/eb

3675
UNITED NATIONS
DEVELOPMENT PROGRAMME



PROGRAMME DES NATIONS UNIES
POUR LE DEVELOPPEMENT

ONE UNITED NATIONS PLAZA
NEW YORK, N.Y. 10017

TELEPHONE: 754-1234

CABLE ADDRESS: UNDEVPRO • NEW YORK

REFERENCE: PRO/301. Co-op.Act.Water

28 July 1982

Dear Mr. Clausen,

Subject: Technical Support Teams for the International
Drinking Water Supply and Sanitation Decade

At the Ninth Meeting of the Steering Committee for Co-operative Action for the IDWSSD held last April in Washington, Committee members endorsed several recommendations to strengthen inter-agency co-operation at the field level in support of the Decade.

Principal among these recommendations was that member agencies of the Steering Committee should again urge their field staff and/or experts to support and actively participate in the work of the Technical Support Teams at the country level. As you know, these Technical Support Teams are intended to provide co-ordinated assistance by the UN system to the National Action Committees of governments in the planning and implementation of drinking water supply and sanitation projects. Thus, to achieve this important objective, the support and participation of your agency in the work of the Technical Support Teams is essential. I might add that even if your field staff or experts are not directly involved with water supply and sanitation projects, their expertise in human resources development, community participation, rural development and other fields could strengthen the Technical Support Teams in various countries.

/...

Mr. A. W. Clausen
President
International Bank for Reconstruction
and Development
1818 'H' Street, N.W.
Washington, D.C. 20433



- 2 -

I would greatly appreciate if you were to draw this matter to the attention of your field staff representative and/or experts pointing out the meaningful contribution this could make to the country concerned. Meanwhile, I, for my part, will continue to encourage our Resident Representatives to seek full participation of the UN agencies in the Technical Support Teams for the Decade.

We are grateful for your continuing support and interest in the Decade.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "G. Arthur Brown".

G. Arthur Brown
Deputy Administrator

R1

International Bank for Reconstruction and Development

FOR OFFICIAL USE ONLY

SecM82-612

FROM: The Deputy Secretary

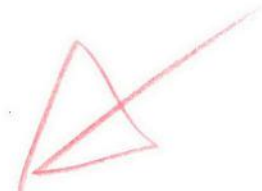
July 6, 1982

UNDP Governing Council

Attached for information is a copy of the report, prepared in the International Relations Department, on the proceedings of the 29th Session of the Governing Council of the United Nations Development Programme, held in Geneva from June 1 to 18, 1982.

Distribution:

Executive Directors and Alternates
President
Senior Vice Presidents
Senior Management Council
Vice Presidents, IFC
Directors and Department Heads, Bank and IFC



DECLASSIFIED

MAY 03 2012

WBG ARCHIVES

Mr. Clausen,
This is an interesting document
containing several references to the Bank.
See in particular pp 3-4-5-6-

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1/6

Report on
UNITED NATIONS DEVELOPMENT PROGRAMME (UNDP)
Governing Council - 29th Session
Geneva - June 1 - 18, 1982

Policy Review : The Future Role of UNDP

1. The UNDP Governing Council's 29th Session (and the Special Programme Session in the week immediately preceding) were held against a background of deep concern over future financing. For three years, contributions have stagnated (at about \$700 million) instead of growing at the 14 percent per annum rate that had prevailed in prior years, and that had been endorsed in 1980 for planning during UNDP's third programming cycle (1982-86). As a result, program commitments for the current year are being restricted to approximately 60 percent of planned levels, and disbursements in 1982 may be more than \$100 million below the 1981 level.
2. To focus attention on this situation, UNDP prepared a number of analytical papers. In addition to pointing to the general slackening in international economic activity and the diminished support for multi-lateral aid, these papers also identified factors that had had particular impact on UNDP, and had left UNDP with a diminished share of total official development assistance. One such factor is the recent strengthening of the U.S. dollar, which had particularly adverse consequences for UNDP, since many governments contribute in their national currencies (of declining dollar value) while most of UNDP's obligations are expressed in dollars.
3. A further problem drawing even more attention was the extent to which in recent years governments have been providing technical assistance directly to countries and sectors, either through the creation of new international funds and programs (with limited purposes and/or beneficiaries) or through arrangements between an individual government and a particular specialized agency. UNDP saw these trends as tending to reduce its central funding role for United Nations technical assistance and to derogate from its mandate to play a central coordinating role in regard to the provision of such assistance.

4. Against this background, the Administrator's papers explored various options and recommendations for the longer-term financing of UNDP. These included, in addition to the present voluntary contribution approach, the possibilities of negotiated replenishment (of the IDA and IFAD type), multi-year pledging, assessed contributions, and various combinations of these. They also examined a variety of measures to enhance UNDP's central coordinating role for United Nations technical assistance and to increase the responsibilities and effectiveness of its substantial field establishment (Resident Representatives) now functioning in 115 developing countries.

5. These were the main themes of the Council's general debate, and many of the UNDP proposals received exceptionally wide support among both donor and recipient governments.

6. This year's Governing Council followed by one month a review of UNDP by the OECD's Development Assistance Committee, whose members provide approximately 90 percent of the funds contributed to UNDP. The DAC countries appeared to play a more active role than usual in Council debates and deliberations, due perhaps to the active leadership of an experienced Canadian diplomat, Douglas Lindores, who served as Governing Council President. Thus, one can find in some of the decisions taken an intention by these states to monitor UNDP activities considerably more closely in the future.

7. The Council decision to establish an inter-sessional Committee of the Whole which will meet three times in the coming year (September, February and April) is an important development in this respect. The Committee is directed initially to give further study to UNDP's longer term financing situation and to examine measures for strengthening the efficiency of the work of the Governing Council. A possible outcome of these inter-sessional meetings is a significant reshaping of UNDP; they could also ultimately lead to UNDP's becoming a stronger, more effective development instrument. For the immediate future, however, the growth and success of UNDP will depend mainly on the level of voluntary contributions. Little will be known about their magnitude until the 1982 Pledging Conference, scheduled for early November.

World Bank Involvement

8. ~~The World Bank was mentioned often and favorably~~ throughout the meeting; UNDP linkages with a number of World Bank activities drew much favorable support^{1/}, and several of the decisions adopted will have a bearing on future Bank activity. These are discussed in more detail below.

Country Program Controversies : Argentina and Viet Nam

9. Before turning to these other matters, however, reference should be made to two troublesome program issues which arose during the Special Programme Session (May 24-28) and hung, unresolved, over the Council for much of the regular session, one not being resolved until the final day (June 18). The Special Session was called primarily to examine (and approve) 77 Country Programmes^{2/}, most covering the five-year period of UNDP's third programming cycle (1982-86). Typically, approvals are given by consensus after limited discussion. The United Kingdom, for obvious reasons, objected to approval of the Country Programme for Argentina. Because of the unusually large number of country programmes before the Council, it had been decided to take up the programmes by region, rather than country-by-country. Accordingly, the action of the United Kingdom resulted in blocking approval of programs for 16 other Latin American and Caribbean countries as well. And when a number of Asian and Western states objected to the inclusion of certain equipment components in a project in Viet Nam, approval of 11 Asian Country Programmes was likewise blocked. The debates had heavy political overtones, and resolution came only after considerable time and effort had been expended (in both open meeting and closed negotiations). Details of the controversies are given in Annex B.

Pre-Investment Activities

10. There was frequent reference to the Bank during discussion of pre-investment activities. ~~Included was a UNDP review of its association with the World Bank, regional development banks and other agencies to increase the investment follow-up prospects for UNDP-financed technical assistance.~~

^{1/} With the exception of the USSR, whose delegation was alone in offering negative comments about UNDP's association with the Bank and various Bank-supported activities.

^{2/} These are set out, together with other programme and project actions, in Annex A.

In a new policy initiative, however, UNDP sought and received authority from the Governing Council to establish a \$1 million fund to finance investment feasibility studies, where the cost could not be met by the country's Indicative Planning Figure (the UNDP general resources provided to each country). This new facility would have repayment arrangements something like the Bank's own Project Preparation Facility, i.e., sponsors would be expected to agree that if there were follow-up investment, the cost of the pre-investment studies would be recovered from the investment resources generated. The Council's decision reiterated the call on developing country governments to give due priority to pre-investment activities in programming their UNDP resources, and also indicated that the new facility should be used primarily in the least developed countries. IFC has expressed interest in using this facility for pre-investment work associated with some of its potential projects.

11. The Council also noted, under this item, the training in promoting investment development which is being given to UNDP Resident Representatives through the Economic Development Institute, and expressed appreciation to the President of the Bank for his continuing support of this activity.

Energy Development

12. Energy development, in which Bank/UNDP collaboration has been extensive, was discussed only briefly since the Interim Committee set up by the Conference on New and Renewable Sources of Energy was then underway in Rome. The Interim Committee had before it the Joint Study by the World Bank and UNDP of the Financial Requirements for Supporting Actions and Pre-Investment Activities in this area (see Sec M82-504, June 4, 1982).

13. The Council expressed appreciation for the ~~Energy Assessment Surveys~~ undertaken by the Bank, with support from UNDP's Energy Account. Six country reports have been issued; another nine are expected before the end of the year; energy assessment missions are planned for 16 more countries within the next 12 months. ~~The full program is expected to cover 60 countries.~~

14. During the Council's review of the Revolving Fund for Natural Resources Exploration, which is administered by UNDP, the Council authorized extension of Fund activities into the field of geothermal exploration, previously excluded. This opens another potential source of funding for exploratory work in new and renewable energy resources.

Government Execution of Projects

15. The classic method of carrying out UNDP-financed projects has been through an executing agency (usually one of the specialized agencies of the United Nations, including the Bank), which engages the experts and consultants, procures needed equipment, arranges fellowships, etc. Several years ago, in response to the request of some governments, UNDP approved arrangements (called Government Execution) under which governments may themselves implement technical assistance projects directly, with or without any input from the specialized agencies. However, Government Execution has been limited, partly because many government institutions considered themselves inadequately staffed or insufficiently qualified to develop the responsibilities typically performed by a UN executing agency, including compliance with UNDP's financial and other reporting requirements.

16. Under Government Execution, there is no executing agency overhead charge (typically 13% of disbursements) and thus there is a perceived saving to UNDP -- "perceived", because often a heavier administrative burden falls on UNDP's field offices.

17. After a review of all these considerations, the Administrator of UNDP proposed, and the Governing Council approved, for a 30-month experimental period beginning January 1983, an arrangement for Government Execution under which the unused overhead fees will be treated as a supplement to the country's normal UNDP allocation, i.e., its Indicative Planning Figure. At the same time, it was provided that additional administrative or training costs arising from Government Execution, including extra costs in UNDP field offices, or any supporting services provided by specialized agencies, would have to be met from the supplemental allocation provided to the government.

18. This new procedure could facilitate closer linkages with Bank operations, since Government Execution meshes well with the project implementation responsibility the Bank places on its borrowers. The new procedure would provide supplemental grant funding to governments to enable them to meet support requirements in technical assistance operations. Detailed arrangements and procedures will be worked out by UNDP in the next six months.

Least Developed Countries

19. The Governing Council included in its agenda a review of UNDP's response to the "Substantial New Programme of Action for the 1980's for the Least Developed Countries", adopted at the UN Conference in Paris last summer.

20. UNDP's presentation included reference to its continued participation in consultative group meetings chaired by the Bank for some of the least developed countries, and a review of its own plans to organize donor round-tables, individually or for clusters of states, for those least developed countries for which no Bank consultative group exists.

21. The primary theme of the discussion, however, was the lack of resources. The general shortfall of resources below expectations had consequences for UNDP funding for these countries. Furthermore, there had been little response to the call for additional contributions to the Special Measures Fund for the Least Developed Countries or to the U.N. Capital Development Fund, whose work is directed toward the least developed countries. No further action was taken, however, aside from a reiteration of the call for additional resources and an endorsement of the arrangement for UNDP to act as lead agency, on request of a least developed country, in organizing follow-up activity under the Substantial New Programme of Action.

Evaluation Programme

22. In his opening statement to the Governing Council, the Administrator spoke of the need for "developing a better informed constituency on the part of the people and Parliaments of Member States" and of his intention to initiate a study that "could lead to establishment of an independent evaluation unit within UNDP which would report directly to the Council". Many governments, supporting the suggestion, cited the Bank's evaluation program as a model for consideration. The proposed study was endorsed in the Council's final resolution.

UNDP Budget

23. UNDP operates on a bi-ennial budget updated each year. The budget proposal submitted by the Administrator was for calendar year 1982-83. This year, the budget was significantly affected by the decreased resources outlook, and a consequent reduction of 323 staff positions or 7.8 percent of the "core staff". The reduction in budgeted posts at headquarters amounts to 9.7 percent, and for field offices 7.5 percent. For the most part,

the reduction is being achieved by attrition, including the effects of a hiring freeze imposed a year ago.

24. As a result of the staffing reductions and other changes, the Administrator was able to bring to the Council an administrative budget estimate for the Biennium of \$233.4 million (net) representing a 5 percent decrease from the level of appropriations approved a year ago. The Council endorsed the budget recommendations essentially without change.

Housing for Experts

25. The Council authorized the Administrator to use UNDP funds to purchase housing units in developing countries for use by UNDP's own field staff or experts recruited by executing agencies. The authority is to "be exercised in a selective and prudent manner and only when the Administrator is fully satisfied that the only effective means of meeting the best interests of the program". Rentals charged to the occupants would amortize the costs over time. The Administrator was also authorized to use an existing Reserve for Construction Loans to Governments to finance the building of offices for field staff. In the past use of the reserve has been limited to construction of living accommodations for field staff.

UN Fund for Population Activities

26. The UNDP Governing Council sits also as the governing body for the ~~UN Fund for Population Activities~~ (UNFPA) and devotes several days of its deliberations to that program. UNFPA's resources leveled off in 1981; actual income was \$125.5 compared with \$128 million in 1980. As a result, programs and other expenditures had to be reduced to \$136.4 million, about \$11 million less than in 1980. Reduced even more sharply was the number of new project approvals - from 393 in 1980 to 209 in 1981.

27. These program contractions helped create situations that left UNFPA unable to reach some of the goals established earlier by the Governing Council. Only 40 percent of resources went to "Priority Countries" (i.e., low income countries with high population growth rates) compared with the target of two-thirds. There also was a drop in assistance to family planning activities, from 40.6 percent of program in 1980 to 31.8 percent in 1981, a shift about which the Council expressed "grave concern". (In contrast, there had been a marked upward shift in 1981 to expenditures for population census/data collection).

28. Intercountry programs (including research) which represented 32.4 percent of activity funding, also were considerably off the authorized target level which was "not to exceed" 25 percent. Nevertheless, the Council directed UNFPA to raise the level and effectiveness of support for contraceptive research and development, and endorsed UNFPA's growing and long-term commitment to this area of activity through the World Health Organization's Research Program in Human Reproduction. Other inter-country activities are likely to be curtailed.

29. The Governing Council also requested UNFPA to prepare, together with WHO and the International Planned Parenthood Federation, a report on the future role of the UN system in family planning research, including contraceptive development.

30. Approval authority was given for a slightly increased program level for 1983-86, subject to the normal requirement to limit approval of projects to available resources.

Future Meetings

31. The Regular 30th Session of the Governing Council is scheduled to be held in New York, June 6-24, 1983. Meetings of the Inter-Sessional Committee of the Whole have been scheduled for September 13-15, 1982; February 9-11, 1983; and April 6-8, 1983. An organization meeting for 1983 and a special program meeting (to consider approximately 35 new country programs) have been scheduled for February 14-18, 1983.

International Relations
July 1982

**UNITED NATIONS
DEVELOPMENT
PROGRAMME**



GOVERNING COUNCIL
Special Meeting
24-28 May 1982, Geneva

OMNIBUS DECISION ON COUNTRY AND INTERCOUNTRY
PROGRAMME AND PROJECTS

The Governing Council

I

Takes note with appreciation of the report of the Administrator on trends and problems in the country programmes proposed for approval in 1982 (DP/1982/4 and Add.1) as well as the comments made thereon by representatives of Governments; . .

II

1. Approves the proposed country programmes for

<u>Country</u>	<u>Document</u>
<u>(a) Africa</u>	
Angola	DP/CP/ANG/1
Botswana	DP/CP/BOT/3
Burundi	DP/CP/BDI/3
Comoros	DP/CP/COI/2
Gabon	DP/CP/GAB/3
Guinea	DP/CP/GUI/3
Guinea-Bissau	DP/CP/GBS/2
Lesotho	DP/CP/LES/3
Madagascar	DP/CP/MAG/3
Malawi	DP/CP/MLW/3
Mozambique	DP/CP/MOZ/2 and Corr.1
Seychelles	DP/CP/SEY/2
Somalia	DP/CP/SOM/3
United Republic of Tanzania	DP/CP/URT/3
Zaire	DP/CP/ZAI/3 and Corr.1
Zambia	DP/CP/ZAM/3 and Corr.1
Zimbabwe	DP/CP/ZIM/1 and Corr.1
<u>(b) Arab States</u>	
Bahrain	DP/CP/BAH/3
Democratic Yemen	DP/CP/PDY/3 and Corr.1
Djibouti	DP/CP/DJI/1 and Corr.1
Iraq	DP/CP/IRQ/3 and Corr.1
Jordan	DP/CP/JOR/3
Morocco	DP/CP/MOR/3 and Corr.1
Oman	DP/CP/OMA/3 and Corr.1
Tunisia	DP/CP/TUN/3

<u>Country</u>	<u>Document</u>
(c) <u>Europe</u>	
Albania	DP/CP/ALB/2
Czechoslovakia	DP/CP/CZE/3
Hungary	DP/CP/HUN/3
Malta	DP/CP/MAT/3
Portugal	DP/CP/POR/2
Romania	DP/CP/ROM/2
Turkey	DP/CP/TUR/3
Yugoslavia	DP/CP/YUG/3
(d) <u>Latin America</u>	
Antigua and Barbuda	DP/CP/ANT/1
Argentina	DP/CP/ARG/3 and Corr.1
Bahamas	DP/CP/BHA/1
Barbados	DP/CP/BAR/3
Bermuda	DP/CP/BER/1
Brazil	DP/CP/BRA/3
British Virgin Islands	DP/CP/BVI/1
Caribbean multi-island programme	DP/CP/CAR/3
Cayman Islands	DP/CP/CAY/1
Chile	DP/CP/CHI/3
Dominica	DP/CP/DMI/1 and Corr.1
Dominican Republic	DP/CP/DOM/1 and Corr.1
Ecuador	DP/CP/ECU/3
Grenada	DP/CP/GRN/1
Guyana	DP/CP/GUY/3
Haiti	DP/CP/HAI/3
Honduras	DP/CP/HON/3 and Corr.1
Jamaica	DP/CP/JAM/3
Mexico	DP/CP/MEX/3
Montserrat	DP/CP/MOT/1
Netherlands Antilles	DP/CP/NAN/1
Panama	DP/CP/PAN/3
Paraguay	DP/CP/PAR/3 and Corr.1
Peru	DP/CP/PER/3
Saint Kitts-Nevis	DP/CP/STW/3
Saint Lucia	DP/CP/STL/1 and Corr.1
Saint Vincent and the Grenadines	DP/CP/STV/1 and Corr.1
Turks and Caicos Islands	DP/CP/TCI/1
Venezuela	DP/CP/VEN/3

<u>Country</u>	<u>Document</u>
(e) <u>Asia and the Pacific</u>	
Burma	DP/CP/BUR/4 and Corr.1
China	DP/CP/CPR/1 and Corr.1
Cook Islands	DP/CP/CKI/1 and Corr.1
Fiji	DP/CP/FIJ/3
Malaysia	DP/CP/MAL/3 and Corr.1
Pakistan	DP/CP/PAK/3 and Add.1
Samoa	DP/CP/SAM/3 and Corr.1
Singapore	DP/CP/SIN/4 and Corr.1
Solomon Islands	DP/CP/SOI/2
Thailand	DP/CP/THA/3

for the duration of their programme periods within the limits of their illustrative indicative planning figures for 1982-1986, taking into account the balance of over-expenditure and under-expenditure of their 1977-1981 indicative planning figures;

2. Approves the country programmes for the Lybyan Arab Jamahiriya (DP/CP/LIB/3) and of the United Arab Emirates (DP/CP/UAE/3), which exceed the cost-sharing level established by the Council in its decision 77/31 and 81/16, and the financing arrangements proposed therefor;

3. Approves the extension of the country programmes for India (DP/CP/IND/EXTENSION) for the period April 1983 until March 1985;"

4. Takes note of the extensions of country programmes approved by the Administrator (DP/1982/87) for one year for Cape Verde, the Central African Republic, Chad, the Gambia, Ghana, Ivory Coast, Liberia, Mali, Mauritania, Niger, Sao Tome and Principe, Senegal, Sierra Leone, Swaziland, Togo, the United Republic of Cameroon, Upper Volta, Mongolia, Papua New Guinea, the Republic of Korea, Greece, Bolivia, Colombia, Costa Rica, Suriname, Trinidad and Tobago, Saudi Arabia, the Syrian Arab Republic and Yemen;

III

Takes note with appreciation of the intercountry programmes for Africa and Europe for the third cycle, 1982-1986, presented by the Administrator (DP/RA/2; DP/REU/1) and the general arrangements for their implementation;

IV

Having reviewed the Second Regional Programme for Africa 1982-1986 (document DP/RAF/2), which has been prepared in accordance with the notion of the collective involvement of countries in the identification of regional programme priorities pursuant to General Assembly resolution 34/206,

Convinced of the importance of maintaining UNDP support to the Multinational Programming and Operational Centres (MULPOCs) during the third programming cycle 1982-1986,

1. Requests the Administrator to continue to provide UNDP support to the Five MULPOCs during the whole of the Third Programming Cycle 1982-1986 by financing operational activities which are from time to time identified by the MULPOCs' legislative organs, and to allocate the necessary resources to ensure fully the continuation of MULPOC activities, during the period 1982-1986, at least at their current levels of activities, always ensuring that total expenditures are kept in conformity with the relevant regional IPFs and other funding sources, and are contained within the financial resources actually available at any given time and in accordance with the relevant provisions of decisions 80/30 and 81/16;

2. Further requests the Administrator to bring this decision to the attention of all the countries covered by the Regional Bureau for Arab States at the inter-governmental meeting scheduled for later in 1982 with a view to giving appropriate priority to assistance to the MULPOC for North Africa in the regional programme for that region.

V

Taking into account the views expressed during consideration of the recommendation of the Administrator contained in document DP/PROJECTS/10; (Viet Nam: Repair and Maintenance of Diesel Locomotives - VIE/80/054)

Stressing the importance of human resources development in the programme and projects of UNDP in the developing countries,

Approves action as follows:

(a) A survey team stipulated in section (b), paragraph 8 of document DP/PROJECTS/REC/10 will be appointed by the Administrator, composed of specialists in mechanical and electrical engineering, related to diesel-electric locomotive preventative maintenance and repair and railway workshop operations to provide recommendations for the improvement of the maintenance procedures for each of the major components of the diesel-electric locomotives;

(b) The team will complete the preparation of the training programme in the repair and maintenance of diesel locomotives, and present to the Administrator its recommendations regarding equipment and materials which, in its view, are absolutely necessary for the training objectives and training courses/programmes foreseen, which can be clearly distinguished from the equipment and material needed to restore, repair and maintain the locomotives and the workshop;

(c) The team will also present to the Administrator its recommendations regarding the equipment and material, including an appropriate workshop facility, which, in its view, are necessary to support a repair and preventative maintenance programme for the locomotives;

(d) The Administrator will assess the recommendations formulated by the team, and assist the Government to obtain from other sources, including bilateral assistance, the equipment and materials described in paragraph (c) above;

(e) The Administrator, when satisfied that the conditions necessary for the conduct of an effective training programme in preventative maintenance and repair have been met and, subject to the relevant provisions of General Assembly resolution 2688 (XXV), shall proceed expeditiously with the training activities described in paragraph 9 of document DP/PROJECTS/REV/10.

VI

Authorizes the Administrator to proceed with appraisal and approval action on requests for UNDP assistance to projects falling within the outlines of each country and regional programme in accordance with the decisions of the Governing Council that expenditures be kept in reasonable conformity with the relevant illustrative indicative planning figures (E/5543/Rev.1, para.31) increased as appropriate with Government cost-sharing contributions, and always subject to the overriding requirements of containing expenditures within the financial resources available at any given time so as to preserve the financial integrity of the Programme;

VII

1. Approves the following global projects:

Diarrhoeal Disease Control Programme: Research in Vaccine and Drug Development (Phase II) (DP/PROJECTS/REC/1)
Research on Tropical Wheat Improvement (DP/PROJECTS/REC/2)
Survey and Identification of World Marine Fish Resources (DP/PROJECTS/REC/3)
International Rice Testing and Improvement Programme (DP/PROJECTS/REC/4)
Research on Food Systems and Policies (DP/PROJECTS/REC/5)
Research and Training in Fertilizer Technology and Utilization (Phase II) (DP/PROJECTS/REC/6)
Technology Transfer on Root and Tuber Crops (Phase II) (DP/PROJECTS/REC/7)
International Crops Research Institute for Semi-Arid Tropics: Research and Training in Sorghum and Millet (Phase III) (DP/PROJECTS/REC/8)
ILRAD Research and Training in Animal Trypanosomiasis (Phase II) (DP/PROJECTS/REC/9);

2. Authorizes the Administrator to make the appropriate arrangements for the execution of these projects;

VIII

Approves the requests for authority to approve assistance for projects submitted by the Governments of

Belize (DP/1982/84)
Brunei (DP/1982/86)
Cyprus ((DP/1982/83 and Corr.1)
Democratic People's Republic of Korea (DP/1982/78)
Equatorial Guinea (DP/1982/69 and Corr.1)
Iran (DP/1982/73)
Kiribati (DP/1982/81)
Lebanon (DP/1982/90)
Nauru (DP/1982/77)
Nicaragua (DP/1982/85)
Nigeria (DP/1982/68 and Corr.1)
Qatar (DP/1982/94)
Sudan (DP/1982/71)
Swaziland (DP/1982/90)
and the Territory of Hong Kong (DP/1982/82*)
Tokelau (DP/1982/76)
and the Trust Territory of the Pacific Islands (DP/1982/74)
Tonga (DP/1982/75)
Tuvalu (DP/1982/80)
Uganda (DP/1982/67)
Vanuatu (DP/1982/79)

Requests the Administrator to take into account in the implementation of all the above programmes, projects and approval authorities the views expressed during their consideration by the representatives of Governments.

Argentina

On May 27, the United Kingdom objected to the approval of the Argentina Country Programme. It was supported by New Zealand and Australia (an observer). Latin American states and a number of others urged approval, and several intimated an intention to call for a vote, a course rarely employed in the Governing Council. The issue was resolved only on June 4, when the United Kingdom accepted approval "by consensus" and then inserted into the record a statement that it would have voted "No" had a vote been taken, as well as a reiteration of something said during the debate, that the Council action may be taken into account in the future when the United Kingdom is considering its contribution to UNDP.

Viet Nam

The Council had before it a \$2 million locomotive repair and maintenance project for Viet Nam. The Viet Nam Country Programme was approved earlier, at which time the Administrator was instructed to withhold approval of projects with large components of certain types of infrastructure equipment. More than half the cost of the Viet Nam project was for such equipment, and hence the budget had to be referred to the Council. Although 16 states spoke in support of the project, opposition was voiced by Malaysia, supported by ten other Asian and Western States. This blocked 11 Asian Country Programmes. The issue was not resolved until the last day of the Council, and then only after the President offered a compromise authorizing the Administrator to provide, after further review, certain technical services and training, and to advise the government of Viet Nam on other possible sources of funding for various equipment needs. (The Swedish bilateral program is expected to be this "source"). The text of the resolution on Viet Nam will be found in Section IV of Annex A. Cuba and four East European states offered an alternative proposal for project appraisal during the final debate, but withdrew it after 21 states said it was unacceptable.

F.6
May 27, 1982

Dear Mr. Morse:

I am replying to your letter to Mr. Clausen, asking that the Bank consider carrying beyond 1982 the program of seminars which have been offered to UNDP officials by the Economic Development Institute. You say that you would judge two more seminars in 1983 sufficient to complete an initial training cycle.

The EDI work program, for which budgetary and staff time provision has been made, includes a seminar for UNDP officials in March 1983. We also have included one further seminar on a standby basis in EDI's 1984 plan. As these are fiscal year (July 1 - June 30) programs and plans, an FY84 activity could be carried out in calendar 1983; I take it you have the calendar year in mind. This second seminar is a standby for considerations of staff time, rather than budget. While we cannot give you a firm commitment now, it is more than likely that we shall be able to find a firm place for the seminar in the work program.

I have passed on to the Director and staff of EDI your message of appreciation for their endeavors so far.

With kind regards,

Yours sincerely,

M. P. Benjenk
Vice President
External Relations

Mr. Bradford Morse
Administrator
United Nations Development Programme
1 United Nations Plaza
New York, N.Y. 10017

cc: Mr. Mozoomdar, Director, EDI
Mr. Riley
Mr. Lafourcade ✓
SEBoskey:di

March 2, 1982

Dear Brad:

Thank you for your letter concerning your intention to propose to the ACC an indefinite extension of the life of the UNDP/Inter-Agency Task Force.

As you know, The World Bank has not been a member of the Task Force but has assisted it from time to time on issues on which we thought we could be helpful. We shall be pleased to continue to do so if the Task Force remains in operation.

Please keep us posted.

Sincerely,



A.W. Clausen

Mr. Bradford Morse
Administrator
United Nations Development Programme
One United Nations Plaza
New York, N.Y. 10017

bc: Mr.Riley

SEBoskey/--:bli



THE ADMINISTRATOR
UNITED NATIONS DEVELOPMENT PROGRAMME

12 February 1982

Dear Mr. Clausen,

The current term of the UNDP/Inter-Agency Task Force is due to expire in October 1982. It seems appropriate therefore to review jointly our experience with this body and to decide on its future at an early date. In the light of the assessments already made at UNDP, I intend to ask the ACC at its forthcoming session to extend the term of the Task Force.

Up to the present, the term of the Task Force has been for periods of one or two years at a time. I suggest that if it is agreed to continue the Task Force, no specific period be indicated but members would appoint their representatives for a fixed period and would be free to give six months' notice if they intend to withdraw their representatives. Any member would, of course, be free at any time to propose to ACC that the Task Force be discontinued after a specified date. The Deputy Administrator, Mr. G.A. Brown, suggested this arrangement to the recent Interagency Consultative Meeting (6-8 January 1982).

In considering my proposal to extend the Task Force, members will no doubt wish to have my assessment of its performance. In doing so, I can rely on my own direct contacts with the Task Force members collectively and individually and on the reports provided to me by the Deputy Administrator who chairs meetings of the Task Force.

I am satisfied as are all senior staff of UNDP that the Task Force plays an important role in enhancing and making more effective UNDP/agency collaboration. The Task Force has supplemented existing channels of communication without prejudicing the normal links between operational entities in agencies and UNDP. In this role, members have rendered an important service in being able to explain the background and special circumstances surrounding actions and proposals to agencies and UNDP because of their intimate contact with both. Many of these factors could not have been adequately expressed in written communications.

By being in possession of advance information of contemplated actions in agencies and UNDP, Task Force members have been able to provide timely advice which often resulted in modification of proposals which would otherwise have created conflicts.

Mr. A.W. Clausen
President
World Bank
1818 H Street, N.W.
Washington, D.C. 20433

The summary of activities of the Task Force over the last two years referred to later gives some idea of the many different areas in which the Task Force has, in my opinion, made important contributions.

It is my intention to increasingly draw on the Task Force for advice on the central issues facing the UNDP and its partners. With this in view, I expect that the Task Force will be working even more closely with its Chairman.

In addition, the members of the Task Force have acted, in their individual capacities, as the substantive secretariat of the CCSQ(OPS), thus ensuring complementarity between the Task Force and the subsidiary organ of ACC which deals with operational matters. I believe it is in the interest of the UN system, even more so now than in the past, to continue such an arrangement.

... I am attaching a brief note outlining the terms of reference, composition and activities of the Task Force. The terms of reference summarized in this note have proven useful in providing a broad framework for the work of the Task Force. These terms of reference have been reviewed with the members of the Task Force and it has been agreed that no changes are needed at this stage. You will also note that in order to ensure the participation of those agencies which are not represented on the Task Force on a full-time basis, the initiative taken last year to convene an expanded meeting of the Task Force in Geneva in July 1981 was widely welcomed. Following the suggestion made at the last Interagency Consultative Meeting, I trust that this initiative will be repeated every year.

In the past year, the support staff for the Task Force was funded on a temporary basis. Should the proposal to continue the Task Force, as suggested above, meet with your approval, I would not hesitate to submit to the next session of the Governing Council proposals to make appropriate arrangements for such staff on a more permanent basis.

Some thoughts have been given to whether the present title of the Task Force reflects its functions in an adequate manner. I shall venture to make a suggestion in the next meeting of the ACC which might be acceptable to all participants. I may also take that opportunity to consult with you on the methods of working of the Task Force in the light of experience to date. I expect that the detailed procedures would in any case be worked out by the Chairman and the members of the Task Force themselves on the basis of the broad guidelines to be established by the ACC.

I look forward to receiving your views and suggestions.

Yours sincerely,



Bradford Morse

10 February 1982

BACKGROUND INFORMATION ON THE
TERMS OF REFERENCE, COMPOSITION AND ACTIVITIES
OF THE UNDP/INTER-AGENCY TASK FORCE

The UNDP/Inter-Agency Task Force was initially constituted in November 1977, in accordance with the decision of the 23rd session of the Inter-Agency Consultative Board (IACB). Its mandate has subsequently been extended in consultation with the Administrative Committee on Co-ordination (ACC) and the UNDP Governing Council on two different occasions. It is now due to expire in October 1982.

Terms of Reference

The objective of the Task Force is to assist in seeking a better articulation of operational policies for development within the United Nations system and to assist in translating them into more effective common action. More specifically, it attempts to define areas for improved collaboration by supplementing existing channels of communication between agency and UNDP Headquarters; it acts as a sounding board for new ideas and approaches for the formulation of development policies and procedures to be presented to inter-agency meetings and the UNDP Governing Council; it is a flexible means for initiating and reviewing activities in areas of critical UNDP/agency concern and to suggest practical measures for further action.

Following the implementation of General Assembly resolution 32/197 on the restructuring of the economic and social sectors of the United Nations system, members of the UNDP/Inter-Agency Task Force, in their individual capacities, now serve on the substantive secretariat of the Consultative Committee on Substantive Questions (Operational Activities) (CCSQ(OPS)) of ACC. This ensures complementarity between the work of the Task Force and the subsidiary machinery for operational activities set up by ACC in 1978.

The Task Force operates within the existing framework of UNDP/agency relationships and does not substitute for normal working channels or existing consultative mechanisms; it seeks to support these arrangements by facilitating continuity of consultations. The aim is to work as a group in support of system-wide goals, rather than promoting particular agency interests. Consequently, it concentrates on policy questions of general concern and does not deal with individual project issues.

Structure and Composition

Members of the Task Force are appointed on a full-time basis by their respective Executive Heads and have direct access to them. Arrangements are made to ensure that agencies not represented on the Task Force on a full-time basis are kept informed of its work. Their representatives are also co-opted as associate members of the Task

/...

Force on an ad hoc basis from time to time.

An Expanded Meeting of the Task Force was held in Geneva in July 1981 to facilitate the participation of all interested agencies, especially those not directly represented on the Task Force in New York, in reviewing progress, establishing future programme of work and discussing substantive issues of mutual concern. It is expected to continue this arrangement every year.

UNDP participates in the Task Force meetings through the Deputy Administrator, who acts as its ex-officio Chairman, as well as through a senior Director, who acts as the main link between the agency representatives and the various units in UNDP.

The Task Force is attached to the Office of the Administrator and has easy access to him on major policy issues. While the major interaction between the Task Force and UNDP to-date has been through the Office of the Administrator and the Bureau for Programme Policy and Evaluation, the members of the Task Force have been gradually strengthening their contacts with the Regional and other Bureaux at the UNDP Headquarters on specific policy issues.

The activities of the Task Force and of its small secretariat provided by UNDP are supervised by a Co-ordinator, who is elected by rotation from among the permanent members. The Co-ordinator is responsible for planning and monitoring the activities of the Task Force; convening and conducting its meetings in the absence of the ex-officio Chairman; maintaining liaison between the Task Force and UNDP, as well as with other United Nations organizations; and directing the secretariat staff attached to the Task Force. The Co-ordinator is assisted in these activities by a Programme Officer provided by UNDP, who acts as Secretary of the Task Force.

Activities of the Task Force

The Task Force has been following a number of subjects in the last four years which appear to be of continuing concern both to UNDP as well as to its participating and executing agencies.

These have included the UNDP country programming process and a review of its possible use as a frame of reference for other operational activities of the United Nations system; a review of the policies and procedures for inter-country programming; a study on direct execution by UNDP followed by a review of criteria and procedures for the selection of individual projects for execution by UNDP/OPE; consideration of definitions and procedures for the simplification and standardization of reporting of expenditures on operational activities; active participation in the preparation and review of documentation prepared by the UNDP secretariat for submission to the UNDP Governing Council on such critical issues as government execution, use of UNDP resources for purchase of equipment, use of national experts, project design and evaluation, TCDC/ECDC, promotion of links between technical co-operation

and investment, and on the preparation of guidelines for approval of projects financed through the Interim Fund for Science and Technology.

During the past 12 months, the Task Force has been engaged in a continuing dialogue with the Deputy Administrator and the other concerned staff at the UNDP Headquarters on the UNDP resource situation.

Some of the same issues have been referred to the Task Force within the framework of its role as secretariat of the CCSQ(OPS). In addition, some special subjects have been referred to the CCSQ(OPS) secretariat by ACC to be handled on a priority basis. Formulation of recommendation for strengthening the capacity of the United Nations system for responding to natural or man-made disasters and the projected study on the evolution of operational activities of the United Nations system in the 1980s are two significant examples in this regard.