

# UNDP/JICA DEVELOPMENT SEMINAR

8-13 October 1988 Tokyo



# UNDP JICA

INSTITUTE FOR INTERNATIONAL COOPERATION  
JAPAN INTERNATIONAL COOPERATION AGENCY (JICA)



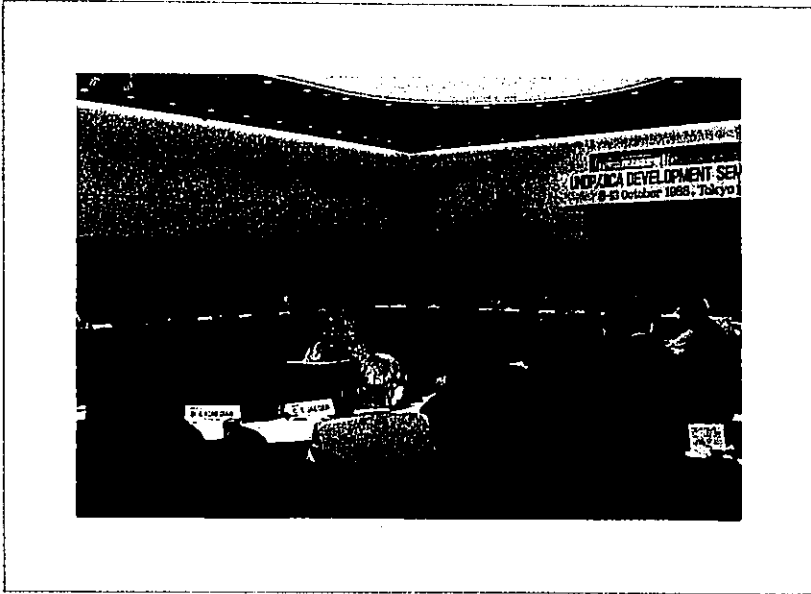


**UNDP/JICA  
DEVELOPMENT SEMINAR**



国際協力事業団

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Seminar in progress



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# UNDP/JICA DEVELOPMENT SEMINAR







## Preface

The United Nations Development Programme (UNDP) and Japan International Cooperation Agency (JICA) jointly organized the Seminar during October 8-13, 1988 at the Institute for International Cooperation (IFIC) of JICA.

The Seminar's objectives were threefold: (a) to provide Senior UNDP officials with an opportunity to review current thinking on development theory and policy; (b) to provide participants with the opportunity to reflect on their own experiences and exchange views on development issues with Japanese aid officials; and (c) to provide participants with the opportunity to reflect on strategies to strengthen cooperation between Multilateral and Bilateral Aid Organizations.

During the Seminar, there was a vital exchange of views and opinions among the participants.

It is my great pleasure to send the record of presentations and discussions, that would be useful in implementing the cooperation between UNDP and Japan for developing countries.

Kiyoshi Kato  
Director,  
Institute for International Cooperation, JICA

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## Opening Speech

Ladies and gentlemen, distinguished guests,

On behalf of the Japan International Cooperation Agency, I bid a warm welcome to all participants of the Development Seminar jointly organized by the United Nations Development Programme and the Japan International Cooperation Agency, and sponsored by the Ministry of Foreign Affairs of Japan.

This seminar has been held every year as part of the training programme for senior UNDP officials, and this is the first time that Japan has hosted the seminar. In this seminar, Resident Representatives of the United Nations Development Programme who are engaged in technical cooperation activities in the developing countries together with JICA officials and Japanese people concerned with development assistance, will gather here in Tokyo for four days and discuss various topics related to technical cooperation for developing countries. I sincerely hope that the exchange of views between UNDP Resident Representatives and Japanese participants will lead to fruitful discussions on effective implementation of assistance, and in particular to closer coordination of assistance efforts among international organizations and donor countries.

As you know, at the Toronto Summit held last June, Prime Minister Takeshita emphatically referred to "Japan contributing to the world." In specific terms he announced Japan's fundamental policies, including the 4th Medium-Term Target of Official Development Assistance. The world's expectations of Japan have been mounting in accordance with its economic development, and in such an international environment, there has been a growing awareness among the Japanese people that Japan should make a positive contribution towards the stability and prosperity of the world. Japan's positive stance toward development assistance, as seen against such a background, was highly esteemed not only by the heads of state at the Summit but also by the developing countries, including NIEs (Newly Industrialized Economies).

As an organization which plays an important role in Japan's Official Development Assistance, primarily in terms of technical assistance and capital grant assistance, based upon the government's fundamental policies, the Japan International Cooperation Agency is determined to promote substantial expansion of assistance with renewed vigor in order to

meet expectations both at home and abroad.

In the meantime, the strengthening of collaboration with UNDP, which has extensive field networks in the developing countries and which is involved those countries' development programmes, will not only enhance progress in the developing countries but will also increase the effectiveness of Japan's assistance. For this reason, JICA will continue to build even closer relations with UNDP. With this in mind, we have made special efforts in the last several years to exchange information not only with the UNDP headquarters but also at the field level. These efforts have resulted in joint projects with UNDP in Nepal, Burma, Western Samoa, etc. This seminar itself is part of our concerted efforts and I hope it will give further impetus to closer collaboration between our two organizations.

This seminar will also provide us an opportunity to learn the latest development theories and methods of implementation of technical cooperation supported by UNDP, which is the key organization for technical cooperation in the United Nations. This will be highly valuable for expanding JICA's cooperation programme. At the same time, I hope that this seminar will help the senior UNDP officials gain a better understanding of the present status of Japan's economic cooperation and of JICA's activities.

Before concluding my address, I would like to take this opportunity to express our deep appreciation to the officials of the Ministry of Foreign Affairs and other people concerned for their valuable cooperation and support in holding this seminar.

Thank you.

Tomoya Kawamura  
Executive Director,  
Japan International Cooperation Agency

**I . Role of the Private Sector in Development: Large-Scale Enterprises**

UNDP/JICA



**Role of the Private Sector in the Development of  
Developing Countries**

**by Akira Harada**  
Senior Adviser,  
Matsushita Electric Corp.





**1. My subject**.....Role of the private sector in the development of developing countries.

Are developing countries really developing?  
The answer:.....Yes and No. And why?

Developing countries are developing. But the pace is rather slow, while the progress of advanced countries has been remarkable in recent years.

The gap is widening. Moreover, the countries of the world are now divided into quite a few groups:

40 years ago, there were only 4 groups in the world:  
East & West, North & South.

Now, the countries in the West are rapidly moving toward "Globalization".

But, the East is staggering. China is more friendly with the West. As for the South, the OPEC countries are somewhat unique. The Asian NIES are taking off. The Latin American NICS are also making progress, but have huge debts.

As for the remaining developing countries.....nobody can call them LDC's, but their development has not been conspicuous.

The most serious problems of the 21st century are the problems of the "New South."

**2. Solutions** ..... How to solve the problems of the "New South"?

40 years ago, there were rather simple solutions.  
This was because the South was just one world. It was called the "Third World," and was generally treated as one world.

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### Solutions at that time:

- Building a stage for appeal.....like UNCTAD.  
a place for discussion.....like DAC, OECD
- Quantitative increases in economic aid.
- Setting the target for aid according to the GNP.
- Mostly financial or monetary aid plus technological aid.
- Tied aid.....United aid.
- Commodity aid.....Project aid.
- Increases in the ODA and Grant Element

Nowadays, solutions are more sophisticated and diversified.

*This is because there is no longer a single Third World, but several different worlds. This is the "New South," with:*

- a different stage of development
- different national interests
- a different geographical environment
- a different political and strategic background
- a different regional trend in integration

### New solutions for the New South:

Basic characteristics required:

*A more diversified approach to meet different needs.*

*A more comprehensive approach to meet complex needs.*

Trends:

*A qualitative improvement in aid along with a quantitative increase in aid.*

*From simple technology transfers to policy-oriented technological aid.*

*From technological transplantation to technological creation.*

*Parallel solutions for debt and development:*

- SAF (Structural Adjustment Facility)
- Menu Approach
- Debt Equity Swap

• BOT (Build, Own & Operate, Transfer)

From short-term annual assistance to long-term assistance.

Attaining a good balance and mix of government assistance and private sector aid and cooperation.

From economic and financial assistance to educational and cultural assistance.

**3. A Good balance and mix of public and private assistance**

Public sector .....(In principle) non-profit, risky, long-term, and huge projects.

Private sector.....Not too risky, profitable or return on investment, manageable projects.

Points for consideration:

Whether the level of development is high or low

Whether political stability is secured or not

Whether the infrastructure of the economy is well constructed or not

Whether a manageable market system is established or not

Whether good business rules and practices prevail or not

Whether the administrative efficiency of the Government is high or not

Whether the policy of the country is open or protectionistic

The better these conditions are met, the bigger the role of the private sector. If not, the smaller the role of the private sector.

#### 4. The role of the private sector in development

How can the private sector help developing countries?

- by buying and selling more,
- by financing more,
- by investing more,
- by transferring and exchanging technologies more,
- by extending more educational assistance.

First comes trade, especially imports. Most of the developing countries are suffering from foreign exchange shortages. Their trade balance is not good.

Therefore, it is most important that they export.

Japan's imports have been increasing in recent years with the high appreciation of the Yen. The currencies of the developing countries are not always linked to U.S. dollars. But in the past two years the Yen doubled in value against the Dollar. It must be much easier for any country to sell in the Japanese market. In fact, last year, in 1987, Japan's domestic demand increased by 5.0%, while external demand declined by 1.3%.

This year the Japanese Government forecast a 4.7% increase in domestic demand and a 1% decline in external demand, but the actual performance of the economy will probably show more than a 5% increase in domestic demand, all in real terms.

More importantly, imports of manufactured goods are increasing very rapidly. Just about one half of total imports are now manufactured goods.

In 1986, 4 cameras out of 10 sold in Japan were imported. 5 calculators out of 10, 6 radios out of 10, 5 golf clubs out of 10, 7 tennis rackets out of 10, 4 pieces of clothing out of 10 were imported goods. At the present time the import figures should be much higher. If you buy a good tennis racket in Japan, it will most likely have been made in Taiwan.

At present most of the manufactured goods are coming from certain countries in Asia, North America and Europe. But if developing countries try harder to sell their manufactured goods, they will have fairly good opportunities. This is in addition to their agricultural and mineral exports.

Cooperating with the Government and such public organizations as JETRO, private companies in Japan are also trying to encourage imports from developing countries.

About 150 of the top ranking Japanese companies establish their own import targets each year and do their best to achieve those targets.

As Japan's GNP is a little more than 60% that of the United States, Japan offers an enormous market.

But at the same time, Japan has a very competitive market.

Quality, features, functions, designs, prices.....these are all very important factors.

The tastes of Japanese consumers are extremely diverse.

They prefer deluxe cars to small economy cars, sophisticated electronic high-tech gadgets to simple ordinary ones, and the latest fashion in casual clothes to conventional formal clothes.

Thorough market analyses and frequent forecasts are therefore necessary. We wish you good success in your exports to Japan.

#### **International financing.**

There are quite a number of countries which are struggling with debts. Most of them are developing countries. But the largest debtor country is the United States of America.

With the high appreciation of the Yen, Japan has become not just an economic superpower but also a monetary superpower. The total Tokyo Stock Exchange dealings is almost greater than that of the N.Y. Stock Exchange. Together with West Germany, Japan is one of the largest

purchasers of U.S. treasury bonds, stocks and debentures.

You may wonder why Japan does not finance more for the developing countries rather than for such rich countries as the United States.

We understand your feelings. But the U.S. Dollar will continue to be the key currency of the world. Only by harmonizing the efforts of the G7 and other countries can we maintain the stability of the Dollar at a proper level.

Along with efforts to stabilize the Dollar as a key currency, something must be done to solve the debt and other financial problems of the developing countries.

In this regard, there are many interesting discussions going on at G7, IMF, the World Bank, and other financial organizations. Many suggestions and proposals are being presented from all directions.

A few comments concerning this point:

1. The lower the level of development, the larger should be the grant element, and the softer should be the financial conditions.
2. When the industrial level of a developing country reaches a certain level, growth-oriented or structural adjustment financing is more effective in preventing an increase in debt than a more stringent conditionality approach.

Korea is a good example. Korea struggled with a sizable debt for many years. Having achieved remarkable industrial development with a rapid increase in exports she has been able to increase her foreign exchange balance and no longer needs to worry about her debt. I would like to congratulate Korea not only for her success in holding the Olympic Games but also for setting a good example with her success in industrial development.

**Investment and Technological Transfer.**

Investment is the most important area where the private sector can contribute to the development of developing countries. Investment, especially manufacturing investment, involves transfers from the advanced countries to the developing countries in such area as:

- Capital
- Production facilities
- Technology know-how
- Management know-how

Investment also:

- increases employment
- improves productivity and competitiveness
- creates domestic markets
- helps increase exports
- improves the international balance of payments
- contributes to industrial development and economic growth

**Japan's Overseas Investments.**

In recent years, the growth of Japan's direct overseas investments has been very conspicuous.

During the 5 years from 1982 to 1986, the annual average increase was 20.1% as compared to 7.4% during the latter half of the 1970s.

Especially with the strong appreciation of the Yen, overseas investments increased by 83% in 1986 and by 49% in 1987.

The total amount for 1987 was 33.4 billion dollars, while the cumulative total at the end of 1987 reached 139.3 billion dollars.

Out of Japan's total overseas investment, 64% went to the developing countries in 1976, 45.4% in 1982, 33.2% in 1986, and 29% in 1987.



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Manufacturing investment, which has been about one fourth of total investment, showed an increase of 62% in 1986 and 106% in 1987.

About 60% of the manufacturing investment has gone to North America, while 29% went to developing countries in 1986 and 24% in 1987.

By the end of March 1986, 46% of Japan's total cumulative investment went to developing countries and 54% to advanced countries. (Asia 20.6%, Latin America 19.2%, Africa 2.8%, the Middle East 3.5%.)

**Why such a big increase to North America and so small an increase to the developing countries?**

The reasons:

- 1) Japan has been an export-oriented economy and needed to reduce its big trade imbalance.
- 2) Japan needed to overcome problems caused by the sharp Yen appreciation against the U.S. dollar.
- 3) Japan wanted to avoid trade friction.
- 4) Japan also to respond to requests and urgings of local American business communities.

Japanese private business had no other choice than to make a big investment in America, although substantial investments were also made in Europe and in neighboring Asian countries.

Now, the Yen-Dollar exchange rate is relatively stable and investments going to America have slowed. We hope investments in the developing countries will grow faster in the future.

**Other reasons for the relatively small investment made in developing countries in recent years.**

- 1) The world is changing from a resources-oriented economy to a technology and information-oriented economy.

Oil, minerals, agricultural commodities.....no shortages, and low prices.....no need for big investment.

- 2) World business is moving away from labor-intensive production to high-tech-based automation.

The attractiveness of low-cost labor is diminishing.

- 3) After the oil crisis of the 1970s and currency adjustments in the 1980s, all advanced countries have been busy in restructuring their economies.

Europe: relatively low economic growth  
preparing for EC integration

U.S.A.: trade and budget deficits, an increasing debt

Japan: the high Yen shock, restructuring

Advanced countries have been busy with policy adjustments.....to restore economic momentum and to establish a new order.

**Reasons on the side of developing countries:**

Factors discouraging investment differ by country. This is especially true because developing countries are divided into quite a few groups as mentioned before.

Factors to be taken into consideration:

1. Political stability.....the Middle East
2. Infrastructure.....electric power, water, ports transportation, communications.....
3. Level of development
  - Industrial structure
  - Savings rate
  - Investment opportunities
  - Consumption trends
  - Monetary & financial system
  - Export capacity
  - International balance of payments
  - Labor-management relations

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### 4. Administrative Efficiency

- Budget system
- Taxation system
- Law enforcement system
- Self-discipline
- Clarity of rules and regulations

### 5. Policy

- Stability or rapid growth?
- Nationalism or dependence on foreign capital?
- Protectionism or open policy?
- Government control or free market system?
- Regionalism or globalism?
- Investment guarantee.....Non discriminatory,  
National treatment
- Protection of industrial property rights

### 6. Education & Culture

- Educational level, literacy rate
- Business practices and discipline
- Socio-political stability
- Modern social structure
- Harmony with international business regulations and practices

By making improvements in these areas, it will be possible to have a big increase in investments to the developing countries.

## 5. Matsushita's Situation

### (1) Matsushita's manufacturing investment

At present our company has 102 overseas operations. Of the 102, 34 are for marketing, research and finance, and the remaining 68 are manufacturing operations. 46 of the manufacturing operations are in developing countries and 22 are in advanced countries.

### (2) Matsushita's basic philosophy for overseas investment

- Corporate philosophy……“P. H. P.”  
To cooperate in attaining “Peace and Happiness through Prosperity” for people around the world.
- The activities of the operations must be welcomed by the host countries.
- The operations must be carried out in accordance with the policies of the government of the host country, and we do our best to obtain from the government and people of the host country a good understanding of Matsushita’s philosophy.
- Actively carry out transfers of technology and knowhow.
- Build a profitable business structure that will produce funds so that the companies can expand operations by themselves.
- Build up the local staff and employees.
- Strengthen ties with the local communities and establish roots deep in the soil of the host country.

**(3) Policy regarding local production**

- Manufacture products which are competitive in quality, function and cost.
- Manufacture products to meet the needs of the local market.
- Strengthen the local engineering capability.
- Adopt the best production system to meet local needs combining modern automation and manpower.
- Establish and expand the local production of parts and components.
- Build export capability.

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- Strengthen ties with the local suppliers and producers.
- “Link the World Together with All Our Hearts and Technology”  
(company slogan)

6. **Several suggestions** to encourage investment and technological transfers to the developing countries.

- (1) Investment, especially investment from the private sector, should be promoted so as to *build a wide industrial base in developing countries.*

But investments are not gifts. They are part of economic cooperation.

The investment must be viable and successful in the long run, as for any normal business. Unless a business is profitable and survives, it cannot contribute to the host country.

The conclusion of an Investment Guarantee Agreement is most desirable.

- (2) *The biggest and most frequently occurring problems on the side of the host countries are those related to foreign exchange shortages.*

We urge developing countries that they not delay or stop payments of royalties or dividends to investors and discourage the steady growth of investment in the future.

7. **Matsushita Electric** has also established **educational funds for foundations** in several countries around the world.

In order to contribute to the progress of science and technology, Matsushita has also provided funds for the establishment of the “**Japan Prize.**” We admire the great efforts made in providing the Nobel Prize

for so many years in the past and hope that the "Japan Prize" will also contribute toward the attainment of peace, happiness and prosperity for people around the world.

Our efforts have been modest ones.

But I am sure that the attainment of "Peace, Happiness and Prosperity" is a worthy goal for any person on this earth.

Thank you.



# **Role of the Private Sector in Development**

**by Ryokichi Hirono**  
Assistant Administrator,  
Bureau for Programme,  
Policy and Evaluation, UNDP





### **Introduction**

With the permission of the Chairman, let me deal with the main topic, that is the role of the private sector in development, rather than limiting my discussion to transnational business. I do this not because I think that transnational business is not important, but because a broader subject of private sector development, of which transnational corporate activity is only a part, is today far more important in the new thinking of policy makers in the developing countries. You are surely very much aware of the new initiative taken by Mr. Draper on private sector development. As senior colleagues in the field offices of UNDP and at the Headquarters of the Japan International Cooperation Agency (JICA), you may be interested to know our thoughts and the progress made so far. Since setting up in May last year a Task Force on private Sector Development of which I happen to be the chairman, a considerable amount of thinking and efforts have been devoted to this subject, both in the UNDP headquarters and at our field level.

### **Rationale for private sector development**

Although the initiative in private sector development may appear new, it is a logical current development in the discharge of UNDP's mandate to assist the developing countries in their pursuit for economic and social development through the most efficient and effective use of human, material and financial resources. The developments in the 1980s in the international economic scene, creating difficult challenges for all countries but especially for the developing countries and the varying successes and failures encountered to deal with these challenges have made most governments rethink even some of their deeply-held philosophies and views on economic development. The efficiency of the market mechanism and the effectiveness of competitive private enterprises are now being increasingly recognized. Countries which relied on the market as the mechanism for resource allocation and provided the private sector with a business environment conducive to seeking profitable opportunities have been more successful in achieving sustained economic development through good times and bad than other countries which for historical or political reasons opted for a strategy of relying on the public sector for economic development. The burden of the underperforming public sectors in their own countries and the successes of private-led development in other countries have persuaded the governments of most developing

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countries to shift their development strategies in favor of the private sector. Even those countries with a socialist politico-economic system are now inclined to renovate their economic system to benefit from the competitive functioning of market mechanism and private sector.

UNDP's current initiative is therefore an objective response to such changing development strategies of the developing countries. UNDP had, even in the past, many projects in support of promoting entrepreneurship in medium and small enterprises, but those projects were piecemeal and rather haphazard and unrelated to any conscious policy on the role of the private sector. The current initiative of UNDP is to assist effectively those developing country governments who have recognised the efficiency of the private sector and are increasingly relying on it for sustained economic development.

### **Needed policy measures**

In deciding its approach to private sector development, and as agreed upon in our Governing Council meeting in Geneva in June 1988, UNDP underscores the importance of establishing an enabling environment in which the private sector can play its legitimate role. So the primary focus of UNDP's assistance in this area will be to help create such an environment. This will require action on a wide front: establishing the legal framework to enable the private businessman to invest capital and operate business without government interference; rationalizing government regulations to make them consistent with free, private initiatives; providing incentives and encouragement to exports in a relatively free exchange-rate environment; legislating tax laws to encourage private initiatives in research and development activities; allowing the market to determine the prices of goods, services and factors of production; adopting appropriate monetary and credit policies; maintaining flexible labour market and peaceful labour relations; and other measures including the very important one of making the government administration clean, efficient, quick and free from red tape.

The extent to which such measures could be taken in individual countries will, of course, vary and will depend on a variety of factors including the stage of development of the economy and the capacity of the government's policy making and implementing machinery. But central to

the private sector development policy is economic liberalization and the giving to human talents and energies the full opportunities to innovate and show dynamism, two powerful factors for economic growth. The importance of the investor's confidence must be underscored in this connection. Adoptions of macro-economic policies and enactment of legislation will not yield the desired private investments if the investor's perception of the continuity and efficacy of such policies and legislation remains weak.

The new emphasis on the role of the private sector in development is fully consistent with UNDP's central role of promoting human resources development in the developing countries. Human talent and ingenuity to increase productivity through managerial and technological innovations have been recognised as a no less important factor than capital investment for economic growth. The crucial question, therefore, is how to unleash human energy and initiative for productive purposes. Motivation to apply human talent and ingenuity for development depends on the role private initiative is allowed to play. Therefore, allowing the private sector to play a dynamic role through profit motives and providing the sector with the necessary support and facilities are not only consistent with human resources development, but indeed essential for such development.

The Governing Council and the Secretariat of UNDP had in the past engaged themselves in debates and discussions on the refinement of UNDP policy on human resources development. They had also debated on the need for directing UNDP's technical cooperation more effectively in response to changing requirements in developing countries. Reorientation of human resources development from the supply-based to the demand-based programme is essential. In this connection, on-the-job training programmes in the private sector enterprises must be fully supported. Also, government training institutions must be open to the needs and requirements of the private sector, particularly for small and micro enterprises. It is also important that formal education programmes at the primary and secondary levels become more effective in producing the trainable manpower that can adapt themselves to the changing technological and organisational requirements of the private and public sector enterprises.

One specific area in which UNDP is assisting the requesting governments is the privatization of public enterprises. In the past, many developing countries have developed a considerable number of public enterprises, many of which run at losses entailing heavy burdens on the public exchequer. Privatization of these entities has become a priority concern in many of these countries. However, privatization is a complex operation. There are alternative modalities of privatization: outright sale to private owners, public offering of equity shares, joint-ownership, management services contract, subcontracting, or liquidation. Any of these modalities involves a number of inter-related and sequential measures, which constitute an integrated programme of action. Common to all such programmes of action are: classification of public enterprises, ordering them by their priorities to privatize, valuation of assets and assessment of net worth to the private owners, negotiations with possible private parties at home and abroad and drawing a realistic timetable.

Another area which is very important but has received little international attention is the so-called "micro enterprises", small and medium-sized businesses which constitute a significant part of the private sector in many developing countries. They offer employment opportunities and incomes to a large segment of the population who are poor. These enterprises usually produce goods and services to meet their basic needs. However, they operate against immense odds being mostly deprived of organisational support. Their primary and driving demand is for capital, although the capital needs of individual enterprises are very small. On the other hand, it has been observed from the experiences in Bangladesh, Ghana, Guatemala and Caribbean island countries that not only loans from banks or other financing institutions help the micro enterprises to increase their output considerably, but also the record of repayment of such loans is often far better than that of the larger and organised enterprises.

In many developing countries, small and medium-sized enterprises are becoming increasingly important not only as producers of consumer goods for home market, but also as producers of consumer and producer goods for both home and foreign markets. As in the process of trade and economic liberalization they have to compete with more efficient producers outside, it is vital that governments provide fiscal, financial and

technological support to those enterprises embarking on further modernisation in both production and marketing.

UNDP and the other United Nations organisations are making important contributions to the vitality of micro, small and medium-sized enterprises by helping the governments in formulating policies to meet the capital, infrastructural, and technical needs of these enterprises. The primary objective has been in some cases to make the decision makers conscious of the potential value of these enterprises and motivate them to adopt appropriate policy, while in other cases to assist them in the better execution of such policies.

#### **Progress of work so far**

In the initial few months in 1987, an effort was focused in the UNDP Headquarters on establishing a coherent policy and a programme of action to assist the recipient countries in their endeavours to make the private sector the agent for economic development. It started with the study of the literature and a survey of experiences in the field. Informal discussions were held with experts and institutions having direct knowledge of the subject, especially of projects for private sector development in the developing countries.

The studies, reviews and discussions have been conducted at the very highest management level of UNDP as well as by the various organisational units. In order to maintain a unity of purpose and for proper interchange of information and ideas, an Inter-Bureau Task Force on the role of the Private Sector in Development was established under my chairmanship and with the Bureau for Programme Policy and Evaluation to function as its secretariat. All the Bureaux have sent senior-level members to it. Papers prepared on the subjects were reviewed by the Task Force which has also constantly guided the work towards formulating an institutional policy and a work programme.

As a part of the process in the refinement of its policy, UNDP held a series of direct consultations with high-level representatives of the developing countries—both government and the private sectors—with representatives of high-level executives of corporations in developed countries having direct experience in the developing countries, and also with selected specialists in the subject working in universities, research

institutes or consulting firms. The first of such consultative meetings was held at the global level at the UNDP Headquarters in New York in October 1987. For this consultative meeting, four developing countries were selected from UNDP's four operational regions. They were Ghana from the Africa region, Thailand from the Asia and the Pacific region, Jordan from the Arab States and Europe region and Bolivia from the Latin America and the Caribbean region. Two representatives were invited from each of these four countries, one from the government and the other from the private sector. The governments of Bolivia, Jordan and Ghana were represented by their finance or industry ministers; Thailand was represented by the Deputy Secretary-General, National Economic and Social Development Board. The representatives from the private sector were either heads of national Chambers of Commerce or heads of corporations of national importance. Six high-level representatives were invited from the developed countries. They were all from the private sector: three were from large international corporations in Canada, the Netherlands and the U.S.A.; two from universities in Scotland and the U.S.A.; and one representative from a trade bureau in New York City.

The discussions were forthright and very stimulating. They were conducted in an informal manner, which allowed the participants to be candid and direct. A report on the meeting has been distributed to the participants as well as to the Resident Representatives.

Our next step was to organise similar consultative meetings at the country, regional and sub-regional levels. All the regional Bureaux have already organised regional or sub-regional workshops to ascertain the state-of-the-art of the private sector development and exchange experiences in the private sector development and policies in the respective regions. Also, Resident Representatives of UNDP have already been engaged in dialogues with the governments to enhance their awareness of the positive role of the private sector in development and identify constraints on the development of the private sector, particularly indigenous enterprises and management, as well as to determine what assistance the United Nations system can provide by way of technical cooperation to create the necessary objective conditions for private sector development in the developing countries. As part of such efforts, as many as 186 meetings and workshops have been organised by UNDP Res. Reps. in 106

countries in all the four regions of the world, attended by representatives of governments and private sectors.

The global, regional/sub-regional and in-country consultative meetings have helped us to reconfirm our perspective which I outlined to you before. The importance of an enabling environment was reiterated, underscoring the need for effective macro-economic policies with appropriate monetary, fiscal, exchange rate, foreign trade and competition policies. The existence of proper legislative framework, social and physical infrastructure and an efficient public service was also emphasized. Above all, it came out clearly time and again that what counted most for private sector development was the investor's confidence; all other conditions would fail to generate private business enthusiasm if confidence in the prevailing economic and political systems were lacking. These meetings also stressed the importance of the so-called "commercial factor", meaning the existence of a well-organized financial system including investment institutions and development banks and a stock exchange. The experience with privatization was also discussed, highlighting the factors which helped or impeded this operation.

A number of useful suggestions were made at these meetings for UNDP's cooperation. They included providing advice and assistance to the governments to create the enabling environment, arranging programmes to train government staff, assistance to overcome confidence problems, training of private managers, helping to establish appropriate financial institutions and capital markets and a host of other measures.

It is not possible to make in one meeting an exhaustive discussion on what UNDP could or should do to assist governments in their efforts to promote the role of the private sector in development. I should like to invite you to make any suggestions you may have in this area of UNDP activity. I shall be ready to answer any questions as much as I can. Some of your questions may be tough and may not have easy answers. But I value your questions and opinions very much, because you live with the realities, and you will have to put into action whatever UNDP aims at achieving in promoting the role of the private sector in the economic and social development of the developing countries that UNDP serves.

Thank you.





**II. Role of the Private Sector in Development: Small-Scale Enterprises**

UNDP/JICA



**Our Floriculture Business in Sri Lanka Based on  
Past Experience**

**by Sadaji Wada**  
President,  
Hakone Florist Co. Ltd.



### **Manuscript for a Lecture to be Given at the UNDP/JICA Development Seminar**

I would like to talk about my company's floriculture business in Sri Lanka, centering on my experience there. First of all, my company has been selling mainly flowers and potted flowers and the like in Tokyo and Chiba City. Now, 35 years after its establishment, it is a typical small-scale enterprise with annual sales of a little less than ¥1 billion and a staff of 60 persons.

The Sri Lankan joint-venture firm was established with a capital of about 2.5 million rupees (equivalent to about ¥30 million at the time of establishment and ¥17 million at present) with 40% coming from the Japanese side and 60% from the local side.

The farm is located at Nuwara Eliya at an altitude of about 1,800m in the central mountainous region, a onetime summer resort area for the British during the days of the British colonialization, and it has since been turned into the main growing center for black tea.

At the farm, mainly carnations are grown, and it covers an area of about 100,000m<sup>2</sup> of land leased from the Government, on which 220 hothouses of about 266m<sup>2</sup> each were built for a total area of about 60,000m<sup>2</sup>.

The initial funds required were equivalent to about ¥240 million, of which ¥180 million was financed by a loan from JICA, ¥18 million was contributed from our own funds, another ¥18 million was contributed by our local partner, and a loan of about ¥25 million was secured from a local bank. The staff, including workers, is about 500 persons, the annual sales amount about \$1 million, and the average number of flowers harvested in a day is about 10,000, which, except those found to be inadequate for exporting (about 4~5%), are all exported. Their destinations are Singapore, Hong Kong, the Middle East and Japan, and every week about 10,000 flowers arrive at Narita International Airport.

Now, the reason why I started a floriculture business overseas was that, first of all, before World War II, I enrolled at the Tokyo University of Agriculture dreaming to operate a rubber or some other kind of plantation overseas upon graduation. The war crushed this dream of mine. However, it was finally realized in a different form, and it was also because of the energy crisis which made us consider the probable rising costs of producing flowers in hothouses in Japan. The main uses of

flowers we sell are for weddings and other celebrations or parties, and the types of flowers used for those purposes are roses and carnations, species *impossible to raise outdoors*. For this reason, we thought of raising carnations overseas, since they can stand long hours of transportation.

The major growing centers for carnations in the world are Colombia, Kenya and other plateau zones near the equator. Therefore, although it is located a little to the north of the equator, we thought that the central plateau zone in Sri Lanka was an appropriate place. We first had to travel to the Republic of Korea, the Philippines and Malaysia, however, before finding a suitable place in Sri Lanka and actually bringing seedlings to test there.

Nuwara Eliya has heavier precipitation than Colombia and Kenya, and for this reason we have had to make many efforts to deal with damage done by blight and noxious insects since we started the business. But more than anything else we were fortunate to find a good partner through a friend of ours. We had confidence in him and in this way started our business, which has since led to fairly good results.

Unlike producing industrial products by mechanical means in plants, floriculture is a labor-intensive business requiring much manual labor, and for this reason I think that Sri Lanka with a high ratio of latent unemployment, a high level of education, religious-minded and gentle people is the optimum place for this type of business. However, before starting the business, we hesitated somewhat over the question of whether a small enterprise like ours could risk an enterprise requiring so much capital. The offer of a low-interest loan from JICA (this required a bank guarantee) enabled us, however, to decide to launch our venture.

*Although the first formal investment was made in 1982, several times before that, from around 1979, with the cooperation of our partner, we brought seedlings to the site and actually planted them. When we found that the venture was likely to be feasible, we requested JICA to help us start the business.*

As you know, Sri Lanka exports many agricultural products such as black tea, rubber, etc. Yet, at that time the country was such that it seemed unimaginable that flowers could be grown on farms and then sold.

*With regard to the construction of hothouses and irrigation facilities, methods, for making nurseries, planting of seedlings, fertilization, spraying of agricultural chemicals, harvesting of flowers, preservation, packaging, and transportation, everything with the exception of the spraying of*

agricultural chemicals was new for the local personnel. Accordingly, we dispatched one of our staff members for five years to the farm for technical instruction and guidance, and we also sent several other employees to the site several times a year to help the local staff, and now it has become possible to produce exportable items. Incidentally, what troubled myself and other members of my company most was not techniques for raising carnations, but food. As in Japan, the staple food in Sri Lanka is rice, but all the accompanying foods are prepared with curry. Meat, vegetables, fish and everything else are seasoned with curry. Our meals were prepared specially to be less spicy, but it took quite a bit of time for us to get used to the considerable spiciness. Of course, black tea is an exception.

Another problem was the rainy season. For two to three months from the end of May to the middle of August, it rains almost every day in Sri Lanka just as it does during the rainy season in Japan. Moreover, the winds get stronger during this time of the year, and vinyl sheets used for the roofs of hothouses were blown off many times, and if we tried to reinforce them, the entire hothouse often fell down. Finally we ended up enclosing them with windbreak nets. Luckily, acacia seedlings about 30 cm tall which we had planted when we built the first hothouse grew up to a height of 2 meters in three years, and they were quite effective as windbreaks. There have been many more things which have troubled us. But the rather good results from our operation are largely attributable to the previous on-site studies, advice and loans extended by JICA and the enthusiasm of our local partner. As I mentioned earlier, we simply provided a solid source of supply and ideas for reducing costs.

So far, I have dealt briefly with the past and present situation of our undertaking, but as for future problems, I think that there is always some uncertainty about the political situation in the country, a factor which is present in any developing country. Another problem is that of the strong yen. Since the JICA loan was granted on a yen-basis, its value is at present about half of what it was when the loan was extended, and consequently the local company incurred a substantial loss. Thus, the low-interest loan specially made available to them proved to be comparatively expensive. As a measure to cope with this situation, we have persuaded the local firm to bear this situation on the understanding that we shall honor our commitment not to change the unit price for exports.

The remarkable reality of this project is that such a business under-



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*taken by a small enterprise like ours can end up as an example of international cooperation. For the country accepting our business, it also means an opportunity to acquire a certain sum of foreign currency and also to increase employment. Therefore, we hope that similar undertakings will increase in such countries.*

### **III. Structural Adjustment**

UNDP/JICA



# **Japanese ODA and Structural Adjustment**

**by Kenzo Oshima**  
Director,  
Aid Policy Division,  
Economic Cooperation Bureau,  
Ministry of Foreign Affairs



Thank you, Mr.Chairman. The previous speaker started, and finished, his remarks in an African way. Being a Japanese, I should perhaps start my own following the Japanese practice, that is, to begin by apologizing. I should have prepared an outline of my presentation for you to refer to, but for various reasons I could not. I feel sorry about this. Anyhow I am certainly very happy to be invited to this seminar to join distinguished Resident Representatives and officials of UNDP. I really think this seminar is valuable in that JICA, a leading aid agency in Japan, and UNDP, also a leading agency in the UN family, join together and exchange experiences and knowledge for mutual benefit. I would like to congratulate both the organizations on this.

I come from the aid policy division in the Economic Cooperation Bureau of the Ministry of Foreign Affairs. Generally my responsibility includes ODA budget, relations with the Diet, bilateral aid consultations with other major donor governments and international organizations, relations with NGOs, as well as general aid policy matters.

I am pleased to see around the table some of the people with whom I have had previously contact; in particular, if I may mention but one name, Professor Hirono, with whom we have had long association and indeed we benefited immensely from his expert advise on many occasions before his joining UNDP.

Now, after the very full description and lucid analysis of structural adjustment problems, particularly in Sub-Saharan Africa, presented by Mr.Damiba, what I think I can do is put forth a bilateral view and explain Japanese policy and practice in relation to this specific issue.

The World Bank introduced structural policy lending in the early '80s, and since then the number of countries which have followed the Bank's prescriptions has increased. In 1987, the percentage of World Bank and IDA loans approved for structural adjustment policy amounted to about 19% and it is likely to increase in future years. It was in 1985 that IDA started a special facility for Sub-Saharan Africa, and special joint financing by bilateral donors was enlisted. Japan has become a major subscriber to the SJF, and for the following four years, 1985 to 1988, Japanese subscription to this scheme reached 300 million dollars. This

total, I understand, represented the world's largest contribution to this particular scheme.

Policy-based lending has thus become a distinct feature in World Bank policy. The importance of such policy and its relevance to many developing economies in Africa and elsewhere came to be widely accepted. It was endorsed at DAC high level meetings. This new direction in no time affected bilateral aid policies of several donors and they started to adopt variations of policy-based lending, differently called programme aid or non-project aid etc.

As far as Japan is concerned, the concept found practical application first in the joint facility with MDBs. I mentioned earlier about Japan's contribution to the special facility of IDA which started in 1985. A few years later, Japan introduced policy-based lending in its bilateral loans.

I would assume that people around the table as aid experts know generally about Japan's aid, about its main features. Permit me, however, to give you a brief overview before going more into policy-based lending questions.

First, about ODA loans. One of the distinct features about Japan's ODA loan (Yen loan) is its sheer size. As you know, Japan's official development assistance, on disbursement basis for 1987, totaled 7.45 billion dollars. Out of that total, about 40% (or about 3 billion dollars) was Yen loan. It constituted 56.6% of Japan's bilateral ODA for that year. Another feature about the Yen loan may be its geographical allocation. It has been concentrated mainly in Asia; generally 80% or more of it has gone to the Asia-Pacific region; for 1987 the figure was a particularly high 89%. We consider this allocation more or less natural, given the fact of Japan's relations with the neighbouring Asian countries – historically, geographically, and culturally. The major recipients of Japan's ODA loans have been China, the Philippines, India, Indonesia and several other countries. These countries in Asia and the Pacific region are in great demand of capital for building up their economic and social infrastructures, and the Japanese Yen loan facility, whose concessionality is intermediate between grants and export credits, has served a useful purpose to meet these demands of low-income and middle-income countries in the

region. The Yen loan has been project-oriented for the most part. For the past five years, from 1982 to 1986, on the average 88% of disbursement of Yen loans has been project-based, 10% non-project based, in the form of commodity loans etc., and 2% for debt relief.

As far as the question of tied loans is concerned, about 60% of Japan's ODA loan is generally untied, a little less than 40% partially untied (LDC-untied). This untied rate, one may note, is already among the highest in bilateral ODA loans. The interest rate has been brought down in successive measures over the years; it is now on the average 2.6%.

After this brief overview, I now wish to focus on aspects of policy-lending, or non-project lending, in relation to the Yen loan. Firstly, commodity loans have remained for a number of years the main facility in the non-project category lending. They have been extended annually to several countries selectively, in the order of ¥40-80 billion, or about 20% of the total disbursement of Japan's ODA loan. Commodity loans have been extended and justified as a support for the balance of payment problems of recipient countries. As such, however, we have been careful in approving commodity loans for several reasons. They are quick-disbursing (an advantage), but unless handled carefully they could turn into an easy financing. Further, it is often difficult to evaluate the effectiveness of such loans. They might lead, if applied on a continued basis, to continuous budget support and to a condition of dependency on them by the recipients, which may not be a healthy state of affairs. Such at least, I think, has been the conventional thinking among aid policy makers in Japan.

However changes have occurred over the last two or three years. There has been a remarkable change in the aid requests that we receive from many developing countries. Often strong preferences are expressed for non-project type of assistance over project-type assistance. Not in a few but in many developing countries, reflecting the deteriorating economic conditions, new projects are either deferred or stopped. Countries require increased local cost financing as well as increased commodity loans. Indonesia, for example, had not requested commodity loans to Japan for nearly ten years but have now begun in recent times to request them. Similarly the Philippines, Burma, Bangladesh, Tunisia, Egypt and



many others. This was one remarkable change that we found necessary to respond to. The second factor which prompted reconsideration was the multilateral agency's shift of policy which had been in place especially since 1985. The World Bank increased lending based on policy. Such trend also had a certain impact on bilateral donors, including Japan.

In the course of 1986 and 1987, considerable debate took place within the Japanese administration to see whether and to what extent we should be readjusting our policy in response to these changes. As a result, a new thinking and policy emerged which may be summarized as follows. Firstly, whatever bilateral policy-based lending Japan may adopt in response to changing requirements of developing countries, it should not undermine or undercut the broad policy framework of the MDBs, but should rather compliment it. Secondly, it would be unwise for a bilateral donor to impose conditions which might constitute interference with the sovereignty of the recipient countries, so the question of aid conditionality should be most carefully approached. And thirdly, the Japanese policy-based lending, to be called economic policy support loan (ESL), should be an encouragement to recipient countries' macroeconomic policy adjustments, including their sectoral policy adjustments. It will be extended to give that encouragement, so that recipient governments following structural adjustment policies, get support from us in order to pursue these policy objectives for a desired goal.

Now, how to ensure these objectives in actual implementation? Firstly, it is obviously very important that policy dialogues with the recipients are actively engaged. We have had, of course, donor-recipient consultations with a member of partners on an annual basis, on an ad-hoc basis, depending upon the case. That policy dialogue should be deepened so as to cover not just the specific sectors or specific projects in question but more broadly macroeconomic policies, and industry activities etc. Secondly, it is important to have a better understanding of what other donors, bilateral and MDBs, are doing in respect of the recipient. To that end, it becomes more important to monitor what others are doing, so as not to duplicate nor undercut the effort of others. It will be necessary to closely monitor the implementation of conditionality imposed by the World Bank and IMF and so forth, when that is the case. And thirdly, as a formality, it will be necessary to put in the formal agreement entered

into with the recipient a clause that the loan provided is extended to support certain specific economic or structural adjustment policies and that reports be provided from time to time by the recipient on the state of implementation of those policies.

It will be seen from the preceding that the ESL goes a step further than the ordinary commodity loan but it stops short of the kind of conditionality policy followed by MDBs. Neither is the *tranché* payment approach considered appropriate in the bilateral context. An example of ESL can be found in the recycling programme of 20 billion dollars, launched by the Japanese government in May of 1987. The recycling program contains several segments, both ODA and non-ODA. The ODA portion is expected to be somewhere between 3 to 5 billion dollars, offered in the bilateral OECF loans, and this portion mainly will be implemented in the form of the ESL as explained so far. As of September of 1988, something like 2.4 billion dollars have been committed under this scheme.

Having dealt at some length with ODA loans, I come next to grant aid and would like to consider how in Japanese grant assistance structural adjustment is placed. Japanese grant aid has been increasing on a substantial scale. This has been in part in response to the criticism raised about the relatively low portion of grant assistance in Japan's ODA. Actually, in 1987, Japanese capital grant aid including food aid amounted to about 1.4 billion dollars on budget basis. Its geographical allocation has been centered mostly, again, in Asia. Bangladesh, the largest LLDC in the world, is the largest recipient of the Japanese grant assistance.

But recently the percentage of Japan's grant aid that goes to Asia has declined steadily. In the '60s and '70s the percentage was almost 100 percent. Today, however, it is down to about 50 percent, and the portion which goes to Africa increased. Five years ago Africa's share in the allocation of Japan's grant aid was less than 20%; in 1987, it rose to 35%. And the trend is markedly to put more emphasis on LLDCs generally, and those in the Sub-Saharan Africa in particular.

Japan's grant assistance has for the most part been, excepting grants for debt relief, project-based. However, an important departure was made last year with the announcement of a non-project grant aid of 500 million

dollars to Africa over the 3 years, 1987 through 1989. This was announced as part of the policy by the government in the urgent economic measures of May 1987. This new grant scheme was to be in parallel, in policy terms, with the ESL as described above.

True, Africa is remote from Japan, geographically and culturally etc., and Japan's involvement in ODA activities in Africa has been relatively limited in the past, but this state of affairs is being quickly corrected, as I mentioned above. In carrying out the 500 million non-project grant to Africa, we have had to devise certain special arrangements for procurement and so forth. In this regard, we decided to utilize the UNDP management services as well as those of the British Crown Agents. We have been generally satisfied with the services provided by these agencies.

A few more things need to be said about this non-project grant. Firstly, about the eligibility for the grant. This is a bilateral assistance and as such important consideration is naturally given to the bilateral relations between Japan and the recipient. Also, we take account of whether or not the recipient is undergoing structural adjustment, as well as the indebtedness of the recipient. These, in addition to the financing gap and the balance of payments situation of the recipient are considered as relevant factors in determining the allocation from year to year.

When it comes to the structural adjustment aspect, in providing this non-project grant we do not, as a bilateral donor, seek to impose bilateral policy conditionality of any kind. We will be satisfied with the fact that recipients accept the conditionalities of the MDBs and that they follow them. However, we will try to make sure that this grant, which is extended as an untied aid, serve the purpose for which it is provided by closely monitoring the process as well as the result.

We will be interested to find out what effect this grant will have on the economies of the recipient African countries, but of course, as was said by Mr. Damiba, this will be a time-consuming and long process. For the structural adjustment policy to be successful requires, among other things, a strong political will and the necessary administrative skills as well as the financial resources. Japan's contributions are not yet very large in Africa but we are already beginning to be a part of it in some

significant way.

Finally, I should like briefly to touch on the technical assistance aspect. If Japan is to embark on a larger scale on non-project types of assistance or policy based lending, it becomes extremely important for it to have policy dialogues with the recipient and with the MDBs. This means we need to have enough people to do this, macroeconomic experts, country experts, etc. We need experts not just on Asia, but on Africa and elsewhere. And we shall be exerting efforts toward building human resources in this direction. Technical assistance can play a vital part. One ideal person in this connection that comes to my mind is Mr. Masaya Hattori, who in the 1960s, under the IMF technical assistance programme, was sent to Rwanda as its National Bank President. On completion of his task which stretched over several years, he wrote a book on his experiences. Mr. Hattori later became a World Bank Vice-President. I think if Japan can produce many more Mr. Hattoris, its role in the world for development problems will indeed be very much enhanced.

So on this note I should like to conclude and I thank you very much for your attention.



## **Structural Adjustment in Sub-Saharan Africa**

**by Pierre-Claver Damiba**  
Assistant Administrator and Regional Director,  
Regional Bureau for Africa, UNDP



## I CAUSES LEADING TO STRUCTURAL ADJUSTMENT

Structural Adjustment is often perceived as a concept and a process imposed on governments by “outsiders”, particularly by Bretton-Woods-type Institutions. Structural Adjustment is not only considered a very bitter medicine to be swallowed by developing countries, but is also charged with ideological bias and unbearable conditions. Many, therefore, have been advocating some miraculous “alternatives” which so far have failed to materialize. The reality is that Structural Adjustment is a fact of life in most African countries; 28 governments are now engaged in a Structural Adjustment process, and several others are at various stages of negotiations with the IMF and the World Bank.

It is essential to understand, through an objective analysis, what the origins and the causes which led to Structural Adjustment are. This means review of the international economic environment of the early 80's and the economic and social conditions of most African countries and review of domestic factors in particular inappropriate policies. These external and internal factors have interacted and created the disastrous situation Africa is faced with today. Drastic policy measures and reforms are indispensable to avoid “collapse”, stabilization and adjustment are urgently needed as a first step for recovery.

## II TWO CASES : NIGER AND GHANA

A brief analysis of the evolution of the economic policies and programmes of Niger and Ghana, of the imbalances and distortions which developed as a result of exogenous constraints as well as of unrealistic domestic policies and poor management will illustrate the causes of and the need for Structural Adjustment.



### III WHAT IS A STRUCTURAL ADJUSTMENT?

Based on the above two cases, a description of the major measures constituting a "Structural Adjustment" and what objectives it is supposed to attain are necessary. The principal aim of a Structural Adjustment is to restore a basic equilibrium of the financial situation (balance of payments, rate of exchange, prices) as well as a re-ordering in the allocation and use of available resources. Structural Adjustment requires immediate steps (short-term) but aims at medium/long term measures for recovery and development.

### IV LOOKING AHEAD

Indeed Structural Adjustment is not a magic recipe and not the full answer. It is indispensable but not sufficient. Structural Adjustment has provoked many controversies, many arguments. Yet a long way has been covered since the famous and controversial "Berg" report. Today very few are questioning the necessity, in one form or another, of a Structural Adjustment, of institutional reforms, of modification of policies and programmes. As mentioned earlier, many, indeed most of the African governments have courageously embarked on profound changes. It is imperative that unavoidable reforms be pursued. But it is also imperative now to take into account the experiences, positive and negative, of the first generation of Structural Adjustments. Other dimensions, other aspects, other modalities and timing must be integrated in the process to ensure not only a short term recovery but the conditions for resumed development. The WB itself is evaluating its first generation of Structural Adjustment as is the IMF. UNICEF and others have contributed to the concept of Structural Adjustment with a human face.

UNDP, in cooperation with governments, along with the WB, IMF and ADB and others, is stepping up its activities whose aim is both to foster the structural adjustment process and address aspects and dimensions which were neglected by the creation of a) Social Dimension of Adjustment (SDA) b) Structural Adjustment Advisory Teams for Africa (SAATAs).

## **IV. Women in Development**

UNDP/JICA



# **Women and Development**

**by Chie Nakane**  
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University of Tokyo



Development certainly affects the social status of women in traditional society, as it accompanies dynamic socio-economic change. On the whole, development offers greater opportunities for women emancipating themselves from traditional customs, which restricted women's activities. However, the degree of bondages on women in traditional societies differs considerably, so that the manner of emancipation of women by development presents different pictures according to society as well as social strata.

The most advantaged case of women would be found in Southeast Asian societies, where traditionally no noticeable sex discrimination ever existed. Coupled with this tradition, owing to shortage of college graduates, female college graduates could advance smoothly in the society without competing against men. Indeed they are playing an important role in various fields: it is needless to think anew about their role or about improving their position.

In India, the position of women has been quite different depending on their social strata. Traditionally, women who can leave home to work are limited to those of the upper class and the lower class. From the early stage when modern education started, women of the upper class have been given an opportunity to receive a college education, to occupy high positions. Women of the lower class have been obliged to engage in hard labor. As for women of the middle class, however, because of greater social restrictions, they have rarely engaged in outside work. As compared with women of the upper class, who have had higher education, the opportunity of education among women of the middle class has rather been restricted. However, as development progresses, the level of education among the middle class has been improving and they have begun actively to engage in outside work in various fields.

In Islamic society, as the women's veil symbolizes, women have been obliged to stay at home. However, women who have received a higher education can easily get into high positions owing to the high demand of modern educated staff in a country.

Most societies in Africa can be said to be traditionally male-oriented societies. Nevertheless the female labor force has traditionally occupied an important role, and placing women in appropriate positions is considered an essential factor in Africa's development.

In China, encouraged by Mao Tse-tung's thought, women's emancipation since the liberation is most outstanding: emphasis has been put on

assigning women to appropriate positions. Not only in China, women's emancipation is much more obvious in many communist countries.

With regard to Japan, traditionally women have been placed in a low position. However, there have been no restrictions on women's work, and it is not uncommon for Japanese women to engage in heavy labor. In Japan before the age of feudalism, women were considered free like the women in Southeast Asia, without much sex discrimination. It was since the Feudal period (the 17th Century) onward when women were socially suppressed. This trend continued even after the modernization of the Meiji period till the end of the Second World War. It was only after the War that women were allowed to have the highest education equal to that of men. Thus, in Japan women's higher education has been left far behind that of men, and social participation by women has been delayed. That women are still overshadowed today can be seen by the fact that fewer employment opportunities exist for women graduates, due to the abundant supply of male graduates. Nevertheless, recently women in managerial positions are gradually increasing.

Japanese women's participation in the field of development is also reflected in this situation.

The number of women working at the sites of development cooperation and the number stationed overseas is still limited, but they have gradually begun growing.

There is a steady increase of women in the Japan Overseas Cooperation Volunteers now serving overseas, women accounting for a little more than a quarter of the total number of the JOCV volunteers. Japanese women working at the sites of developing countries are capable, they are more adaptable than men, and in countries such as those in Southeast Asia, where there are many female counterparts, their presence often facilitates the activities. In South Asia and in Southeast Asia there are places for women to engage in active work. The degree of advancement into the society of women depends on the condition of the society and on the positions women hold in the society. The education of women, moreover, is an important factor behind social participation by women. Education increases the capabilities of women and enables them to contribute to the development of society.

## **Women in Development**

**by Ingrid Eide**  
Programme Director,  
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Policy and Evaluation, UNDP





The first year after the establishment of UNDP's Division for Women in Development saw the formulation of the Organization's policy and procedures in this area. This paper was brought to the Development Seminar held at The Hague a year ago. After discussion and confirmation with the Resident Representatives present, it was then sent out to all field offices and the implementation of the policies was underway.

The emphasis, from a substantive point of view, has been on encouraging the fullest participation of women—as direct and indirect beneficiaries—in all UNDP projects having a particular target group, and across all sectors of the economy. In our follow-up visits to field offices in the course of the past ten months since the policy paper was sent out, we have observed and commented on the participation of women in all sectors of the economy—formal and informal. For instance, women have always been prevalent in the agriculture and rural development sphere; apart from their work in the household and on farms, they are also evident in production, marketing and informal trade, in order to augment—or provide—family income. Women are, in fact, increasingly active in the private sector. In addition, in many modern industrial and science and high technology sectors—where UNDP's assistance is increasingly directed—one also observes a significant proportion of women who are scientists, engineers, and doctors, and large numbers of female industrial workers. There is, however, room for improvement in the degree to which women benefit from training components in projects. The emphasis on more participatory approaches to development increases visibility and opportunities for women.

As regards country programming, we have, over the past year, started a review of a selection of country programmes to analyze them from the perspective of women's interests. Initial results have indicated few gender responsive programmes, but most have much potential for initiating changes in the context of mid-term reviews and new programmes. These are issues we hope to discuss in our session today. Inputs into projects continue through the Division's presence on the Action Committee, through comments made directly to the Regional Bureaux at Headquarters, and increasingly during our field missions and project site visits.

Field offices have responded to the requests for completing women-in-development **project review forms**. We are now proceeding with computerising these and will have feedback on the results in a few months. Several Field Offices have asked for more **sector-specific ideas** on how to ensure improved and enlarged roles for women in projects and programmes. To meet this demand, a Programme Advisory Note will be issued.

**Training** events over the past year have taken place in the form of Regional Workshops—in Arusha, Tanzania; and Kuala Lumpur, Malaysia—in Headquarters training and through field offices training seminars. We try to involve agency staff, as well as government counterparts wherever possible in these training sessions.

In the future, we shall look for more active and specific **reorientations** of projects and programmes, the **introduction of new projects** addressing women's needs and employing women's talents in the context of larger developmental objectives, and a marked increase in women benefitting from UNDP's presence.

All of this is possible, as stated before, only by the decentralization of initiatives. We know it depends on action support and action by Field Offices. It means that you—the Resident Representatives—must **inspire** and demand every staff member to be responsible for this concern in the context of his or her daily work on programmes and projects. Together we can achieve success, and we can only achieve it together.

## V. Environment and Development

UNDP/JICA



## **Environment and Development**

**by Hiroyuki Ishi**  
Member,  
Editorial Board,  
Asahi Shimbun(Asahi Newspaper)



Distinguished guests, ladies and gentlemen,

I am very honored and pleased to have been invited to this gathering. Before I begin my report, I would like to thank many of the participants here today, particularly the staff of UNDP to whom I owe a great deal for the success of my articles on environmental issues. Without their help, I would have been totally at a loss both professionally and personally.

Last year, when I was travelling deep into Zaire, I was struck by a severe case of malaria, but I am well today because the UNDP provided me with a car and rushed me to the airport from where I was flown to a hospital. UNDP actually saved my life.

Despite the fact that I had fallen ill, I gained a little weight while I was in Africa and this was rather embarrassing. However, I tend to gain weight when I am under severe mental pressure.

#### **Soaring Japanese overseas investment**

There has been considerable interest in international cooperation in Japan in recent years. This trend is not an exception in the field of journalism.

I have covered environmental issues for the past two decades. As you are well aware, from 1960 to the 1970s, Japan was one of the world's worst countries in terms of pollution and environmental destruction. Thereafter, however, with painstaking effort and large investments, Japan's environment improved dramatically, even when compared to the OECD member countries. On the other hand, environmental problems resulting from Japan's external economic cooperation and development have come to the limelight.

In the background is the ever expanding Japanese presence abroad. Japan's overseas direct investment registered a record high in 1986 of \$23.2 billion to make Japan the world's largest investor. In particular, investments from Japan occupy a major share in Asian countries. For example, as of 1986, Japanese investment in Indonesia accounted for 33 percent of the total, and in Thailand the corresponding figure was 24 percent. This is proof that Japan's presence has become substantially larger.

Of these investments, 40 percent accompanies economic development. However, it is highly questionable whether domestic anti-pollution criteria are applied to projects implemented abroad. According to a survey conducted by a certain Japanese organization on Japanese firms' anti-pollution efforts in their overseas facilities, 87 percent did not set up



waste water and sewage disposal treatment facilities, although they are required to do so in Japan. As regards waste smoke, the corresponding figure was a mere 13.5 percent. The share of anti-pollution spending to total investment was 8.1 percent for facilities in industrialized countries, but in developing countries, the figure dropped to 6.7 percent. This gap in figures indicates that anti-pollution measures are not considered as seriously in developing countries as in industrialized countries.

Today, I would like to take up the problem of tropical forests which has attracted international attention in recent years. In discussing this subject, I would like to focus on Indonesia and Thailand, where Japanese investment and development aid are offered in large amounts. As you know, the sudden destruction of tropical forests not only results in soil erosion and frequent occurrence of natural disasters that threatens the lives of the people in the region, but also increases the amount of carbon dioxide, which could adversely affect the global climate.

#### **Japan's import of tropical lumber**

The destruction of tropical forests, together with the whaling problem, are the two controversial issues in which Japan has been the target of criticism by environmental protection groups around the world.

Japan is a major importer of lumber, accounting for one quarter of the total world import volume. Japan is even the largest importer of tropical lumber. According to 1985 statistics, of the world tropical lumber imports, 52 percent is imported by Japan alone. This is far more than the second largest importer, the People's Republic of China, with 15 percent, or the Republic of Korea with 13 percent. 70 percent of tropical logs from Asia are bound for Japan. Voices questioning Japan's responsibility in the protection of the global tropical forests are mounting, not only because Japan is the largest lumber importer, but also because of the way in which Japan carries out its development assistance.

It was Southeast Asia's tropical lumber that helped the reconstruction of Japan, which was devastated by World War II. Imports of lumber from the Southern seas which have been sharply increasing since the 1960s reached its peak in 1973 at 2,600 cubic meters. Most of these imports consisted of lauan which is called diptero carp in Japan. Lauan was used for plywood and school desks, and it soon overflowed construction sites.

But the volume of imports was much too large; Japan plundered the lumber, which, under normal circumstances, are renewable resources, to

the point that reproduction was no longer feasible, and destroyed tropical forests. Up until 1970, Japan imported mostly from the Philippines. However, the reckless cutting of trees forced the Philippines, in 1965, to turn over its reputation of being Asia's largest lumber exporting country to Malaysia. In 1970, the Philippines was outstripped further by Indonesia. Although this was caused directly by the Philippine government's tightening of its grip in an attempt to restrain exports, in reality, its resources were nearly exhausted and it could no longer export. A study by the Economic and Social Commission for Asia and Pacific (ESCAP) found that forests are disappearing at an annual rate of 7 percent. If this trend continues, forests will be totally wiped out by 1996. Soon, the import of lumber will become one of the most controversial issues.

Between 1971 to 1975, Japan imported lumber from Indonesia; then, Malaysia became the major supplier. As of 1986, 87 percent of tropical lumber was imported from Malaysia, particularly from the states of Sabah and Sarawak. Japan has been seen to change supplying countries after it has nearly consumed the forest resources of the supplying country. It is projected that Malaysia's major forest resources will be exhausted by early 1990. The fact that lumber imports from Malaysia have been reduced to half since its peak is proof that the country's forest resources are nearly dried up.

#### **Indonesia's forest fire**

Now I would like to touch upon the present situation of Indonesia, the second largest lumber exporter.

The total tropical forest area of Indonesia is the world's second largest, next to Brazil. Since the mid 1960s, the Indonesian government has encouraged lumbering by introducing foreign capital. Lumber companies from Japan, the United States, the Republic of Korea and Taiwan swarmed the country. These foreign firms jointly managed projects with influential local businessmen. As a result, Indonesia became the world's largest exporter of logs from 1971 until 1980.

However, it was found that if Indonesia continued to cut its trees at the same pace, commercially viable forests would totally disappear in 20 years. The Indonesian government finally decided to restrain log exports starting in 1980. Nevertheless, the Food and Agricultural Organization (FAO) estimates that 1.3-1.4 million hectares of forests are disappearing annually. It was astonishing and distressing to see the large deforested

areas in Indonesia when flying over the country. Damage by flood and drought is gradually increasing in this country.

There is a common argument on the destruction of forests by means of lumbering. Those who cut the trees stress that "valuable trees such as Lauan grow only about 20 to a hectare. Since we select and cut only a few of them, there is little effect on the forests." However, according to a survey by the Japan International Cooperation Agency (JICA) conducted in 1981 in the Seburu region of East Kalimantan in Indonesia, of the 112 trees remaining in the lumbering site, 70 were damaged in one way or another. Some other studies also show that the building of roads and storage facilities at the lumbering sites have harmed 30 percent of the forest area. Moreover, when trees are cut and dragged out of the forest, 40 percent of unfelled trees are injured in the process causing some trees to die or rot.

Another serious problem is the secondary effects. The building of roads will pave the way for exploitation in the tropical forests where few people have tread. It means that after Japanese firms build roads with bulldozers, local lumber companies enter the forests and cut all the remaining trees with value. And then, farmers come into the site to begin slash-and-burn farming. I need not repeat to you that this slash-and-burn farming has been the major cause for the destruction of tropical forests. There are large areas of wasteland in Southeast Asia as a result of repeated slash-and-burn farming.

One of the tragedies resulting from such deforestation is the forest fire in East Kalimantan which was called this century's largest forest disaster. The fire started in February 1983 and continued to burn for four months. The total area burned down reached 3.5 million hectares. Kalimantan is a treasure of lumber where nearly half of Indonesia's lumber resources are found. Japanese trading firms (*shosha*) and lumber companies, in joint ventures with local companies, began to cut a large volume of trees since around 1968. When production peaked in 1978, a total of 250,000 hectares were deforested, lumbering logs amounting to 10 million cubic meters. Half of them were exported to Japan.

Normally, the humidity in the inner part of tropical forests is high and it is difficult for a forest fire to occur. When a survey team investigated the burned area, damage was worse where forests had been destroyed. There were large wastelands and the trees in secondary forests were still small and easily burned. (Secondary forests are sites where new trees

begin to grow after lumbering.)

In addition, the season for the slash-and-burn farming arrived when everything was dried up as a result of a drought. In East Kalimantan where the population used to be small, there are now 7 million residents. The government's transmigration policy has increased the population. And together with the native residents, the number of people living on slash-and-burn farming sharply rose. This slash-and-burn farming is believed to be the cause of the forest fire. Although the direct cause of the fire may be slash-and-burn farming, indirectly it was caused by the long years of lumbering which damaged the forests and made it easier for the fire to spread rapidly. Thus, Japan's responsibility is at question.

#### **Thailand's mangrove**

Recently, I visited a fishing village on the Gulf of Thailand, and I could not believe that this was in fact the same village that I had visited a few years ago. Before, the seashore had been covered with mangrove. But in many places the mangrove had been replaced by shrimp farms.

Mangrove forests, abundant with nutritive elements, have been the spawning grounds for fish and home for young fish. But in the past 10 years, the trend of cultivating shrimps by means of artificially creating a pond by cutting down the mangrove trees has increased. These shrimps grow to about the size of human hands in 3 to 4 months without even being fed.

There were 35 million square meters of mangrove throughout the country 20 years ago. Now that area has been reduced to half. The creation of shrimp farms, coupled with the cutting down of mangrove trees to be used for fuel by villagers, have been the major causes for the disappearance of mangrove. Most of the shrimps from these farms are, of course, exported to Japan.

With the disappearance of mangrove forests, erosion of the seashore has been accelerated, frequently allowing sea water to come into the paddy fields, damaging rice plants. Fishing has become increasingly more difficult than in the past because of the pollution of the seashore.

This is again caused by the fact that Japanese have abnormal preference for shrimps. Only 50,000 tons of shrimp can be fished in Japan, and a total of 220,000 tons are imported from more than 80 countries around the world. This means that Japan consumes one third of the total amount of exported shrimp. In short, one Japanese consumes 70 shrimps

a year. And this eating habit has created a demand for shrimps from Indonesia and India in addition to Thailand, resulting in more disappearance of mangrove forests.

Even without this problem of vanishing mangroves, disappearance of forests in Thailand is counted as one of the world's worse cases. In 1961, forest area in Thailand accounted for 53 percent of the total area, but in 1982, the figure declined to 31 percent. The disappearance of forest area in a year during the 1960s was 200,000 to 300,000 hectares, but recently the corresponding figure has doubled to 400,000 to 500,000 hectares a year. With the destruction of its forests, the major lumber exporting country became a lumber importing country by 1977.

In the northeastern part of Thailand, particularly, the fast disappearance of forests has caused land erosion and salinization to become serious resulting in a kind of ecological bankruptcy. Moreover, erosion of the seashore region is also proceeding.

#### **Future tasks**

The foolish destruction of tropical forests is symbolized by the so-called three connections. The "hashi (chopsticks) connection", "hamburger connection" and "coffin connection". The Japanese sought lumber from the tropical forests in Southeast Asia to make "throw-away" hashi (chopsticks), the Americans burned the tropical forests in Latin America to build farms to produce cheap beef for hamburgers, and the Europeans imported lumber from West Africa to make high-grade coffins. These are all unnecessary extravagances on precious resources, and environmental protection groups have expressed sharp censures.

In the past two decades, tropical lumber import of industrialized countries has increased by 16 fold, accounting for 10 percent of the world's lumber and pulp supply. In contrast, developing countries, whose population accounts for three quarters of the total world population, only consume 14 percent of the wood produced including plywood and paper, although they have more than half of the total world forest resources. There is one calculation that the volume of wood the Japanese use as paper in one year equals the amount of wood people in developing countries use as fuel.

At present, I believe that the most urgent tasks regarding the global environment problem, are the protection of forests and reforestation. I think that the famine in Africa and the recent devastating floods in

Bangladesh were caused mainly by the fast-paced destruction of forests. Some scientists believe that the abnormal weather conditions experienced around the world this year could be linked with the disappearance of forests.

Right now when a 10-hectare forest is destroyed, a mere 1-hectare is re-planted with trees. This ratio becomes one to 20 in Africa, one to 10 in Latin America and one to 5 in Asia. It takes at least 20 years in order for these replanted trees to demonstrate their environmental protection functions or to be used by man. If we do not move immediately, the next generation of people will be exposed to various problems.

Awareness of the importance of reforestation has increased in recent years as a result of rising overseas investment and development aid. It is our urgent task to set up an international standard so that we may seek ways to minimize the adverse effects of development on forests. Equally urgent is reforestation. Although there are mounting voices in Japan for a need to replant trees, I believe the protection of forests, which is a major premise, has been neglected.



## **Environment**

**by Charles Lankester**  
Principal Technical Adviser,  
Technical Advisory Division,  
Bureau for Programme,  
Policy and Evaluation, UNDP





## I. INTRODUCTION

1. The environment is once again topical. One reason is the attention given to the Brundtland Commission's Report, "Our Common Future," and aggressive follow-up, particularly by the Scandinavians, with various governments and development agencies. Another reason is that donors are "pushing" the environmental issues. It is debatable how much this stems from an objective analysis of needs, and how much results from citizens' groups in donor countries who are urging more decisive action because of the negative global environmental impacts they now perceive—global warming, loss of bio-diversity, etc.
2. The breadth of environmental issues is great, touching, in one way or another, on almost all the subject areas in which UNEP provides assistance. The prioritization of environmental issues has not generally been a problem within each agency, but with concern at an all time high and funding so hard pressed, it has become a problem for the UN system as a whole and thereby for UNEP in particular. The coordination of activities among agencies has also been problematic. The last meeting of Designated Officials on Environmental Matters (DOEM) in September 1988 identified five areas of environmental concerns to which the UN system should give concerted priority attention. The five areas are: climate change, environmental legislation, developing a register of toxic products and chemicals, the impact of industrial development on the environment, and monitoring and data collection.
3. This Development Seminar will focus on a cluster of closely related and critical current environmental issues—**tropical deforestation, desertification, global atmospheric change and loss of germ plasm**. The Seminar will examine the causes and impacts of these issues to illustrate the development problems confronting planners. The following four sections give thumb-nail sketches of the *status quo* in these subject areas; each section is followed by policy issues that the seminar may consider. A list of suggested reading is given in Annex I.

## II . POLICY ISSUES

### Tropical Deforestation/Policy Issues

4. Some of the issues the Seminar may wish to consider are:
  - (a) How can the responsibility for addressing tropical forestry problems be addressed in a more integrated manner, both within the UN system and by developing countries? Ineffective interdepartmental cooperation and coordination is recognized as a constraint to the advancement of many sectors, but the problem really does appear to be acute in the forestry sector. This is partly due to the fact that the vast majority of "serving" staff were trained under the supposition that they were responsible for all social and economic activities on lands under their jurisdiction, whereas, in reality, the relationship of forestry to other sectors—notably to food and energy security—have suddenly become critical issues in many developing countries. Other sectors impacted include health, education, transport, industry, employment climate, and commerce.
  - (b) ODA to the forestry sector has been doubled in the past three years, but some estimates suggest that a 20-fold increase is necessary over a sustained period to restore global environmental equilibrium. Much of the doubling may have been achieved by re-classifications; i.e., projects under the rubric of rural development may have become "forestry" projects, and further increments may be far, far more difficult to attain. Yet they are vital if grave environmental consequences that threaten global security are to be avoided. Are governments ready to continue giving this sector greater emphasis, as many donors now seem to favour? Is it appropriate for UNDP to press for still more resources to be allocated to this activity, and if so, how and when?
  - (c) The choices for development planners between aid allocation to rural or urban areas are well documented, and the forestry sector, with its upstream/downstream linkages, exemplifies the

issue. How can the relationships be more effectively linked and explained to decision makers?

- (d) There is compelling evidence that deforestation is encouraged by poor policies and practices and by inept and corrupt management in some developing countries. It is far, far less expensive to save trees rather than replant them yet deforestation continues, and the financial returns obtained by governments are so low—often only 15% of the actual value—that there is little incentive to manage them. Under-valuation of the tropical forest, combined with exaggerated claims by the substitutors—the livestock industry in particular—is thereby accelerating deforestation. How can UNDP help to break this cycle?
- (e) Forest resources in many countries are still regarded as **common property**. Most countries lack the necessary staff to effectively control cutting for fuelwood or land clearance. The absence of a structured and rational framework for management of the resource, whereby the benefits are effectively distributed, serves to facilitate archaic, destructive and selfish clearing practices. NGOs are particularly active in environmental work and in forestry in particular. How can we build bridges between the private and public sectors to more effectively manage common property resources?

#### **Desertification/Policy Issues**

5. The following issues may be considered by the Seminar:

- (a) What new approaches might be taken to generate fresh momentum? Could coordination and aid effectiveness be improved by adopting consultative meetings similar to those developed by sponsors of the Tropical Forestry Action Plan? Could leaders—Ministers of Finance, for example—of the afflicted or threatened countries, be taken to see successful examples of dune stabilization, range management, agricultural settlements with wind breaks and shelterbelts, etc.? Should a determined effort, with necessary financing, be mounted to document and illustrate successful case studies?

- (b) The evolution and implementation of policies and procedures that enable societies—from family units all the way through village structure to groups of communities—to responsibly manage **common property** remains a major constraint on tackling desertification issues. Who can or will take up this matter and finance the necessary policy studies?
- (c) The lack of scientific data about the extent of desertification, its rate of spread, its economic consequences, the impact of climatic change, etc., is profoundly disturbing. A number of important projects, such as agro-meteorological networks, have been established, but far more assistance is required. What priority can be given to this work and how should the cost be shared?

#### **Atmospheric Pollution/Policy Issues**

- 6. On the international front we can expect:
  - (a) atmospheric pollution to be on the agenda of economic as well as future east-west summits;
  - (b) early efforts to strengthen the Montreal Protocol and to begin work on preparing for a protocol on protection of the atmosphere;
  - (c) increased R and D to develop technologies to replace CFCs, reduce transboundary pollutants (e.g., scrubbers in coal-burning plants), reduce carbon dioxide emission levels, and develop viable non-polluting energy sources. It would seem likely, contrary to much current thinking and opinion, that nuclear energy may again be a major growth area, perhaps with smaller, simpler but safer plants. The major issue to be resolved is safe disposal of waste.
- 7. For UNDP some policy implications include:
  - (a) closer scrutiny of any projects that may be impacted by atmospheric pollution, such as coastal settlement schemes (including coastal hotels for tourism), projects that would either increase

the consumption of fossil fuels or reduce dependency, and activities that focus on germ-plasm conservation;

- (b) monitoring and data-collection activities, for example, improving the network of stations collecting meteorological information;
- (c) projects that help governments increase their reforestation activities, thereby "sinking" atmospheric carbon dioxide through the process of photosynthesis.

8. Other policy issues the Seminar might address are:

- (a) Is the scientific evidence compelling enough to justify the huge capital outlays required to control atmospheric pollution, or are we comfortable with the conclusion that, even if some experts insist the evidence is "thin", corrective action must be initiated;
- (b) How can the financial costs for control be borne, bearing in mind that it is the industrialized countries that are the main sources of pollution, and the principal sources of the polluting gases are coal, gas and oil-fired power stations and factories, which are central to global economic growth?

#### **Germ Plasm/Policy Issues**

9. The Seminar may wish to consider the following points:

- (a) Most environmental problems now confronting mankind, such as pollution of our water, fouling of the atmosphere, the spread of desertification, climate change and so forth, can be corrected if the political will, financing and organization are harnessed. However, **species extinction is altogether different. Gone is gone; forever.**
- (b) Should criteria be established to prioritize the conservation of certain germ plasm; for example, should priority be given to wild strains of agricultural crops which might prove invaluable in breeding for resistance to insect and diseases and possibly adapt-

ing to climate change? How should such criteria be established?

- (c) Should germ-plasm conservation centres be established in order that all countries, particularly those from where the germ plasm is collected, have *guaranteed access to the material*?

**“Nobody makes a greater mistake than he who did nothing  
because he could do only a little.”**

Edmund Burke



## I. INTRODUCTION

1. The environment is once again topical. One reason is the attention given to the Brundtland Commission's Report, "Our Common Future," and aggressive follow-up, particularly by the Scandinavians, with various governments and development agencies. Another reason is that donors are "pushing" the environmental issues. It is debatable how much this stems from an objective analysis of needs, and how much results from citizens' groups in donor countries who are urging more decisive action because of the negative global environmental impacts they now perceive—global warming, loss of bio-diversity, etc.

2. The breadth of environmental issues is great, touching in one way or another on almost all the subject areas in which UNEP provides assistance. The prioritization of environmental issues has not generally been a problem within each agency, but with concern at an all time high and funding so hard pressed, it has become a problem for the UN system as a whole and thereby for UNEP in particular. The coordination of activities among agencies has also been problematic. The last meeting of Designated Officials on Environmental Matters (DOEM) in September 1988 identified five areas of environmental concerns to which the UN system should give concerted priority attention. The five areas are climate change, environmental legislation, developing a register of toxic products and chemicals, the impact of industrial development on the environment, and monitoring and data collection.

3. This Development Seminar will focus on a cluster of closely related and critical current environmental issues—**tropical deforestation, desertification, global atmospheric change and loss of germ plasm**. The Seminar will examine the causes and impacts of these issues to illustrate the development problems confronting planners. The following four sections give thumb-nail sketches of the *status quo* in these subject areas; each section is followed by policy issues that the seminar may consider. A list of suggested reading is given in Annex I.

## II. SUMMARY OF THE STATUS QUO

### A. Tropical Deforestation

4. Annual losses have averaged between 10 and 11 million hectares for the past decade. The last global inventory used 1978/79 data and an update is just beginning (cost about \$3 million and not yet completely financed); the latest data is expected to show declines in the annual loss in many countries (virtually nothing readily accessible remains), but drastic increases in countries like Brazil, Indonesia and India may result in global annual losses remaining at similar levels. Related problems include:

- (a) fuelwood shortages for 2–2 1/2 billion people leading to malnutrition, school absenteeism, disruption of the family unit and declining agricultural productivity as animal and crop residues are burned as fuelwood substitutes;
- (b) increased outlays of foreign exchange by developing countries to **import** forest products (about \$11 billion in 1987) and declining **exports** (37 developing countries are now net exporters of products but only ten will be exporters by the year 2000);
- (c) accelerating destruction of watersheds (150 million hectares virtually destroyed in 32 developing countries affecting 400 million farmers downstream and an equal area gravely threatened) with consequent disruption of the hydrological cycle, advanced siltation of dams, reduction of power-generating capacity, disruptions or likely disruptions in water availability for downstream irrigation schemes, and downstream flooding resulting in loss of lives and infrastructural damage;
- (d) the release of greenhouse gases (GNGs) through burning contributes to atmospheric pollution (it would be interesting to calculate how many millions of tons of carbon were released by the recent fire disasters in China, Kalimantan, Brazil and the United States—Yellowstone). Reforestation on the other hand “sinks” carbon; and

- (e) with over half the total flora and fauna of the world living in tropical forest ecosystems, the destruction of forests results in loss of germ plasm. This loss of germ plasm may be one of the greatest yet more subtle threats to our own survival (see also paras. ... to ... below).

5. The Tropical Forestry Action Plan was launched in 1985 as a framework for a global response to deforestation. To date some 55 governments of developing countries have requested assistance, and financing for forestry activities has been doubled over three years compared to the five-year period targeted in the Action Plan. World Leaders were convened in July 1987 to discuss how further political support can be mobilized to counter deforestation. A follow-up meeting will be convened in late November 1988 to address the need to increase tropical forestry research, a constraint to the acceleration of activities in many subsectors.

#### Policy Issues

- 6. Some of the issues the Seminar may wish to consider are:
  - (a) How can the responsibility for addressing tropical forestry problems be addressed in a more integrated manner, both within the UN system and by developing countries? Ineffective interdepartmental cooperation and coordination is recognized as a constraint to the advancement of many sectors, but the problem really does appear to be acute in the forestry sector. This is partly due to the fact that the vast majority of "serving" staff were trained under the supposition that they were responsible for all social and economic activities on lands under their jurisdiction, whereas, in reality the relationship of forestry to other sectors—notably to food and energy security—have suddenly become critical issues in many developing countries. Other sectors impacted include health, education, transport, industry, employment climate, and commerce;
  - (b) ODA to the forestry sector has been doubled in the past three years, but some estimates suggest that a 20-fold increase is necessary over a sustained period to restore global environmental equilibrium. Much of the doubling may have been achieved by

- re-classifications; i.e., projects under the rubric of rural development may have become "forestry" projects, and further increments may be far, far more difficult to attain. Yet they are vital if grave environmental consequences that threaten global security are to be avoided. Are governments ready to continue giving this sector greater emphasis, as many donors now seem to favour? Is it appropriate for UNDP to press for still more resources to be allocated to this activity, and if so how and when?
- (c) The choices for development planners between aid allocation to rural or urban areas are well documented, and the forestry sector, with its upstream/downstream linkages, exemplifies the issue. How can the relationships be more effectively linked and explained to decision makers?
  - (d) There is compelling evidence that deforestation is encouraged by poor policies and practices and by inept and corrupt management in some developing countries. It is far, far less expensive to save trees rather than replant them yet deforestation continues and the financial returns obtained by governments are so low – often only 15% of the actual value – that there is little incentive to manage them. Under-valuation of the tropical forest, combined with exaggerated claims by the substitutors – the livestock industry in particular – is thereby accelerating deforestation. How can UNDP help to break this cycle?
  - (e) Forest resources in many countries are still regarded as **common property**. Most countries lack the necessary staff to effectively control cutting for fuelwood or land clearance. The absence of a structured and rational framework for management of the resource, whereby the benefits are effectively distributed, serves to facilitate archaic, destructive and selfish clearing practices. NGOs are particularly active in environmental work and in forestry in particular. How can we build bridges between the public and private sectors to more effectively manage common property resources?

## B. Desertification

7. Desertification – the intensification or extension of desert condi-

tions—continues to spread although its causes and impact are well understood and documented, likewise the corrective action that is needed. The world's arid, semi-arid and sub-humid lands constitute about 44% of the world's land area and are all threatened by desertification. An estimated three and one-half billion hectares, or 75% of these lands are already considered to be desertified. Yet these arid and semi-arid lands alone support some 850 million people and produce substantial amounts of livestock products and cereals. Risk areas include parts of California, Chile, Argentina, north-east Brazil, large areas of Africa, Iraq, Pakistan, and parts of Turkey. Lands near the edges of existing deserts are at particular risk. Desertification is a principal reason why *per capita* GNP has declined in Africa south of the Sahara. It is also an obstacle to development in other regions of the world. Various estimates on the rate of desertification are advanced, such as a southward movement of the Saharan desert by 5 kilometers per year. A conservative estimate is that six million hectares are irretrievably lost each year and that a further 20 million hectares are so degraded each year that crop production becomes uneconomic.

8. Desertification is more commonly associated with the semi-arid rather than the arid conditions because rainfall is higher and the temptation to grow and graze more is greater. Desertification is also associated, however, with areas with more "favourable" rainfall, especially when tropical rain forests are destroyed and the exposed soils undergo irreversible chemical changes that reduce permeability and inhibit plant growth. Desertification can appear in several guises including encroachment by dunes and sand sheets, deteriorating crop and range lands, waterlogging and salinization of irrigated lands, loss of vegetation and declining yields in either the quality or quantity of ground and surface water. Desertification commonly follows deforestation on hillsides as the hydrological cycle is disturbed; declining ground water levels along the edge of the Himalayas is an example of this phenomenon.

9. It should be emphasized that drought conditions accelerate the desertification process, but rarely actually cause desertification. The causes are man-made, a symptom of underdevelopment, resulting from varying combinations of economic and social factors including poverty, inequitable distribution of resources, inappropriate land-use systems and farming methods. The four basic causes of desertification, each rendered more acute by increasing population, continue; namely, **overcultivation**

and bad land-use, deforestation (one tree is planted in Africa for each 50 that are harvested), overgrazing, and unskilled irrigation.

10. The 1977 UN Conference on Desertification (UNCOD) adopted a detailed plan for national, regional and international action over the next 20 years. Transnational projects to revolutionize stock rearing, establish greenbelts, monitor desertification trends by satellites and manage regional aquifers were formulated. Regional research centres were to be established and national plans of action formulated. Cost estimates for the plan of \$2.4 billion of external aid per annum were advanced, but later revised to \$5 billion. Only a very small fraction of these funds have been mobilized, and progress has been very limited. Meanwhile, the population of the Sahelian countries grows at about 2.5% per annum, but food production at only one per cent. At this rate by the year 2010 population will have doubled but food production will be up by only 30%.

11. The UNCOD Action Plan lacks concerted support. UNEP's financial resources are hard pressed and while UNSO has been restructured to make it more responsive, its own financial base remains very narrow. In short assistance seems to have plateaued. An attitude of "inevitability" seems to have settled in amongst several governments that is both unnecessary and extremely dangerous. Cattle numbers are once again at record high levels in many countries, and many projects designed to avoid or to mitigate disaster seem to be quickly shelved now that the rains have returned. In short, we seem to have learned little from the four major African droughts that have occurred in this century, and the next drought may once more result in crisis conditions.

#### Policy Issues

12. The following issues may be considered by the Seminar:

- (a) What new approaches might be taken to generate fresh momentum? Could coordination and aid effectiveness be improved by adopting consultative meetings similar to those developed by sponsors of the Tropical Forestry Action Plan? Could leaders—Ministers of Finance, for example—of the afflicted or threatened countries, be taken to see successful examples of dune stabilization, range management, agricultural settlements with wind breaks and shelterbelts, etc.? Should a determined effort, with

necessary financing, be mounted to document and illustrate successful case studies?

- (b) The evolution and implementation of policies and procedures that enable societies—from family units all the way through the village structure to groups of communities—to responsibly manage **common property** remains a major constraint on tackling desertification issues. Who can or will take up this matter and finance the necessary policy studies?
- (c) The lack of scientific data about the extent of desertification, its rate of spread, its economic consequences, the impact of climatic change, etc., is profoundly disturbing. A number of important projects, such as agro-meteorological networks, have been established, but far more assistance is required. What priority can be given to this work and how should the cost be shared?

### C. Atmospheric Pollution

13. There are two phenomena that all nations must now address:

#### (1) Global Warming

14. A decade ago scientists disputed whether warming was occurring, but during 1988 discussion focussed on the **rate** of warming, its causes and the corrective action to be taken. The present consensus is that the so-called "greenhouse effect" will probably produce a mean temperature increase of between 1.5 to 4.5°C over the next 30 to 40 years. The implications for the social and political stability of this planet are profound. We do not yet sufficiently understand world climate, and it may be another 15 to 20 years before we can reliably predict regional changes, and by then it may be too late. Some of the most threatening effects will include:

- (a) thermal expansion of the oceans will raise levels by one to 1 1/2 metres. Roughly one-third of all peoples live within 60 km of a coastline; in Bangladesh and Egypt alone, 25 million people would be displaced. Coastal protection costs are so great that only selected areas will be protected. Agricultural production in the rich delta areas will be impaired, bio-diversity will be lost, sewage and industrial waste disposal systems may back-up

creating health hazards;

- (b) there is evidence that changes have already begun in both atmospheric as well as ocean circulation; regional rainfall patterns may also be shifting. Some areas will become not just hotter but also drier with an increased risk of desertification. Other areas may become much wetter, with a consequent increased risk of soil erosion. The wheat belt in the USA could shift 300 km further northwards so plant breeding work must be initiated to compensate for the expected climatic changes. It seems probable that zones with already unpredictable rainfall may experience increased uncertainty and greater extremes. Implications for the Sahel, for example, are particularly worrisome; the 1982-1984 drought resulted in grave losses in human and animal life, and affected 150 million people in 20 African countries. The economies of several of those countries have not yet recovered from the dislocations caused by the last drought.

## (2) Damage to the Ozone Layer

15. Recognition that chemical pollutants were damaging the planet's stratospheric protective ozone layer resulted in the 1987 Montreal Protocol, an agreement by 62 nations and the European Community to reduce the production and use of ozone-depleting chemicals, especially chlorofluorocarbons (CFCs). Indications that damage to the ozone layer may be more widespread than thought only three years ago, and the success of responsible manufacturers in adapting processes to use non-destructive chemicals, may result in reinforcement of the protocol to even stricter standards.

16. As with global warming the consequences are manifold. Among the more serious:

- (a) health hazards include increasing incidences of skin cancer and cataracts. General impact on the body's immunization system is suspected as well. Ground level ozone alerts resulting from chemical pollutants are becoming increasingly frequent in industrial areas; and
- (b) the effect of increased ultraviolet radiation on all forms of plant



and animal life is not known. Mutations may occur; thousands of life forms as we know them, perhaps hundreds of thousands, may become extinct. Alterations in patterns of disease and insect attack on agricultural crops are very probable.

#### Policy Issues

17. On the international front we can expect:
  - (a) atmospheric pollution to be on the agenda of economic as well as future east-west summits;
  - (b) early efforts to strengthen the Montreal Protocol and to begin work on preparing for a protocol on protection of the atmosphere; and
  - (c) increased R and D to develop technologies to replace CFCs, reduce transboundary pollutants (e.g., scrubbers in coal-burning plants), reduce carbon dioxide emission levels, and develop viable non-polluting energy sources. It would seem likely, contrary to much current thinking and opinion, that nuclear energy may again be a major growth area, perhaps with smaller, simpler but safer plants. The major issue to be resolved is safe disposal of waste.
  
18. For UNDP some policy implications include:
  - (a) Closer scrutiny of any projects that may be impacted by atmospheric pollution, such as coastal settlement schemes (including coastal hotels for tourism), projects that would either increase the consumption of fossil fuels or reduce dependency, and activities that focus on germ-plasm conservation;
  - (b) Monitoring and data-collection activities—for example, improving the network of stations collecting meteorological information;
  - (c) Projects that help governments increase their reforestation activities, thereby “sinking” atmospheric carbon dioxide through the process of photosynthesis.

19. Other policy issues the Seminar might address are:

- (a) Is the scientific evidence compelling enough to justify the huge capital outlays required to control atmospheric pollution, or are we comfortable with the conclusion that, even if some experts insist the evidence is "thin", corrective action must be initiated?
- (b) How can the financial costs for control be borne, bearing in mind that it is the industrialized countries that are the main sources of pollution, and the principal sources of the polluting gases are coal, gas and oil-fired power stations and factories, which are central to global economic growth?

#### D. Loss of Germ Plasm

20. Tropical forest ecosystems, particularly tropical rain forests, are the world's richest source of plant and animal life and thus a critical reservoir of genetic resources. Tropical forests are home to millions of indigenous peoples and forest settlers; they provide a vast array of wood and non-wood products for subsistence and commercial uses. Further, there is growing scientific evidence that tropical forests are critical to maintaining the earth's biosphere, including global temperature and climate regimes. Widespread forest clearance is disrupting these ecosystems, contributing to the global loss of biological diversity.

21. Only about 260,000 plant species have so far been identified throughout the world, and estimates of the total number of plant species in the world are based on statistical evidence drawn from taxonomic surveys. Similar estimates have been made for animal life and for insect life. Our scientific ignorance about life forms on earth is both appalling and frightening. Estimates of the total number of life forms vary, but six million is a figure that most taxonomists and systematists feel comfortable with. But before we can grasp the nature of the challenge to save species we must learn the five dimensions of the problem. We need to establish just how many species exist, their location, the degree of threat to extinction, etc. Effective taxonomic surveys might cost \$100 million, just one and a half hours of armaments expenditure.

22. Tropical forests produce an extraordinarily wide range of products essential to human survival, health and trade. In addition to indus-

trial wood, natural forests (particularly tropical rain forests) provide a myriad of other useful products such as essential oils, latexes, resins, tannins, steriods, waxes, fibres and pharmaceutical products. More than 50 percent of modern medicines come from the natural world and a large proportion of these from tropical plants. The US Cancer Research Institute has identified 1,800 tropical forest species with potential anti-cancer properties. The most well-known is a plant from Madagascar, the 'Rosy Periwinkle,' from which is derived a drug used for the treatment of leukemia. Sales of that drug exceed US\$100 million per year worldwide. The extent to which many important agricultural crops depend on forest derived germ plasm for broadening the genetic base, maintaining yields and enhancing their capacity for resistance to insect pests and disease has been well-documented. Yet less than one percent of the tropical plants have been chemically screened for potential medicinal properties. Of the 260,000 identified plant species on earth, only one in ten has been investigated in a cursory way to assess its utilization benefits; only one in a hundred has been examined in detail.

23. Past tropical rain forest inventory research has been almost exclusively focused on timber production options. Little research has been done in relation to the critical role that secondary forest products such as foods, fibres, medicinal products, insects and wildlife play in meeting essential needs of indigenous populations. Many otherwise obscure animal species, particularly insects, should also be protected to maintain or enhance agricultural output. For example, the oil palm is pollinated in the wild in Africa by a weevil. The oil palm was introduced into Malaysia, in 1917 without the weevil and required costly, inefficient, labor-intensive hand pollination. In 1980-81 the pollinator was collected from its native habitat in the forests of Cameroon and brought to Malaysia. It promptly boosted fruiting in oil palm trees to 80 percent and led to a 12 percent increase in palm oil production. This improvement was worth approximately US\$57 million in foreign exchange in the first year alone.

24. Tropical forests must be viewed by decision makers as an invaluable source of germ plasm. Forest-derived plant germ plasm has the potential to contribute to increased agricultural production. Some 147 perennial crop plants (excluding medicinals and ornaments) have been domesticated in tropical forests. Eighteen of the more important crops are summarized in Table 1 below.

25. Retaining a biologically diverse source of forest germ plasm for sustaining crop yields is a matter of vital concern to sustaining future agriculture, and in particular, perennial agriculture cash-crop production (oil palm, cocoa, rubber, etc.). Experiences of recent years have repeatedly underscored the importance of maintaining a broad pool of genetic resources. As the green revolution progressed during the 1960s, for example, scientists found that to avoid increasing vulnerability of crops to pests and disease, the new super-strains had to be crossed back to other cultivated wild strains to develop particular kinds of pest resistance or particular environmental adaptations. Those wild strains were found in the tropical forest.

26. In 1970, to cite one famous occurrence, 70 per cent of the seed corn grown by US farmers owed its ancestry to six inbred lines. When a leaf fungus blighted cornfields from the Great Lakes to the Gulf of Mexico, America's great corn belt was threatened. The disease eliminated 15 percent of the entire crop and as much as half the crop in several states of the South, pushing corn prices up by 20 percent and causing losses to farmers and increased costs to consumers worth more than \$2 billion. The damage was halted with the aid of various kinds of blight-resistant germ plasm with a genetic ancestry that derived from Mexico.

27. The forest-based germ plasm resources of many vital crops are threatened with extinction because of deforestation. The research needs are clear—an all-out effort is needed to identify, preserve and enhance this valuable rain forest-derived germ plasm before it disappears forever.

#### Policy Issues

- (a) Most environmental problems now confronting mankind, such as pollution of our water, fouling of the atmosphere, the spread of desertification, climate change and so forth, can be corrected if the political will, financing and organization are harnessed. However, species extinction is altogether different. Gone is gone; forever;
- (b) Should criteria be established to prioritize the conservation of certain germ plasm, for example, should priority be given to wild strains of agricultural crops which might prove invaluable in breeding for resistance to insect and diseases and possibly adapt-

ing to climate change. How should such criteria be established?

- (c) Should germ-plasm conservation centres be established in order that all countries, particularly those from where the germ plasm is collected, have guaranteed access to the material?

### III. POLICY ISSUES FOR CONSIDERATION IN THE SEMINAR

#### A. General

28. The magnitude of capital and technical assistance outlays to responsibly address environmental issues are so great that **prioritization** is essential. What indicators can be used to prioritize issues in each country and who should do the prioritizing? Should priority be given to traditional economic measures of growth such as export earnings or GDP growth, or on measurements of the sustainability of the countries development pattern—for example, are fish populations steady or declining, are mineral resources being too rapidly depleted, can forest-based industries be assured of long-term supplies of raw material?

29. Resource depletion in certain critical countries, for example, deforestation in the Amazon Basin of Brazil, is now recognized as a potential threat to our common environment. What strategies need to be evolved and promoted to ensure that the custodians of these resources manage them responsibly? **What mechanisms can be suggested to compensate nations for not depleting resources they control?** Put simply, should compensation be paid to Brazil to leave the Amazonian forests untouched? And how would any form of compensation be calculated and by whom?

30. **How can the depletion of natural resources be taken into consideration in national accounting practices so that governments and ministries be held accountable for ensuring sustainable development.** In this regard, although most developing countries now include a section on the environment in their national development plans, no single country is thought to be scrutinizing all the other sections of their development plans from an environmental perspective to determine their sustainability. (For example, fertilizer application may be maintaining

high levels of agricultural productivity, but are chemical residues building up in soils that will result in long-term declines in productivity, are pests developing resistance due to overuse; and are chemicals being leached into streams and lakes and entering the food cycle?). How any country seeks to attain sustainable development will reflect the balances it adopts in economic and social development, but the critical issue remains that the methodology for incorporating the environmental dimension into national economic planning and more so to policy formulation, is undefined. This situation is tantamount to an indictment of the international aid community and must be urgently addressed. Three countries are being chosen from Latin America (Costa Rica), Asia (perhaps Nepal), and Africa (perhaps Mali or Benin) to apply and test the methodologies and procedures already developed by the aid community with a view to enunciating a common approach of broad utility. There is widespread skepticism that the UN system can achieve progress in this regard, but consensus that it must be attempted. Does the Seminar endorse such an effort?

#### B. The UN System

31. Discussions about environmental guidelines and inter-governmental meetings which exhort agencies to more thoroughly verify that the projects they finance will have a positive environmental impact have served to resuscitate the issue of conditionality in the project-approval process. This has resulted in a backlash from some developing countries, and consideration of the environmental issues during both project formulation and implementation must be handled with special care.

32. One activity in which UNEP could have provided needed leadership was in formulating common guidelines for the formulation, implementation and evaluation of environmentally sensitive projects. Early initiatives were not followed-up and an early 1988 OECD survey has revealed the existence of 197 guidelines among various agencies. This situation is causing confusion (and resentment) among developing countries and UNEP will review the situation to determine whether renewed efforts might be worthwhile. Does the Seminar feel that this effort is worthwhile, will common guidelines be more acceptable?

33. The Seminar may wish to consider the implications for UNDP

management of the 1987 CEO study on UNDP's portfolio of environmental projects. The study concluded that the number of projects with significant environment content was at least twice as many as recorded; that only 25% of the projects had clearly positive environmental impact, an equal number potentially negative impact, with the balance of half the projects having an indeterminate impact; and the fact that although a multi-disciplinary approach was evident in the formulation of most projects, this was not evident in the implementation phase as the relevant government counterpart agencies subjugated the interests of other cooperating ministries to their own objectives. In short, inter-departmental cooperation and cooperation at the country level remain a major constraint.

34. A substantial portion of UNDP's total programme focuses on rural development, and this is equally true for the environment portfolio. Yet the drift to urban areas by the rural poor seems inexorable despite the attempts of many governments to discourage this movement. Thus in 1950, 29% of the world population and 17% of the developing countries lived in urban areas; these figures are projected to shift to 47% and 39% respectively by the year 2000. This urban growth will aggravate several environmental problems including city planning, housing, transport, water supply and the treatment of wastes. It would seem appropriate that in those countries where this shift is already occurring and forecast to continue that UNDP (and other donors) seek to begin re-orienting certain aspects of their programme toward urban environmental needs.

35. Whether the problem is deforestation, locust control or acid rain the world community responds too late to environmental destruction. Hitherto we had considered the Montreal Protocol as precedent setting insofar as it seemed to anticipate the threat of ozone depletion, but two years later even that action is being viewed as too little, too late. **When will the politics of environmental crisis management give way to crisis prevention?**

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1) See Annex II for an article from "The New York Times" of 27 September 1988.

ANNEX I

**Suggested Reading Material**

*The Tropical Forestry Action Plan, 1985:* UNDP/FAO/WRI and World Bank<sup>1)</sup>  
*Report of an International Task Force on A Global Research Strategy for  
Tropical Forestry:* UNDP, 1988<sup>1)</sup>  
*Research Practice:* World Bank, 1988<sup>1)</sup>

*Desertification:* Alan Grainger, Earthscan 1986.  
*Desertification: A Global Problem:* UNSO, September 1988<sup>1)</sup>

*Proceedings of the Toronto World Conference on The Changing Atmosphere:*  
Government of Canada, 1988

*The Sinking Ark:* Norman Myers, 1982  
*The Primary Source:* Norman Myers, 1984

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1) Contact: Chuck J. Lankester, Principal Technical Adviser, UNDP/HQ, New York.



Table 1

Some Major Crops Domesticated in Tropical Forests in Latin America, Africa and Asia, With Their Main Uses

Crop	Scientific Name	Major Uses
<b>LATIN AMERICA</b>		
Cacao	<i>Theobroma cacao</i>	Drink, confectionary, sultan oil
Avocado	<i>Persea americana</i>	Fruit eaten
Guava	<i>Psidium quajava</i>	Fruit eaten, made into drinks, ice cream, and jam
Rubber	<i>Hevea brasiliensis</i>	Tires, caulking, weatherproofing, shock absorbers
Leucaena	<i>Leucaena leucocephala</i>	Firewood, fodder
Calliandra	<i>Calliandra calothyrsus</i>	Firewood, fodder, erosion control
Caribbean pine	<i>Pinus caribea</i>	Pulp
Cashew into drink	<i>Anacardium occidentale</i>	Nut eaten, fruit made
<b>AFRICA</b>		
Arabica coffee	<i>Coffea arabica</i>	Beverage, caffeine extracted for other drinks
Robusta coffee	<i>Coffea canephora</i>	Beverage, caffeine extracted for other drinks
Oil Palm	<i>Elaeis guineensis</i>	Oil from fruit and kernel used for cooking, margarine, and soap
<b>ASIA</b>		
Mango	<i>Mangifera indica</i>	Fruit eaten, made into drink, ice cream, chutney
Breadfruit	<i>Artocarpus altilis</i>	Fruit eaten
Jackfruit	<i>Artocarpus heterophyllus</i>	Fruit eaten
Carambola	<i>Averrhoa carambola</i>	Fruit eaten, made into drink, jam
Teak	<i>Tectona grandis</i>	Timber
Nutmeg	<i>Myristica fragrans</i>	Culinary spice
Clove	<i>Eugenia caryophyllus</i>	Culinary spice, flavouring for cigarettes

## **VI. Aid Coordination in the Field**

UNDP JICA



**The Present Condition and Future Prospect of Multilateral and Bilateral Cooperation in the Field**

**by Hideo Ono**  
Resident Representative in Nepal, JICA



## 1. Assistance Environment for Nepal

I would like to start by describing the present state of assistance by international organizations and bilateral donor countries to Nepal, and the economic and social environment of Nepal as a recipient of such assistance.

Nepal is a landlocked country characterized by the scenic grandeur of the Himalayas and a relatively dense population of 17.5 million inhabitants as compared with its territory covering an area of 147,000 square kilometers. It is one of the typical LLDC's where the average national percapita income has remained at a low level of US\$160 for the past ten years or so. As for its political regime, it is one of a limited number of constitutional monarchies in the world, and is under the direct administration of His Majesty, the King, and under the development directives of the King. His Majesty's Government of Nepal maintains the basic strategy for the national development of fulfilling the basic needs of the people (food, clothing, shelter, health, education and security) in traditional Hindu society and aims at catching up to the standards of Asian countries by the year 2000.

The national finances of Nepal are dependent on foreign assistance for 30% of the regular budget, or 70% of its development budget, and therefore, in promoting the national development plan, it has become indispensable to consult and coordinate with the international organizations and bilateral donors involved to avoid duplication of development projects. Local donor coordination meetings (3 times a year) held under the aegis of the Minister of Finance since November 1987, donor-only coordination meetings held under the auspices of UNDP and the World Bank (once every two months) and moreover meetings by sector in the field of vocational training, irrigation and forestry have been held by the cooperation of ministries concerned of the Nepalese government and UNDP. These donor coordination meetings have been made meaningful thanks to the coordinating capacity of UNDP. On the other hand, there are many problems requiring coordination and cooperation due to various conditions on the Nepalese side including

- 1) absence of former suzerain power (with India, economic exchanges exceeding 50% of its total volume of trade)
- 2) characteristic history of assistance from advanced industrialized

countries

3) appropriate dimension (area and in other respects) various conditions on the side of donors, IRDP by region, projects of the same type from different donors in a same sector, etc. Under the policy of the Nepalese government to optimize the development budget (through the cooperation of the World Bank for structural adjustment and the UNDP for program budgeting and monitoring), coordination on the donors' side has positively been made.

## **2. Projects of Cooperation between JICA and UNDP**

Under the positive cooperation of Mr. Niwa, the Resident Representative of UNDP in Nepal, the following projects of cooperation have been carried out so far.

### **(1) The Integrated Rural Development Project in Lumbini County**

The integrated Rural Development Project in Lumbini County, situated in the middle west of Tarai, was initiated in response to a request submitted by the Nepalese government based on a project-finding and project-formulation study carried out by UNDP. JICA has been conducting a study for preparing the master plan for the project. Lumbini is the birthplace of Buddha, and the development of a park with the trades of Buddha is now progressing on a private level.

### **(2) The Study on Groundwater Management Project in the Kathmandu Valley**

For developing the water resources and for developing and improving Potable Water Supply System in the Kathmandu Basin, the World Bank and UNDP have cooperated. However, there are still many problems such as insufficient supply, quality of water (too much iron content), leakage of more than 50%, superannuation of treatment facilities and water pipes, etc. In response to the request of the Nepalese government, it is planned that JICA will undertake a feasibility study of the development of underground water resources and treatment facilities, while UNDP will cooperate in the field of software, in particular, to improve the management of the water supply public corporation, the study of leakage, the water distribution system and water

quality.

(3) River Training Program

In Nepal, the erosion of soil and the sweeping away of land by floods are problems that hinder its development. Based on the Exchange of Notes signed in June 1988 (regarding a river training program valued at about ¥1.1 billion), Japan is planning to provide gabion wire, knitting machines and vehicles as a part of its capital grant assistance. The equipment and materials will be used for river training projects carried out by local governments (panchayat). Experts, commissioned to give instruction on the working method and supervise the whole work, are scheduled to be sent from UNDP.

### 3. Possibility of Collaboration between UNDP and JICA

Although both UNDP and JICA are agencies of technical assistance and the magnitude of their budget is more or less the same, they are different in their system of planning and implementation of development projects. Restrictions due to the single year budget system, improvements required for the establishment of a coherent system of development strategy planning implementation—evaluation and program by country approach, etc.—these are problems that still must be solved in the implementation of technical assistance by JICA. However, future forms of tie-up and cooperation between UNDP and JICA may be possible with the following solutions:

(1) UNDP-leading Type

Good projects explored and formed by UNDP could be implemented by JICA through technical assistance and capital grant assistance.

(An example: Lumbini—IRDP) In order to carry out efficiently projects, it seems necessary to promote collaboration at the planning stage and have JICA experts participate in this stage.

(2) Parallel Type

In order to achieve specific and common objectives, both UNDP and JICA implement projects in their respective schemes by coordinating the timing of such implementation. (An example: Water works projects in Kathmandu) In such cases, communica-



tion and coordination among the three parties including the agencies of the Nepalese government responsible for implementation will be important.

(3) UNDP-following Type

Technical assistance projects and those involving capital grant assistance implemented by JICA can be supported by the cooperation of UNDP's dispatching experts for supervision, etc. (Example: River Training Project)

In Japan, construction projects of facilities through capital grant assistance is approved on the condition of an effective use of the facilities involved through technical cooperation; however, depending on the sector, the tie-up formula of implementing capital grant assistance projects on the condition of technical assistance from UNDP can be considered.

(4) Others

At present a member of UNV/JOCV is assigned to a UNDP fruit processing project. And of the 70 Japan Overseas Cooperation Volunteers (JOCV) in Nepal, some are assigned as employees to agencies of the Nepalese government and cooperate in projects carried out by UNDP, UNICEF, FAO, etc.

(5) Cost Sharing Formula

In Nepal, UNDP has been carrying out its projects by a cost sharing formula with other bilateral donors such as USAID, UK, DANIDA, etc. If this is possible within the Japanese system, this could be most effective as a formula of collaboration with UNDP in the future.

(6) Evaluation of JICA Projects by UNDP

Towards the end of September of this year, an evaluation team headed by Mr. Raheem, director of the Central Evaluation Unit of UNDP, visited Nepal to make evaluation surveys of "the Cottage Industry Promotion Project" (project-type technical assistance, training and diffusion of ready-made garment and hand-made paper making techniques) and the Pokhara Fishery Development Center (Training and diffusion of techniques for carp raising by the cooperation of UNDP/FAO and the members of the cooperation team).

This was an attempt, following the evaluation survey last year of the Agriculture and Increasing Foods Production in

Indonesia Project by the former Assistant Director of the Agriculture Department of UK/ODA, to have evaluation of JICA projects by third parties, and this seems to be useful for reviewing the methods of cooperation by JICA.

#### 4. In Conclusion

Within JICA, more importance is now being attached to the by-country approach and the reinforcement of survey functions of offices overseas. Hereafter, it seems likely that a stage will come about where "programs by country", in which the planning and implementation of projects are integrated, will be introduced by better preparing medium-term plans under the single-year budget system, improving basic surveys by country and sector, shifting the budget now centered around the head office to overseas offices, etc. In this respect, we have much to learn from the country program formula, Indicative Planning Figures (IPF) and the standardized method of project implementation by UNDP.

The Japanese general account budget for ODA for fiscal 1988 amounts to ¥701 billion (US\$5.4 billion), of which that for technical assistance amounts to ¥183.4 billion (US\$1.4 billion). In response to the national request that the ODA budget be executed properly, effectively and efficiently, JICA, as the central agency for governmental technical assistance, has an obligation to implement effective projects.

It is highly important for the effective and efficient implementation of a limited development budget of bilateral and multilateral donors that the experiences and know-how accumulated for many years by UNDP as the central organ of technical assistance in the UN should be transferred to JICA, and that at the same time UNDP and JICA should collaborate for the planning and implementation of good projects matching the development objectives of the recipient country.

We do hope that in the future, exchanges between UNDP and JICA will increase based on such common understanding, and that cooperative projects at the local level will increase by respecting the principle of "initiating collaboration from where it is possible to do so".



**The Report of the Resident Coordinator of the  
UN System's Operational Activities for Develop-  
ment in Nepal**

**by Toshiyuki Niwa**  
Resident Representative in Nepal, UNDP



## 1. Introduction

The Director General has requested Resident Coordinators to focus on four major issues in their 1987 reports. The issues relate to:

- 1) Coordination initiatives and arrangements
- 2) The adoption of coherent programme approaches
- 3) The provision of integrated, multisectoral technical advice
- 4) The quality of programmes.

This report specifically focuses on these questions and a section has been allocated to each issue. While Sections One and Two of the report describe the status of coordination initiatives and the status of the adoption of programme approaches respectively, I have taken the liberty in Section Three of reflecting on the experience of UNDP in Nepal with respect to these two closely related issues.

This report covers the period between January 1987 to May 1, 1988. Much of the ground work laid during the course of 1987 and previously has borne fruit in the first quarter of 1988. To ensure the relevance of the report, I have therefore made it as current as possible.

## 2. Overview: Aid Coordination

The status of aid coordination in Nepal has been reviewed in detail in the context of three different studies done during the course of 1987. The three studies were:

- 1) The UNDP Nepal Country Evaluation Study conducted during February-April 1987;
- 2) A case study of Nepal on the functioning of the operational activities for development of the United Nations system, commissioned by you and conducted by Mr. Leelananda de Silva in June 1987 as well as the report on case studies prepared by Mr. Kurt Jansson. (A/42/326/Add. 1, E/1987/82/Add. 1 dated 23 October

1987);

- 3) The Nepal Case Study on aid coordination undertaken by the Development Assistance Committee of the OECD with the participation of the representatives of the Governments of Switzerland, the United States of America and Japan in September 1987.

The observations of those studies including the role played by the Resident Representative and/or the Resident Coordinator in aid coordination have been circulated and therefore require no elaboration here. In line with some of the recommendations made in these studies, I have undertaken extensive consultations with the Government and major donors represented in Nepal to make local aid coordination more effective and more responsive to their needs. One of the challenges to be faced was the observation of the OECD/DAC mission that local aid coordination could be made more systematic and structured. In particular, in line with the declared wish of the OECD/DAC mission, it was necessary to come up with a practical arrangement whereby the bilateral donors could play a more active role in the coordination process.

The newly-restructured aid coordination mechanism which was put into effect toward the end of 1987 is summarized below:

1. Local aid coordination meetings are to be convened by the Minister of Finance three times a year to discuss the macro-economic situation, the progress of the structural adjustment programme and major development issues confronting the country. Participants are the members of the World Bank consortium for Nepal (or the "Nepal Aid Group" ) and concerned UN agencies. Other bilateral organizations will be invited to participate depending on the topics chosen. The UNDP office continues to act as a secretariat and to assist the Government, from the selection of agenda items to the preparation of a record of the meeting. The first meeting under the new arrangements was convened on 30 November 1987.
2. "Donor-only" coordination meetings consisting of major OECD donors, the World Bank, the International Monetary Fund (IMF),

the Asian Development Bank and UNDP are to be convened jointly by the World Bank Resident Representative and myself on a bi-monthly basis. The Bank Resident Representative and I rotate the chairmanship and my office acts as a secretariat. I also act as a liaison between the donor group and the Government. So far three meetings have been held.

3. A series of sector coordination meetings has been initiated with the support of the UNDP office. Meetings are convened under the chairmanship of the Government, and the UNDP office acts as the secretariat. In addition to the bilateral and multilateral organizations, concerned UN Agencies, non-governmental organizations, both international and national, bilateral volunteer organizations and the private sector are invited to attend. The meetings are conducted on the basis of substantive working papers prepared by both the Government and multilateral and bilateral organizations. In selected cases, papers have been prepared by both an NGO and the private sector. The first such meeting was held from 20 to 22 January 1988 on technical and vocational training under the chairmanship of the Ministry of Education. This was followed by meetings on irrigation (22 February), and small-scale entrepreneurship development (7 March). In addition meetings are planned in the forestry, energy and transport sectors (in May) under the sponsorship of the Asian Development Bank/FINIDA, the World Bank, and UKODA/SATA, respectively. Selection of future topics will be made jointly by the Government, World Bank and UNDP.

Both the Government and the donor community have expressed their satisfaction regarding the arrangements outlined above on a number of occasions. One example is a statement made by the Minister of Finance at the Local Aid Coordination Meeting held on 30 November 1987 which is quoted below:

"I am happy to note that serious efforts are underway to improve aid coordination; and in this regard, I am particularly impressed by the interest shown by the donor community. The Government will continue to play the key role in local aid coordination. And the concerned



agencies of HMG will play the leading role in coordinating the sectoral programmes. In this process, the UNDP will act as a facilitator. As a complement to this, the meeting of local representatives of donors under co-convenorship of the UNDP and the World Bank is a most welcome step”.

Another manifestation, this time on the side of the donor community, is an offer made by the Swiss Government to cost-share the UNDP-funded project on aid coordination (NEP/87/016), with an annual contribution of \$50, 000 to support UNDP's coordination activities.

With regard to UN system coordination, the interagency meetings of the UN organizations including the World Bank and the IMF have been restructured in order to allow for discussion on substantive and programme issues and are held on a bi-monthly basis. Also, the status of aid coordination including developments in the various areas mentioned above are reported and feedback/input obtained. This represents a step forward from the past where the practice was to concentrate on administrative and management issues and very little on programmes.

### **3. Sector Coordination: The Development of Programme Approaches**

It is at the sectoral level that one should expect the efforts undertaken at the macro level to be translated into more coherent programming initiatives. Perhaps five elements can be distinguished in the process of sector coordination. The first relates to the establishment of smooth working and personal relations with the major sectoral actors in the Government and the donor community which will lead to an open exchange of information. The second concerns the development of a sectoral policy dialogue. The third relates to the formulation of programmatic approaches in the sector that go beyond traditional project approaches. The fourth pertains to the institutionalization of the leadership and formulation of coherent sector planning in the Government. Finally the fifth pertains to the negotiation of co-financing packages which reflect the priorities established for the sector as a whole.

I should like to review in some detail the progress made in sector coordination in the light of these elements. It appears at this stage that the greatest progress has been made with respect to forestry and irrigation. In both cases, progress has been achieved in respect to all of the elements identified above. Excellent relations exist with the major parties and information is freely exchanged.

In both irrigation and forestry, policy dialogue is in full flow. In irrigation, the relationship of irrigation to agriculture, the role of the farmer, cost sharing and cost recovery systems, the development of sector lending and the need for institutional strengthening are all subject to an on-going dialogue. In forestry such issues as the transfer of forest management to the local panchayats (councils), the role of private forestry, the need for legislative changes and the development of more effective extension are being discussed thoroughly. In both cases the dialogue is taking place on a structured basis and includes all concerned parties.

Programme approaches are being initiated in both forestry and irrigation, and in both cases these represent a significant departure from past practices. In the forestry sector, the community forestry project supported by FAO/UNDP is premised on the concept of a national forestry programme to which UNDP and other donors can participate. The government and the donors have recognized that the use of a project approach overall has in fact hindered the institutional development of the Forestry Department in its efforts to undertake a coherent national programme reflecting overall priorities. A full review of programme priorities will take place at the time of the presentation of the Forestry Master Plan, jointly sponsored by ADB/FINNIDA, in May. In the irrigation sector, following the sector meeting referred to above, agreement has been reached on the need for an integrated approach to the formulation of programme budgeting in the sector, the preparation of a Master Plan and the development of sector lending. The World Bank and ADB have agreed to adopt the same principles with respect to sector lending. With regard to technical assistance an umbrella programme support project is to be formulated under the aegis of UNDP which will provide overall support to the sector.

Perhaps the most significant aspect of UNDP's support to sectoral programme approaches relates to their institutionalization as part of the line ministry's planning process. In the case of forestry this currently takes the form of informal monthly luncheons with the chief planning officer to discuss the multi-donor programme that is being finalized. Once implementation of the programme has started, a more formal arrangement is envisaged. Meanwhile one of the components of the current programme, to be financed by USAID, is the strengthening of the Planning Division's capacity to follow up on the Master Plan process and to institutionalise the Forestry Ministry's capacity to guide and implement a coherent sectoral strategy. One of the most noteworthy aspects of the Forestry Master Plan has been the extremely active role taken by the Government, so that the Plan is clearly a government and not a donor document.

In the irrigation sector, institutionalisation of a coherent programme approach started with the preparations for the irrigation coordination meeting. Four of the five papers were prepared by the government and it provided clear leadership for the whole process. Following the meeting, the Government decided to establish a Steering Committee with donor representation to provide coherence and guidance to the programming process. In addition two further layers have been established to ensure coordination. In conjunction with the formulation of the Master Plan in the irrigation sector, under the UNDP-financed/World-Bank executed project, a working group is being established under the chairmanship of the Director General of irrigation to ensure coordination with the concerned government agencies (especially agriculture) and concerned donors. At a third level, a coordination committee has been established under a Deputy Director General to ensure coordination between the Master Plan project and a USAID-financed project relating to irrigation management issues.

Finally, co-financing packages have been negotiated in both forestry and irrigation. In forestry, the programme is being supported by the World Bank, USAID, DANIDA and UNDP. In irrigation, the proposed UNDP programme support project is expected to be jointly co-financed with ADB, and the Ford Foundation has expressed an interest in making a contribution. Once the project is operational, further donor support is

expected.

Considerable progress has also been achieved in the industrial sector. An open exchange of information and policy dialogue are ongoing. The sector meeting referred to above has further encouraged this process. The development of a programme approach was given a major impetus when the Government decided to adopt a clear policy with regard to the coordination of technical assistance in the industrial sector. In support of this policy, the Government requested ADB to produce a working paper elaborating overall technical assistance requirements in the sector. This was done and the paper was presented at the tripartite review of a UNDP-financed project on industrial planning (executed by UNIDO). The meeting, chaired by the Secretary of Industry and attended by representatives of UNDP, UNIDO, the World Bank and ADB, endorsed the principles elaborated in the working paper. It was also agreed that the Government would convene a Steering Committee, to be chaired by the Additional Secretary, to provide overall guidance and advice to the planning and implementation of external assistance to the industrial sector. In addition to the Government, UNDP, UNIDO, the World Bank and ADB will be members of the Steering Committee. In order to provide the Government with assistance in this task, UNDP is holding a series of meetings with the Government, the World Bank and project representatives to develop a conceptual matrix that can be used as a working tool to guide the programme identification process. The matrix is based on ADB's working paper but adapts this paper to create a dynamic planning tool. It is thus evident that with regard to the development of a programme approach and its institutionalization, substantial progress has been made. This approach now needs to be reflected in the development of appropriate financial programme packages.

In the area of technical education and vocational training the three-day meeting held in January discussed at length policy issues relating to the subject and produced a series of policy recommendations for consideration by the Government. In particular the exercise identified a list of technical assistance requirements for donor consideration. Follow up action is now taking place.

With respect to the transportation sector, a coordination meeting is

scheduled for May. An active dialogue is ongoing under the leadership on the bilateral side of UK/ODA together with the Swiss Association for Technical Assistance (SATA). A report identifying technical assistance requirements is expected to be presented at the May meeting. UNDP will be providing assistance in this area in conjunction with proposed UNDP technical assistance to the sector.

With regard to the energy sector, a donor meeting is taking place in Paris in mid-May to review the World Bank's Energy Sector Review paper and to consider financing for the next major hydro-electric power project Arun III. The World Bank has taken a lead role in ensuring close consultation with the major actors in the field.

With regard to the social sectors, it should be noted that UNICEF undertook last year a major programme review. A situation analysis of children and women in Nepal was prepared which led to the formulation of a programme framework and strategy which in turn found reflection in its Master Plan of Operations. Many key actors in the sectors participated in this review and formulation process. Further extensive discussions took place on the occasion of the visit of the Executive Director of UNFPA to Nepal in December 1987. UNICEF, WHO UNFPA and USAID continue to meet periodically to discuss health and population issues.

In other sectors, the status of coordination is in different stages. In the education sector, some attempts had been made to initiate sector dialogue but they require follow-up. In drinking water supply, exchange of information is taking place but a coordinated approach involving the Government and the concerned donors including the Federal Republic of Germany, Japan, Italy, the World Bank, UNICEF, WHO and UNDP is yet to be pursued. Similarly in the civil aviation sector, an attempt is being made to prepare a concept Master Plan with the involvement of ICAO including identification of the total capital and technical assistance requirements. It is hoped that the Master Plan preparation will trigger a comprehensive dialogue between the Government and the donors active in this sector – Australia, FRG, France, Canada, Japan, ADB and ICAO/UNDP.

Finally, I should like to refer to a major sector where very limited

progress has been made to date—namely, agriculture. The sector is a particularly complex one to cope with. In the first place, it can be divided into numerous sub-sectors and components in each one of which different donors are dominant. Secondly donors are committed to a number of integrated rural development projects which have been implemented historically quite independently. With respect to certain components, e.g. fertiliser, initiatives are currently underway, as a result of initiatives undertaken by certain bilateral donors. In addition the FAO Representative has reconstituted the bimonthly agricultural luncheons. From the point of view of a concerted programmatic initiative, however, it would appear that no concerted policy dialogue involving the government and all the concerned donors has taken place. Consequently no programming framework has been formulated that would lend itself to a programme approach being developed under Government guidance. On the donor side, in addition to working with FAO, UNDP will have to work more closely with the two development banks, in particular the World Bank, which can make an important contribution at the policy level. Indeed the World Bank has attempted to support greater coordination in the field of agricultural research.

Let me turn to a number of other areas in which coordination initiatives have been undertaken—namely in the fields of NGO and volunteer activities, private sector development, and the development of 'programme packages'.

A UNDP/NGO consultative group was established early in 1987 with the concurrence of the Government. While the group met twice subsequently, it has not met for the last few months. A particular factor in NGO coordination is that unlike with like-minded multilateral and bilateral donors, it was (and still is) not at all easy to establish the right chemistry among the participating NGO's. Organizations like CARE and United Mission to Nepal are as big as some bilateral donors in terms of resources and activities. Some of them are "mono sub-sectoral" in nature and do not share as wide a developmental concern as UNDP, the donors and major NGO's. Many of the NGO's are active participants in the sector coordination meetings. Notwithstanding this, efforts will be renewed to reactivate the UNDP/NGO Consultative Group during the course of this year. Similarly, discussions are underway among the Government, bilat-

eral volunteer organizations and UNDP to examine whether closer integration of volunteer activities with various development undertakings supported by donors is possible.

With respect to private sector development, UNDP's role has been to promote dialogue between the Government and the private sector. Following the donor coordination meeting on small and cottage industries, the Government has decided to initiate quarterly meetings with the private sector to discuss outstanding issues. In addition, a committee has been established to develop a dialogue between the Government and the private sector with regard to the promotion of foreign investment. The Committee is chaired by the Additional Secretary of Industry and a working group has been formed to provide it with inputs. At the same time UNDP in a number of different contexts is promoting a dialogue between the Government and the private sector. Of particular interest is a workshop to be held in late summer on technical aspects of privatisation with the participation of senior Government officials and private sector representatives.

Finally I should like to refer to the idea of 'programme packages'. Within given sectors, UNDP together with WFP have both together and individually, taken initiatives to develop the concept of 'programme packages'. The concept of 'programme packages' in this context refers to the use of project inputs from multi-donor sources to increase the resource base available from which to develop a programme. Typically these inputs can include in addition to technical assistance, funds for operational and capital costs, commodity aid and food for work. In this connection it is noteworthy that during 1987 WFP undertook a Country Food Aid Programme Review, which was the first extensive programme review of WFP-assisted activities in Nepal. As a result of this exercise WFP will be placing much greater emphasis on linking food aid assisted projects with other externally funded development activities. Past problems in executing food aid projects relate mainly to inadequate managerial and technical support, and insufficient counterpart funds to cover such input as tools and equipment, and food transportation and storage. The future linkage of WFP projects with the inputs of other multilateral and bilateral donors is expected to ease the burden on the Government in respect of counterpart funding and staffing. It should also be noted that

in the future, WFP will be emphasizing the programming of its resources through sectoral umbrella type projects. The new programming approach being adopted by WFP should provide an important stimulus to the development of a more coordinated approach to the use of food resources.

Another example of the 'programme package' approach relates to the development of a programme for small scale irrigation and river protection infrastructures under the aegis of the Special Public Works Programme executed by ILO. Negotiations are currently underway to programme together DANIDA resources, a World Bank credit for disaster rehabilitation, WFP's food for work, Japanese commodity aid (in particular gabion wire) and UNDP technical assistance. The management of such complex programmes is a tall order and it remains to be seen how these initiatives will materialise.

In concluding this status report on sector coordination, let me quote the Minister of Finance who recently expressed his satisfaction with the progress being made as follows in his address to the Industry Coordination Meeting on 7 March:

"Barely had a fortnight passed since we met together in the Irrigation Sector Coordination Meeting, and we are here once again to deliberate on another equally important topic: Small Scale and Cottage Industry Development and Coordination. This kind of meeting, I believe, represents a continuation of the process as a part of our efforts to foster better coordination between the Government agencies and the Donors in all the key areas of our national endeavor. Indeed, I have been promoting the idea of instituting well-structured coordination arrangements to enrich the frequent dialogue among all the development practitioners on the whole range of relevant policies and sectoral issues. In the last local-level donors' representatives meetings, I brought to the attention of the donors' representatives that serious efforts are now underway to improve coordination, and that the concerned HMG agencies are playing a leading role with support from the UNDP. I am happy to note that the concept of "coordinated sector development" is now off to a very good beginning as evidenced by this meeting and your presence here today".



#### **4. Perspectives on Sector Coordination**

It is evident from the discussion above that there is a logical progression from sector coordination to the adoption of a programmatic approach. There are two facets to this process which I believe merit particular consideration. The first concerns the role of an appropriate policy dialogue to set the substantive framework in which a programmatic approach can flourish. The second relates to the critical importance of the Government leading and guiding the process.

Policy dialogue establishes conditions under which the adoption of programmatic approaches can constructively lead to the fulfillment of a set of agreed objectives. In Nepal the World Bank and the IMF have taken a lead role in the policy dialogue at the macro-economic level with the implementation of the Structural Adjustment Facility (IMF) and the Structural Adjustment Credit (WB). The SAC focuses on a number of specific sectors and in these the World Bank has played a critical role, in consultation with bilateral and other partners, in developing policy dialogue. For UNDP to be able to play an effective role in sector coordination it must be able to relate to and then build on this dialogue. In development administration, the UNDP programme had already addressed all the key issues which were later identified in the SAC. Consequently it was natural for UNDP to assume a central role in this field. In other areas, the UNDP programme was not directly focused on building programmatic approaches around the issues identified by the policy dialogue. In such cases it has been necessary to adjust or build sector programmes around the consensus established by the policy dialogue.

Much attention has been devoted to the coordination of United Nations System agencies. Such coordination cannot however be substantive unless it is preceded by consensus on common objectives and strategies. Such a consensus cannot be pursued internally within the UN system alone. The dialogue takes place between the Government and the major donors; in this dialogue it is critical to analyse in particular the complementarity of capital and technical assistance elements. Furthermore, only in very limited instances will UN agencies be major players. As is evident from section three above, in Nepal, UNDP does have an

important role to play to facilitate the emergence of a consensus and to assist the Government to fashion a coherent programme around that consensus. To do so it must be outward looking and it must be prepared to respond to and work with the major actors in the field.

This has a number of general implications for the formulation and implementation of UNDP's country programme. Coordinated sector programming requires a highly transparent and responsive type of programming. The identification of specific projects is the outcome of a prolonged dialogue between the Government and the donor community. Without a substantive and detailed knowledge which is country specific, it is difficult for actors to make a major contribution to this process. Unless agencies have a strong country focus, their ability to contribute to the development of coherent sector strategies will be seriously deficient. With respect to implementation, UNDP must be able in such a highly transparent environment to utilize the best resources available to deliver the programme. Substantive competence must be determined exclusively through performance in the field. If UNDP is to be able to provide assistance that will help to guide and cement multi-donor programme approaches, then UNDP will have to be able to draw on the best expertise available.

It is evident that if a coherent programme approach is to be built on the foundation of a policy framework, this can only succeed if the process is firmly led by the Government. Only Government leadership can ensure the coherence and relevance of such a programme. The point has been stated very articulately in the 1987 Development Cooperation Report of the OECD.

“The real world facing the developing-country sector or sub-sector manager and the aid donor is likely to be one characterised by only fragments of strategy and a great many project activities operating mostly separately from each other. An initiative among donors to co-ordinate with each other will probably not be welcomed by the recipient government. It is in this context that the concept of a recipient-led strategy articulation process, in which the major donors to the sector or sub-sector are involved, might have merit. Donor coordination would be achieved as a by-product of a government's

own planning process”.

While dialogue by definition is a shared responsibility, the implementation of a coherent programming approach is clearly the responsibility of the Government, which alone can successfully enforce such a policy. Only by working with and through the Government, and by strengthening the Government's capacity to play this role, can coherent sector programming become a reality. It is in this perspective that the truism that coordination is the government's prerogative is of such importance. The implication of this is that coordination cannot and should not be used as a vehicle for 'forcing' policy dialogue by 'ganging up' on the recipient.

The approach to sector coordination in Nepal has carefully applied these precepts. UNDP has actively sought and encouraged Government leadership in the formulation and implementation of coherent sector approaches and programmes. Sector coordination meetings have been very much guided and led by the Government, which has played a dominant role in the preparation of the documentation. UNDP has sought to institutionalise the coordination mechanisms in the form of Steering Committees under Government leadership. The internalisation of the process is the only guarantee of its long term viability. Otherwise it remains highly susceptible to personal relationships in a community where in particular on the donor side the individual actors are in constant flux.

The question arises as to the constraints which may hinder the adoption of a programmatic approach. On the donor side, institutional rivalries and a degree of competition remains a reality. The only solution to this problem is persistence and an acceptance that the task of coordination could be a thankless one. I do not believe that focusing on procedural constraints would be fruitful. Donors will always be governed by different imperatives and the procedural complications that arise can always be dealt with at the operational level if there is a will to do so. The more important challenge is to get donors to adopt as a guiding rule the principle articulated by OECD quoted above. One apparent problem in this respect is that the imperatives faced by project staff in donor agencies are usually quite different from those focusing on overall programme priorities. The need to meet deadlines, process documents and

ensure project accountability often runs counter to the implementation of coherent programme strategies.

In many countries the funding level makes it difficult for UNDP to play a catalytic/leadership role in programme coordination. This is not the case in Nepal where the major constraint facing UNDP is rather that the quality of the inputs provided by the executing agencies are unfortunately often not of the highest calibre. Personnel are not paid competitively compared to sub-contracted consultants and many bilateral agencies; agency backstopping visits are usually at most once a year (compared to three or more times a year for the Banks); and the rates paid to local support staff both in projects and local offices are also not competitive. It is difficult to attract top level team leaders to provide leadership to multi-donor programmes when they are remunerated at much lower levels than their field colleagues. In Nepal, doubts regarding the UN system's capacity to provide competitive inputs has been a major stumbling block in the negotiation of multi-donor programmes by UNDP. The issue of quality is discussed further later in the report.

I believe that with regard to the future role of the UN system the challenge before us is to find ways and means to involve UN system organizations more in the coordination process. Their participation however must bring tangible benefits to the major actors who are already active in the process. So long as an agency shares the same concerns and so long as it is prepared to respond to needs arising from the continuing dialogue, the major actors will certainly welcome its more active participation. In this regard, I believe the system still has much to offer and contribute.

On the Government side, there must in the first place be a willingness to enter into dialogue and then to take a leadership role in the coordination process. In Nepal there has been no constraint in this respect. The Government has been open to dialogue and has shown a great willingness to lead the coordination process. Indeed the Government has welcomed constructive criticism (such as the Nepal Evaluation Study) and has even encouraged greater dialogue among the donors. The real constraint however lies in the capacity of the Government to follow through on this process and to manage effectively the assistance being provided. This

brings us to the next issue, the subject of UNDP's role in development administration.

## 5. Development Administration

In my April 1987 report to you, I highlighted the importance of the issue of development administration in the case of the challenges faced by Nepal. The relationship between aid coordination, planning and budgetary processes and aid management has been given considerable attention in the recently published 1987 OECD Development Cooperation report. It is evident that if coordinated programmatic approaches are to be successfully guided by the Government, assistance is required to enhance performance with regard to development administration.

Resident Coordinators have been requested to report specifically on requests from the recipient for integrated, multi-sectoral technical advice on development issues. In this regard I should like to summarise briefly the status of the UNDP programme with regard to development administration. It is in this area that the Government has requested UNDP to take a lead role in assisting the Government to improve its overall performance. The advice requested ranges from strengthening overall planning and evaluation capacity, to the installation of programme budgeting and monitoring systems that will enable the Government to define a core investment programme, to assistance in pursuing decentralization, and to providing advice on administrative reforms.

Seven projects, ongoing or pipeline, have been identified to provide the government in a structured manner with the requested advice.

- 1) A project to introduce programme budgeting and financial monitoring systems in the Ministry of Finance and key line ministries that would enable the government, *inter alia*, to identify a core investment programme. (NEP/86/031).
- 2) A proposed project to strengthen the capacity of the National Planning Commission (NPC) in planning, monitoring and evaluation covering each of NPC's functional divisions. (NEP/86/001).

- 3) A proposed project to strengthen regional planning capacity of NPC and Ministry of Panchayat and Local Development in support of decentralization including the production of town, village and district periodic plans (NEP/88/009).
- 4) A proposed project to strengthen the planning cells of line ministries and departments including their programme budgeting and project monitoring capacity. This project is a follow-up and one which broadens the scope of the ongoing project referred to 1) above (NEP/88/011).
- 5) A just-approved project under the Financial Controller General's Office and the Auditor General's Office to design new accounting systems and procedures and new financial and performance audit systems and procedures which are designed to facilitate the timely disbursement of budgets, encompassing both central government and local panchayats (NEP/86/028).
- 6) A proposed project for the Ministry of General Administration to support a comprehensive administrative reform programme, which is geared toward making the administration more responsive to the country's development needs.
- 7) A proposed project for the Ministry of Local and Panchayar Development to improve development management methods of district and village panchayats, which is an expansion of an ongoing project for Management Support to Town Panchayats (NEP/86/021). In addition to providing increased revenue for local level development plans and keeping expenditures down, district level efforts are expected to promote a closer relationship and improved coordination between the line agency district level offices.

The above projects are augmented by other ongoing projects at line ministries and departments which are aimed at strengthening their institutional capabilities. It is hoped that the whole configuration of projects in this field will lead to a clearer definition of policies and plans, better resources mobilization, allocation and utilization, and improved aid

management. It is also hoped that it will improve the aid coordination capacity of the Government.

Many of the UNDP-supported activities explained above are directly linked with the World Bank and IMF supported Structural Adjustment Programme and constitute the conditionality of the SAC. Furthermore, they are related to one another and require provision of the best possible expertise in a timely manner. Because of these reasons, the government and UNDP have relied heavily on the World Bank and ADB to provide substantive guidance to this process and in this connection the two banks are executing the bulk of this programme. The type of quality support and backstopping being provided is a prerequisite to UNDP fulfilling its mandate in this highly complex and sensitive area. I believe that our experience to date in this sector provides an indication of the critical role in sensitive areas that UNDP can play when it is able to call upon proven high quality resources to formulate, implement and backstop the programme.

## **6. Perspectives on Programme Quality**

Generalisations regarding the quality of the programme risk doing an injustice to specific success and failure stories. Nevertheless in response to the question of whether Resident Coordinators are satisfied with the quality of the inputs provided by executing agencies of the United Nations system, I must indicate that in the case of Nepal, the inputs provided are by and large not of the highest quality. I am referring in this discussion specifically to executing agencies of UNDP-financed projects and not to the implementation arrangements of other UN funding organizations. This issue is of the greatest importance if programmatic approaches are to be pursued. The inputs provided by the UN system are judged side by side with the inputs provided by the development banks and bilateral agencies; they are judged both by the recipient government and by UNDP's donors.

The issue of quality can be explored in the light of the requirements of the programme and project cycle : programme development, project formulation, expert identification, timeliness of delivery, and backstop-

ping and monitoring. With respect to programme development, some of the executing agencies have played a very limited role and indeed displayed very limited initiative in developing programmatic approaches. In my experience, agencies still have a predominant interest in pursuing individual projects and an overriding concern with protecting the 'agency share'. The exception in terms of UNDP's executing agencies are the World Bank and ADB which regularly have structured country-focused dialogues between their programme staff, the Government and concerned donors. In addition the smaller highly specialised agencies tend to play an important role in their respective areas of competence. This dialogue focuses on overall programme priorities and provides coherent policy frameworks which form the basis for developing individual projects. A number of agencies are not organized in such a way as to provide 'country focus' and consequently missions are by representatives of technical departments who are interested in the development of certain technical projects. There are cases where, in respect of closely related projects, different agency headquarters staff have been responsible and due to the fact that they are in different technical divisions, they have no knowledge of or interest in the related project. This compounds the problem at the field level of promoting programmatic approaches. While the cross fertilization of experience at the technical level remains very valuable, the development of programmatic approaches puts a premium on a different approach to programme development and project identification. This has been clearly recognized in the recent reorganizations of both the World Bank and ADB.

Two approaches could be envisaged to resolve the dilemma caused by this situation. On the one hand, agencies could develop stronger and more substantive country focuses that would enable them to make a continuous and active contribution to policy dialogue at the country level, and hence to contribute to the development of programmatic approaches. The issue at stake is whether agencies, especially in the present climate, have the resources and capacity to play this kind of role in a sustained manner. The alternative is that agencies should be clearly recognized as sources of technical expertise, and their services should be contracted for only in the light of the country-focused policy dialogue undertaken between funding agencies and the Government.



The record on project formulation is mixed. In the case of some agencies the work is done in a very short period of time and project design does not take into account broader contextual and institutional issues. This is particularly the case for projects generated by agency technical departments. One generalization is that not sufficient time is spent on project formulation especially for complex projects that are intended to relate to a broader programme. As a consequence of some of these points, this field office spends an inordinate amount of time working with formulation missions, questioning assumptions, redesigning components and often substantially redrafting the document. Much attention has been given to the question of the project format as a critical ingredient in determining project quality. While not wishing to minimise unduly the importance of the discipline provided by a good format, in few instances is the axiom that you get what you pay for more appropriate.

The issue of the quality of experts is the combined responsibility of the executing agency and the Government. In the case of Nepal, there is a mixed record. In my view, while there are a considerable number of basically competent individuals, there are relatively few real innovators. There appear to be a number of reasons. In the first place, as already referred to, the compensation package offered to experts is no longer competitive to attract top level candidates. In parallel with this, there has been an enormous expansion in the services offered in the private sector in areas previously 'dominated' by agencies which used to have almost exclusive access to the services required. Therefore not only is the compensation package less competitive but the competition to provide the services required is itself much greater.

On the Government side, there is no doubt that delays have made it very difficult for executing agencies to hold on to top level candidates once identified. This is a very serious problem and one that is the subject of a continuous dialogue with the Government. In addition, insufficient support structures including timely operational decisions and guidance, and lack of sufficient inter-governmental coordination on the recipient side and not to mention provision of adequate counterpart personnel tend to limit the effectiveness of international experts and consultants.

The approach that I have found most directly addresses these con-

straints is to encourage the use of sub-contracts. This modality is heavily used by the World Bank, ADB and many bilaterals. It provides access to top level expertise from a competitive market and allows for greater flexibility in the implementation of the programme. It has sometimes been suggested that sub-contractors are less responsive to institutional strengthening issues and more inclined to focus on physical outputs (e.g. finely produced reports). While this happened in the past, it is by and large no longer the case in Nepal. In any event this is an issue that can to a large extent be addressed through carefully prepared terms of reference, together with close monitoring. It has also been pointed out that sub-contracts are more expensive--In my view it is time to accept the fact that the delivery of a quality programme cannot be done on the cheap.

Regarding the issue of timeliness, serious problems are encountered in Nepal with regard to the clearance and approval of project documents, the fielding of experts and consultants and the implementation of training programmes. A large share of the responsibility for this lies with the Government. Despite repeated discussions with the Government on the very long delays encountered in clearance procedures, this remains a serious bottleneck. The issue is one that concerns the donor community as a whole and one which it is hoped will be tackled in the context of a broad policy dialogue with the Government. At the same time there are also some clear instances in which agencies have been unable to identify and field qualified project personnel on a timely basis. This has adversely affected the UN system's credibility in a number of key areas.

With respect to backstopping, there is a wide discrepancy between the performance of the banks and the other agencies. It is common to see the same bank staff in Nepal three to four times a year; in some cases, they are here on a bi-monthly basis. Active and substantive discussions take place with UNDP staff during the duration of these missions and excellent and close collaboration exists. With other agencies, it is unusual to receive visits more than once a year. In the case of one agency, the practice appears to be only to debrief UNDP at the end of the mission, thereby minimising the opportunity for substantive dialogue. Such missions generally make a limited contribution to the substantive evolution of the project. Discussions with project managers reveal that, in many cases, they rely on the UNDP field office for guidance and support on the

great bulk of issues relating to the management and implementation of the project apart from the most technical aspects. In the case of sub-contracts, the programme benefits from the additional backstopping received from the firm's headquarters. In the case of major sub-contracts, this backstopping is regular and can be of excellent quality.

Evaluations can be most useful tools to review in detail the progress of and problems confronting projects. The value of the evaluation depends to a large extent on the quality of the evaluators but by and large in my experience in Nepal evaluations have been constructive and useful. By contrast terminal reports which represent another formal tool for reviewing projects are of uneven quality due to the natural tendency of a project management at the end of a project to stress the positive elements of the project.

The Government of Nepal is keenly aware of the quality of the services provided by external donors. The Government is quite critical of the quality of project personnel and believe that donors impose on them an overdose of expatriate personnel. Regarding the quality, I sympathise with their views but at the same time constantly stress to the Government that their bureaucratic clearance procedures and delays are a major contributory factor to their losing some excellent candidates.

In this connection the establishment of umbrella technical assistance projects to service multi-donor investment packages and the adoption of programmatic approaches will undoubtedly minimize the risk of an overdose of expatriate personnel. In addition, donors should exert every effort to deploy qualified national consultants who are more familiar with local conditions.

In summary, the UN system is finding it increasingly difficult to attract top candidates, especially for longer term assignments. At the same time the size of the market offering services has vastly expanded. Clearly the UN agencies must be prepared to tap the resources of this market more often through the use of sub-contracts. Secondly, against the background of the development of programmatic approaches and the need for policy dialogue, agencies need to further develop their country focus without which project oriented approaches will remain dominant

with serious implications for the quality of the programme. Finally, 'competence' for project execution should be based on actual performance in the field. Any other interpretation jeopardizes the opportunity for taking a leadership role in the development and implementation of programmatic approaches.

## **7. Concluding Remarks**

As is evident from the above, substantial progress has been made from the situation I reported on in my 1987 report to you. The approach which has been taken in aid coordination closely resembles that advocated by OECD. Firstly, the government has been handling aid coordination with an unusual degree of openness and with a forward looking attitude. Aside from assuming the leadership role in aid coordination, the government clearly recognizes the need for and is even encouraging better dialogue among donors. Furthermore, aside from the Ministry of Finance and the National Planning Commission, sectoral ministries are now taking an active role in the aid coordination process. Secondly, despite differing perceptions and expectations, major donors themselves are increasingly willing to act as a team in the pursuit of better coordination as evidenced in the adoption of a programmatic approach in a number of sectors and sub-sectors. Such factors as push and pull, competition and organizational selfishness do exist but the donors have been extremely forthcoming in working toward achieving a coordinated approach. Without doubt, the right chemistry exists among the major actors. Thirdly, the role of multilateral institutions, in particular the World Bank, IMF and UNDP, in policy dialogue, external resource mobilization and aid coordination has been clearly perceived by both the government and donors. Furthermore, they clearly see a "division of labour" between multilateral financial institutions and a technical cooperation organization in those matters. Fourthly, the three studies referred to in section two above, namely the Nepal Country Evaluation Study, your case study on Nepal, and the OECD/DAC Nepal Case Study on aid coordination have helped all concerned to closely examine such pertinent issues as major development issues confronting the country, the role of foreign aid, past experience and future perspectives, the role of multilateral and bilateral institutions in aid coordination, etc. They have been of immense value for

furthering and refining the process that had been initiated earlier.

In turn, it must be recognized that there are some "issues" that must be borne in mind in dealing with the situation. Firstly, while there is no apprehension or fear at the moment, the Government could become wary of possible donors possibly ganging up unless sufficient precaution and self-control are exercised by the donors particularly in the donor-only forum. In this connection it must be recognized that aid coordination cannot and should not be a substitute for the need for maintaining and expanding policy dialogue between the donor organization concerned and the Government on a bilateral basis. Furthermore, the fact that aid coordination is a prerogative of the Government should not escape the mind of donors at all time. Secondly, it must be emphasized that coordination is a dynamic process and that both the Government and donors must continue to learn from each other and from past experience. Also, due to changes in major actors, either on the part of the Government or of donors, personal chemistry will be bound to change over time. Continuous efforts are therefore needed on both sides to nurture and further the coordination process. Thirdly, it must be appreciated that the process of coordination as described above is a very time consuming and labour intensive process which, I believe, requires appropriate manpower resources. To deny such a need and at the same time to continue to expect the fulfillment of the role that has been expected of or entrusted to the Resident Representative or the Resident Coordinator by the Government and the donor community is to create a serious liability for the organization. I might also add that coordination requires team work of all the concerned staff in the UNDP office. In this respect, what is needed is both an adequate level of staffing and good quality staff who are able to command the respect of all concerned. Thirdly, the pursuit of a programmatic approach which is the natural consequence of an active aid coordination process does pose a series of "problems" for the UN system, particularly specialized agencies. For one thing, the system is not adequately equipped to deal with it because of its project orientation. Also, it can only offer technical assistance with the exception of such organizations as WFP, UNICEF and UNCDF. For another, the system unfortunately does not have at its disposal adequate means to respond to highly country-specific and policy-oriented requirements. In addition, the conditions of service of the UN system are such that it has become increasingly

difficult to attract or retain the calibre of people that are needed.

Against the background of the issues explained above, the challenge before us is enormous. There is a critical question of sustainability. There is also a question of responsiveness toward ever growing expectations and the desire to make development programmes more responsive to the country's needs. If we are serious in what we preach and advocate, some remedies must be found with the support of all concerned.

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**Note :**

This report has been prepared utilising the inputs provided by UN organizations represented in Nepal. While every effort has been made to incorporate the inputs provided, only inputs relating to the specific questions raised by the Director General have been incorporated. I take sole responsibility for the views expressed and conclusions reached in this report.



## **Aid Coordination – the Bangladesh Experience**

**by Erling Dessau**  
Resident Representative in Bangladesh, UNDP





## AID COORDINATION: THE CONTEXT

Limited natural resources, extraordinary population density and acute poverty are the most evident features of Bangladesh. The economy is also vulnerable to recurring devastating natural disasters. In this context, development assistance is seen as the critical element in sustaining the development process. Over eighty five percent of the country's 1987/88 Annual Development Plan (ADP) is donor-financed, a clear indication of the high proportion of external development assistance in development spending. ODA commitments for fiscal year 1989 are expected to reach about US\$1.8 billion, bringing the total ODA funding committed to Bangladesh since 1972 to nearly US\$19 billion.

Eighteen bilateral donors, some eleven multilateral agencies, several Arab/OPEC donors, China, the Soviet Union and over 200 national and international NGOs are responsible for channelling this large volume of aid to Bangladesh each year. The UN system itself disbursed approximately US\$195 million in Bangladesh last year. This amount does not include credit financing from ADB, IBRD, or IFAD. Coordination among this multiplicity of donors and between them, the Central Government and numerous Government agencies is evidently critical to the effectiveness of individual donor contributions.

The chart in Annex I sets out the main aid coordination arrangements which exist in Bangladesh, which were most recently and exhaustively studied by the DAC of OECD in September 1987.

The Bangladesh Consultative Group Meeting, held annually in Paris since 1974, remains the most important formal forum for dialogue between Government and donors. It has largely focused on the macro-economic progress of the country and its aid requirements. The Local Consultations Group (LCG), chaired by the World Bank with the participation of Government and Aid Group members, is the main forum for consultation at the local level. Various sub-groups of the LCG or less formal arrangements have been used (see Annex I) for sectoral or sub-sectoral/project level coordination and consultation.

## AID COORDINATION – UNDP INVOLVEMENT

The role of the UNDP in coordinating aid is significant in all the various mechanisms described above. UNDP represents the UN System at the CGM, aided by WFP because of the significance of food aid in Bangladesh. The UNDP Statement is well received by donors and GOB, seeking as it does to highlight the importance of technical cooperation and the non-macro economic aspects of development. At the local level, UNDP participates as a member of the LCG and is consulted closely by the IBRB on its functioning. Secondly, UNDP has provided the material for many of the LCG meetings, including that from pre-investment projects and various studies (on commodity aid, project aid and TA). UNDP also participates in most of the less formal sub-groups and leads those related to technical cooperation, drugs, disasters and food.

UNDP, for example, was given the role by the Government and donors to coordinate pledges of assistance after the floods in 1987 and now again in 1988. UNDP has also taken the lead in sponsoring a Flood Policy Study which will examine both the national and regional dimensions of recurrent flooding in Bangladesh and assess the potential for a coordinated international response. Recently, amid mounting concern about increasing drug abuse and illicit trafficking, UNDP (on behalf of the United Nations Fund for Drug Abuse Control (UNFDAC) was requested by the concerned donors to coordinate international assistance in this field. A programme of drug related activities is being developed and projects identified for early implementation.

At the sectoral level, UNDP assistance (in association with other donors and multilateral agencies) is being used by the Government to undertake a major review of the Agricultural Sector to identify constraints hampering agricultural production and to suggest remedial measures. In this case, as with other UNDP efforts to bring GOB and donors together, a steering committee of GOB and donor representatives oversees the work and provides inputs to it, thus ensuring continuous consultation and debate. A workshop will be used to present to the donors/GOB the results of the work. Whatever the technical results, the process will have provided donors and GOB with ample opportunity to

debate and review policies and programmes.

Other UN Agencies are similarly involved in coordinating critical activities in the country. The World Food Programme plays a central role in monitoring the foodgrain situation in the country and in coordinating food aid pledges e.g., their scheduling and distribution. The UNFPA plays a leadership role in coordinating the work of donors and Government in such areas as logistics and the integration of MCH with family planning, and a new initiative is taking shape to undertake a Population Sector Review. The Food and Agriculture Organization (FAO) is active in coordination through an LCG sub-group on fisheries and the recently initiated LCG for the agricultural sector.

Other examples of coordination, often facilitated by co-financing, such as for Primary Education, illustrate the potential to follow a programme approach, at least in terms of establishing an agreed policy framework and main approach, and then dividing the programme either geographically or functionally or by components amongst cooperating donors. This approach appears to work well for large investment programmes and in those in which most UN Agencies are involved, such as UNDP/UNICEF/IBRD with SIDA and ODA on primary education; UNDP/ADB/IBRD with ODA, the Dutch and CIDA on gas development; UNDP/UNICEF/UNFPA on literacy; WFP/ILO/UNDP/UNDTCD on Vulnerable Groups and Food-for-Work; UNICEF/ADB/IBRD/WHO/UNDP and DANIDA on Water Supply and Sanitation. UNDP has also been the lead agency for a Water Master Plan and for the feasibility for a major bridge construction over the Brahmaputra/Jamuna rivers and is undertaking a major review of the Industry Sector.

One conclusion, therefore, is that cooperation generally works well in Bangladesh, and within the UN System, the level of cooperation and consultation is very good indeed without being formalized in any rigorous way.

## **AID COORDINATION: SOME ISSUES**

Despite the existence and important role of the coordinating mecha-

nisms described above, there are some frustrations as to their real usefulness as they are currently conceived and organized, notwithstanding the difficulties which exist because of the current relations between the Government and Donor community.

Thus with regard to the international-level Consultative Group Meeting, little real dialogue or debate takes place, and it currently mainly serves as a forum for formal presentations. There is a strong feeling by donors that the meetings should be more policy oriented, provide a forum for debates, and be more forward looking. For this purpose, there is a need for a stronger link between the CGM and the LCG meetings, which are often unrelated to the topics raised at the CGM. One exception is technical assistance and project implementation, which have preoccupied the CGM for several years and on which several LCG meetings have taken place to date. Another conclusion, therefore, is that the CGM/LCG are best described as consultative mechanisms, and that for effective coordination specific working groups/projects are essential if progress on any such issue is to be made at all.

This applies in particular to achieving harmony among the aid policies, procedures and approaches of different donors and those of the Government itself. Yet, the managerial and coordination capacity of the Government is very limited and thus acts as a brake on the speed at which detailed work can proceed. While multiple and occasionally conflicting donor procedures, policy prescriptions and conditionalities tax the limited capacity of the Government, the use of the programme approach tied to co-financing may help to reduce the burden somewhat, particularly if uniform budgeting and reporting procedures are introduced. This approach usually succeeds when one donor takes the lead in organizing the exercise. In terms of coordination, such efforts are also more pragmatic and transparent than the more formal LCG or Sector sub-groups, which are more useful for consultation purposes.

Another more negative aspect relates to co-financing. In other developing countries, the coordination of resource flows is enhanced by the long standing practice among several bilateral donors of providing funding through multilateral agencies as funds-in-trust, co-financing or cost-sharing. Such a practice usually benefits the Government and donors

alike. Apart from relieving pressure on UNDP and UNICEF resources, this form of funding makes it possible for different aspects of a project to be picked up by those donors most interested in funding particular activities and helps utilize otherwise idle funds. Augmentation of this funding mechanism should be possible if the Government in Bangladesh is more flexible in allowing bilateral funds to be channelled through the UN central funding organizations.

From another vantage point, the Government policy of requiring all Technical Assistance (including design and supervision of investment projects) to be grant-financed has required the major development banks to coordinate with other donors, particularly UNDP, with both positive and negative aspects depending on the viewpoint.

In this context, technical cooperation may be more meaningful because it is linked to a sector or programme strategy and is based upon an assessment of essential policy aspects underlining the activities. The utilization of free standing TA would be more effective if linked directly to the sectoral and policy framework within which it functions. In Bangladesh, a considerable volume of aid is largely focussed on individual projects, with donors often advancing their own favourite approaches and seeking out or creating desirable projects, while the Government itself frequently offers projects to many donors.

Thus, there are still definite constraints to building donor support for a programme approach, either because of genuine substantive differences between them, or because of the difficulty of creating a single or simple administrative structure to support programmes (e.g. different timetables for programming, approval documents, approval schedules, disbursement procedures, reporting requirements, etc.) and the preoccupations with the need for increased disbursements forcing donors to take a project-by-project approach.

Genuine policy gaps of course do exist and need to be bridged. Donors request greater allocations from the revenue budget for Operations and Maintenance of completed development projects. The Government calls for more commodity assistance, increased local procurement and greater local cost-financing in project aid to enhance local resource

mobilization. Of concern to all is the present highly insufficient allocation for recurrent costs—operation and maintenance costs—and insufficient quality control of work performed. At the same time, it is noted that undue importance is usually given in development programmes to new institutions and to new infrastructure, which often take precedence over maintenance of existing facilities and direct alleviation of poverty. So far, any success in this area has come through conditionalities attached to a particular project, although IBRD, and now UNDP, are studying this problem on a wider front.

The major preoccupation of all donors is that of delays in project approval and implementation. A variety of factors contribute to the problem, including delays in the approval process, slow procurement, problems in land acquisition, shortages of local currency, cumbersome donor and government procedures and requirements and deficiencies in project monitoring. In this context, a UNDP financed study on TA approval procedures was completed last year. Relatively little attention, however, was paid to donor procedures and how these could be rationalized, simplified and harmonized with existing government practices.

Questions have also been raised by the Government as to whether technical assistance has contributed appreciably to the institutional development of the country, and more so whether technology transfer has been effected adequately. These concerns have resulted in a number of studies particularly on project and commodity aid utilization which are being pursued through joint government/donor working groups.

UNDP is now assisting the Government to undertake a third review (to be overseen by a joint donor-government Steering Committee) of technical cooperation in order to strengthen its capabilities to use, assess, formulate and monitor technical assistance more rationally and cost-effectively. As part of this process, the review will identify the areas and causes of success and failure of TA programmes in the past; propose corrective measure wherever necessary; determine criteria for appraising TA projects; and pave the way for more rational TA programming. Initial Recommendations of the review process will be presented to the Local Consultations Group prior to the 1989 Consultative Group Meeting.

In conclusion, to overcome substantive differences, a more thorough dialogue is necessary between donors and the Government, and a strengthened LCG mechanism could provide such a focus in conjunction with detailed work by sub-groups/working groups. On administrative/procedural/funding constraints, the possibilities are perhaps more limited, although adequate advance programming and detailed donor-by-donor reviews may eliminate some obstacles.

## AID COORDINATION – THE UNDP RESPONSE

In this context, and with specific reference to UNDP, the mandates/primary concerns of each donor/agency and the perceptions and use of them by the Government sometimes leads to UNDP being considered the donor of last resort i.e. an easy funding source for those projects and programmes that other donors do not wish to or cannot accommodate. The result is that UNDP becomes involved in a broad range of activities individually useful, perhaps, but without clear focus or sectoral coherence. While this is true in Bangladesh, paradoxically, UNDP is often sought by the Government to also finance projects reflecting some of the central concerns related to the coordination issue, especially in the planning context, because it is viewed as independent of all donors and has the capacity to work as a partner of the Government in a manner different from that of all other donors. There are also arguments, therefore, for competition or independence of approach in order to stimulate new ideas or approaches to development problems requiring coordination for different reasons.

In effect, the role UNDP has been given in Bangladesh is a precursor of UNDP's new management facility, and it illustrates the central role UNDP could play in SAL programmes for the Government. The relevant examples mentioned above are the studies on Commodity Aid, Project Aid and Technical Cooperation; the sector reviews in agriculture, industry, population, food aid; and projects to develop the Government's management capacity (planning at central and ministry levels, monitoring and evaluation of development, project management and so forth). A fourth major study is now requested on overall resource plans for development purposes, which again illustrates the central role of UNDP in



permitting the GOB to take a good look at fundamental issues of development finance and coordination.

If, however, we are to adequately fulfill the role of coordination foreseen by UNDP and increasingly requested by the Government and donor community alike (see Annex 2), a significant increase in our resources and our capabilities (both human and financial and procedural) of the right type are badly needed. By way of an example is the recent devastating flood in Bangladesh which has required me to detail three of my staff to cope with the flurry of activities being requested of us. These and other such experiences lead me to believe that it is critical for our programme to have, as a minimum, well-qualified, competent additional staff in the form of an Economist, an Assistant Coordinator, additional Administrative support as well as financial resources and funds to draw on to meet ad-hoc, but critical, requests as they occur (such as for hiring of local consultants, e.g. to participate in the recent UNICEF initiated Urban Poverty Study).

One positive example of a new approach is to the DCR; that by providing direct financial resources for this purpose, it has been possible to take a far more serious approach than before, and this could have a considerable impact on UNDP's coordinating role. One example of our limitations was the inability of UNDP to play a coordinating administrative role for a Government/multi-donor Cooperative Sector study. The lack of flexibility in our procedures resulted in the Cooperative Sector study being delayed and ineffectively coordinated, as donors had to resort to providing administrative inputs independently as opposed to being able to channel them through the UNDP in a more coherent fashion.

Such issues and many more that are likely to arise need to be resolved by decentralizing authority and resources to the Resident Representatives so that the local office is able to respond and take initiatives that make sense at the country level. At the central level, recognition that coordination requires additional staff and other resources in the field office is vital if the effort to increase UNDP's role in the CG and Round Table mechanisms if core aid planning, mobilizing and coordinating mechanisms, (particularly in the case of TA) are to succeed.

Annex 1  
**BANGLADESH: COORDINATION ARRANGEMENTS (I)**

Aid group meetings	Other country level meetings held ex-country	Country-level meetings held in-country (2)	Sector-level and functional meetings (2)(3)(4)	Other meetings (3)(3)(4)
Donors conference chaired by the Government March-April 1973 (Dhaka)	Emergency donors meetings (Washington) August 1974	Local Consultations Group (LCG) chaired by World Bank.	LCG meetings chaired by World Bank on sector-specific issues (e.g., population control and family planning, rural development, energy and industry)	Food aid coordination - monthly meetings of donors, with representatives from government (WFP)
Bangladesh Aid Group (Paris)	Working level Aid Group meeting on rural employment (Bonn) November 1976	regular meetings of local donor representatives, with participation of government officials, on selected topics and development issues (World Bank, economic situation, economic reform, project implementation, administrative decentralization, rural development, rural poverty and employment)	Rural poverty seminar February 1980	Co-financing meetings on various projects, e.g., - Ashugami Fertilizer
- regular annual meetings, since October 1974, most recently April 1977	meetings on national calamities which require donor attention (e.g., meeting on flood and food situation August 1981)	UN Inter-Agency Working Group on disasters (chaired by UNDP) monthly meetings during rainy season (May-October) to monitor developments in weather, floods, crops, food and health, disaster situations, and relief measures	- Chittagong Urea Fertilizer (Manila July 1980) and August 1980; Dhaka Feb 1982)	- Gas Development (Washington, Feb 1982)
- special meetings on food policy and food aid January 1978 and January 1980	UN Inter-Agency Working Group on disasters (chaired by UNDP) monthly meetings during rainy season (May-October) to monitor developments in weather, floods, crops, food and health, disaster situations, and relief measures	sub-groups on agriculture and rural development (1984 to date)	- Population (Paris, January and March 1980)	- Jamuna Bridge
		sub-groups on rural development through co-operatives (World Bank)	- Joint population project - quarterly meetings of participating donors (World Bank)	
		sub-groups in rural development (Canada)		

(continued on page 152)

1. Not necessarily complete in case of sector level and other meetings.  
 2. Joint government donors meetings except where indicated as "meetings of donors".  
 3. Meetings held in country, unless otherwise indicated.  
 4. Donors chairing LCG sub-groups and other groups are indicated in brackets.

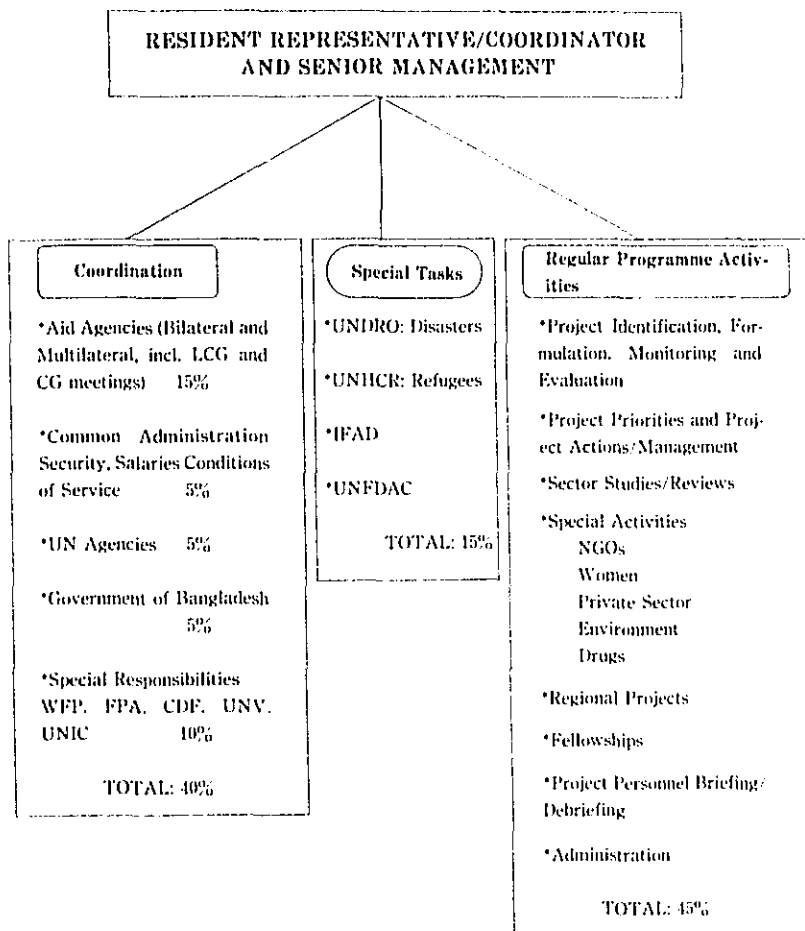
Annex 1 (continued)  
**BANGLADESH: COORDINATION ARRANGEMENTS (I)**

Aid group meetings	Other country level meetings held ex country	Country level meetings held in country (C)	Sector-level and functional meetings (C/GRG)	Other meetings (GRG)
			<ul style="list-style-type: none"> <li>• sub-groups on agriculture and rural development (continued)</li> <li>• rural credit (USAID)</li> <li>• rural infrastructure (Svenden)</li> <li>• food for work (WFP)</li> <li>• manual irrigation (Switzerland)</li> <li>• Fisheries (FAO)</li> <li>• other sub-groups on:               <ul style="list-style-type: none"> <li>• health and population (maternal and child health) (World Bank)</li> <li>• training (USAID)</li> <li>• women in development (World Bank)</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• Public projects coordination group (UNICEF)</li> </ul>
			<ul style="list-style-type: none"> <li>• Donors logistics coordination group on Population Programme (UNFPA)</li> <li>• monthly meetings</li> </ul>	
			<ul style="list-style-type: none"> <li>• Railway sector -- periodic meetings of donors since November 1964 (ADB)</li> </ul>	
			<ul style="list-style-type: none"> <li>• Energy sector -- meetings of donors for gas (ADB), Dec. 1966 and Mar. 1967 (World Bank)</li> </ul>	
			<ul style="list-style-type: none"> <li>• Development finance sector               <ul style="list-style-type: none"> <li>- meeting of donors (ADB), Sept. 1964 (Manila)</li> <li>- periodic joint meetings (Dhaka or Manila) 1965 to 1967</li> </ul> </li> </ul>	
			<ul style="list-style-type: none"> <li>• Occasional meetings of donors on other sectors, e.g., agriculture and industry</li> </ul>	
			<ul style="list-style-type: none"> <li>• Government inter-agency meetings to which donors are invited               <ul style="list-style-type: none"> <li>- power sector</li> <li>- gas, petroleum sector</li> <li>- railway sector</li> </ul> </li> </ul>	

Annex 2

TIME/TASK

RESPONSIBILITIES OF UNDP DIIAKA





## VII. Aid Evaluation

UNDP JICA



## **Aid Evaluation**

**by Shuuji Shimokouchi**  
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Ministry of Foreign Affairs





## **1. Basic Objectives and Character of Japan's Aid Evaluation**

1. 1 As one of the major donor countries, Japan has been making great efforts to increase its ODA; and despite its financial constraints, appropriate, effective and efficient implementation of economic and technical assistance is becoming more and more important. The Ministry of Foreign Affairs regards adequate information on the performance of past development assistance to be the integral and indispensable element to upgrade the quality of assistance. And such information is acquired only through aid evaluation.

1. 2 Aid evaluation covers a wide range of subjects such as:

- ( i ) whether the project is achieving its original objectives,
- ( ii ) whether the project is contributing to the socio-economic development of the recipient country,
- ( iii ) whether the original design, such as scale and contents of the project, is appropriate,
- ( iv ) whether the transfer of technology has been carried out as originally planned or expected,
- ( v ) what lessons, if any, should be learned from the project.

1. 3 As a result of the evaluation, corrections are made, where necessary, to the project, and the lessons learned are effectively fed back into the planning and implementation of future projects. Aid evaluation, therefore, is primarily aimed at ensuring more appropriate, effective and efficient implementation of our economic and technical assistance.

1. 4 Fair and correct evaluation is possible only when the respective effort of both the donor and the recipient countries are analysed and integrated for comprehensive evaluation.

1. 5 It is, however, difficult to make an objective evaluation in some instances, e.g., on the effects of technology transfer.

## 2. Japan's Aid Evaluation System

2.1 In Japan, while a few other ministries are also conducting aid evaluation surveys in their respective field, three agencies, the Ministry of Foreign Affairs (the Economic Cooperation Bureau), JICA and the Overseas Economic Cooperation Found (OECF) are primarily involved in evaluation. MFA has the responsibility for coordinating evaluation activities and policies/systems.

2.2 MFA established the Economic Cooperation Evaluation Committee within the Economic Cooperation Bureau in January 1981 with a view to improving, among other things, the evaluation system. The Committee, headed by the Director-General of the Economic Cooperation Bureau, works out an annual evaluation programme, publishes the annual evaluation report and works out follow-up measures.

2.3 MFA is proceeding with the following four types of evaluation with the cooperation of other government agencies concerned. Since MFA places emphasis, among other things, on an evaluation by a third party to ensure the objectivity and neutrality of evaluation, these evaluations, except those by our overseas diplomatic missions, always involve independent experts, consultants or other third party personnel. Joint evaluation with the recipient country or development agency of other donor countries/international development agencies is a new step in an effort to enlarge the scope of our evaluation activities.

Evaluation:

- ( i ) by survey missions which are dispatched by MFA in cooperation with other government agencies concerned, e.g., JICA/OECF
- ( ii ) by overseas diplomatic missions
- ( iii ) by commissioned private organizations/knowledgeable persons
- ( iv ) by JICA/OECF

### 3. Follow-up and Feedback

3.1 The evaluation reports are circulated among the divisions concerned within MFA, and the necessary follow-up is performed in cooperation with other agencies concerned. Various lessons, positive and negative, which were identified during the evaluation are taken into account in future planning of development projects. The evaluation reports are subsequently compiled into the "Annual Evaluation Report", which is published each year.

3.2 The following points have been identified as positive elements that have contributed to the successful implementation of projects.

- (i) Local conditions were precisely grasped in detail beforehand, and the assistance provided was commensurate with the technological levels of the recipient country.
- (ii) Budgetary appropriation and personnel allocation were properly conducted and controlled by the recipient government, and the recipient government had an earnest desire for success of the project.
- (iii) Financial assistance and technical cooperation were effectively linked with each other as integral components of the project.
- (iv) Effective follow-up and aftercare measures were taken.

3.3 There were many cases where the recipient countries were incapable of carrying out their responsibilities for various reasons (such as inadequate budgetary measures and changes in the project implementation system due to policy changes, etc.), thus hindering smooth implementation of projects.

3.4 MFA, for its part, has taken the following feedback measures to secure the effective implementation of Japan's economic and technical cooperation:

- (i) **Thorough Pre-Implementation Surveys**  
It is important that pre-implementation surveys are adequately carried out.
- (ii) **Promotion of Recipient Countries' Self-Help Efforts Through Policy Dialogue**

Appeals for recipient countries to help themselves are made, where necessary, at bilateral aid consultations or "policy dialogues" where past projects are reviewed. However, there is apparently a limit on self-help efforts, particularly those of least among less developed countries.

**(iii) Selection of Appropriate Level of Technology**

As to technology transfer, it is extremely important to examine the contents of techniques to be transferred and to provide techniques which are the most useful and appropriate for the recipient country. There are some instances whereby the technological level provided to a trainee under an expert training programme did not meet actual needs of the recipient country. Also some experiences show that sophisticated equipment was not effectively utilized or found to be unnecessary. MFA has been paying more attention in technical cooperation to the local procurement of the necessary materials and equipment whenever available, in order to ensure the effective use, maintenance and repair of the equipment.

**(iv) Linkage Between Financial Assistance and Technical Cooperation**

The integration of technical cooperation in facility construction or provision of equipment makes the project more effective. Further efforts are being made to promote the linkage between financial assistance and technical cooperation.

**(v) Thorough Aftercare Services**

In order to maintain and further promote the effectiveness of development projects, there is an urgent need to pay more attention to aftercare services. With the expansion of Japan's economic assistance, evaluation of past projects and the extension of comprehensive aftercare services, i.e. continuation or revitalization of past projects, have now come to be considered as important as finding and implementing new projects.

## **Assessing the Effectiveness of Aid**

**by Jehan Raheem**  
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Assessment of the effectiveness of aid is an important instrument in the efforts of both recipients and donors, individually and collectively, to improve aid performance quantitatively and qualitatively. The question whether aid really works as a mechanism for promoting development has loomed large in public debate right from the start. Any serious effort to enhance the effectiveness of aid must start with an appreciation of the issues involved in making assessments of its performance and its contribution to development.

The issues are many and complex; and the results of the assessments made are continually questioned in public debate on aid effectiveness. The diversity of types of aid provided, the unique circumstances attending each sector in each country, and the variety of assessment techniques and the timing of their usage, preclude there being a general theory that satisfies. This is an inherent vulnerability of the aid process that has been exploited by its critics or accommodated by the professionals administering it.

This presentation, however, selects a specific set of issues for discussion. It starts from the three traditional levels at which the effectiveness debate normally takes place. They are, firstly, at the level of the aid administrator concerned with activities he/she tackles; secondly, by those concerned with the complex questions attending the aid development debate as a whole; and thirdly, by those who judge the impact of aid on what essentially are non-development objectives.

There is, however, a fourth level frequently ignored in the literature: the views and perceptions of recipients—those who manage the development process and also those who make policy decisions. There is much that UNDP can and should, do about this crucial aspect of the aid effectiveness issue.

These four levels of perception suggest three perspectives. The first is the rapidly changing context in which aid is provided and its performance eventually judged. The second is the aid development nexus, as reviewed at a comprehensive world-wide level. This perspective also incorporates an attempt at assessing the performance of technical assistance over the last three decades and identifying areas requiring continu-



ing attention. The third is UNDP's perspective which looks at technical cooperation in the service of development and development assistance. The objective of examining these perspectives is to draw operational implications for UNDP's aid managers, which assist not only in assessing the effectiveness of the aid which UNDP provides, but also contribute to the larger debate on development.

It is very clear that the development agenda is rapidly changing. The renewed emphasis on macro-economic issues and aid to support policy changes is characteristic of the changing nature of aid. The most striking characteristic, however, of today's context is that aid has developed from a transitory phenomenon involving a few donors to an elaborate, pervasive and virtually permanent system. The consequences of this preponderant influence is examined, and its impact on aid managers and national officials is assessed.

Next, with a wider perspective, some attempts to look at a range of aid activities which are representative of the whole, are examined. Their conclusions are stated; and a commensurate effort is made with technical assistance and its achievements at a broad level.

UNDP's perspective is that a system, intended to provide quality control of technical assistance, needs to be designed in terms of outcomes progressively achieved and in process of attainment, rather than focusing on discreet inputs and outputs. The assessment system has to be able to track and make judgements on the direction and quality of changes set in motion by technical cooperation **while the changes are still occurring**. The responsibility extends to providing information to help technical cooperation designers and managers handle uncertainty, minimize problems that emerge, and take advantage of unforeseen opportunities that inevitably occur during a project/programme lifecycle. In this approach, some of the responsibilities come close to those of operational evaluation. As the existing tasks that evaluation is required to undertake have not been removed, these extra burdens have consequences for the management of evaluation by both donors and recipients. The approach must also encompass issues of effectiveness and impact.

Finally, in looking at the issue from UNDP's view, some operational

implications are derived for our future work. The importance of strengthening the capacity of recipient governments to make effective assessment of development aid is highlighted. Their involvement in UNDP's evaluation work and their being provided with technical assistance are two points to pursue. Next, the importance of looking at aid beyond the confines of "our" project is stressed. Assessment of effectiveness must look at the contribution technical assistance can make to the sector as a whole. Its analysis must lead us to look afresh at how all assistance is allocated to that sector or activity. It must help to make future programming more meaningful and contribute to the policy dialogue. The need to be more alert to the issues of effectiveness and potential impact of our assistance to the rural sector and institutions involved is stressed. The importance of looking at the effectiveness of our aid mechanisms (country programming, NaTCAPs and Round Tables) is urged. Finally, the distinctive contribution of the varying modalities used by technical assistance must be critically assessed and acted upon.

One could add much more to a consideration of the issues involved in improving UNDP's assessment of the aid it provides, its various mechanisms and its various results. It is important, however, to be very selective in choosing instruments that work. The emphasis should be on obtaining development information and using it to learn from. In selecting what is passed on, the concern should be on implementation – both for aid managers and those within governments managing the development process. It is anticipated that questions of method and of techniques will emerge during the discussion.



## VIII. Assessment of the Seminar

UNDP/JICA



## **Assessment of the Seminar**

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**CHAIRMAN:** Friends, ladies and gentlemen, we have come to the final session of UNDP/JICA Development Seminar. We have had a number of sessions for the past four or five days. Including, of course, the International Cooperation Day Celebration on the 6th and 7th, we have been here for the last week or so and exposed ourselves to all kinds of issues and views confronting the practitioners of development in developing countries. I think we have learned a great deal from this exercise.

Now, we have come to the session where we would like to assess what we have done during last several days. For this reason, the organizers have asked me to chair this last session. As a result of consultation with JICA the UNDP has decided that we should have the coordinator or moderator of each session here and present in 5 to 7 minutes the summary as they assess themselves those sessions that they have moderated. So, we will present Session 1 all the way to this morning's session by way of summary and assessment by each moderator. Then we will have a coffee break. And after that we would like to invite the participation of the people around the table and, if necessary, of course, people in the back-seats there—a sort of joint assessment of the seminar. And at the end, I would like to summarize the whole seminar for UNDP and JICA collaboration.

So, first of all, I would like to invite the moderator who has done the first panel, which was on 8th of October. Mr. Inagaki was the moderator for the "Private Sector in Development". After Mr. Inagaki, we will go onto other moderators, session by session. So, could I now start with Mr. Inagaki, please. 5-7 minutes.

**INAGAKI:** Thank you very much, Mr. Chairman.

This session covers the role of the private sector in development including small and medium sized enterprises. Since my colleague, Mr. Hanai is leaving very soon for an Indonesian assignment, tomorrow or the day after tomorrow, he quite regrets that he is not able to attend this final session to share the comments and discussions of the seminar. So, I would like to do some of my comments and summaries including Mr. Hanai's portion. So, I hope I may be given not 7 minutes but maybe a little bit more.

I attended this UNDP/JICA seminar for the last four days from 8th of this month, and am very happy and pleased to listen to the experience of UNDP around the world. I told in the session that I just knew the UNDP concerning their private sector development policies (that) exten-



sively covered (the world) in the past several years. You organized at least five regional levels of workshops and 125 country-wise workshops on the development and promotion of small private sector development. In this context I think JICA is quite new to the field and we have to study in the future how to assimilate the strategy in our own official development programmes, particularly for technical assistance and grant aid.

Throughout the two persons' presentations on the private sector's roles in development, we heard about the present situation in the developing countries. Developing countries are quite diversified and described as the New South. From this context we need a more diversified and more sophisticated approach to development cooperation; and more growth-oriented or more employment-generation-oriented strategy is needed.

From this point of view we heard, particularly from the UNDP representative, how they conduct these UNDP initiatives. So, through this discussion and presentation we formed a common understanding on policies and constraints faced by the private sector in the developing countries.

So, we realized through these discussions the roles of the government and, in association with the role of this government of the country, how a donor like JICA or UNDP has to be playing a more crucial roles for this development. I understand the point of agreement is the need for consistent macroeconomic policies governing governments' development efforts to private sectors. Secondly, the infrastructural development. Thirdly, development of human resources including R&D for the skilled labor and disciplined personnel and entrepreneurs in the private sector.

According to the stage of development, of course, the roles of the government and the aid agencies may be different. In the less developed countries the government will be taking more leading initiative roles for such development efforts of private sectors. In the middle income countries, government or aid donors will be playing more complementary or supplementary efforts to encourage private sectors.

In the discussion some of the participants particularly from UNDP referred to the Japanese experience of the private sector's roles and development in the past high economic growth period. Of course, there is not any reference and answer to that comment. However, I think since Japan has a unique experience of development, in the beginning as an aid recipient country and later on as an aid donor country, in this sense Japan has to more carefully analyze the particular roles of the private sector in

development strategies. So, this may be a better reference to be transferred to the future development strategy formulation of the developing countries.

Taking this opportunity, I would like to mention a little bit about what JICA is doing, particularly in the context of the promotion of private sectors in the developing countries.

First, JICA, as a framework of the technical cooperation program, tries to strengthen the master plans formulations for management improvement in the infrastructure, particularly in transport networks, harbors and telecommunications. This is more according to the state of development. JICA tries to put more emphasis on such management and maintenance of these infrastructures, and to encourage the master plans or direction to support such private sectors.

Secondly, JICA tries to formulate also master plans or action plans for private sector development with a specific line of industries. To strengthen the organizational structures of industries by means of management guidance and facilities construction, investment is promoted by organizing investment missions or trade fairs. This is a kind of package in the master plan how these sorts of component are included.

Secondly is the assignment of Japanese personnel who are recruited from Japanese private sectors to make more direct contributions to revitalization or renovation of the private industry through management guidance or diagnostic consultant services to improve productivity and management efficiency.

Thirdly is human resources development. This is done in response to the actual needs of the labor market through project-type cooperation such as trade promotion centers or metal-work industry development centers or productivity development centers. This is just one example out of a large number of project-type cooperations.

I mentioned that Mr. Hanai informed us that one of the drawbacks for the development of small scale industries in the developing countries the lack of funds to initiate industrial activity. In this context the OECF (Overseas Economic Corporation Fund) in particular has their loan schemes called the two-step loan schemes to develop the small and medium scale industry in the developing countries. Some of you may know this scheme whereby the Japanese government extends a loan to the financing institutions of the recipient countries, then this bank institution executes the lending of the funds to the local firm, particularly small and

medium scale industries. This kind of financial scheme is now getting more common in such countries as India, Thailand, Indonesia and China and other countries.

Well, finally taking this opportunity, I would like to mention that I learned a lot from this UNDP meeting, and since I am working in the Research Division of our Institute here, I hope to see that future research on private sector roles in the development process will be more carefully studied and incorporated into our implementation of JICA activities.

Thank you very much for your attention.

**CHAIRMAN:** Thank you very much, Mr. Inagaki, especially for the additional information on the OECF. I am sorry that the carnations we had all these days are now gone. We have had beautiful carnations brought from Sri Lanka by Mr. Wada, the President of Hakone Florist. But I am sure we can all now still visualize how beautiful they were. Anyway we have our Sri Lankan friend, Jehan Raheem, right here. And, he is like a carnation.

Then, shall we now move onto the next subject, which is "Structural Adjustment" which took place on Tuesday, 11th of October. Mr. Tanaka will summarize the discussion with his own assessment. Thank you.

**TANAKA:** Thank you, Mr. Chairman.

First of all, I hope you are not tired of hearing repeatedly this term of "structural adjustment" for the last whole week. In fact this theme was taken up twice during the UNDP staff stay here in Tokyo, firstly during the symposium and secondly in this seminar itself.

Coming back to the objectives of this seminar I understand (1) the first objective is to review the current thinking on development theory and policies, and (2) to have exchange of views on development issues with Japanese aid officials, and (3) to foster social and economic development and assess ways to further improve program and project effectiveness of UNDP activities. These objectives as I understand them under the theme of structural adjustment, have been mostly met. The reason is, first of all, thanks to the excellent presentations by the two resource persons, namely Mr. Damiba and Mr. Oshima.

Mr. Damiba, perhaps as you clearly remember, referred to why social structural adjustment is being done and what social adjustment is and what is next, or in other words where we go from here. He brought up various issues relating to structural adjustment. If I remember correctly he pointed out five issues, (1) effectiveness of adjustment programs and

(2) time horizons, (3) regional dimensions (4) poverty or social dimensions of this structural adjustment, and (5) internalization issues. I found that his presentation was really well structured and well presented. This is my first assessment or rather a comment to the seminar organizer, and if possible, his presentation might be put in some written form, so that we can benefit from the presentation later on, and not only us but also other parties interested in the structural adjustment.

Mr. Oshima presented the Japanese government thinking on the development assistance vis-à-vis structural adjustment, and also explained in detail, measures taken by the Japanese government for structural adjustment assistance including SJF, capital grant assistance, and technical cooperation.

The discussion which followed touched upon net resource flow, conditionalities, absorptive capacity, and regional approaches and others. I found the comments very relevant and well expressed.

With these remarks, I think at least two objectives were met. But the third one which refers to reviewing strategy adopted by UNDP to foster social and economic development and assess ways to further improve program/project effectiveness is in my view up to the UNDP resident representative as to how to digest all that has been discussed here, when you go back to the field and put them all in practice.

Lastly I would like to offer a brief remark on how to improve the seminar in the future. Under the theme of the structural adjustment — this is really my personal view — we wanted to have more interaction between UNDP and JICA staff. In other words, a little bit more time is needed for discussion. So that both sides could learn more, and more in detail.

The second point is, as an outsider of UNDP, I wanted to hear more information on the experiences of resident representatives, who are really confronting an enormous amount of constraints and difficulties—all the sorts of problems that you have in helping the developing countries put structural adjustment policies into actual programs and projects—so that perhaps JICA representatives might benefit from those comments.

With these brief comments I again thank all of you for having made the session very successful.

**CHAIRMAN:** Thank you, very much, Mr. Tanaka. There is a saying better late than never. Certainly we will have the discussion period after the coffee break, and I am sure some of the Res.Reps. will illuminate us

with some of their experiences in structural adjustment policies and lendings by the World Bank in the respective countries. Also, I think we have some kind of reception tonight. There, perhaps, while you are chatting, you could also engage in some useful debates while having some nice cookies or goodies.

So, could I now go into "Women in Development", and Mr. Tomimoto, please.

**TOMIMOTO:** Thank you, Mr. Chairman. I am sorry my voice is a little funny, because I have a slight cold. I hope you don't catch it.

First of all, I would like to thank all of you, the resident representatives from UNDP as well as the staff from New York, for permitting us to have learned a lot during the sessions and during these four days. In the session of the issues of Women in Development, which was held in the afternoon of 11th of October, we invited two guest speakers, Dr. Chie Nakane, Professor Emeritus of University of Tokyo, and Mrs. Ingrid Eide, the Programme Division Director of the Division for Women in Development in UNDP.

Dr. Nakane in her presentation explained the status of women and their level of participation in the development process, referring to the regional settings in Asia, Africa, the Middle East and Communist countries and also according to the socio-economic conditions. She explained also that if women can access better educational opportunities, their level of participation will be improved. She explained also the important roles of women in development assistance activities as overseas volunteers or experts, as well as aid officers in donor agencies giving us the situation of JICA staff structures as an example.

Mrs. Eide explained the important roles women play in developing countries. Their roles in agricultural production, supply of food and nutrition, health and education etc. But their important roles are often neglected in development planning and assistance programs. Therefore, she stressed the need for reorientation of policy framework, the system, and the process of planning operations, for the benefit of women as well as men.

She introduced ten very interesting analytical concepts to observe or to consider the various situations of women in developing countries. She emphasized that we have to look at the situation on the basis of gender, statistics, systems, reproduction cycle, resources, etc. And I think these concepts are quite useful and important for all of us, especially for the

staff of donor agencies.

In the discussion session we had several comments and questions about the presentations of the guest speakers. Also some brief reports were made by Resident Representatives of UNDP regarding difficult situations for women, women's participation and some constraints and also efforts to improve the situation in their respective countries.

Also from the JICA side some examples of training programs and technical assistance projects by JICA related to women's issues were introduced. Also some statistics regarding the female staff situation in JICA were introduced.

Finally, I think this session was quite interesting and informative particularly for the Japanese, audience as well as JICA staff, because the issue is quite new to us. And we realized that we have to set up some concrete policy guidelines and procedures to ensure that our assistance will be directed toward the benefit of women in the developing countries.

Thank you very much.

**CHAIRMAN:** Thank you very much, Mr. Tomimoto, for a very concise summary of the discussion and the perception and the appreciation that JICA has developed on the subject.

Now, could I move on to the next session, "Environment and Development", and Mr. Imai please?

**IMAI:** Thank you Mr. Chairman. In the session on Environment and Development, Mr. Ishii and Mr. Lankester, the two speakers, provided us with excellent speeches. Both of the speakers talked about the global environmental issues, the central figure of this the problem. And they took up the subject of the problem of deforestation. Their presentations included very concrete cases and very critical analyses on the present situation concerning this problem.

In the discussion session, resident representatives participated very actively in the discussion, bringing up problems and constraints they have in the field of development assistance. Through the discussion, UNDP and JICA could learn a lot of about the problems we have to tackle from now on.

I think we have to pay attention to the fact that this subject is a very technical subject and requires study and examination with long-term perspectives. Particularly in the discussion we focused on six items.

- (1) Environmental consideration by UNDP. In the approval of projects, a question was raised if they give enough consideration to

this problem. The integration of development and the environment is the very important role which UNDP bears, and there is a question if the UNDP really satisfies this requirement. We have learnt that the UNDP is taking steps forward for a systematic study.

- (2) The second point was very well stressed, which was politics and the environment. Environmental consideration brings about long-term benefits. However, some politicians who have a rather short term perspective cannot see this. Based upon this problem we consider it very difficult to persuade politicians to have a longer viewpoint to tackle this environmental protection problem. One method of persuasion requires the visible explanation to those politicians. Then, we have to also organize the parliamentary members or the congressmen. These were the ideas raised in our discussion.
- (3) Next, debt and environmental problems were stressed in our discussion. Developing countries suffer a heavy burden of debt. In this regard the poorer developing countries find it very difficult to take measures against the environmental problem. How they should tackle the environmental problem in their countries was the question raised in the discussion. So, what we have to do is to formulate environmental protection measures or suggestions and provide actual methods for implementing them. These are the subjects we have to study.
- (4) Next, participation of residents was discussed. Resident participation does not only include hands-off participation. Residents themselves have expertise and know-how for protection of the environment; furthermore they have traditional technology to cohabit with good environment or nature. Accordingly, this precious expertise of all residents should be in a concrete manner utilized in development projects or programs. And the method of how to incorporate this expertise was discussed.
- (5) Next we talked about alternative technology. For example, to acquire fuel resources they sometimes have to cut down forests, which has an adverse impact on the environment. We talked about how we can stop this kind of action with alternative energies developed by technology. We proposed some alternative energies by technological development. Accordingly, these alternatives

from the viewpoint of the preservation of the environment should be really stressed.

- (6) Lastly, the last problem is important to both UNDP and JICA. The problem is the matter of information. Resident representatives face on a daily basis the environmental problems. However, when they have to face the concrete problems, they sometimes suffer from lack of advice as to how to cope with these problems. This was mentioned by one representative. So, in this sense, we find that we need advisors to answer questions about concrete problems they face in their daily activities. Concerning this, we know that people in developing countries have very valuable expertise. So, we can utilize local consultants for example to cope with environmental problems, and this we find would be very useful for us.

This so far was the impression I got as the moderator for this session.

I myself feel that environmental problems do not have any model answers. In daily activities of development we will have to find the most suitable solution to a particular problem. And we have to really work to search for these answers for particular projects in particular countries. In any case in the session of environmental problems, development and the environment, we had very active participation by resident representatives and the discussion continued in a very constructive manner.

Thank you very much.

**CHAIRMAN:** Thank you very much for the very comprehensive summary and for the very sincere impression of the discussion we had on both the JICA and UNDP sides.

Now, we come to the session which discussed mainly the bilateral and multilateral collaboration at the field level, and also the issue of aid coordination. Mr. Takimoto, please.

**TAKIMOTO:** Thank you very much, Mr. Chairman.

Yesterday, I summarized the content of the discussions with a lot of difficulties. The subject of multilateral and bilateral cooperation in the field was not so easy as to permit a simple conclusion. So, today I would like to try to summarize again with my impressions on the session.

At first, I would like to express my appreciation for the two case studies on cooperation in two countries. The presentations were made at first by Mr. Ono, Representative of JICA Nepal Office, and then by Mr.



Niwa who is the Res.Rep. of Nepal UNDP Office. After that we heard the presentation by Mr. Dessau who is the Res.Rep. of Bangladesh UNDP Office. Later that we had discussions on those presentations.

I think it was fortunate that we had two views on cooperation in the case of Nepal, one from a bilateral basis and the other from a multilateral basis. So, we could have a kind of compound view about the cooperation between two kinds of organizations.

I would like to say that, if we had had such case studies about other countries, it would have been easier for us to examine the possibility of cooperation between two kinds of organizations. Of course, JICA has been doing some other cooperation with multi-lateral agencies. Some gentlemen of JICA pointed out the examples of cooperation of JICA with multi-lateral organizations, such as WHO, UNICEF, and African Development Bank. But the extent of cooperation between the two kinds of organizations, and I would like to define JICA as a bilateral cooperation agency, is so limited right now compared with the magnitude of the amount which has recently become available to JICA. So, I think our concern right now should be how to expand the cooperation between JICA and multi-lateral organizations.

In the session I am afraid I was a little forceful or highhanded as a coordinator about emphasizing the necessity and urgency of such cooperation. Because I was and I am afraid we may be greatly hindered in our assistance activities to developing countries without that cooperation. UNDP has been implementing many activities for a rather long time. JICA is getting bigger very rapidly right now. And it is inevitable for JICA to have a bigger influence in assistance activities. UNDP has had their own systems and rules to assist the developing countries. I am sure some of the systems and rules are still effective, suitable, for the implementation. And some others might have to be reconsidered or improved. JICA needs not necessarily follow the systems and rules of UNDP, but we should understand the systems and rules which pioneering organizations like UNDP made after a lot of efforts and which have been used widely. We should discuss and help to improve the systems and rules if necessary. Without the common understanding, then, we will have a lot of chaos or collision in many areas. And our activities will be hindered. That is the reason for the way I coordinated yesterday's session.

I would like to talk about my concerns as well as my assessment of the session.

In the discussions, some Res.Reps. pointed out the shortage of qualified staff. Without qualified staff, of course, it should be difficult to have a cooperation with any agencies. I think JICA has the same kind of problems. The number of the staff of JICA has been limited by regulations. Everybody related to the aid businesses seems to be so busy. We may improve the efficiency of the organization by realizing liquidity or fluidity of personnel and information as a base in our cooperation.

Of course, one point we heard from Mr.Hirono was the necessity of following up actions after the exchange of information. Sometimes JICA gets information from UNDP but after that there isn't any following exchange of information and that has been a problem.

About the shortage of qualified staffs, I think we should have flexibility in the organizations, in the implementation of aid activities, and in programming. But I am afraid it might be prevented by the existing domestic bureaucracies. Even if we try to have a flexibility in the organizations, we cannot ignore the existence of bureaucracy in each organization. And of course, in the recipient governments they have bureaucracies, some of which have rather unfavourable effects on cooperation among aid agencies as pointed out by one Res.Rep. — I am sorry I have not the name of the gentleman in yesterday's session from the Philippines or India. In any way the flexibility on each side is supposed to be indispensable to carry out activities beyond country borders.

Also, concerning flexibility, I think it will be easy to internationalize JICA, whose full name includes the word "international". There are some differences between UNDP and JICA in respect to systems or organization, but they should be acknowledged and be used to develop advantages. For instance, Mr.Ono pointed out the systems of grant aid which JICA has been implementing to developing countries. I suppose it should be useful to have such kind of systems and to share with international organizations those facilities.

I said "international"—the word "internationalization" has been very popular recently in the private sector in Japan. I think this word should be considered again in our public sector.

The session which I was involved in was too short. It was only two hours and thirty minutes—too short to have a conclusion. But I would like to regard the session as a sort of clue to the beginning of continuity. I am much interested in how discussions will be developed in the two organizations on the headquarters basis as well as field basis. I hope the

dialogue will be continued and bring about fruitful results in assistance activities.

My specialty is architecture, and when I am involved in housing problems in developing countries, I would like to use the fruits of the dialogues in the future.

Thank you very much.

**CHAIRMAN:** Thank you very much, Mr. Takimoto. It is a very difficult exercise as you found out, the multi-bi cooperation. This applies also to our own UNDP's collaboration with other bilateral agencies not only with JICA. But I am sure that as we move on further in these countries the need for collaboration will increase in the future in order to have better or more effective aid implementation in those countries.

Now, I would like to move onto the last session, which is my session called "Evaluation".

We had excellent presentations by Mr. Shimokouchi, Director, Research and Programming Division, Economic Cooperation Bureau, Ministry of Foreign Affairs, and also our own colleague Mr. Jehan Raheem, Head of the Central Evaluation Office, BPPE, UNDP.

I would say we could summarize the statement made by Mr. Shimokouchi into three points. One is that he did discuss rather carefully the steps taken to improve the bilateral aid effect evaluation in Japan not only by MFA but also by JICA, OECF and other agencies, noting that, of course, MFA has a central coordinating role in evaluation procedures, etc. in this country.

The second point is what sort of difficulties are involved. Particularly he referred to the shortage of expertise in evaluation, and not only that but also in the whole aid administration, starting with formulation, implementation, monitoring, and evaluation.

The third point is the need for feedback between the aid evaluation and policies for the Japanese government.

I think these three points which were elaborated are of course well understood not only in the context of Japan but also in some other countries which are moving ahead in this area, such as Italy and others as we know at UNDP.

Now, the statement made by Mr. Jehan Raheem of course goes far beyond the so-called project evaluation, and he went on to program evaluation, sector evaluation, but also he touched on different modalities of the execution by UNDP in technical cooperation, different instruments

we are using in order to make our technical cooperation more effective, the linkage between the capital assistance and technical cooperation, the whole assessment of aid effectiveness, rather than just evaluation of the project. It was clear that UNDP while it is quite advanced in terms of evaluation procedures, has some problems of course in terms of how and what to evaluate, particularly as perceived by the Resident Representatives and the headquarters and to some extent also among the Resident Representatives there were certain differences in the perception of the importance of evaluation. But I think there was a general consensus that we must on the one hand streamline our procedures for aid evaluations; at the same time we have to go beyond the so-called project evaluation. While it is important to bear in mind the project designs — in order to insure the best quality of a project, you have to have a good project design — but at the same time we need to go beyond the project. As you move from the project-based technical cooperation to a more policy-based technical cooperation, emphasizing macro-economic policy support to those countries which are undergoing structural adjustments, we realize at UNDP that enhancement of the capacity of developing countries both in the government and the private sector in those countries is crucial to deal more effectively with their domestic and external problems. And in this certainly the technical cooperation by UNDP would be increasingly important. As we move further the evaluation again of a broader nature becomes more crucial.

When we moved on to discussion, I think there was some initial effort on my part to direct our discussion on the country program process, because we consider that this is a very important part of the instrument of technical cooperation that we have been undertaking at UNDP together with roundtables, and so forth. Here, we recognized the crucial importance of the process of country programming, rather than who writes the documents. At the same time the discussion made it quite clear that in helping developing countries, particularly least developed countries among the developing countries, the ability or capability — the shortage of staff of people in developing countries — is crucial and we have to continue our efforts for enhancing capability.

I think the discussion in the end was quite clear. We were quite clear as a result of the discussion that there must be better collaboration between JICA and UNDP at the field level as well as at the headquarters level, particularly by improving the information flow, the exchange of

information between Japan and UNDP, and JICA and UNDP in particular. In that context I am very happy to say — this is a sort of announcement in a way to some of the Res.Reps. — that, beginning next month we are going to have a JICA staff seconded to UNDP in my own bureau, and we are very pleased with the readiness that the Japanese government showed in providing such a staff for UNDP. And if this exercise becomes successful I am sure that JICA together with the Ministry of Foreign Affairs would continue to support such secondment of staff to UNDP so that we could learn from each other and to a certain extent, coming from Japan myself but at the same time sitting in the UNDP, that we could — we meaning UNDP — help Japan, which as Mr.Shimokouchi said, is still a late-comer in aid evaluation and aid.

That is all for my session summary.

Coffee is waiting outside, so we will have a cup of coffee and after that we would like to invite comments particularly from Res.Reps. and JICA staff around the table, and if you like those in the back seats. Probably you could also kindly indicate how we might improve a seminar of this kind, whether we are going to have it in this country or elsewhere in the future. Because we have here a training person, Mr. Chandra Barker, who said to me that in this last session we should use it in order to exchange views on the improvement of the seminar for the future.

Thank you very much. So, coffee break for 15 minutes.

(COFFEE BREAK)

**CHAIRMAN:** Now, we are going to have our real, real last session. So, let us use our time effectively. Now, I would like to invite any comments from participants both on JICA and UNDP sides. We would like to get as many participants to speak as possible. Who is going to spearhead first? Mr. Jaeger? Please.

**JAEGER:** Thank you very much, Mr. Chairman. I would like to begin to express my personal and I think all of our colleagues' very deep appreciation for the hospitality that we were able to experience here in this country. For many of us it was the first time to come to Tokyo, to come to Japan. And I think it was an experience that we will never forget. So, many thanks to all our friends from the Japanese authorities, JICA, the Ministry of Foreign Affairs.

If I can be very brief, I want to make a recommendation and maybe this includes a comment on the seminar.

I think and here I share the view of the two previous speakers of this morning, particularly Mr. Tanaka and Mr. Takimoto, that we try to touch upon too many subjects over too short a period of time. We tried it, and I think it was very interesting, it was very instructive, but I would very strongly recommend that for the next exercise we should try to limit the subjects and give more time for discussions. What we really had was a one short operation so far that everybody just had, or not even everybody, but a half of us had, a chance to make one intervention, one comment, which was answered. But it was not really a dialogue. There was not that inter-relationship and interaction between ourselves and our friends from JICA. If we limit the subjects to about half the number and give each subject much more time, I think we would come out possibly with greater satisfaction of really having dealt with the subject concerned.

But otherwise, let me again say many, many thanks to our friends. We very much appreciated the hospitality. Why don't you invite the same group next year and make the second experience with the same people and then see what happens? (Laughter)

**CHAIRMAN:** In order to compensate for the loss we had?  
(Laughter) Yes. Please, Mr. Kato, Head of this Center.

**KATO:** I would like to speak in Japanese, therefore I hope you will all use your earphones.

First of all, I would like to mention that I was participating as a person in the Secretariat. Also I would like to relate some of my private, personal views and my impressions on this seminar.

First of all, I would like to say that this UNDP/JICA joint development Seminar at least ended on a very fruitful note, and therefore we at JICA are very much pleased about the results. We have been addressing ourselves with many issues concerning development in our daily work. But I think through the seminar we have been able to obtain a lot of constructive thoughts. The people from UNDP headquarters in New York and their Resident Representatives from around the world have given us very constructive and enlightening presentations of their views. Everything you have expressed here was of great benefit to us, and we welcome the opportunity and we were glad to be able to enjoy it.

The circumstances which surround JICA are changing very rapidly. Very recently, our President, Mr. Yanagiya mentioned on the first day of the International Cooperation Day Commemorative Seminar, the title that he used for the speech he made in March, that is you won't be able to get one bird if you chase two or three birds at the same time. That means we are taught that we should be very strict in the pursuit of things and that we should not try to pursue too many things at one time.

What JICA as an organization is attempting to do at the present time is to try to chase two rabbits at the same time, because of the necessity to do so. One is because of necessity of increasing its operational capacity and also in terms of improving its capacities qualitatively. Of course, there have been already opinions expressed on the views of the MFA as well as JICA about the concerns we have addressed. We, therefore, know that we have a lot of room for improvement but we have done a lot in the past to bring us up to our present stage. We are in an important stage in which we should review our efforts and try to find out what should be the best direction to take in the future for future development of this organization. Maybe a revolutionary event is necessary or revolutionary change is necessary in our organization to try to make international cooperation most effective.

For instance until the present time we have been directing our efforts towards the kinds of requests we have been obtaining. But the kinds of requests from the developing countries we have been receiving up till now are becoming very diversified. Because of this diversification we are facing a need for change. For instance in the acceptance of trainees from overseas or dispatch of experts to the LDCs in the areas of high technology, computers, remote sensing, software for instance; know-how, management know-how, productivity-increasing know-how, etc. are of great

concern to the LDCs at the present time. Many requests have been directed to these areas.

I think of course the same pertains to all the different areas, and we know that there is a lot of change in the manner the requests are made and the kinds of requests that are being made from the developing countries. Therefore, I think that JICA as a whole is facing a new age, and as requests increase one on top of another it is important to have our operation made very efficient and smooth.

We have to do the kind of cooperation so that everybody will have the uniform understanding that we are responding to requests on a timely basis and in the manner that we should. And I don't think we have any time for any redundancies and any wastes of our facilities. In that regard I think a new development strategy both in the mid term and long term is going to be required.

So, we find ourselves at a turning point.

Coming back to my own position at the moment, I now belong to this institute. The Institute is mainly a facility for conducting orientation for those people who are going abroad, an organization for R&D activities and an organization for collection and management of a variety of information. It of course has other roles that it plays, but these are the main ones.

Concerning the kind of work we are faced with we at the we are doing country-based studies, field-based studies, and area studies. An example of a country-based study would be one we did in 1986. We took up the Philippines as the country for study, and we also went to India in 1987, and in 1988 Indonesia and China are the countries which are going to be studied. In 1987 we took up Thailand as well. In terms of sector studies we are going to take up the problem of the environment. We are going to invite experts in this field as well as people who have experience in the operational aspects of this issue. We are going to organize a study forum and we are going to conduct discussions to come up with a final report.

With respect to the provision of information, management, and control of information, we are trying to find out various needs in trying to cope with the changing environment. And we have to think of a new method for a new approach to information provision, control, dissemination, etc. Data base is the major concern at the moment, and we have what we call the materials office on the first floor and this reference room



is open to the public. But we hope that we will be able to consolidate the materials which are collected in this reference room. In this respect, I think we need to have cooperation of the UNDP, too, to have a more solid data base or information base in our organization.

That does not mean that we should collect all the information that is available to this organization. The important thing is to collect the needed and necessary information at the right time, so that they can be provided in a useful manner. In that respect, I think there are a lot of things we can do. At the moment we are concentrating our efforts on trying to collect as much relevant information as possible. That doesn't mean that we have a good collection of material. I think we have to try to devise a method in which we can efficiently collect the needed information and the more useful information. In that respect we have to have the cooperation of not only overseas Japanese but also of UNDP and academia around the world. And we hope we would be able to have an opportunity in which there can be an exchange of information with a variety of organizations around the world, so that useful information for our activities can be collected at the right time.

UNDP-New York and UNDP-Tokyo are places in which we have disseminated our brochure, which is an English version of a brochure produced in Japanese. But we have one like this, it says "Technology and Development". We are sending it to UNDP organizations, so that we will be able to solicit the understanding of the UNDP on our activities at JICA.

What Mrs. Nakane was saying was reflected in the journal that we just published. Therefore, we do find the urgent necessity of trying to exchange information with pertinent organizations, so that we will be able to help people in the international cooperation area as much as possible.

I don't want to go on and on, but I think the important thing is that we JICA are facing a lot of problems. One of them is that until now JICA has been trying to do things on its own. I have the feeling that many of the things have been done solely by the efforts of Japan or JICA itself. And the time has come now in which a lot of contacts should be made with organizations like yours, so that our work can be made more meaningful and more effective. From the recipient countries' side, the important thing is that economic development takes place and affluence prevails throughout the country. It does not matter which is the source of

wealth, it can be from Japan, it can be from UNDP or it can be from some other countries ; so long as it benefits the recipient country, the recipient country will be happy. So, in that respect, I think the important thing is to try to increase contact with organizations like yours and to try to make our activities more effective for the sake of the recipient countries. I have a feeling that this seminar was in that respect very successful. We were able to hear a lot of constructive views which were of great food for thought to us.

I have heard that you have even worked on Saturday. I was a bit worried. I was very much concerned that people would have to come in and attend the seminar like this on Saturday, but I heard that people in UNDP don't hesitate to work on Saturdays. Actually I would like to mention that people in JICA are also working very hard until very late at night even on Saturdays, too. It was a somewhat enheartening fact that both parties don't mind working late hours for the sake of their concerns. I also think it is important that we should work towards the peace in our homes as well. Or else we will always be at work and forget what we have in our homes. But in any case we were so grateful that we were able to be a participant in this development seminar and learned a lot from your views.

Thank you very much.

**CHAIRMAN:** I think we should really give a big applause to the center, because he is the head of the center here.

(APPLAUSE)

Yes, Mr.Niwa, please.

**NIWA:** Thank you very much. I have been with UNDP over the last 17 years. And during that period I had dreamed about this kind of occasion materializing. So, in this regard I would like to register my sincere thanks to the government of Japan for arranging this occasion, so that we can get together and exchange various points of views.

I agree with my colleague Chris Jaeger that in terms of post-mortem of the last four or five days, I too feel that when it comes to the exchange of views we wanted to have more time, so that participation from the floor and the response from various resource persons could have been more active.

Now, needless to say — please allow me to be frank because I think this is the beginning of a new chapter for our collaboration — let me say one thing. That is this. There are all sorts of common concerns

amongst ourselves. But at the same time I think there are some differences, differences not in terms of opinion but in terms of the nature of the organizations which we represent. I think the reason why I am saying this is for example that in case of the UNDP perhaps sometimes the horizon is too wide in a sense. We are a funding organization. In comparison JICA is an implementing organization, which is going to become more of funding organization in the future. So, I think the discussion which took place reflected this kind of difference in terms of the nature of our operations. But never mind, I think there are so many common things which we can tackle together.

With regard to one specific point relating to the multi-bi cooperation. I think I have to take some of the blame in the sense that our discussion on multi-bi cooperation more or less went two ways. One is the question of nitty-gritty cooperation activities, then I talked about the much wider horizon which is a question of aid coordination.

But one thing I would like to say is this. Because I agree with Mr. Ono, let me just refer to one episode. Three or four years ago, when the then Director General for Economic Cooperation, Mr. Fujita, encouraged me to establish or initiate multi-bi cooperation between UNDP and JICA, many people thought that because of the difference in system it would be very difficult to develop any kind of meaningful relationship. But now as Mr. Ono said, there are four or five practical collaboration efforts which are under way despite the fact that the systems are different. So, in this regard, and I would like to underscore what Mr. Ono said, there are a variety of ways in which we can operate. Of course, in our own thinking the multi-bi cooperation quite often refers to the additional injection of resources from a particular bilateral donor to us, so that we can expand our activities. I think multi-bi cooperation should be much wider than what I have just said. Mr. Ono refers to the parallel financing schemes, the marriage between grant and aid schemes of JICA and UNDP technical cooperation; in terms of modalities JICA can proceed and then we can follow, and vice versa UNDP can follow what JICA has initiated. In this regard, I think there are a variety of modalities possible, so that I would like to encourage our colleagues to enter into discussion at the field level.

In this connection without any undue regards to JICA in the case of Nepal I found that it is very important to have a joint discussion not only with JICA but with the Embassy of Japan, for the simple reason of the nature of JICA as an institution.

The other thing is that I think some other people pointed out the question of the need of headquarters a level contact. I think that is very essential. In this regard I really appreciate the private session that we had between UNDP and the Ministry of Foreign Affairs regarding the question of collaboration in Africa.

Let me just refer to the question of aid coordination, the reason why I thought, after talking, it is in a sense a little bit out of context. But let me just refer back to what Mr.Kato said. At the field level, the collaborations, so called multi-bi cooperation or multi-multi collaboration between UNDP and other multilateral financial institutions, have been becoming very active, and because of that reason, Mr.Kato mentioned that there was a tendency in the past for the Japanese government to establish its own project and do certain things, but the lateral collaboration is getting extremely active. In Nepal the reason why I referred to aid coordination activities is because of that. Needless to say, we are different bureaucracies, and we have different perceptions in some cases. But despite those differences, we are able to work together. In the final analysis, the reason why we are doing this aid business is for the recipient, and for that I think the recipient country will welcome the extensive lateral collaboration between UNDP and JICA and beyond.

Thank you.

**CHAIRMAN:** Thank you very much, Mr.Niwa. Carroll, please.

**LONG:** Thank you, Mr.Chairman.

I want to express also great appreciation to the Government of Japan, to JICA, and also to UNDP's liaison office here, which has just provided marvelous assistance in all ways as has the government of Japan and your hospitality. I also want to thank you, Mr.Chairman, for your very valuable link, like Mr.Niwa's link for us — you can help us from the UNDP side understand the Japanese side also very well. So, I think we are all grateful that you are in our midst and we can call upon you for help also at any time.

As others have said, Japan and UNDP complement each other in many ways. UNDP does have a strong field office network and much experience, and also undertakes many efforts in aid coordination at the field level. Japan has enormous talent, enormous resources, and so much substantial input into development projects. I am very pleased that I can say in the case of Laos we have begun some of this close collaboration together. And I am even more inspired after this seminar together to

develop that further. So, I wanted to just assure you that in that small corner of the world we will be working together. We will be taking all these valuable booklets we received, including this newest one, which I think I can share with my colleagues in the Embassy of Japan in Vientiane, since it has just been issued and all other booklets that have been prepared both by UNDP and by JICA. I think they are also enormously helpful. Thank you very much.

**CHAIRMAN:** Thank you, Carroll. Very moving. Nissim, please.

**NISSIM:** Thank you very much, Mr. Chairman.

I would like to speak for a couple of minutes, not more than that, by virtue of one seniority that I hold here among my colleagues. And that is seniority of age, I believe. Perhaps also by another one, but there I am not so sure — the number of years I spent with UNDP. I joined UNDP in 1964. So this makes 24 years in UNDP.

I would like to take one substantive comment and then a few other comments.

In terms of my one substantive comment, I would join my previous colleagues who suggested that the dialogue could have benefited if there were fewer subjects and more time allotted to every individual subject. Nevertheless, I look at this as a kind of relationship and rapport that is being forged between UNDP and JICA and I think the true evaluation will not be done today. It will take us a few weeks before it sinks in, before we understand and realize to the full extent what we have done. Because unlike the quick affairs, unlike the instant gratification, we have spent here 8 or 9 days digging into subjects realizing and understanding what is happening. And the real test will come in the follow-up about what we do next, how we translate this into reality. Long ago I found in our organizations that the biggest single weakness is the inability to follow up on big promises. And that is going to be the true test.

We have to recognize that as independent or semi-independent organizations we are not monogamous, we don't have relationship of one with one only. JICA will have relations with the rest of the donor organizations, and so will UNDP. But the real trick is to try and reconcile and bring into harmony whatever exists. I am encouraged very much by one factor. I have seen the commitment of JICA, not only in terms of the arrangements made here, but also in terms of the people who are being here. There are a number of people who have devoted all their time sitting around this table and participating actively in all this dialogue. This is

really the best testimony to whatever is the interest and intent of JICA and very much appreciated.

I don't think we can really pass this without making reference to the absolutely exceptional hospitality accorded to us by JICA, by the Ministry of Foreign Affairs, and by the Japanese people. Everywhere we go the friendliness which we have been met with is superb.

The last words, last but not least, let me share with you that three years ago about this time I was responsible for organizing the global meeting of resident representatives. And it is not easy to satisfy resident representatives — very high expectations, very high demands. And I haven't heard one single comment regarding the arrangements and the organization here. They were superb from A to Z. Mr.Kato with his staff, Mr. Ishigure with his people, the services, the ladies who have shuttled us to the bus, from the bus, made sure that none of us was lost on route. They were all fantastic, and I think they all deserve a big applauses. And I am reminded not to forget the interpreters, of course.

**CHAIRMAN:** Now, time is over. Thank you very much for your attention and cooperation for a long time.

(APPLAUSE)



### Closing Speech

Distinguished Participants,  
Ladies and Gentlemen,

It is a great pleasure for me to have this opportunity to address you on the occasion of the closing of this UNDP/JICA Development Seminar. We are very pleased that this Seminar has been so successful, with a very lively exchange of views.

Distinguished Participants,

Japan has consistently emphasized the importance of the UNDP as the central planning, funding and coordinating agency for technical cooperation for the entire United Nations system, and has made its utmost to cooperate with the activities of the UNDP. This is because Japan, from its experience in development, realizes the importance, for the development of developing countries, of human resource development and institution-building, which are the purposes of the activities of the UNDP.

Especially, under the instruction of Mr. Draper, the Administrator, UNDP has recently put much importance on the role of private sectors, NGOs and women in development and structural adjustment. Japan supports these UNDP's efforts. Regarding the utilization of private sectors, Japan is convinced that it is a very important element for bringing about fruitful results of development activities and fostering self-supporting economies in developing countries. With regard to the environment, Japan also recognizes the significance of not only the negative effects of destruction of the environment on development but also the seriousness of its influence on the whole economy and society of developing countries. Japan highly appreciates that the UNDP tackles the issue as one of the fields given top priority.

The activities of the UNDP in these fields are, indeed, the symbol of the operational activities of the United Nations system. Hearing that the Res. Reps. of the UNDP are working day and night for the progress of developing countries in all the corners of the world, I feel much encouraged and express my respect for their efforts.

Distinguished Participants,

I understand that during this Seminar, the current thinking on development theory and policy as well as the strategies adopted by the



UNDP to foster social and economic development were reviewed. Exchange of views on development issues based on the participants' own experiences also took place. I am convinced that each of the participants of the Seminar has come to achieve positive results.

Distinguished Participants,

I am very pleased that we could invite many senior UNDP officials, particularly the Res. Reps., to Japan for this Seminar. We intend to further enhance and expand our cooperative relations with the UNDP. For this purpose, apart from the relations with the UNDP headquarters, it is most important to establish close contacts between the Res. Reps., and JICA staff and other Japanese officials in the field. It is these Res. Reps., who are responsible for implementing actual projects in the field. As Japan hopes to promote multi-bi cooperation, with the UNDP as one of its key partners, it is imperative that we should deepen our mutual understanding of each other's systems and procedures. I hope that the Seminar has contributed to the strengthening of mutual understanding and will further promote our cooperative relationship in the field, though there will be a process of trial and error.

At the headquarter's level, the plan to hold annual consultations is materializing. It is my hope that the cooperative relations between Japan and the UNDP will be further strengthened. Japan is determined to do its utmost for that sake.

Distinguished Participants,

In concluding, I should like to take this opportunity to pay tribute to both the UNDP and JICA for holding this Seminar. I should like, also, to express my most sincere appreciation to the Institute for International Cooperation, which has acted as the Secretariat for the Seminar, for their dedication and effective work in the preparation for and running of this meeting.

Let me wish all of you every success in your work in the future, and especially for those of you who have come from abroad for the Seminar, a safe journey home.

Thank you.

Minoru Endo  
Director-General,  
United Nations Bureau,  
Ministry of Foreign Affairs

## **Annex I Program of the Seminar**



**“UNDP/JICA Development Seminar”  
at the International Cooperation Center**

- Oct. 8  
09:30— Opening Speech  
09:50
- Mr. Kiyoshi Kato  
General Coordinator of the Seminar  
Director,  
Institute for International Cooperation, JICA
- Mr. Tomoya Kawamura  
Executive Director, JICA
- Mr. Ryokichi Hirono  
Assistant Administrator,  
Bureau for Programme,  
Policy and Evaluation, UNDP
- 09:50— The Private Sector in Development:  
12:35 Large-Scale Enterprises
- Mr. Akira Harada  
Senior Adviser,  
Matsushita Electric Corp.
- Mr. Ryokichi Hirono  
Assistant Administrator,  
BPPE, UNDP
- Coordinator: Mr. Tomikazu Inagaki  
Deputy Head,  
Research and Development Division,  
IFIC, JICA
- 13:30— Film show(UNDP)  
14:00
- 14:00 The Private Sector in Development:  
16:45 Small-Scale Enterprises
- Mr. Sadaji Wada  
President

Mr. Takashi Tannowa  
 Managing Director,  
 Hakone Florist Co. Ltd.  
 Coordinator: Mr. Masaaki Hanai  
 Development Specialist,  
 IFIC, JICA

17:00 – Group Discussion on NGO  
 18:00

19:00 – Kabuki Performance  
 22:30

Oct.11  
 09:30 – Structural Adjustment  
 12:15

Mr. Kenzo Oshima  
 Director,  
 Aid Policy Division,  
 Economic Cooperation Bureau,  
 Ministry of Foreign Affairs  
 Mr. Pierre-Claver Damiba  
 Assistant Administrator and Regional Director,  
 Regional Bureau for Africa, UNDP  
 Coordinator: Mr. Kazuo Tanaka  
 Assistant Director,  
 Economic Affairs Division,  
 United Nations Bureau, Ministry of Foreign Affairs

13:30 – Film show "Economic Cooperation of Japan"  
 14:00

14:00 – Women in Development  
 16:45

Dr. Chie Nakane  
 Professor Emeritus,  
 University of Tokyo

Ms. Ingrid Eide  
Programme Director,  
Division for Women in Development,  
BPPE, UNDP  
Coordinator: Mr. Ikuhumi Tomimoto  
Research and Development Division,  
IFIC, JICA

17:30 – Reception hosted by JICA at the Institute for International  
19:30 Cooperation

Oct. 12

09:30 – Environment and Development  
12:15

Mr. Hiroyuki Ishi  
Member,  
Editorial Board,  
Asahi Shimbun (Asahi Newspaper)  
Mr. Charles Lankester  
Principal Technical Adviser,  
Technical Advisory Division,  
BPPE, UNDP  
Coordinator: Mr. Senro Imai  
Development Specialist,  
IFIC, JICA

13:30 – Film show "24 hours of JICA"  
14:00

14:00 – Multilateral-Bilateral Cooperation in the Field  
16:45

Mr. Hideo Ono  
Resident Representative in Nepal, JICA  
Coordinator: Mr. Masaru Takimoto  
Development Specialist,  
IFIC, JICA

Oct. 13

09:30 –  
12:15**Evaluation**

Mr. Shuuji Shimokouchi  
*Director,*  
Research and Programming Division,  
Economic Cooperation Bureau,  
Ministry of Foreign Affairs

Mr. Jehan Raheem  
*Director,*  
Central Evaluation Office,  
BPPE, UNDP

Coordinator: Mr. Ryokichi Hirono  
*Assistant Administrator,*  
BPPE, UNDP

13:30 –  
14:00**Film show (UNDP)**14:00 –  
16:00**Assessment of the Seminar**

Mr. Ryokichi Hirono  
*Assistant Administrator,*  
BPPE, UNDP

16:00 –  
16:15**Closing Speech**

Mr. Minoru Endo  
*Director-General,*  
United Nations Bureau,  
Ministry of Foreign Affairs

18:30 –  
20:30**Reception at Akasaka Prince Hotel  
hosted by Mr. Minoru Endo**

## **Annex II List of Round Table Participants**





**(UNDP) HQ STAFF**

- Mr. Pierre-Claver Damiba  
Assistant Administrator and Regional Director,  
Regional Bureau for Africa
- Mr. Ryokichi Hirono  
Assistant Administrator,  
Bureau for Programme, Policy and Evaluation
- Ms. Sarah Timpson  
Programme Director,  
Division for NGO matters
- Ms. Ingrid Eide  
Programme Director,  
Division for Women in Development
- Mr. Jehan Raheem  
Director,  
Central Evaluation Office
- Mr. Charles Lankester  
Principal Technical Adviser,  
Technical Advisory Division
- Mr. Denis Benn  
Chief,  
Division III,  
Regional Bureau Latin America and Caribbean (RBLAC)
- Mr. Nissim Tal  
Director,  
Planning and Coordination Office

Mr. Erik B. Eriksen  
Deputy Director,  
Department of Personnel

Mr. Sebastian Zacharia  
Chief,  
Division for the Regional Programme, RBAP

**RESIDENT REPRESENTATIVES**

Mr. Ali Ahmed Attiga	(Jordan)
Ms. Aissatou Kone-Diabi	(Designate/Gabon)
Mr. Mohammed Berrezoug	(Djibouti)
Mr. Erick De Mul	(Guatemala)
Mr. Erling Dessau	(Bangladesh)
Mr. Alan Claude Doss	(Zaire)
Mr. Christoph Jaeger	(Morocco)
Mr. Charles Henri Larsimont	(Designate/Mozambique)
Ms. Carroll Carter Long	(Lao)
Mr. Frederick Lyons	(Benin)
Mr. Turhan Mangun	(Philippines)
Mr. Christopher Metcalf	(Designate/Burkina Faso)
Mr. Toshiyuki Niwa	(Nepal)
Mr. Henrik Olesen	(Mauritania)
Mr. Pierre Den Baas	(Chile)
Mr. Bruno Guandalini	(Costa Rica)

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Mr. Edgardo Valenzuela  
Executive Secretary,  
Asian NGO Coalition for Agrarian Reform and Rural Development

**(JICA) HQ STAFF**

Mr. Tomoya Kawamura  
Executive Director

Mr. Masaji Takahashi  
Director,  
General Affairs Department

Mr. Shinsuke Hirai  
Director,  
Planning Department

Mr. Katsu Iwamoto  
Deputy Director,  
Planning Department

Mr. Hideki Abe  
Head,  
Planning Division,  
Planning Department

Mr. Mikio Nakamura  
Head,  
Evaluation Division,  
Planning Department

Ms. Kayoko Mizuta  
Head,  
Third Training Division,  
Training Affairs Department

Mr. Tsuneo Tsukada  
Head,  
First Experts Assignment Division,  
Experts Assignment Department

- Mr. Mitsuo Terauchi  
Head,  
Multilateral Cooperation Division,  
Experts Assignment Department
- Mr. Ikuhiko Yamashita  
Director,  
Social Development Cooperation Department
- Mr. Junsaku Koizumi  
Deputy Director,  
Social Development Cooperation Department
- Mr. Hidetoshi Yaoi  
Head,  
Planning Division,  
Social Development Cooperation Department
- Mr. Yoshiya Ikeda  
Head,  
Administration Division,  
Medical Cooperation Department
- Mr. Suguru Nagai  
Director,  
Agriculture Forestry and Fisheries Planning and Survey Department
- Mr. Shigeki Yamamoto  
Head,  
Development Planning Division,  
Agriculture Forestry and Fisheries Planning and Survey Department
- Mr. Ryonosuke Goto  
Head,  
Development Division,  
Forestry and Fisheries Development Cooperation Department

Mr. Haruo Suzuki  
Deputy Director,  
Grant Aid Planning and Survey Department

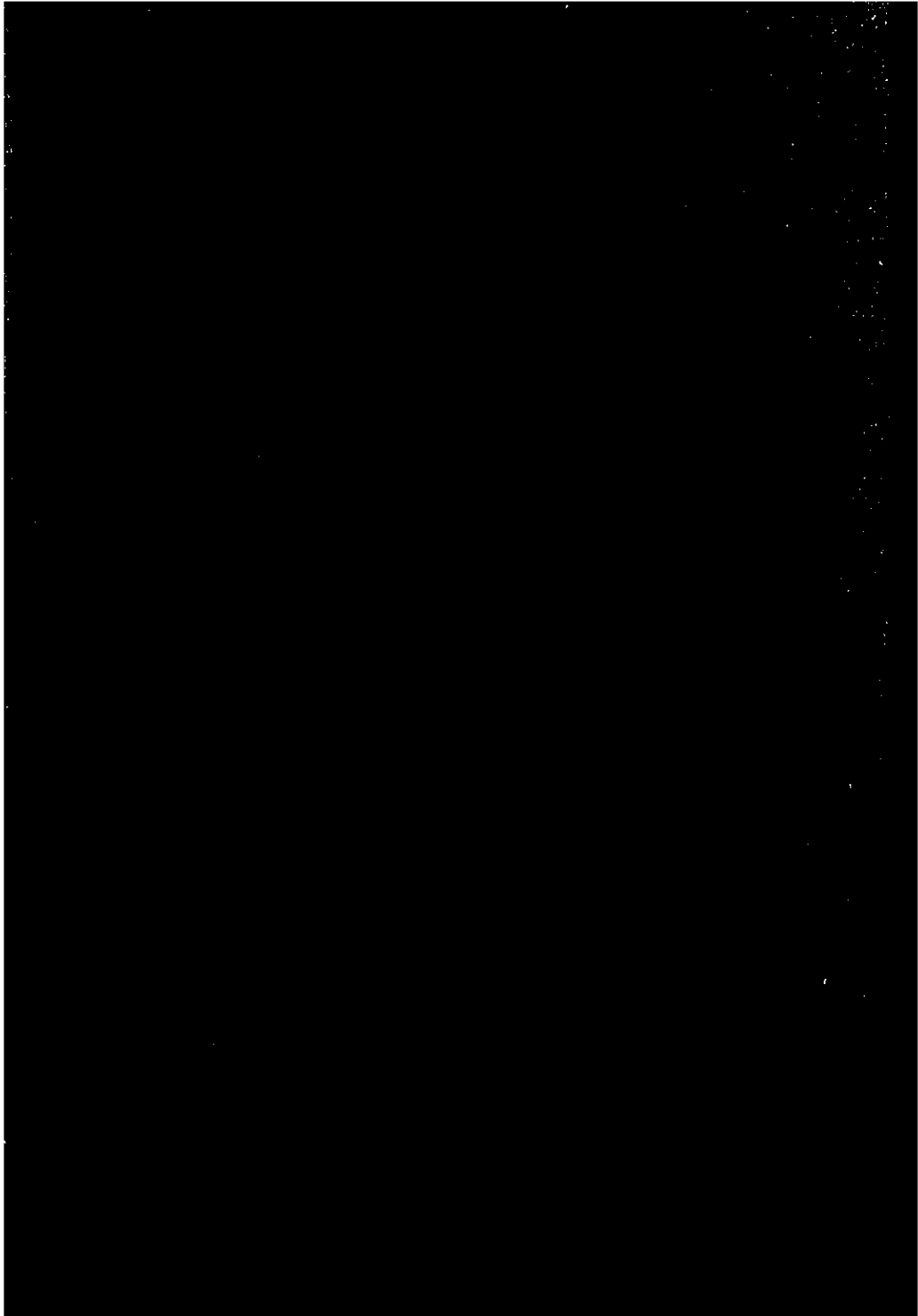
Mr. *Hideo Ono*  
Resident Representative in Nepal

## Japan International Cooperation Agency

With a view to promoting international cooperation for the social and economic development of the developing world, the government of Japan established the Japan International Cooperation Agency (JICA) on 1st August, 1974 under the Japan International Cooperation Agency Law.

JICA is the official agency of Japan whose main function is to extend technical cooperation to developing countries based upon agreements reached between the Japanese government and the governments of these countries. Such technical cooperation is designed to help developing countries in their economic and social development. For this purpose JICA: (1) invites people from developing countries for technical training in Japan, (2) dispatches Japanese experts and Japan Overseas Cooperation Volunteers (JOCV) members, (3) dispatches survey teams to help in formulating development plans and projects, (4) recruits and trains Japanese experts to be dispatched abroad, and (5) supplies necessary equipment for technical cooperation. Combining into a development project the "acceptance of trainees", the "dispatch of experts", and the "grant of equipment", JICA extends integrated cooperation (known as project-type technical cooperation). JICA also extends capital grant assistance to the developing countries in building schools, hospitals and other facilities related to technical cooperation. Under certain conditions, JICA provides financial assistance to Japanese private enterprises to help them in their development cooperation. For Japanese people wishing to emigrate, JICA serves as an information centre, and for those who have already emigrated, JICA extends assistance.





JICA

