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REPORT TO THE CONGRESS
UNITED STATES
GENERAL ACCOUNTING OFFICE



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JUL 7 1975

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**Actions Required
To Improve Management Of
United Nations Development
Assistance Activities**

Department of State

**BY THE COMPTROLLER GENERAL
OF THE UNITED STATES**

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COMPTROLLER GENERAL OF THE UNITED STATES
WASHINGTON, D.C. 20548

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To the President of the Senate and the
Speaker of the House of Representatives

This report describes the United Nations system for planning, programing, and managing development assistance activities as administered by the Department of State and further improvements needed.

Our review was made pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

Copies of this report are being sent to the Director, Office of Management and Budget, and to the Secretary of State.

A handwritten signature in cursive script that reads "Turner B. Starks".

Comptroller General
of the United States

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Specialized Agencies and IAEA (continued)

ITU	International Telecommunication Union
UNESCO	United Nations Educational, Scientific and Cultural Organization
UPU	Universal Postal Union
WHO	World Health Organization
WMO	World Meteorological Organization

Other Organizations

GAO	General Accounting Office
PAHO	Pan American Health Organization
USAID	United States Agency for International Development

D I G E S T

WHY THE STUDY WAS MADE

GAO wanted to (1) evaluate the progress in improving the system for managing United Nations development assistance activities since a United Nations self-study in 1969 and (2) provide information useful in assessing the State Department's requests for multilateral funds. 31

FINDINGS AND CONCLUSIONS

No single United Nations development assistance program exists. The United Nations development assistance activities are carried out by about 30 separate organizations or programs--the largest is the United Nations Development Program. 32 315

Other assistance efforts are administered by 14 specialized agencies, such as the World Health Organization, and separate United Nations entities, such as the United Nations Environmental Program. (See ch. 2.) Together, this large, loosely coordinated complex of agencies, programs, committees, conferences, and boards represents the system by which the funds available for United Nations development assistance activities are administered. Most of these activities are managed by agencies having their own governing body and having autonomy in planning programs and executing them.

"A Study of the Capacity of the United Nations Development System," a self-study completed in 1969, called the United Nations' development structure a "non-system," found it lacked a central coordinating body or "brain," and recognized that changes would be resisted by autonomous United Nations agencies.

The study did not recommend sweeping changes. It directed its attention chiefly to the United Nations Development Program, largest of the assistance activities. Primarily, it recommended improvements in

--planning,

--implementing and managing programs, and

--project evaluation. (See ch. 3.)

Since 1969, some progress has been made in implementing the capacity study recommendations; however, actions have not been directed toward organizing United Nations development assistance activities into a single, coordinated system. (See p. 27.)

Planning

The United Nations assistance activities still lack focus and a sense of direction, because there is no unified system for planning and coordinating among the United Nations agencies and because each continues to operate independently. (See p. 15.)

Some planning improvements have been made--primarily by the United Nations Development Program introducing a country programing system that provides for the orderly assembly of a country's needs and priorities and for assessing the development program's ability to fill those needs. (See pp. 11 and 12.)

By March 1974, country programs were developed for 102 countries; however, they were limited to projects funded by the United Nations Development Program. Other U.N. agencies conducted their projects outside of and without adequately coordinating with the United Nations Development Program. (See p. 13.)

MANAGING AND IMPLEMENTING PROJECTS

In the various countries, program management and implementation are diffused among several United Nations organizational elements.

Specialized United Nations agencies have not all adopted a "team leader" concept, recommended by the General Assembly, which would permit the United Nations to show "one face" in countries where projects are carried on. Instead, some agencies operate in various countries with little or no coordination with other United Nations groups. (See ch. 5.)

PROJECT EVALUATION

No coordinated project evaluation system exists that could inform contributing governments and their citizens whether or not they got "value for their money."

GAO criticized this deficiency in several reports, and the Department of State has begun to correct this problem, in response to legislation which GAO supported. (See ch. 6.)

To establish a single, coordinated assistance system, the method for delivering U.N. development assistance needs to be reorganized. Until the autonomous organizations within the United Nations are ready to reorganize, much more work can be done to build on the work already begun.

RECOMMENDATIONS

The Secretary of State should continue to improve the United Nations capability to provide effective development assistance. This priority should be coupled with an action plan to:

- Extend country programming to all development organizations within the United Nations and require all components to participate in the planning exercise.
- Further acceptance of the team leader concept by seeking support from other member governments to channel United Nations assistance through one focal point in each country.

--Create a single, professionally qualified group of appropriate size to provide external evaluation data for member governments. The State Department supports establishing such a review group. In December 1974, the General Assembly established a Working Group to review, among other things, the United Nations evaluation mechanism and recommended improvements.

AGENCY ACTIONS

The Department generally agreed with these recommendations. (See ch. 7.)

MATTERS FOR CONSIDERATION BY THE CONGRESS

This report contains no recommendations requiring legislative action, but the Congress should find this information useful in considering future State Department requests for multilateral funds.

CHAPTER 1

INTRODUCTION

In 1971 the United States began to shift the emphasis of its foreign assistance programs to less developed countries from direct aid to contributions to international organizations, which manage the development assistance activities. This policy was aimed at lowering the U.S. profile abroad and was based, in part, on the theory that the United States should not look for gratitude or short-term policy gains through foreign aid.

A Presidential task force on international development recommended this policy and the underlying theory. After the task force report, the Administrator of the Agency for International Development (AID) stated:

"A broad international system for sharing the responsibility for development assistance and for coordinating donor country effort is emerging. It will be a major purpose of A.I.D. in the future to encourage the further development of this system."

This policy is being implemented, and U.S. contributions to international organizations have been steadily increasing. In view of the increased U.S. reliance on multilateral aid, we made this study of the principal international assistance organization, the United Nations (U.N.). We made our examination 4 years after a critical U.N. self-study that highlighted existing problems and recommended a number of organizational changes.

The essential purposes of the U.N. organizations are to maintain peace and security and to promote economic and social development. Basically we studied the methods evolved to manage the development and humanitarian activities of the U.N. system.

Development assistance consists mostly of technical assistance and preinvestment aid expenditures not requiring repayment by recipients. Technical assistance generally constitutes providing experts and know-how to help developing countries formulate their development plans and build up responsible governmental administrative machinery.

Development assistance is carried out through thousands of projects in agriculture, industrial production, health, education, transport, communications, and other fields. A

typical project provides a developing country several agricultural experts to establish an experimental farm to demonstrate the benefits of crop rotation, fertilization, or animal care. In addition, commodities such as farm machinery, food, and medicines are provided.

Appendix I lists the dollar size of the program and activities (economic, political, technical, and social) being carried out by the major elements of the U.N. system. The largest single program is the United Nations Development Program (UNDP), which received an estimated \$320 million in 1973 and \$377 million in 1974.

The U.S. contribution to international organizations approximated \$378 million in 1973 and \$390 million in 1974 and was used mostly for development and humanitarian assistance. On the average, this represents 31.9 and 28 percent, respectively, of the total costs of these organizations.

SCOPE OF REVIEW

This review deals with the programs and activities carried out by the United Nations, its specialized agencies, and the International Atomic Energy Agency (IAEA), which are collectively referred to as the U.N. system. We examined the system by which these organizations administer development assistance activities. We did not review the activities of the International Monetary Fund (IMF)/World Bank, International Development Association (IDA), or the International Finance Corporation (IFC).

Directly examining international organizations' internal operations is outside our auditing authority. Therefore, we did not examine their operations directly nor make firsthand observations on their internal activities. We did, however, hold limited discussions with some of the organizations' representatives at the country level and at U.N. agency headquarters in Rome, Italy; Geneva, Switzerland; and New York City.

We worked primarily at the U.S. Mission to the United Nations in New York City, the Department of State, and other executive agencies in Washington, D.C. We also worked at the offices of U.S. representatives to U.N. agencies in Rome, Italy, and Geneva, Switzerland. In addition, we visited U.S. field missions in Ethiopia, Zaire, Liberia, Uruguay, Colombia, and Venezuela.

CHAPTER 2

EVOLUTION OF U.N. DEVELOPMENT ACTIVITIES

Development assistance represented a small part of the U.N.'s total effort in its early years. With the devastation of a world war as a backdrop, the concentration was on peace and security and the postwar political problems.

The U.N. Charter, adopted in 1945, outlines the four main purposes of the U.N., which can be paraphrased as follows:

- To maintain international peace and security.
- To develop friendly relations among nations.
- To achieve international cooperation in solving economic, social, cultural, and humanitarian problems.
- To be a center for harmonizing the actions of nations to attain these common ends.

U.N. observers have recognized that placing economic, social, cultural, and humanitarian activities third on the list indicates the U.N. priorities in those early years.

As postwar rehabilitation progressed, the U.N. began focusing more on the development of emerging nations. Programs to further this goal grew to the point where, less than 30 years after the U.N.'s founding, development assistance (political, economic, technical, and social) expenditures now exceed \$1.2 billion per year--the largest portion of its total expenditures.

The U.N. Secretary General, recognizing this change, recently wrote:

"On the economic and social side, many of our present world-wide problems were scarcely foreseen at all when the United Nations system of organizations was created."

The remainder of the chapter deals with U.N. growth and organizational problems.

EARLY ASSISTANCE EFFORTS 1945-49

The context of the times dictated the direction of the U.N. assistance between 1945 and 1949. During those years

the largest programs benefited war victims. Over \$400 million was spent by a temporary agency, the International Refugee Organization (IRO), to assist refugees, and \$115 million was spent by the United Nations International Children's Emergency Fund (UNICEF) to assist children.

A good deal of effort was devoted to organizing new agencies, such as the World Health Organization (WHO), and formalizing agreements with other specialized agencies, including:

- The Universal Postal Union (UPU).
- The International Telecommunication Union (ITU).
- The Food and Agriculture Organization (FAO).
- The International Civil Aviation Organization (ICAO).
- The International Labor Organization (ILO).
- The United Nations Educational, Scientific and Cultural Organization (UNESCO).

Although they are part of the U.N. system, these specialized agencies are unique. They are really autonomous organizations independently funded by voluntary or assessed contributions of member governments. They are related to the U.N. by agreement and because they carry out development assistance projects for other U.N. agencies. The specialized agencies also carry out projects in their own areas of interest, which they would continue to do even if not part of the U.N. system.

During the same period, efforts were made to formalize agreements with the International Bank for Reconstruction and Development (IBRD) and IMF. Although these were also specialized agencies, they function in the capital investment area.

The U.N., recognizing a need for technical assistance in many countries, created a program called Advisory Social-Welfare Services. Under this program, over \$1.3 million was appropriated in 1947 and 1948. Experts were paid to help countries establish or strengthen services for child welfare, veterans' rehabilitation, aged and blind, and training social welfare workers. This program no longer operates separately.

The U.N. assumed certain responsibilities of the former League of Nations, including work in child welfare and

narcotics. Economic reconstruction was also a major concern, and the U.N.'s early attention to it ultimately gave birth to the Economic Commissions for Europe, Asia, and Latin America. They were created to give governments economic, technological, and statistical information to help reconstruct their war-damaged economies. The economic commissions provide little development assistance.

A series of functional commissions was also established to deal with problems in human rights, economics and employment, transport and communications, statistics, fiscal matters, population, social matters, status of women, and narcotics. The functional commissions do not provide development assistance.

A trade treaty embodying reciprocal rights and obligations, including tariff concessions, came into force in 1948. The treaty, which is not a formal part of the U.N., was known as the General Agreement on Tariff and Trade.

EXPANDED PROGRAMS 1950-59

By 1950 the U.N. had ended its initial period of organizational growth, and it began to focus on the problems of administering its assistance activities, which totaled about \$30 million.

The newest tool available to the U.N. at that time was the Expanded Program of Technical Assistance (EPTA), which the United States had proposed in early 1949. The EPTA idea required the Secretary General, in consultation with the Directors General of the specialized agencies, to work out a cooperative and coordinated technical assistance program to be undertaken by all U.N. organizations.

Under EPTA, technical assistance was expanded from \$20 million to over \$30 million per year by 1959. EPTA projects were executed in approximately 90 countries and territories and included providing over 2,500 experts, more than 2,200 fellowships for study, and over \$800,000 in equipment to them.

The U.N. regular technical assistance program had, by 1959, grown to over \$15 million and was operating alongside EPTA.

During the period five permanent additions were made to the U.N. roster of organizations: the United Nations High Commissioner for Refugees (UNHCR), IFC, the Intergovernmental Maritime Consultative Organization (IMCO),

the Economic Commission for Africa (ECA), and IAEA. ECA, IMCO, and IAEA have small development assistance activities.

Temporary relief works were extended to assist with refugee problems and provided assistance in Korea, Hungary, Algeria, and China. In 1953 UNICEF was made a permanent U.N. body, which increased its status from an emergency fund and permitted it to grow into a major development assistance organization.

A temporary Commission on International Commodity Trade, added in 1954, is no longer functioning.

In 1959 the U.N.'s technical assistance activities were greatly enlarged when the U.N. Special Fund was created with pledged contributions of \$26 million for its first year. This Fund represented a third type of technical assistance program in the U.N. and raised the level of expenditures in this area to over \$71 million.

The Special Fund was vaguely defined as "something more than a technical aid program but considerably less than a capital development fund." The ambiguity can be attributed to the fact that the Fund emerged out of a conflict and represented a political compromise. It was argued that EPTA's technical assistance was not sufficient and that developing countries needed not only skilled manpower but also capital on easy terms. The developing countries supported the capital development fund idea, and the richest countries opposed it. The compromise was the Special Fund.

The Fund was intended (1) for projects considered too large in scope for EPTA and (2) to facilitate capital investment by identifying areas for investment and by training personnel to develop projects or investments.

Toward the end of 1959, a fourth type of technical assistance program was initiated. This was an experiment designed to provide operational and executive personnel to underdeveloped countries and was known as the Operational and Executive Personnel Program (OPEX). OPEX was initially funded with \$200,000 from the U.N. budget and was subsequently merged with EPTA.

EXPANSION OF U.N. 1960-69

U.N. expansion continued with the establishment of the IDA in 1960 as an affiliate of the World Bank. IDA was empowered to make development loans on easier terms than the Bank. According to one U.N. observer, IDA may have been a byproduct

of the Special Fund debate and a concession to the developing countries.

Three other technical assistance organizations were added during this period, including the United Nations Institute for Training and Research (UNITAR), the United Nations Conference on Trade and Development (UNCTAD), and the joint United Nations/FAO World Food Program (WFP). UNITAR primarily makes studies and conducts training programs. UNCTAD and WFP provide technical assistance and commodities, respectively.

In 1961, in an effort to further intensify U.N. development assistance, the General Assembly designated the 1960s as the "United Nations Development Decade." This concept, which President John F. Kennedy had proposed to the U.N., was designed to set an example for worldwide economic and social development. Guidelines for specific areas were established, and development goals were set.

By 1965 U.N. technical assistance funding of EPTA and the Special Fund reached \$156 million, and a major step was taken toward consolidation through their merger. The merger at the beginning of 1966 was effected by creating a new agency, UNDP. UNDP kept the operations and budgets of EPTA and the Special Fund separate, and to that extent the merger was not absolute. The regular U.N. technical assistance activities and those of the specialized agencies continued to operate during this period, as did several relief operations. An example of the latter was the U.N. relief work in the Congo.

At the urging of the developing nations, the U.N. created a Capital Development Fund in 1966. The United States and other major donors refused to participate, maintaining that there were adequate institutions, both public and private, to meet the needs of the developing countries in this area. As a result, the Fund had received only \$4.3 million in pledges between 1967 and 1970 and was less than a success.

Also at the urging of the developing countries, the United Nations Industrial Development Organization (UNIDO) was formed in 1965. The United States and others objected to its creation on the grounds that future efforts in industrial development should be made through existing U.N. machinery. Although unable to prevent the creation of UNIDO, the developed and the developing countries compromised on its structure. Instead of a specialized agency as originally planned, UNIDO was made an autonomous organization within the U.N., administratively financed by the

regular U.N. budget; its operational activities were financed largely by voluntary contributions. UNIDO was formed to promote industrial development and to accelerate the industrialization of the developing countries.

Both UNIDO and UNCTAD had members which favored the developing countries, and they subsequently emerged as the forums preferred by these countries. The developing countries considered the Economic and Social Council (ECOSOC), which is the main U.N. body charged with overall control of U.N. economic and social activities, to be a "rich man's club," since the developed countries were more heavily represented there.

Since 1969 the U.N. has continued to expand to include such activities as the U.N. Environment Program, the U.N. Fund for Drug Abuse Control, and the U.N. Disaster Relief Office.

RECOGNITION OF ORGANIZATIONAL PROBLEMS

The growth of U.N. assistance activities from programs "scarcely foreseen" to expenditures of \$620 million by 1968 was not accomplished without conflict among the developing and developed nations, as evidenced by the difficulties in creating the Capital Development Fund, UNIDO, and UNCTAD. In addition, organizational problems existed during those years, the most serious being inadequate coordination among the U.N. bodies. Because organizational problems received widespread attention in the 1960s and the specialized agencies still operated as autonomous organizations, the first development decade was recognized as having had shortcomings. The need for more detailed planning and coordination was recognized in the second decade.

Toward the end of 1968 the developing and the developed countries, as well as the heads of some U.N. agencies, realized that the U.N. system had reached a point of complexity and of competing jurisdictions that called for "heroic measures to pull it together." In July 1968 the Governing Council of UNDP decided to study the system of programing and implementing the growing development assistance activities. Terms of reference were established, and the tone for the study was set. Some Council representatives hoped it would be "independent," would be "bold and imaginative," would "pull no punches," and would be written in "non-U.N. language."

CHAPTER 3

CAPACITY STUDY

"A Study of the Capacity of the United Nations Development System" was completed in 1969. Its author, Sir Robert Jackson, 1/ concluded:

"* * * For many years, I have looked for the 'brain' which guides the policies and operations of the UN development system. The search has been in vain * * *."

This comment includes recognition of the two basic problems that plagued the "non-system" at the time of the study and that still persist, 4 years later. The U.N. development system

--has no "head piece" or central coordination body and

--is a complex network of about 30 autonomous organizations each conducting its own program.

A discussion of the history of these problems is needed to understand the system and the situation faced by Jackson in an attempt to rationalize it.

ORIGINS OF PROBLEMS

Jackson looked to the organizational evolution of the U.N. and saw that the seeds of future problems had been sown very early.

The U.N. structure as it emerged was a blend of the new and the old. During its first few years, in a spirit of cooperation and in an attempt to create a truly unified organization, the U.N. invited several existing international organizations to join in its work. Those organizations, some of which originated in the late 1800s, did join. Each, however, had its own organization, program, personnel, and momentum; thus, smoothly incorporating them to effect a singular thrust to the new organization became a problem.

1/Sir Robert Jackson has been associated with the U.N. in several capacities since 1945. He is currently Under Secretary General in Charge of U.N. Assistance to Zambia.

BEST DOCUMENT AVAILABLE

A controversy among the advocates of centralization and decentralization was debated in international circles. The advocates of decentralization wanted to keep their autonomy rather than be highly centralized like the League of Nations; whereas those in favor of centralization pointed to the need for singularly coordinated leadership.

Ultimately the agencies were permitted to retain their autonomy. Instead of being brought under the control of a centralized U.N. body, they were "brought into relationship" with the U.N.--represented at U.N. meetings, consulted and exchanged information, and set uniform personnel policies but retained their independence, gave up no power to any central U.N. bodies that might have emerged as the "brain."

Jackson pointed out that this decision significantly affected the development of the U.N. activities since it set the pattern for the agencies which joined later.

JACKSON AND AUTONOMY

Jackson recognized that the autonomy of the specialized agencies was a practical constraint that would limit his ability to recommend change. In referring to the specialized agencies, he stated that:

"* * * most of them have now become the equivalent of principalities, free from any centralized control. Over the years, like all such institutions, they have learnt to safeguard and increase their powers, to preserve their independence, and to resist change."

Considering the anticipated opposition, Jackson decided to recommend a structure that could be adopted without extensive changes in charters and constitutions. He also recognized that this pragmatic approach was less than ideal, and therefore he presented both an ideal and a practical proposal.

IDEAL OPERATIONAL MODEL

Jackson likened the U.N. development system to a military power trying to win a war without an intelligence and planning staff as its military brain. Simply put, he saw the basic problem as one of control. He viewed the solution just as directly--consolidation.

"* * * One single organization should be established, and endowed with sufficient resources and authority to launch an integrated attack on the problem of

development conceived as a whole * * *. The Authority would respond to a single inter-governmental policy-making body * * *."

In line with this recommendation, he drafted an ideal organizational model as a pyramid in structure with ECOSOC at the apex.

The proposed system featured:

- A direct line of authority from ECOSOC, the governing body, to the International Development Cooperation Authority.
- A "brain" represented by the programs policy staff.
- The specialized agencies, not as autonomous organizations executing programs, but as technical advisors in their special fields.

In summarizing the prospects for this ideal solution, Jackson stated:

"Unfortunately, we do not live in an ideal world and we are not operating in a vacuum. * * *Accordingly, a balance must be struck between the best possible kind of organization that could be devised, and what is practicable in present circumstances * * *."

PRACTICAL SOLUTION

Jackson's practical solution provided for the specialized agencies to continue existing as identifiable organizations, thus obviating the most serious objections from those interests. In addition, the format incorporated some of Jackson's more important concepts. Foremost among these was: the program policy staff of UNDP would become the "brain" missing from the existing organization. This staff would formulate program and policy guidelines.

Also Jackson recommended improvements in planning, managing, implementing, and evaluating the programs.

These recommendations were embodied in a new technique, which the study called country programing. Under this technique, the needs of a developing country, as determined by the country itself, are assembled and assigned priorities. These needs are assessed in terms of the available UNDP resources, and a plan or country program is developed and agreed to by both the recipient country and UNDP.

To implement this technique, the study saw the need for coordinated leadership of the U.N. team of personnel in-country. The UNDP resident representative was to be the "team leader" and the sole spokesman for UNDP-funded activities. The need for coordination and cooperation, particularly with the specialized agencies, was stressed.

The study's recommendations on program evaluation covered both the operational control of projects and assessing project results. In general, the study's tone on these subjects was cautious, and it pointed out the pitfalls of excessive and uncoordinated evaluations of both types.

CHAPTER 4

PLANNING

The magnitude of U.N. activity is difficult to determine. We identified over 6,000 projects underway in 140 different countries at any one time. However, an accurate estimate of the total projects underway in the system is not readily available.

The capacity study identified the problem of managing these broad activities and recommended coordinated planning for the needs of the recipient countries under the country programming technique. To accomplish this, a partnership would be formed between UNDP and as many other U.N. organizations as possible. This partnership, however, never fully materialized.

UNDP AND GENERAL ASSEMBLY ACTION

By resolution the UNDP Governing Council and the General Assembly (1) directed UNDP to adopt country programming procedures recommended by the study and (2) recommended voluntary coordination of programs, but did not require compliance with the partnership concept. As a result, some agencies cooperated and others did not. Country programming, therefore, never fully developed into a cooperative technique between the system components.

STATUS OF COUNTRY PROGRAMS

UNDP, in implementing the General Assembly's resolution, had approved 102 country programs as of March 1974. U.S. representatives to the U.N. said UNDP's goal was to have all country programs approved by January 1975.

Both UNDP and U.S. representatives recognized that the existing country programs resulted from the first 5-year programming exercise and that problems had to be worked out. Further, many projects underway when country programming was instituted had to be incorporated into the program until they were completed. For that reason, some country programs are mainly only a compilation of projects underway.

The second programming exercise is expected to provide a better test of the technique.

Focus of a program in one country

We analyzed the program in one country visited to determine whether planning for priority needs was evident. The following list illustrates the work underway according to the country program.

Human resources:

- Employment policy and manpower planning--ILO
- Model establishment--a dairy project--FAO
- Integrated rural development program--UNICEF, FAO, WHO, ILO, Office of Technical Cooperation (OTC)

Natural resources:

- Multipurpose water development project--phase I--OTC
- Hydrological data project--UNESCO
- Multipurpose water development project--phase II--OTC
- Geoeconomic study of mineral resources--OTC

Agriculture:

- Experimental statistical analysis--FAO
- Veterinary research center--FAO
- Experimental farm--FAO
- Citrus health project--FAO
- Sugar cane project--FAO
- Agricultural statistics project--FAO
- Veterinary research center--FAO
- Agricultural technical assistance project--FAO
- Hydatidosis--eradication and control--FAO

Industry:

- Fishery development--phase I--FAO
- Promotion of small-scale industry--UNIDO
- Leather quality control--UNIDO
- Administration of fisheries terminal--FAO
- Assistance to government industrial planning ministry--UNIDO
- Assistance to technical industrial organizational center--UNIDO
- Fishery development--phase II--FAO
- Fishery cooperative assistance--FAO
- Strengthening of milk industry--FAO

Trade:

- Export promotion--UNCTAD

Education:

Assistance to faculty of agronomy--FAO
Assistance to faculty of veterinary medicine--FAO
Development of basic science at university--UNESCO
Training of staff for faculty of veterinary medicine--
FAO
Assistance in intermediate agricultural education--
UNESCO
Assistance in teaching grape growing--IAEA

Health:

Medical services administration--WHO
Development of nursing services--WHO
Emergency food aid--WFP, UN, FAO

Transport:

Assistance to the transport sector--UNDP

Communications:

Reorganizing telecommunications--ITU
Training airport personnel--ICAO
Training in telecommunications--ITU

Science and technology:

Applied radio chemistry--IAEA
Radiological protection--IAEA
Developing meteorology--World Meteorological Organiza-
tion (WMO)
Sedimentology--IAEA

Public administration:

Public service training--OTC
Tax policies--OTC

Planning:

National planning system--UN
Office of planning and budget--UN

Other than the theme of overall development, we did not see any unifying thread directing these projects toward one or even several high priority goals, such as agriculture, education, or health. The range of projects indicated priority needs in almost every sector of the country's economy.

The resident representative in the country said some projects were related to a national objective--increasing exports. He also agreed, however, that others were not directly related.

Agency comments and our evaluation

The Department of State said that, based on data in 1974 reports from U.S. missions, the United States pressed for greater concentration of projects in priority areas at the UNDP Governing Council meeting in June 1974.

We recognize that criteria for determining priority projects in a country are set forth in the country programing process. However, as a previous GAO report noted, many country programs appear to be nothing more than "shopping lists of projects without any quantification of sector priorities or priorities within sectors."^{1/} According to a State/AID appraisal of the initial programs, they were prepared in haste and quality would improve as experience is gained. More recently, we found that country programing is still not as refined as it should be and that programs still do not include a total assessment of what the country needs nor do the programs measure what the country lacks.

Therefore, the quality of the country programing exercise apparently needs to be improved further.

In addition, the State Department agreed that readily available information on the total projects underway in the U.N. at any one time was lacking. The Department added that because of this the United States has pressed for UNDP's full participation in the Common Register of Development Activities. The register was established as a pilot project by the Inter-Organization Board for Information Systems and Related Activities at the International Computer Center in Geneva. The register's purpose is to determine if consolidated information on development activities and projects could be useful for medium-term planning and interagency coordination and could support intergovernmental decisionmaking. We concur with the Department actions to date and agree that the type of data made available through the register experiment could be useful to both the U.N. agencies and governments and that development of the register should be encouraged to continue beyond the pilot stage.

BROAD INTERPRETATIONS OF AGENCY MANDATES

Since the General Assembly left the planning coordination on a voluntary basis, the U.N. organizations have the

^{1/}"Numerous Improvements Still Needed in Managing U.S. Participation in International Organizations," (B-168767, July 18, 1974).

opportunity to broaden their own mandates and initiate their own projects without restraint. Agencies without outside restrictions tend to interpret their mandates broadly as the capacity study observed, "* * * to safeguard and increase their power."

UNICEF is a good example of an agency with a broadly interpreted mandate. UNICEF was originally designed to provide temporary, emergency relief to benefit children and adolescents. Over the years, it was realized that children could not be aided in a vacuum, and programs were developed to aid children and mothers and ultimately families and tribes. The agency also got into specific problem areas, such as rural water supply and sanitation problems. UNICEF now interprets "children and adolescents" to be anyone under age 25, which has given rise to projects such as the training of auto mechanics and graduate training for teachers. UNICEF is also beginning to open garages for maintaining its vehicles in Africa. In the past, UNICEF was deeply involved in malaria control.

While all these activities are or can be related to children in some way, they indicate how a broad interpretation of an agency's mandate gives it almost an unrestricted sphere of operations. Under these conditions, one agency might perform functions in another's area.

During our discussions with U.N. representatives, some subtle differences between agencies' mandates and the need for close coordination were pointed out. A regional WHO representative in Latin America described an animal protein project to us. We told him that the project seemed very similar to an FAO animal protein project in another Latin American country. As he explained it, the difference between the two was that FAO's projects primarily concern increased animal production while WHO's projects primarily concern animal health.

Although the distinction may be valid, animal health and animal production obviously are closely related and the dangers of having both agencies operate in the same area without close coordination are obvious.

The Joint Inspection Unit (JIU) of the U.N. discussed this question of the broad interpretation of agency mandates in a recent report. JIU criticized the fact that in water resources development, an area in which the U.N. spends about \$30 million per year, six bodies operated independently. The inspector stated "there are too many cooks" in the water field.

His conclusions, although related to the water resource problem, also illustrate a basic system problem. He stated:

"While the activities of the various organizations in the United Nations family concerned with water problems are on the whole impressive, each organization acts more or less independently and in an inward-looking manner on the basis of the most extensive interpretation of its mandate and without always fully taking into account the aspects of water resources development other than those of its immediate preoccupation * * *."

The State Department recently recognized the lack of voluntary cooperation, citing the need for a mechanism for positive coordination. It attributed this and other problems to the fact that the organizational structure was obsolete and there was no effective "prime mover." The Department's reference to a "prime mover" is a restatement of the capacity study idea of the "brain" or planning coordinator.

Agency comments and our evaluation

In commenting on our report, the Department of State agreed that increased coordination of activities is required to prevent overlapping and dispersal of effort; however, the Department expressed equal concern over the possible overconcentration of control and direction of U.N. development activities.

The Department indicated, however, that:

- During 1974 U.S. missions overseas reported a wide variety of mechanisms and procedures employed by UNDP in the field to coordinate all technical assistance.
- An informal exchange of information and coordination of assistance activities continues to expand under the aegis of the resident representative.
- Most resident representatives prepare useful and well-reviewed annual summaries of the development assistance inputs of all donors, and the UNDP country programing exercise has provided a vehicle for increasing coordination among donors.

While we agree country programing may be a vehicle for increasing coordination among donors, not all countries have developed country programs. Also the ad hoc, informal coordinating meetings provide a means for only limited coordination, if that. Additionally, country programing in the U.N. is still in its infancy and not a viable means of coordination. Also, a previous GAO report noted that the country programs prepared thus far were not generally coordinated with other sources of development assistance.

While we recognize that efforts are being made to improve coordination, we believe the United States should continue to stress the importance of increased coordination through measures introduced in the General Assembly. As was previously mentioned in this report, U.N. country programing is not doing everything it was intended to do.

CHAPTER 5

MANAGING AND IMPLEMENTING PROGRAMS

The capacity study stressed the need for unifying the management and implementation of programs at the country level. The General Assembly subsequently adopted a resolution that the U.N., in carrying out its development assistance activities, should show one face in recipient countries. The resolution recognized the UNDP resident representative in each country as the "leader of the team," who would have the overall responsibility for managing the programs at the country level, but it stopped short of requiring compliance by the elements of the U.N. system. Consequently, the team leader concept is accepted by members of the U.N. team in some countries, while in others it is either ignored or given only limited support.

NEED TO COOPERATE

The countries visited needed increased cooperation because many agencies were operating outside the country programs or other unified plans. In addition to UNDP, four to eight agencies were operating outside the country program, as follows:

<u>Country</u>	<u>Organization</u>
A	FAO UNICEF WFP WHO/PAHO
B	UNICEF WHO UNESCO UNHCR UNFPA WFP
C	WHO UNICEF WFP
D	WHO/PAHO UNESCO FAO IAEA UNICEF UNFPA

<u>Country</u>	<u>Organization</u>
E	FAO WFP WHO/PAHO
F	WHO UNHCR UNICEF UNIDO UNFPA WFP FAO

ACCEPTANCE OF TEAM LEADER

In one country we observed cordial and cooperative relations between the specialized agency representatives and the UNDP resident representative. In others, the specialized agencies operated with almost total independence.

Coordination appeared good between UNDP, WFP, and FAO. The UNDP resident representative is also the WFP representative in-country, and FAO's representative is the agricultural advisor to the resident representative. In these instances the UNDP resident representative can more easily be the team leader.

In the case of other agencies, however, the concepts of the team leader and in-country cooperation did not seem to be working well. A UNDP program officer, who was second in command in his country, was not aware that WHO had its own assistance program in that country. The WHO program amounted to over \$1 million per year.

An ILO representative stated he considers himself autonomous with respect to ILO-funded activities and responsible to the resident representative only for UNDP-financed activities. One WHO representative

--agreed that coordination with UNDP might be helpful but the present practice of independence was not hurting WHO programs,

--said WHO preferred to conduct its operations somewhat differently than it would if it was an integral part of a country team, and

--stated he would not object to meeting yearly with UNDP.

A U.N. representative executing a project for the U.N. OTC stated he has little contact with the resident representative beyond submitting his semiannual report.

In contrast, two countries visited indicated that accepting the team leader concept depends in good part on the ability of the UNDP resident representative. In the first country the representative established an excellent working relationship with country officials, donors from other countries, and U.N. representatives. He was generally recognized to be the team leader. According to one U.N. official, he has the right type of personality to deal effectively with government officials. In the second country, the representative had not been effective. He had lost contact with important government officials, and there was less than a harmonious relationship within the U.N. family.

Experience with the team leader concept in the other four countries visited fitted between these two extremes. A resident representative in a Latin American country described his role as "first among equals" and said the team leader concept has come a long way since it was proposed. However, he pointed out that the acceptance of the concept depends on a representative's diplomacy.

Part of the problem, in our opinion, is that formal agreements were not established to implement the General Assembly resolution, which requested voluntary cooperation with the representative.

Agency comments and our evaluation

The Department, in commenting on our report, stated

- the majority of posts reported that the resident representatives were effective leaders of UNDP activities in their countries and had made visible progress as "leader of the team" for all U.N. development assistance activities,
- only a few field reports failed to give good marks to the resident representative, and even these responses reported that the representatives were effective regarding UNDP activities but were weak in their role as coordinators of other U.N. system assistance, and
- there are still instances of agencies bypassing UNDP, and these cases, although reportedly fewer, highlight the continuing need for improvement.

We believe the fact that agencies still bypass UNDP resident representatives is primarily caused by organizational and system problems and highlights the need for formal written instructions delineating the desired relationship between UNDP and other U.N. organizations.

CHAPTER 6

MEASURING AND EVALUATING RESULTS

An effective U.N. system must have a mechanism to evaluate results on a systemwide basis. The evaluations should serve not only management but individual member governments, which are entitled to know whether the resources they provide are accomplishing priority development objectives.

PRESENT PROCEDURE

We found various evaluation mechanisms, both of the monitoring type and the results-oriented type. Generally, however, none were systemwide or of sufficient size and scope to effectively serve both management and member governments.

Evaluation in-country

We discussed the question of evaluation with the U.N. personnel in each country visited. They believe that monitoring, or day-to-day control of projects, did present significant problems.

Each resident representative we spoke with was familiar with the status of the projects under his jurisdiction, and each had a technique for monitoring the projects. In one case, a sophisticated network analysis depicting critical events and highlighting delays was used.

Although the representatives' evaluation techniques seemed to keep in-country management informed, they were not always formally structured or referred to as evaluation procedures. The autonomy of the executing agencies is again a factor. One resident representative said he evaluates projects but avoids using the word "evaluation" because of the sensitivities of specialized agency personnel to evaluation of their activities.

Few results-oriented evaluations in-country were being done. Day-to-day monitoring was being emphasized, and UNDP's most recent efforts have also been directed along these same lines.

New UNDP procedure for program and project evaluation

According to U.N. officials, UNDP, in September 1973, implemented procedures for program and project evaluation,

based in part on AID's evaluation techniques. The new evaluation mechanism is based on a review made jointly by representatives of the government, the executing agency, and UNDP.

According to UNDP officials in two countries visited, this review will not include a detailed project performance evaluation and the results will not be published or available to member governments.

UNDP's Deputy Administrator for Programming stated that UNDP evaluations are designed to give project officials mid-course corrections. He made it clear that these are not results-oriented evaluations of project and program performance based on preset goals.

WFP, UNIDO, IAEA, and WHO evaluations

We were advised that WFP and UNIDO publish evaluations that are available to member nations. WFP representatives said they conduct both interim and final project evaluations. UNIDO is currently concerned with evaluation and is improving its procedures.

IAEA has an internal audit group, although its evaluations are not published. This group does not do many management reviews, according to State Department representatives. WHO representatives said project evaluations are made but not published.

All these evaluations are, of course, limited to the agencies' own projects.

JIU evaluations

The U.N. group that comes closest to producing system-wide evaluations for both management and member governments is JIU. JIU is authorized to make and publish project evaluations, but it generally does not. Usually it makes spot reports on a wide variety of topics. Also, in our opinion, JIU could not fully meet the need for a systemwide evaluation mechanism because of its small size (eight inspectors for the entire system) and its lack of permanence and centralized direction.

Other evaluations

Many other types of informal evaluations take place in the normal course of the U.N.'s work. The meetings of governing bodies, at which programs are discussed; committee

meetings; and studies, such as those of the Committee on Program Coordination and the Advisory Committee on Accounting and Budgetary Questions, are all, in a sense, part of the U.N. evaluation network.

However, these, as well as the mechanisms previously discussed, clearly do not meet the criteria for a system-wide evaluation unit that serves both management and member nations. They may serve the management component in which they exist, but we could not make that judgment, since the evaluations themselves are generally not available to member nations.

The Department of State agrees with our assessment and recently stated:

"While the various components of the System are presently engaged in developing techniques to establish such evaluations internally, the UN family as a whole lacks any effective overall mechanisms to enable it to achieve the objective most of the members have repeatedly expressed in ECOSOC for positive coordination."

OUR POSITION

We have criticized the U.N.'s lack of an independent evaluative body of sufficient size and competence in several previous reports. We pointed out that the existing evaluation mechanisms were not adequate to give the United States and other member governments sufficient evaluative data to determine whether their contributions were being used efficiently and effectively.

The Department of State fully agrees with this position and has stated that the U.N.'s current evaluation system is inadequate. The Department has already begun to implement a plan aimed at establishing an independent systemwide review body within the U.N. With U.S. support, the General Assembly, in December 1974, established a working group to review, among other things, the U.N. evaluation mechanism and recommend improvements. This action is in response to Public Law 93-189, dated December 17, 1973, which we supported to help correct this problem.

CHAPTER 7

OVERALL CONCLUSIONS, RECOMMENDATIONS, AGENCY ACTIONS, AND OUR COMMENTS

CONCLUSIONS

Our study of the U.N.'s development assistance activities suggests that some progress has been made in implementing the capacity study recommendations. This progress has been essentially directed toward the practical solution outlined in the study. A country programming system has been established and implemented for UNDP, and some organizations have accepted the team leader concept. On the subject of external evaluation, little or no progress has been made.

The system as a whole has not moved closer to the ideal solution outlined in the study. To attain this goal, a major reorganization would be required--the specialized agencies would have to forgo their autonomy and subordinate themselves to a central coordinating "brain" within the U.N. Until all the component organizations do this, continued efforts should be made to further the progress already achieved:

- By extending country programming to cover coordinated planning by all U.N. system components. This should increase the efficiency with which development assistance is used to meet the needs defined by recipient governments.
- By showing "one face" to recipients through recognizing a team leader. This should further expedite program implementation as well as coordination within the U.N. system.
- By establishing a coordinated mechanism for evaluation and making such evaluations available to member nations. This should build confidence in U.N. development assistance work.

RECOMMENDATIONS

We recommend that the Secretary of State continue to improve the U.N. system and to increase its capability to deliver development assistance. This priority should be coupled with a specific action plan, which will cover:

- Extending country programming to all organizations within the U.N. system and the required participation by all components in the planning exercise. At

a minimum, after the recipient countries have defined their needs, the U.N. agencies should be required to meet and demonstrate how their projects will meet the countries' needs. Provision should also be made for periodic meetings to evaluate the projects' progress.

- Furthering the acceptance of the team leader concept by seeking support from other members to channel U.N. assistance through one focal point in each country.
- Continued efforts for creating a single, professionally qualified group of appropriate size to provide adequate external evaluation data for member governments.

AGENCY ACTIONS AND OUR COMMENTS

The State Department generally agreed with our recommendations and indicated that the following actions were underway and/or would be taken:

1. Concerning the extension of country programming to all organizations in the U.N., the required participation by all system components in the planning exercise, and the subsequent progress evaluations of the project, State said extending country programming had been discussed informally with the Administrator of UNDP and the United States was considering pressing for such an expansion at the seventh special session of the General Assembly in September 1975.

An internal UNDP working group recently recommended that, when possible, attempts be made to identify the technical assistance and preinvestment assistance needs of a country and that UNDP cooperate with governments willingly to undertake the survey. The group considered it important to develop a methodological and conceptual framework before undertaking such a survey. UNDP intends to apply this framework in nine of the lesser developing countries in preparation for the second programming cycle.

UNDP introduced, with U.S. support, a tripartite review procedure whereby UNDP resident representatives, the executing agency, and the recipient country get together at least once yearly to review in detail each country project. Annual reviews are also carried out under the leadership of the resident representative in collaboration with the implementing agencies and the bilateral donor. The

reporting posts where reviews have taken place feel that the reviews have been beneficial in sorting out problems and illuminating project deficiencies and strong points and that changes in programing emphasis have already taken place.

We concur that the actions planned or being taken coincide with the direction recommended in the report. We also believe the Department should take maximum advantage of the opportunity offered by the seventh special session to pursue aggressively the extension of country programing to all U.N. organizations.

2. In regard to furthering the acceptance of the team leader concept, State said that the United States intends to continue to urge consideration of designating the resident representative in each country to act as the focal point for all development programs in the country. At the 29th U.N. General Assembly (1974) and the 19th UNDP Governing Council (Jan. 1975), the United States recommended that serious consideration be given to charging the UNDP resident representative with broad responsibility to represent the U.N. system within his country, and the United States will continue to urge that this approach be accepted. The UNDP Administrator believes that this change is taking place "de facto." The resident representative now represents the United Nations Capital Development Fund, UNDP, UNFPA, the U.N. revolving fund for natural resources exploration, the world food program, and U.N. volunteers and serves as representative for other bodies.

We agree with the actions taken by the Department; however, it should solicit the support of member countries in its endeavors to gain full support for the team leader concept. The Department should emphasize the advantages of a fully integrated and coordinated U.N. development assistance program.

3. The Department said it has supported, over the years, measures to strengthen the evaluation capability of the U.N. With the growing volume of U.N. development activities, the Department has identified areas of evaluation activity requiring action, and a preliminary design of a more adequate U.N. evaluation mechanism was drafted in 1973. The General Assembly, with active U.S. support, established an ad hoc working group of 22 member states, including the United States, to examine intergovernmental

and expert machinery for the formulation, review, approval, and evaluation of budgets and programs. The group is directed to report to the 30th General Assembly and to make available its report for circulation among member states before the seventh special session. The Department expects the group to make recommendations based on the U.S. proposal for developing a more effective external evaluation capability.

We believe the Department is taking positive action to implement our recommendation for creating a single professional group of external evaluators of the U.N. system. Much of this effort was stimulated by our recommendations to improve evaluation procedures in the U.N. Experience has shown, however, that management innovation is not easily agreed to by the U.N. bodies. Therefore, a special effort will be needed by the United States to convince the members that a sound evaluation method is worthwhile and will result in improved management of U.N. activities and programs.

MAJOR U.N. PROGRAMS
AND U.S. CONTRIBUTIONS TO THEM

<u>Programs</u>	<u>Total program</u>	<u>1973</u>		<u>Total program</u>	<u>1974</u>	
		<u>U.S. contribution Amount</u>	<u>Percent</u>		<u>U.S. contribution Amount</u>	<u>Percent</u>
(estimated in millions)						
Assessments:						
U.N.	\$ 215.3	\$ 67.9	31.5	\$ 238.2	\$ 59.6	25.0
FAO	40.1	12.7	31.5	54.1	13.5	25.0
IMCO	2.0	.1	5.8	2.9	.2	5.3
IAEA	17.0	5.4	31.8	24.4	7.8	31.9
ICAO	9.8	2.8	28.8	11.2	2.8	25.0
a/ICAO	5.6	2.1	37.8	6.0	2.2	37.0
ITU	8.6	.9	11.5	15.8	1.1	7.2
UNESCO	54.1	15.9	29.4	74.2	18.5	25.0
UPU	3.0	.1	4.2	4.2	.2	4.0
WHO	93.6	28.8	30.8	126.9	31.7	25.0
WMO	5.2	1.2	23.8	6.7	1.6	23.5
ILO	<u>34.8</u>	<u>8.7</u>	25.0	<u>45.2</u>	<u>11.3</u>	25.0
Total	489.1	146.6		609.8	150.5	
Voluntary:						
UNDP	320.7	90.0	28.1	376.6	90.0	23.9
UNFPA	42.4	17.9	42.2	55.6	25.0	45.0
UNRWA	56.0	23.2	41.4	62.4	23.2	37.2
UNICEF	53.8	15.0	27.9	60.8	15.0	24.6
UNEF	10.8	4.3	40.0	18.8	7.5	40.0
UNFDAC	4.8	4.0	83.4	3.0	2.0	66.0
UNFICYP	16.1	4.8	29.8	15.6	4.8	30.7
b/IAEA	5.3	1.8	33.2	6.3	2.0	31.5
c/WMO	4.5	1.5	33.3	4.5	1.5	33.3
WFP	179.0	68.0	38.0	178.9	68.0	38.0
UNITAR	1.4	.4	29.6	1.5	.4	26.7
IACR	<u>2.1</u>	<u>.3</u>	15.9	<u>.2</u>	<u>.1</u>	33.3
Total	696.9	231.2		784.2	239.5	
Grand Total	<u>\$1186.0</u>	<u>\$377.8</u>	31.9	<u>\$1394.0</u>	<u>\$390.0</u>	28.0

a/Joint Funding Program.

b/Operational Program.

c/Voluntary Program.



DEPARTMENT OF STATE

Washington, D.C. 20520

MAR 17 1975

Mr. J. Kenneth Fasick
Director
International Division
U. S. General Accounting Office
Washington, D. C. 20548

Dear Mr. Fasick:

I am replying to your letter of February 6, 1975, addressed to the Secretary, which forwarded copies of your Draft Report "Management of United Nations Development Assistance Programs."

The enclosed comments have been prepared by the Bureau of International Organization Affairs.

We appreciate having had the opportunity to review and comment upon the Draft Report.

Sincerely,

Don C. Eller, Acting
Deputy Assistant Secretary
for Budget and Finance

Enclosure:

Comments.

GAO note: State's supplementary comments were incorporated in the report where appropriate.

DEPARTMENT OF STATE COMMENTS ON GAO DRAFT REPORT:

"United Nations Development Assistance Programs"

We have reviewed the draft GAO report "United Nations Development Assistance Programs" forwarded to us for comment. Attached is a list of supplementary comments with regard to the accuracy of certain statements and figures used in the text. Our remarks on the substance of the report and its recommendations follow.

In several places the report deals with the Jackson Capacity Study recommendation for a central "brain" in the UN system for coordination of UN development assistance.

"One single organization should be established and endowed with sufficient resources and authority to launch an integrated attack on the problem of development conceived as a whole. The Authority would respond to a single inter-governmental policy making body."

While we feel that increased coordination of activities is required to prevent overlapping and dispersal of efforts, we are equally concerned on the other hand by a possible over-concentration of control and direction of UN development activities which could jeopardize American interests. We agree as stated in the report that the system should build on the progress which has already been made in increasing the capacity of the UN system to deliver development assistance in an efficient, coordinated and rational fashion.

In this connection, during 1974 U.S. missions overseas reported a wide variety of mechanisms and procedures being employed by UNDP in the field for coordination of all technical assistance, both multilateral and bilateral. An informal exchange of information and coordination of assistance activities in each country continues to expand under the aegis of the Resident Representatives. Informal meetings, chaired by the Resident Representative or sometimes jointly by the Resident Representative and a government representative, are the most common vehicle. While it has been reported that some donors are still reluctant to participate in coordination activities, these meetings are increasingly expanding to include all or at least the majority of bilateral and multilateral donors including IBRD and UNICEF. Such meetings are frequently supplemented by "ad hoc" discussions concerning specific projects and sectoral or other matters of mutual concern. In addition, most Resident Representatives prepare useful and well-received annual compendiums of the development assistance inputs of all donors. The UNDP country programming exercise also has provided a vehicle for increasing coordination among donors.

We note that in Chapter 4 "Planning" a sample of one visited country was used in determining whether or not planning for priority needs was evident under country programming. Under

the Department of State's Consolidated Economic Reporting Program (CERP) procedure, each year approximately 95 Foreign Service posts report on UN assistance programs in their countries. In addition, when country programs are considered for approval by the semi-annual sessions of the UNDP Governing Council, the State Department requests U.S. Missions in the countries concerned to comment on the programs in terms, inter alia, of sectoral priorities and these comments are also forwarded to UNDP in writing. Based upon data provided in the 1974 reports the U.S. Delegation to the UNDP Governing Council meeting held in Manila, June 5-24, 1974 pressed for greater concentration of projects in priority areas.

Also in Chapter 4 the report discusses the lack of readily available information on the total number of projects underway in the UN system at any one time. We agree with this observation. It is for this reason that the United States has pressed for UNDP's full participation in the Common Register of Development Activities (CORE). Established as a pilot project by the Inter-Organization Board for Information Systems and Related Activities (IOB) at the International Computing Center (ICC) in Geneva, CORE is designed to determine if consolidated information on development programs and projects could be useful for medium-term planning and interagency program coordination

and could support inter-governmental decision-making. We believe that the type of data now being made available through the CORE experiment can have considerable utility to both the UN agencies and governments, and that CORE's development beyond the pilot stage should be encouraged.

In Chapter 5, the report discusses the role of the UNDP Resident Representative as the "leader of the team" responsible for overall management of programs at the country level. In the 1974 CERP reporting on evaluation of UN assistance programs, the majority of posts reported that the Resident Representatives were effective leaders of UNDP activities in their respective countries of assignment and also had made visible progress in pursuing their mandate to be the "leader of the team" for all UN development assistance activities. Only a few responses failed to give good marks to the Resident Representative in this regard. Among the posts which were critical, most nevertheless reported that the Resident Representatives were effective regarding UNDP activities but still in need of strengthening their role as coordinators of other UN system assistance. There are still instances of agencies bi-passing the UNDP, and these cases, although reportedly becoming fewer in number, serve to highlight the continuing need for improvement.

With regard to the three specific recommendations contained in the report, our comments are as follows:

Recommendation 1: "The extension of country programming to all organizations within the UN system and the required participation by all system components in the planning exercise. At a minimum, after the recipient countries have defined their needs, the UN agencies should be required to meet and demonstrate how their projects will meet the countries' needs. Provision should also be made for subsequent periodic meetings to evaluate the progress of the projects."

We have discussed the idea of the extension of country programming to all organizations in the UN system informally with the UNDP Administrator and we are considering pressing for such an expansion at the 7th Special Session of the UN General Assembly. The Administrator recently indicated his intention to draw up assessments of total country assistance requirements for selected countries. An internal UNDP Working Group on Review of Country Programming Experience recently recommended, inter alia, that wherever possible an attempt be made to identify the entire technical assistance and pre-investment assistance needs of a country and that the UNDP cooperate with governments willing to undertake such surveys. The group considered it important that a methodological and conceptual framework for undertaking the identification of the entire technical assistance and pre-investment requirements of a country be developed and UNDP intends to apply this framework in 25-30 of the poorer developing countries in preparation for the second programming cycle.

The UNDP recently introduced with U.S. support a tripartite review procedure. Under this procedure the UNDP Resident Representative, the Executing Agency and the Recipient Country concert at least once each year on a detailed review of each country project. These evaluations encompass program content, relevance and efficiency of implementation. In addition annual reviews of country programs are carried out under the leadership of the Resident Representative in collaboration with the implementing agencies and bilateral donors. The consensus of reporting posts, in those countries where country program reviews have taken place, is that participation in the review process has been generally enthusiastic, including considerable involvement of other donors, that on balance the review process appears to be effective in sorting out problems and illuminating both project deficiencies and strong points, and that, as a result, there have been changes in sectoral emphasis to meet current overall country needs and objectives as well as modifications in, and termination of, some individual projects.

Recommendation 2: "(Further) the acceptance of the team leader concept by seeking support from other members to channel UN assistance through one focal point in each country."

At the 29th UN General Assembly (1974) and the 19th UNDP Governing Council (Jan. 1975) the United States recommended

serious consideration be given to charging the UNDP Resident Representative with broad responsibility to represent the United Nations system within his country of service. The UNDP Administrator has pointed out that this change is in fact taking place "defacto." The Resident Representative now formally represents the UNDP, UNFPA, UNCDF, the UN Revolving Fund for Natural Resources Exploration, the World Food Program and the UN Volunteers. Furthermore he usually serves as representative for other UN bodies, particularly the smaller specialized agencies, and in some countries also represents those agencies which as a general rule have their own country or regional representatives (FAO, WHO, UNESCO, ILO). The United States intends to continue to urge consideration of designating the Resident Representative in each country to act as the focal point for all UN development assistance programs in the country.

Recommendation 3: "(Continue) efforts for the creation of a single professionally qualified group of appropriate size to provide adequate external evaluation data for member governments."

As stated in the report, the Department of State fully agrees that the UN's current system for evaluating programs is in need of improvement. The United States has supported over the years measures to strengthen the evaluation capability of the UN family of organization. With the

APPENDIX II

growing volume of UN system development activities, the Department of State identified areas of evaluation activity requiring action -- the need for a larger body of inspectors, greater independence from the Secretariat and further professionalization of evaluation personnel. A preliminary design of a more adequate UN evaluation mechanism was drafted in 1973 (when Congress enacted Section 301(e) of the Foreign Assistance Act calling for executive branch action on UN evaluation matters).

With active U.S. support, the General Assembly established an ad hoc Working Group of 22 member states to examine inter-governmental and expert machinery for the formulation, review, approval, and evaluation of budgets and programs. This Working Group, of which the United States is a member, is directed to report to the 30th General Assembly and to submit its report for circulation among member states in advance of the 7th Special Session of the General Assembly.

The Department expects this Working Group to make recommendations based on the U.S. proposal for developing a more effective UN external evaluation capability.



Robert O. Blake
Deputy Assistant Secretary
Bureau of International
Organization Affairs

OFFICIALS PRIMARILY RESPONSIBLE FOR MANAGINGU.S. PARTICIPATION IN U.N. DEVELOPMENT ASSISTANCE ACTIVITIES

	<u>Appointed or commissioned</u>
SECRETARY OF STATE:	
Henry A. Kissinger	Sept. 1973
William P. Rogers	Jan. 1969
ASSISTANT SECRETARY OF STATE FOR INTERNATIONAL ORGANIZATION AFFAIRS:	
William B. Buffum	Feb. 1974
David H. Popper	June 1973
Samuel DePalma	Feb. 1969
U.S. REPRESENTATIVE TO THE UNITED NATIONS:	
John A. Scali	Jan. 1973
George W. Bush	Oct. 1970
Charles W. Yost	Feb. 1969
U.S. REPRESENTATIVE TO THE UNITED NATIONS ECONOMIC AND SOCIAL COUNCIL AND UNITED NA- TIONS DEVELOPMENT PROGRAM GOVERNING COUNCIL:	
Clarence C. Ferguson, Jr.	May 1973
Bernard Zagorin	May 1971
Glen Olds	Apr. 1969
UNITED STATES REPRESENTATIVE TO THE EUROPEAN OFFICE OF THE UNITED NATIONS AND OTHER INTERNATIONAL ORGANIZATIONS:	
Francis L. Dale	Jan. 1974
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