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THE U.N. DEVELOPMENT PROGRAM: MISSING ITS CHANCE TO SPUR ECONOMIC GROWTH

INTRODUCTION

The United Nations Development Program (UNDP) since 1966 has provided over \$10 billion in development assistance to developing countries and, since 1971, has been responsible for coordinating all development assistance supplied by the United Nations system. This makes UNDP a key player in the global aid network. Recognizing this, successive UNDP administrators have tried to resist the politicization that has brought other U.N. agencies into disrepute. Although these efforts have not always succeeded, UNDP generally has been able to concentrate on providing and coordinating development assistance, a task facilitated by an experienced and well-intentioned senior staff.

Nonetheless, throughout its history, UNDP has suffered a series of upheavals, and it still faces serious difficulties in delivering high-quality technical assistance to developing countries in a timely and predictable fashion. Some of these difficulties are the result of structural conflicts caused by UNDP's unique position within both the U.N. system and the global aid network; some are triggered by the ideological and methodological assumptions underlying UNDP's work, assumptions that UNDP has only recently begun to examine; and others relate to avoidable deficiencies in UNDP's management and operations. Left unresolved, these problems ultimately could prevent UNDP programs from having any positive impact on the development process.

"America's Best Friend." The United States must share the blame for UNDP problems. Despite U.S. rhetorical support for UNDP, Washington has not articulated effectively its own vision for the organization. Though UNDP is widely perceived to be "America's best friend in the U.N. system" and is headed by an American, William Draper, the U.S. has been and continues to be ambivalent about

the effectiveness of multilateral technical assistance as practiced by UNDP. Some of these doubts stem from the demonstrable failure of those assistance programs that emphasize the transfer of skills and technology to significantly spur economic growth in developing countries; others relate to those UNDP activities--development efforts in communist countries, for example--that undeniably conflict with U.S. national interests.

So long as the U.S. participates in UNDP, the U.S. should help this U.N. agency avoid becoming an irrelevant participant in the development process. Washington should propose that UNDP undertake a series of distinct but related initiatives, including:

- ◆◆ Developing a closer relationship with the private sector.
- ◆◆ Reducing the number of UNDP projects.
- ◆◆ Improving aid coordination and evaluation.
- ◆◆ Playing a greater role in advising governments on economic policy.
- ◆◆ Ending UNDP programs in communist countries.

UNDP Administrator Draper, who took office in May 1986, seems willing to rethink the role of the organization. He already has initiated changes in some of these areas. Yet these changes do not go nearly far enough, nor do they seem to relate to any coherent conception of UNDP mission. Adoption of the initiatives, which should be proposed by the U.S., by contrast, would make UNDP a leaner, more purposeful organization. While many U.N. agencies, in particular the larger specialized agencies such as the Food and Agriculture Organization (FAO) and the U.N. Educational, Scientific, and Cultural Organization (UNESCO), have conspicuously failed to generate economic growth in the Third World, UNDP--if it adopted these reforms--could stand in contrast to these agencies and thus fulfill its limited but important mandate.

ORIGINS AND STRUCTURE

UNDP was founded in 1965 by merging two existing U.N. organizations, the Expanded Program of Technical Assistance (EPTA) and the U.N. Special Fund. EPTA had been created in 1950 to consolidate U.N. efforts "...to organize international teams of experts to advise governments on economic development; to assist in training experts and technicians both abroad and in the developing countries themselves; and to assist governments in obtaining technical personnel, equipment and supplies and in organizing their development efforts...."¹ The EPTA program also provided educational and technical fellowships for nationals from developing countries to study in the West.

1. "Generation" (New York: 1985 United Nations Development Programme), p. 12.

Ignoring the Key Principle. The Special Fund, created in 1959 under pressure from developing countries for increased capital transfers from the industrialized world, served as a capital investment fund for large, longer-term projects that EPTA lacked the resources to undertake. The projects funded and executed by these two organizations were small but effective because they adhered closely to a key principle articulated unequivocally in a now widely ignored May 1949 U.N. report on technical assistance:

The proposed technical assistance activities are intended to help the underdeveloped countries to help themselves....This purpose cannot be achieved unless the countries concerned are willing themselves to take vigorous action to establish the internal conditions upon which sound development depends.²

UNDP gradually has abandoned emphasis on "the internal conditions upon which sound development depends." This has done much to dilute the impact of its programs.³

Since the field activities of EPTA and the Special Fund often overlapped, the U.N. General Assembly agreed in 1965 to combine the two by creating UNDP. But it was not until 1969, with the release of a comprehensive and still controversial report on U.N. development activities, that the modern UNDP emerged. This report was written by Australian diplomat Sir Robert Jackson. Jackson's basic thesis was that, at a time when demand for U.N. development assistance was rising and increased funding from Western donors was making the expansion of such assistance possible, the U.N. lacked a mechanism to coordinate the development assistance being disbursed by the system.⁴

Central Coordinating Mechanism. Jackson's report focused in particular on the U.N.'s specialized agencies, such as the Food and Agriculture Organization and the World Health Organization: these organizations had and still have their own governing bodies and pool of assessed contributions and, while nominally a part of the integrated U.N. system, they were at that time free to develop and conduct their own programs in developing countries. This often led to chaotic situations, with each agency bidding for funds for programs in its own area of expertise, without any objective assessment of what an individual country's needs actually were.

To remedy this, Jackson proposed that UNDP become the central coordinating mechanism for all U.N. development efforts. As in the past, UNDP would receive voluntary pledges from donor countries, which in turn would be used to fund those projects that UNDP, in consultation with the recipient government, judged to be worthwhile. The specialized agencies would execute projects in their own fields of

2. *Ibid.*, p. 13.

3. For an excellent overview of ideological transitions in developing assistance with reference to the U.S. Agency for International Development and the World Bank, see Nicholas Eberstadt, "The Perversion of Foreign Aid," *Commentary*, June 1985.

4. Sir Robert Jackson, "A Study of the Capacity of the United Nations Development System" (New York: United Nations, 1969).

expertise, and UNDP would provide overall policy guidance and direction. The Jackson Report's main thrust was endorsed by the UNDP Governing Council in 1970, and its recommendations began taking effect in 1971.

Funds from the West. Under the new structure, all UNDP assistance was disbursed in five-year planning cycles. Each recipient government had its own five-year "country program," which, it was thought, not only would allow coordination of U.N. assistance but would permit such assistance to be coordinated with a country's own development plans and priorities. This system, moreover, would draw on one of UNDP's strengths, the extensive field network that UNDP had in place. The amount of funding each nation's country program received, the so-called Indicative Planning Figure (IPF), would be determined by needs, as measured by such economic indicators as per capita income. UNDP's administration also was reorganized, and more authority granted to UNDP "resident representatives," the heads of UNDP offices in the field.

Under the reforms, UNDP would continue to be responsible to a Governing Council of 48 developed and developing countries "in association with" the U.N. Economic and Social Council. Since the vast majority of UNDP funds came--and still come--from the Western democracies, these nations were given seventeen seats on the UNDP Council, with twenty-seven reserved for developing countries. Only four seats were given to Eastern Europe and the Soviet Union, because they make only token contributions to UNDP and do so in generally useless nonconvertible currencies. This has had the salutary effect of insuring that the Soviets and their bloc allies have very little influence on UNDP personnel, decisions, and operations.

This structure looks eminently sound on paper. In practice, though, it has had several serious shortcomings. These defects, which uneven UNDP management has exacerbated, have triggered UNDP's upheavals and have prevented Jackson's vision of the organization from becoming reality. There is now nearly universal agreement that, in the words of Douglas Williams, a retired British diplomat, "The picture which emerges more than fifteen years after Jackson is one in which the reforms he prescribed have in several important respects not been implemented."⁵

STRUCTURAL AND MANAGEMENT PROBLEMS

Budgetary Difficulties

The first shortcoming stems from UNDP's reliance on voluntary contributions from the major Western donors, which at best are unpredictable. In 1972, the UNDP's Governing Council called for \$55.8 million in development funds during the 1972-1976 cycle for the 25 nations deemed "least developed" by the General Assembly. As of 1973, six countries had pledged a total of only \$6.3 million.

Nonetheless, UNDP management continued to overestimate the amount of resources that would be available for development programs under the IPFs

5. Douglas Williams, "The Specialized Agencies and the United Nations" (New York: St. Martin's Press, 1987), p. 179.

(Indicative Planning Figures), the projections of funds available for UNDP country programs. This almost caused the collapse of the organization in 1976, when UNDP, with rising program costs and large unfulfilled pledges, faced an immediate deficit on its own accounts of \$40 million. A similar crisis occurred during the third and most recent programming cycle: the 1980 UNDP Governing Council agreed to project a 14 percent increase in IPF resources for the 1982-1986 cycle. In 1982, though, UNDP had to inform developing country governments that only 55 percent of the projected funds would be available.

Defining Success by Volume. This uncertainty over UNDP funding levels, for which UNDP and donor governments share responsibility, greatly complicates the task of planning and implementing development projects. More important, the uncertainty over funding levels exacerbates the tendency, present in all aid organizations, to define success or failure in terms of the volume of aid delivered or the number of projects executed, rather than the quality of the projects and their actual contribution to development. The opening paragraphs of a recent UNDP publication perhaps unwittingly illustrate this tendency:

The 35th anniversary year of the United Nations Development Programme (UNDP) was 1985, an apt time for evaluating the "first generation" of development assistance since 1950.

In 1985 itself, there were increases both in dollar value of UNDP assistance delivered to developing countries, and in the voluntary contributions that governments pledged for UNDP's work in the coming year.⁶

Political Failures

The second major shortcoming of the UNDP structure after the Jackson Report was that it failed to take into account either the internal politics of the U.N. system or the larger politics of the global aid marketplace. The U.N.'s specialized agencies, many of which were founded before the U.N. itself, were and are generally reluctant to give priority to an integrated country program at the expense of their own field of expertise; likewise, they are unwilling to rely on UNDP for funding and for policy direction.

The situation is well summarized in a 1985 Scandinavian report on UNDP, which notes that, in contrast to Jackson's expectations, the specialized agencies, "...since 1970, actually have, expanded the technical assistance programs financed from their regular budgets and extra-budgetary contributions much more rapidly than UNDP. UNDP's share of the technical assistance expenditures in the U.N. system was reduced from 65 percent in 1968 to 38 percent in 1980, or from approximately 80 percent to 50 percent if other funds administered by UNDP are included."⁷

6. "1985 and Towards the 1990's," 1985 Annual Report (New York: United Nations Development Programme, October 1986), p. 4.

7. Hans Ahlberg and Asbjorn Lovbraeck, "UNDP in Action: A Study on UNDP Field Offices in Selected Countries in Africa and Asia" (Stockholm: Swedish Ministry of Foreign Affairs, 1985), pp. 13, 16.

Special Fund Explosion. Thus, the specialized agencies persistently have undercut UNDP's mandate to organize and coordinate technical assistance. Largely in response to this, UNDP has relied increasingly on other agencies and entities to execute the projects which it funds. UNDP's own Office for Projects Execution, founded in 1973, now executes only about 10 percent of UNDP funded projects; the World Bank is now the sixth largest executing agency (behind FAO, the U.N., UNIDO, UNDP itself, and the ILO); and UNDP long has been encouraging governments to help fund and execute more of their own projects.

The past fifteen years have also seen an explosion of special funds, so-called funds in trust and special programs, purportedly designed to address specific development needs and administered by UNDP. While some of these programs, such as the United Nations Volunteers program, may serve a useful purpose, others, such as the U.N. Revolving Fund for Natural Resources Exploration, owe their creation to the economic ideology in the developing countries and can be characterized fairly as devices to secure increased development assistance from Western donors.

With its share of the technical assistance business in decline, UNDP has increased its involvement in other functional areas, such as coordinating and providing humanitarian assistance to victims of natural disasters. A recent study discovered that UNDP field officers spent only two-thirds of their time on UNDP-related business.⁸ While such non-UNDP activities may be commendable, they further confuse UNDP's mission by raising the question of whether UNDP is fostering self-sustained development or merely providing short-term humanitarian assistance.

Hydrological Forecasting. The proliferation of UNDP-related organizations and the diversification of field activities have had one unmistakable result: the design, administration, and execution of UNDP projects has become an extremely complex process, often involving many layers of the UNDP bureaucracy, numerous donor government bureaucracies, and even more numerous recipient country bureaucracies. It is not uncommon, for example, to find projects such as the intercountry African "Hydrological Forecasting System For the Niger River"; participating in the project are Benin, Burkina Faso, Cameroon, Chad, Guinea, Ivory Coast, Mali, Niger, and Nigeria. The project is funded by UNDP, Italy, and OPEC and executed by the World Meteorological Organization. Another example of the variety of participants involved in many UNDP projects is a "Geothermic Feasibility Study in the Laguna Colorado Area" in Bolivia. This multimillion dollar project is being executed by the U.N., administered by UNDP, and funded by the Bolivian government, Italy, and the Inter-American Development bank.

The dynamics of the global aid marketplace also have undercut UNDP's authority significantly, particularly in field operations. UNDP was created at a time when it was assumed that the U.N. would be the primary conduit for development assistance, for which UNDP's resident representatives in developing countries were given major responsibility. Yet precisely the opposite has occurred: the World

8. As quoted in "Development in Action," No. 2 (New York: United Nations Development Programme, 1986), p. 1

Bank now provides more technical assistance than UNDP, bilateral aid agencies have greatly expanded their operations, and the U.N.'s own specialized agencies have maintained a high degree of autonomy. As a result, UNDP resident representatives have relatively modest amounts of resources to administer and thus have had great difficulty in fulfilling their mandate to coordinate multilateral assistance programs.

Misplaced Focus

A third weakness of UNDP's operations is that its programs inevitably strengthen the role of governments in recipient developing countries. As Lord Peter Bauer, a British economist and development expert, notes: "Official wealth transfers increase the resources and power of recipient government compared with the rest of society. Official transfers enhance the hold of governments over their subjects, and promote the politicization of life."⁹

UNDP programs do this in two ways. First, all recipient governments have veto power over development projects funded by UNDP. If the government does not support an individual project, it can refuse to allow it to take place. Since most UNDP country programs require the active support of the recipient government--support in terms of counterpart funding, procurement of equipment, and provision of personnel to participate in projects--governments also pressure UNDP to fund projects that are unwise, counterproductive, or politically motivated. One senior UNDP official told The Heritage Foundation: "Our people in the field have to maintain certain relationships, so we sometimes see them endorsing some very questionable projects, as well as projects which may even impede national development."

Flawed Premise. The second way UNDP's operations strengthen less developed country governments is by their reflexive reliance on the state sector as the key to development. Most UNDP projects, whether in health, agriculture, or other fields, are either overseen or funded by government bureaucracies: all are based ultimately on the premise that the state is responsible for virtually all areas of economic and social activity. Example: in Bangladesh, UNDP funds projects in the following areas: "Strengthening the 'Energy Study and Planning Cell' in the Planning Commission"; "Mango Improvement and Development"; "Master Plan for Tourism Development"; "Textile Industry Development Program"; "Railway Management Assistance"; "Training of Senior Nurses"; "Assistance to Broadcasting Development"; "Women's Training Centres."¹⁰ UNDP also is funding a Bangladesh project, entitled "Study of Utilization of Project Aid," proving that simply administering aid programs in itself creates new layers of government bureaucracy.

UNDP officials deny that their organization's projects strengthen the state sector at the expense of the private economy. They claim, for example, that economic development cannot occur in the absence of an economic and human

9. P.T. Bauer, *Reality and Rhetoric: Studies in the Economics of Development* (Cambridge, Massachusetts: Harvard University Press, 1984), p. 46.

10. All project citations from "Compendium of Approved Projects" (New York: United Nations Development Programme), September 1986.

infrastructure, particularly in the poorest countries, which receive 80 percent of UNDP's funds. However, many UNDP projects contribute tangentially to the development of such an infrastructure, while many others, by reinforcing unwise government policies, may actually inhibit such development. Does funding the "Development of Rural Cooperatives" in Chad, for instance, or supporting the "Implementation and Monitoring of Employment and Income Distribution Strategy" in Indonesia actually contribute to economic growth in these nations?

Inhibiting Local Enterprises. Moreover, even those UNDP activities that do generate follow-up investment, such as pre-investment studies, draw only 15 percent of their funds from the private sector.¹¹ In 1986, for example, a total of \$10.5 billion in investment commitments related to UNDP projects was made, but only \$820 million of this came from the "domestic" private sector and \$724 million from foreign private sources.

UNDP projects may also inhibit the development of indigenous enterprises by establishing a large government role in the formation of small and medium enterprises. In Pakistan, for example, UNDP is supporting the Federal Chemical and Ceramics Corporation, the Leather Products Development Centre, and a "Long term development programme for the Synthetic Fibre Industry." There are also examples of UNDP projects that may support highly controversial social policies. In Ethiopia, to take only one instance, UNDP is funding a project in the "Human Settlements" field, thereby providing at least indirect support for potentially coercive government policies. Far from spurring private investment and entrepreneurship, these UNDP projects depend mainly on investments from governments and other multilateral development organizations.

THE DRAPER ADMINISTRATION

In May 1986, William H. Draper III succeeded Bradford Morse to become the fourth administrator of the UNDP. Draper, Chairman of the U.S. Export-Import Bank from 1981 to 1986, has a background in high technology and venture capital. It was hoped that he would address the structural and managerial problems that many admitted were restricting UNDP's ability to accomplish its goals.

Draper at UNDP so far has set four programmatic priorities for the organization:

- 1) **Working more closely with the private sector.**
- 2) **Developing closer links with nongovernmental organizations (NGOs).**
- 3) **Focusing more on the environment.**
- 4) **Enhancing women's role in development.**

11. Figures from "Report of the Administrator, 1986" (New York: United Nations Development Programme, 1987), p. 14.

To achieve these, Draper has created new divisions for women in development and NGOs, and has tried to focus UNDP on projects like pre-investment studies, which are most likely to generate follow-up private investment.

Draper also has taken steps to speed the delivery of UNDP services. He has emphasized UNDP's role in coordinating technical assistance, pointing out that "With competition for scarce development funds on the increase, such coordination is crucial to cut down on duplication and to promote multiplier effects."¹² Draper has tried to strengthen the evaluation and oversight functions at UNDP headquarters. He has upgraded the Bureau of Policy, Program, and Evaluation, the closest thing to an in-house watchdog, and has created a number of new committees of senior management to review programs.

Problems Coordinating Aid. These initiatives have met with a generally positive reaction from the major Western donors, a reaction that has been expressed in modest increases in UNDP voluntary contributions--from \$674.1 million in 1985 to \$774.4 million in 1986, with total income exceeding \$1 billion in 1986 for the first time. As one Western diplomat told The Heritage Foundation: "There has been some improvement in project quality under Draper."

Nonetheless, there is an obvious gap between the rhetoric of Draper's initiatives and the reality of UNDP operations. Almost all government and nongovernment sources agree that UNDP coordination of aid efforts in the field has seen little improvement. The new project review and appraisal committees have yet to shed their reluctance to terminate projects that have not worked. A review of internal UNDP documents reveals that the worst fate to be expected in the high-level "Action Committee" is a request that an ongoing project be referred back to the regional bureau to be reformulated--before being approved. This is troubling since Draper candidly admitted to The Heritage Foundation that "We've got some good projects and we've got some bad projects."

Some of Draper's initiatives also have had unexpected results, particularly in the field. Example: UNDP efforts to include women in the development process have led to the formation of such projects as those in Senegal aimed at establishing rural cooperatives for women. According to the project description, the project was initiated to "...better integrate their economic activities in the development process. Target groups have been provided with specific equipment to suit selected programmes, and given training in management techniques to strengthen self-reliant capacities."¹³ The only problem with the project is that, as the program officer noted, it has caused ill will in the participating communities since the men want to be included in the project, but are not allowed to be.

Unclear Purpose. But even those UNDP projects that do not risk untoward social consequences can distort the organization's perspective on economic development. During a discussion of a project in Indonesia, senior UNDP officials acknowledged that nation's high economic growth rate--but chiefly because they

12. "Development in Action," *op. cit.*, p. 1.

13. Internal UNDP document on project Sen/82/004 "Developpement des Pre-Cooperatifs Feminins."

consider it an impediment to finding qualified Indonesian nationals to participate in UNDP programs.

This, surely, is the kind of approach that must change if UNDP is to contribute to economic development. While Draper's initiatives are for the most part commendable, they have yet to clarify UNDP's purpose or to be satisfactorily implemented. Needed are coherent, mutually reinforcing steps toward programmatic change, steps that are connected to an overarching vision of UNDP's organizational mission.

Effecting such a vision will not be easy, since UNDP has never been forced to articulate a philosophy of development; donors, recipients, and previous UNDP administrations have preferred to approach UNDP problems in a technocratic-managerial fashion. Characteristics of UNDP operations, such as the large number and diversity of its programs, have only contributed to this tendency. As a result, some projects, such as the Senegalese project for women, have had unintended consequences, and many others have not been adequately and thoroughly evaluated.¹⁴ In short, UNDP will have to be far more assertive, in particular toward its "clients," the developing countries, and it will have to elaborate a theoretical basis for its programs, if it is to regain its stature in the development community.

Tougher Management Needed. Such action, however, must not be allowed to obscure the need for tougher, more efficient management. A recent U.N. audit of UNDP, for example, disclosed serious irregularities in accounting procedures, inventory control procedures, and expense controls. Richard Nygard, U.S. Representative to the Fifth (budget) Committee, commented on the report:

Stronger budgetary control mechanisms are essential if UNDP is to reverse the trend toward higher administrative costs. Since the 1980-1981 biennium administrative costs have absorbed an increasing share of total UNDP spending. Administrative costs continued to increase despite the 20 percent decrease in the level of spending for project activities through the period 1984-1985.¹⁵

Clearly, both the conceptual and managerial aspects of UNDP's worth will have to be more vigorously addressed by Draper in the future.

A U.S. POLICY TOWARD UNDP

If UNDP is to become a more effective development organization, the United States, as the largest donor to the organization, will have to play a leading role.

14. See Robert Cassen and Associates, "Does Aid Work" (Oxford: Clarendon Press, 1986) for an excellent analysis of technical assistance evaluation.

15. Statement by Richard C. Nygard, U.S. Representative to the 5th Committee, on Item 13, Report of the United Nations Board of Auditors, October 2, 1987: Press Release, U.S. Mission to the United Nations (44-87), p. 3.

Although more attention has recently been focused on UNDP by the U.S. Agency for International Development and State Department, neither has yet confronted the basic issue of whether UNDP deserves the roughly \$100 million a year provided by U.S. taxpayers. In a narrow sense, this investment in UNDP might be justified by the fact that U.S. firms may receive amounts equal to or greater than \$100 million in UNDP orders for equipment and services. Yet such justification misses the point: the U.S. contribution to UNDP is to spur development in less developed parts of the world.

\$100 Million from U.S. The U.S. should continue contributing to UNDP only if the Draper administration takes serious steps to address UNDP shortcomings. Draper must go well beyond his initiatives to date, or it would seem that the roughly \$100 million annual U.S. contribution could be better spent by U.S. development agencies or even returned to the taxpayers.

The first priority must be the significant reduction of, and ultimate elimination of, UNDP programs in communist countries. There is no excuse for spending U.S. money on such programs as "Civil Aviation Fellowships" in Afghanistan, "Introduction of Nuclear Techniques to the National Economy" in Cuba, or "Development and Implementation of New Methods in Bio-Engineering" in Bulgaria. In fact, the UNDP program in Afghanistan is projected to cost \$28,406,152, and it includes such projects as "Assistance to the National Literacy Campaign," which directly support the puppet regime's goals.

Helping Terrorists. Just as questionable are UNDP programs that directly benefit entities that are not U.N. members, such as the terrorist African National Congress and the South West African People's Organization. UNDP programs involving SWAPO cost \$3,369,710 as of 1986, and they included such projects as a "SWAPO Agricultural Project Formulation Mission," whose actual operations are murky. UNDP programs benefiting the ANC are mainly in the field of education, but once again, implicitly recognize only the ANC as the legitimate voice of black South Africans. Although UNDP officials have given assurances that funds donated by the U.S. will not be devoted to such programs--it is illegal under U.S. law--in practice it is all but impossible to adequately verify their disposition.

UNDP officials also argue that the termination of these UNDP programs would politicize UNDP and would violate UNDP's principle of nonpolitical development assistance. In fact, these are the very programs that have politicized UNDP: in the case of Afghanistan, for example, UNDP is assisting a government that has been nearly universally recognized as massively violating the human rights of its citizens and does not even control large parts of its sovereign territory.

As a second priority, the U.S. should push harder for better UNDP evaluation and oversight of UNDP programs, to make sure that all U.S. monies are being used efficiently. Evaluation of programs has been a perpetual problem, since UNDP management and host country governments have been reluctant to admit that some projects have been less than successful. Previous project evaluations have, if anything, shown that regular and candid evaluations are necessary.

Typical is a 1982 evaluation of UNDP projects in the Sudan: it is filled with such statements as the following about a project entitled "Maintenance of Essential Roads, Juba": "Effectiveness of UNDP assistance in the present circumstances is doubtful, and the project should be terminated without further extensions or phases."¹⁶ Despite efforts by Draper to strengthen evaluation, much remains to be done in this area.

Policy Involvement. A third priority for the U.S. is to encourage UNDP to be involved more actively in economic policy matters. UNDP's original mandate clearly implies that UNDP should be involved in policy. Furthermore, even if UNDP's technical assistance programs are well managed and coordinated in a recipient country, poor macroeconomic policy by that country can render the transfer of skills and technology all but useless. As a World Bank official told The Heritage Foundation, "Technical assistance programs aren't too effective if the government is pursuing strange policies." UNDP should, without compromising its functional mandate, push developing countries to adhere to policies which will allow UNDP's investment to bear fruit. In fact, some governments, for instance, Guyana's, are already requesting such assistance, which should give UNDP an excellent opportunity to recommend to governments those market-oriented reforms that are most likely to create economic growth.

The fourth priority is for U.S. representatives to UNDP to emphasize that the private sector should play a central role in the development process. The Reagan Administration wisely has been articulating this important theme. And Draper seems to be emphasizing those UNDP activities that will lead to a greater role for the private sector in less developed countries.

Nonetheless, UNDP's institutional bias toward government-centered projects and programs is strong. As such, the U.S. should suggest the creation at UNDP of a Bureau for Private Enterprise, aimed at maximizing private sector participation in development. Consideration should be given to allowing both the indigenous and the international private sector to assist in the design of UNDP projects. UNDP might also consider allowing indigenous enterprises to execute UNDP projects.

Kenya Aquaculture. As a fifth priority, the U.S. should stress the need for a reduction in the number of UNDP projects. It is simply impossible for an organization of UNDP's limited resources to manage effectively 4,930 projects in more than 150 countries and territories. These projects, moreover, deal with everything from debt management in Argentina to development of coastal aquaculture in Kenya. UNDP could achieve this goal--and also reinforce its greater involvement in economic policy questions--by limiting assistance to nations that are pursuing manifestly unwise macroeconomic policies.

UNDP also should be urged to eliminate country programs for relatively wealthy countries, even if such countries defray the cost of the projects. There is no reason that Brunei, Kuwait, Greece, South Korea, or Venezuela cannot procure all the development services they need in the international marketplace without

16. Dr. N. Patthabi Raman, "A Joint Review of the UNDP Country Program in the Democratic [sic] Republic of the Sudan," (Khartoum: United Nations Development Programme, March 1982).

making demands on UNDP resources. There is no reason that UNDP should be funding "Consultancies in Balance of Payments" in Brunei or an "Industrial Design Center" in South Korea. A reduction in the number of projects would simplify the task of evaluating UNDP's work and would allow UNDP staff in the field to oversee UNDP projects more effectively and coordinate all U.N. aid programs more closely. It would also counteract the tendency to measure UNDP performance in terms of quantity rather than quality.

Simple Technical Aid. The sixth priority for the U.S., should be to urge UNDP to place greater emphasis on relatively simple technical assistance programs. As demand for UNDP services has expanded over the last decade, the scope of UNDP programs has inevitably widened as well, to the detriment of such classical technical assistance as providing educational and technical fellowships and improving public administration capabilities in less developed countries. UNDP should recognize that providing funding for less glamorous but more basic programs is an important part of its mandate, which in the long run may make a greater contribution to development.

CONCLUSION

UNDP is a public international organization that is a part of the United Nations system. As such, and as a result of its unique position within that system, the contribution that UNDP can make to global development is inherently limited.

While recognizing these limits, the Reagan Administration can do more to make UNDP a more productive organization and to ensure that U.S. funds donated to the program are used effectively. Both external trends and developments within UNDP have created a receptive environment for Reagan Administration initiatives: largely as a result of the Administration's persistence in advocating a free market approach to economic development, the governments of many less developed countries are willing to countenance a greater role for the private sector in their economic futures, while UNDP administrator Draper clearly has indicated his own receptivity to new directions for UNDP.

The U.S. can take the lead in providing the necessary rethinking on UNDP goals--with the result of really helping the less developed countries to help themselves.

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