

UNITED NATIONS DEVELOPMENT PROGRAM

Financial Support from Other Donors, Especially the OPEC Nations

UNDP expects to receive in 1978 a record \$569 million from 122 countries, 9 percent more than the 1977 total of \$524 million. The anticipated contributions, however, are substantially short of \$600 million which UNDP needs. In the first two years of the current five-year programming cycle (1977-1981), the annual increase in UNDP resources had been less than 14 percent, the minimum needed to meet its technical aid targets.

Several major donors announced substantially increased contributions for 1978. Saudi Arabia increased its contributions 300 percent over its 1977 pledge to \$10 million, Australia 67 percent to \$7.7 million; France 42 percent to \$14.3 million, Italy 24 percent to \$5.1 million, Norway 14 percent to \$33 million.

Increased contributions were announced by a number of traditional donors, including Canada (\$35.5 million, 9 percent increase), Finland (\$5.9 million, 10 percent) and Switzerland (\$10.4 million, 14 percent). Sizeable commitments were also made by Sweden (\$58.6 million), Netherlands (\$56.8 million), Denmark (\$38.7 million), Belgium (\$13.4 million), the Soviet Union (\$3.7 million) and New Zealand (\$1.2 million).

A number of developing countries, such as Colombia (\$1 million), Pakistan (\$1.5 million), Yugoslavia (\$2 million), increased substantially their pledges for 1978. Contributions by developing countries are in addition to some \$450 million that they contribute in kind (personnel, facilities, etc.) annually to UNDP activities.

Other developing countries making substantial contributions included India (\$6.4 million), Iran (\$4 million), Venezuela (\$2 million), Brazil (\$1.6 million), Poland (\$1.3 million), Libya, Argentina, Mexico and Turkey (\$1 million each), Spain (\$840,000), Nigeria (\$780,000), Republic of Korea (\$708,000), Chile (\$700,000), Thailand (\$616,000), Indonesia and the Philippines (\$600,000 each) and Sri Lanka (\$560,000).

In addition, the OPEC Special Fund is providing a grant of up to \$20 million for projects carried out by groups of cooperating countries in all developing regions with support from the United Nations Development Program (UNDP). Four regional projects designed to increase energy and food production will be the first to benefit from the OPEC Special Fund grant, accounting for \$12.7 million out of the \$20 million total. Other inter-country or global projects will be identified in the future to receive the balance of \$7.3 million.

Twelve developing countries, namely Czechoslovakia, Iran, Ireland, Israel, Kuwait, Libya, Qatar, Saudi Arabia, Spain, the United Arab Emirates, Venezuela, and Yugoslavia are net contributors to the Program, either by voluntarily giving up UNDP technical assistance or by contributing more than the value of the assistance they receive.

For example, UNDP has pursued the question of Saudi Arabia relinquishing its 1977-1981 \$10 million Indicative Planning Figure (IDF). The Saudi Arabian Government's position has been that it wants to continue UNDP technical assistance as a way to participate actively in the UN development system in connection with the Saudi 1977-1981 \$142 billion development program. UNDP will provide about 10% of technical assistance and has a key coordinating role during this period.

From the standpoint of UNDP's financial resources, the program in Saudi Arabia is more than offset by the rapid increase in Saudi contributions. Saudi Arabia became a net contributor in 1976 (\$2.5 million) and subsequently made a special \$5 million contribution. In 1977 they increased their contribution to \$10 million and assured UNDP that every effort would be made to sustain that level annually.