NOTE
Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

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INTRODUCTION


2. The present report was adopted by the Governing Council at its 312th meeting, on 2 February 1972, for submission to the Economic and Social Council at its fifty-third session, in accordance with paragraph 4 of General Assembly resolution 2029 (XX).

FAREWELL TO THE FIRST ADMINISTRATOR OF UNDP

3. The Governing Council devoted its 296th meeting, on Friday, 14 January 1972, to a farewell to Mr. Paul G. Hoffman, on his retirement as Administrator of UNDP since its inception after first having served as Managing Director of the Special Fund since 1 January 1959.

4. In a statement to the Council (DP/11), the Administrator noted that there was cause for some satisfaction about the UNDP's achievements, and for some confidence in its prospects. He expressed gratitude to Governments, agencies, the UNDP staff and the Governing Council for all they had done to make such feelings possible and said that his successor was fortunate in being able to count on these same sources of strength.

5. The Administrator then stated that he would focus his remarks on the UNDP's greatest current assets and most serious current liabilities - because the Programme's future depended on what would now be done to capitalize on those assets and counter those liabilities.

6. First among the Programme's assets was what he described as its "universality". He pointed out that more countries and territories actively contributed to and worked through UNDP, for their own well-being and that of their neighbours, than did so under any other international auspices. He added that all these countries and territories benefited from their participation in UNDP, since development progress anywhere was to the advantage of all nations everywhere.

7. The Administrator went on to state that UNDP's "universality" was a vital asset, because it gave the Programme an excellent chance of bringing to bear whatever skills and knowledge a particular development problem required - provided that these capabilities existed anywhere on earth. It also allowed UNDP to constantly improve its effectiveness, through the exchange of ideas and information on a global basis - and to procure the most suitable, least expensive and most readily available specialized services. Equally important, he stressed, was the fact that virtually every nation on earth voluntarily contributed funds to the Programme's common pool and voluntarily fixed the level of its own contribution. This created a deep sense of mutual responsibility.
8. The Administrator emphasized that UNDP's universality must be extended to the greatest possible degree. Specifically, he urged all Governments to make the maximum possible financial contribution - adding that there was room for improvement in this regard. He emphasized also that the Programme, to the limit of its resources, must continue to meet any valid request for any of its services from any country which needed and could effectively use them. Finally, he called for increased counterpart support by recipient Governments.

9. The UNDP's second greatest asset, the Administrator stated, stemmed from the fact that it was a full partnership among nations which differed widely from each other in almost every possible respect. He cited the make-up and operating methods of the Governing Council as evidence - noting that differences of opinion among the Council's members were a source of strength, since only the friction of differing viewpoints could produce the spark of new thinking. He recalled that the Council had generally proved able to resolve its differences in a workable and creative consensus.

10. The Administrator spoke in the same vein about the high level of co-operation and collaboration among the UNDP's participating agencies. He pointed out that here, too, both the differing viewpoints and the much larger area of common ground were invaluable, since the complexity of development problems required a multifaceted, yet closely integrated, approach.

11. But the Administrator warned that UNDP would continue to function well only so long as all Governments clearly kept in mind that its essential aim was to help build a rapidly expanding global economy from which all nations would profit equally. This made it imperative to avoid the formation of partisan groups or blocs. He also urged that Governments continue to permit the Programme's Administrator to enjoy freedom of executive action within established policy guidelines.

12. The third of the Programme's assets which the Administrator cited was its capacity for self-change - a capacity demonstrated by the thorough restructuring, and extensive revision of programming methods, recently put into effect. He observed that it was still too early to judge how well all of these changes would work out. But he urged that no further major alterations be undertaken until sufficient time had passed to assess the effectiveness of the new setup.

13. The Administrator called the UNDP's approach to development co-operation another important asset. He described the Programme's main function as that of helping the less developed countries become able to make fuller and better use of their own latent wealth for the benefit of their own citizens and that of the whole world's economy. He expressed his conviction that much of the UNDP's fourfold growth in 13 years stemmed from the proof it had provided that the low income countries could do much both for themselves and others. He added that UNDP's future efforts should primarily aim at creating conditions which would allow increasing numbers of people to become more productive, so that they could earn a greater share of those things that make for a decent life.

14. Finally, the Administrator cited the growing trend towards multilateralism as an important external asset for UNDP. However, the Programme would only benefit from this trend to the degree that it steadily increased its efficiency, effectiveness and economy of operation.
15. Turning to UNDP's liabilities, the Administrator noted that the Programme's very rapid growth had inevitably created serious problems. Among them he listed occasional shortcomings in both planning and execution of field work. While stating that these shortcomings were exceptions to a generally excellent level of performance, he stressed that because development was so highly complex and because it dealt with matters which were sometimes of a literally life-or-death importance to hundreds of millions of people - it demanded a degree of commitment and competence beyond what was normally acceptable.

16. The Administrator expressed confidence that UNDP's restructuring and other internal reforms would do much to overcome the problems created by its growth. However, he added, it must be recognized that UNDP was a competitive enterprise - in the sense that Governments did not have to give it either moral or material support, and individuals were not compelled to participate in its work. There were many other outlets of all kinds for these resources. He therefore strongly urged that UNDP make every effort to conduct its public information activities with the same thoroughness, professionalism, and coherent purpose it brought to the rest of its efforts. He also urged Governments to continue to make available to the Programme personnel capable of functioning at the highest standards of international civil service. He added that UNDP, for its part, must consider how it could improve career opportunities for its personnel - particularly for its General Service and Junior Professional staffs.

17. The Administrator then stated that he would be less than frank if he failed to express his view that the bulk of UNDP's liabilities were external rather than internal. Among these external liabilities, he cited the great disparity between the sums being spent on armaments and those being spent on development assistance. Noting that over $200,000 million a year was being allocated by Governments for so-called "national security" purposes as compared with only $15,000 million for development assistance, he called this ratio of 13 to 1 wildly disproportionate. He also emphasized that, beyond a certain minimum level, spending on armaments actually decreased any country's national security by heightening international tensions, and by diverting resources from the struggle against poverty and poverty of opportunity which he described as prime causes of world-wide violence and conflict.

18. Inward-turning tendencies, particularly among the wealthier nations, the Administrator pointed out, were another serious liability for UNDP. Some of these nations were becoming deeply concerned with their own economic problems, while failing to recognize how great a contribution development progress in the low-income countries could make towards solving those problems. In this connexion, the Administrator noted the great growth of exports from the richer to the poorer countries during the last 10 years, and cited figures which showed the enormous potential of the poorer nations to become even more profitable trading partners for the wealthier countries. He expressed his feeling that the term "foreign aid" was a complete misnomer which did great damage to the cause of development by obscuring the self-interest of the wealthier nations in helping speed the economic and social progress of the poor.

19. The Administrator suggested that the wealthier countries could give practical recognition to this self-interest by liberalizing restrictive lending and trading policies which, he said, also contributed a liability for UNDP. He pointed to the 13 per cent annual growth in the external indebtedness of the developing countries,
noting that debt amortization and interest payments were draining their capital reserves. He also stated that tariff and other barriers which prevented the low-income countries from gaining a fair share of world markets were limiting the ability of these countries to earn the foreign exchange they needed for development. Rising capital outflows and lagging capital inflows had serious implications for UNDP. They made it difficult for the low-income countries both to provide domestic follow-up investment to the Programme's pre-investment work, and to finance the expansion of essential development institutions inaugurated with UNDP co-operation.

20. Among the Programme's other external liabilities, the Administrator listed discouragement over the rate of development progress, disillusionment about the effectiveness of development co-operation, doubts in some wealthier countries about the self-help efforts of the poorer nations and distrust in some of the poorer nations about the policies of the wealthier. To counteract such adverse feelings - many of which were based on public misunderstanding - the Administrator urged all Governments, and particularly those of the wealthier nations, to present their citizens with a more realistic picture of the progress that was actually being made, often in the face of very serious obstacles.

21. The Administrator noted that he had not touched on some of the most serious development problems of the years ahead - e.g., unemployment and underemployment, unchecked population growth, natural resource depletion and pollution, rural backwardness and urban decay. These, he said, were neither assets nor liabilities but challenges the Programme must act on.

22. In striking a balance-sheet for UNDP, the Administrator expressed his belief that its assets substantially outweighed its liabilities - but that the edge was not as yet totally decisive. To make it so, Governments must empower the Programme to move more rapidly and with greater force in both traditional and new fields of need. The Administrator stressed the particular importance of UNDP involvement in those development problems that could best be handled on a fully international basis - e.g., the use of shared natural resources, trade stimulation, environmental improvement, voluntary family planning, applied nutritional research and the development uses of space technology.

23. Concluding his farewell statement, the Administrator expressed his abiding hope that UNDP, and all it stood for, would continue to prosper and grow. Specifically, he hoped that in five years' time the Programme would be carrying out $1,000 million worth of field work annually. He believed that his best wishes for UNDP's future would be granted. The Programme was in the most competent possible hands - those of the Governing Council, of its new administration and of his former colleagues in the entire system. Reinforcing his optimism, he saw a slowly gathering tide of realism in the world - a dawning realization that men could no longer afford to fight with each other but must finally unite against evils that threaten them all. He believed that man's capabilities to overcome these evils were rapidly growing. And he saw, particularly among young people everywhere, a growing recognition that there was no irreconcilable conflict between national and international interests.

24. Above all, the Administrator said that he felt confidence in UNDP's future because all its aims were good ones. In UNDP, no nation or group of nations sought special gains at the expense of other nations or groups. While political, ideological and policy differences existed, they were effectively conciliated in
the pursuit of common goals. In short, UNDP exemplified a high form of international morality. The experiences of a long and full life, he ended, had convinced him that good causes, allied with good means, most usually come to good ends.

25. Statements of warm tribute to the Administrator were made by the President and members of the Council and, on behalf of the organizations in the United Nations system, by the representative of the Food and Agriculture Organization of the United Nations.
CHAPTER I
ORGANIZATION OF THE SESSION

Attendance

26. Members of the Governing Council represented at the session, States represented by observers, organizations in the United Nations system and other intergovernmental bodies represented at the session are listed in annex I to this report.

Statement by the Secretary-General

27. The Secretary-General of the United Nations, addressing the Governing Council at the opening meeting of its thirteenth session, paid tribute to the retiring Administrator and welcomed Mr. Rudolph A. Peterson as the new Administrator of UNDP.

Election of officers

28. In accordance with rule 11 of its rules of procedure, the Governing Council at the opening meeting of the thirteenth session elected the following officers: Mr. Hans Kastoft (Denmark), President; Mr. M.G. Kaul (India), First Vice-President; Mr. Juan Antonio Merigo Aza (Mexico), Second Vice-President; Mr. Mëtodi Popov (Bulgaria), Third Vice-President; and Mr. Francis George Okelo (Uganda), Rapporteur.

Agenda

29. The agenda adopted for the thirteenth session was as follows:

1. Opening of the session
2. Election of officers
3. Adoption of the agenda (DP/L.197/Rev.1 and DP/L.197/Rev.1/Add.1 and Add.2)
4. Country and intercountry programming
   (a) General assessment of the first experience in country programming (DP/L.199 and Corr.1)
   (b) Consideration and approval of country programmes

   (AFRICA: DP/GC/CHD/R.1 and DP/GC/CHD/R.1/RECOMMENDATION:
   DP/GC/GHA/R.1 and DP/GC/GHA/R.1/RECOMMENDATION:
   -6-
DP/GC/KEN/R.1 and DP/GC/KEN/R.1/RECOMMENDATION;
DP/GC/LES/R.1 and DP/GC/LES/R.1/RECOMMENDATION;
DP/GC/MAR/R.1 and DP/GC/MAR/R.1/RECOMMENDATION;
DP/GC/TAN/R.1 and DP/GC/TAN/R.1/RECOMMENDATION;
DP/GC/TOG/R.1 and DP/GC/TOG/R.1/RECOMMENDATION;
DP/GC/ZAI/R.1 and DP/GC/ZAI/R.1/RECOMMENDATION;

ASIA AND THE FAR EAST:
DP/GC/FIJI/R.1 and DP/GC/FIJI/R.1/RECOMMENDATION;
DP/GC/LAO/R.1 and DP/GC/LAO/R.1/RECOMMENDATION;
DP/GC/MAL/R.1 and DP/GC/MAL/R.1/RECOMMENDATION;
DP/GC/PHI/R.1 and DP/GC/PHI/R.1/RECOMMENDATION;

EUROPE, MEDITERRANEAN AND THE MIDDLE EAST:
DP/GC/ALG/R.1 and DP/GC/ALG/R.1/RECOMMENDATION;
DP/GC/BUL/R.1 and DP/GC/BUL/R.1/RECOMMENDATION;
DP/GC/CYP/R.1 and DP/GC/CYP/R.1/RECOMMENDATION;
DP/GC/HUN/R.1 and DP/GC/HUN/R.1/RECOMMENDATION;

LATIN AMERICA:
DP/GC/COL/R.1 and Add.1 and Add.2 and
DP/GC/COI/R.1/RECOMMENDATION;
DP/GC/PAN/R.1 and DP/GC/PAN/R.1/RECOMMENDATION;
DP/GC/VEN/R.1 and Add.1 and
DP/GC/VEN/R.1/RECOMMENDATION
and Corr.1)

(c) Consideration and approval of indicative planning figures
(DP/L.213)

5. UNDP programme recommendations of the Administrator

(a) Consideration, in private meetings, of individual large-scale
country projects (formerly Special Fund-type projects)

(b) Approval of individual large-scale country projects (formerly
Special Fund-type projects)

(DP/SF/R.13 and Corr.1;
DP/SF/R.13/Add.1-11;
Add.12 and Corr.1 (English only);
Add.13-14;
Add.15/Rev.1 (English only);
Add.16;
Add.17 and Add.17/Rev.1 (English only);
Add.18-19;
Add.20 and Add.20/Rev.1 (English only);
Add.21;
Add.22/Rev.1 (English only);
Add.23-25;
Add.26 and Corr.1 (English only);
Add.27/Rev.1 (English only);
6. Further consideration of the question of the approval of country projects (DP/L.198)

7. Financial matters

(a) Contributions (DP/L.211)

(b) Revised estimates of resources and Programme costs for 1972 (DP/L.211)

(c) Initial estimates of resources and Programme costs for 1973-1977 (DP/L.211)

(d) Waiver of local cost assessments (DP/L.207)

(e) Review of the arrangements relating to custodianship of UNDP funds (DP/L.215)
(f) Agency overhead costs (DP/L.212 and Add.l)

(g) UNDP financial regulations and rules (DP/L.201 and Add.l)

(h) Audit reports

8. United Nations Volunteers (DP/L.205 and Add.l)

9. Development support information service and communication services to support projects and country programmes (DP/L.203)

10. Administrative and budgetary matters

(a) Budget estimates for the programme support and administrative services of UNDP for the year 1972 (DP/L.200)

(b) Arrangements in force or which might be contemplated to provide advice and support to Resident Representatives in other (than agriculture) sectoral fields within the United Nations development system (DP/L.209 and Add.l)

(c) Participation of UNDP in the United Nations Staff College (DP/L.204 and Corr.l (English only))

(d) General outline of the Administrator's ideas regarding the budget for the programme support and administrative services of UNDP for the year 1973 (DP/L.217)

11. Draft omnibus statute for the Programme for consideration by the General Assembly (General Assembly resolution 2688 (XXV)) (DP/L.206 and Add.l-2; DP/L.177 and Add.l-2)


13. United Nations regular programme

(a) Technical Co-operation (DP/RP/12)

(b) Special advisory services in the field of natural resources and other fields (DP/L.219)


15. Date and provisional agenda of the fourteenth session of the Governing Council

16. Other matters (DP/L.202; DP/L.208; DP/L.210; DP/L.214)

Summary records of meetings

30. The summary records of the meetings of the thirteenth session of the Governing Council were issued as documents DP/SR.291-312. The summary records of its Sessional Committee (see paragraph 35) were issued as documents DP/13/C.2/SR.1-5.

Private meetings

31. Two private meetings were held to consider the recommendations of the Administrator in connexion with individual large-scale projects of the former Special Fund type.

Ad Hoc Group of the Governing Council

32. An Ad Hoc Group of the Governing Council, open to all members of the Council, held private meetings from 17 to 20 January 1972, under the chairmanship of the President of the Governing Council, to consider and report to the Council on the 19 country programmes before the Council for consideration and approval under item 4 (b) of the agenda.

Budgetary and Finance Committee

33. The Budgetary and Finance Committee established by decision of the Governing Council at its twelfth session (E/5043/Rev.1, paragraph 198), was constituted under the chairmanship of Mr. M.G. Kaul (India), First Vice-President of the Governing Council. Mr. Gregor Woschnagg (Austria) was selected as Rapporteur of the Committee.

34. Following an organizational meeting on 13 January 1972, the Committee met from 14 to 21 and on 25 and 26 January 1972 to consider and advise the Council on questions referred to it by the Council.

Sessional Committee of the Governing Council

35. A Sessional Committee of the Governing Council, open to all members of the Council, held five meetings, under the chairmanship of Mr. M.G. Kaul, to consider and report to the Governing Council on items of the agenda referred to it by the Council. Mr. Gregor Woschnagg also served as Rapporteur of this Committee.
CHAPTER II
UNDP PROGRAMME RECOMMENDATIONS OF THE ADMINISTRATOR FOR COUNTRIES WHICH HAVE NOT YET SUBMITTED COUNTRY PROGRAMMES

36. Under item 5 of its agenda, the Governing Council considered the programme recommendations of the Administrator covering large-scale country and intercountry projects, both of the former Special Fund type and of the former Technical Assistance type, for countries which did not yet have country programmes ready for consideration and approval by the Council.

A. Projects of the former Special Fund type

37. The Administrator recommended that the Governing Council approve 106 projects and supplementary assistance for 12 previously approved projects (DP/SF/R.13 and Corr.1 and DP/SF/R.13/Add.1-125). He informed the Council that each of the individual country projects recommended would in due course be incorporated in the country programme for the country concerned. The aggregate value of the projects amounted to an estimated $302,429,136, of which $98,315,050 represented UNDP resources and $204,114,086 counterpart contributions by recipient Governments.

38. The projects of the former Special Fund type recommended for approval are listed, by geographical region, in annex II to this report. The name of the Executing Agency, the estimated Government participation (counterpart contribution), the estimated UNDP cost and the estimated total cost are indicated opposite each project title.

39. For 53 of the projects recommended for approval, the Administrator made use of Preparatory Assistance funds for the appraisal, revision or reformulation of the requests. He also authorized pre-project activities for 19 of the projects recommended in order to permit an early initiation of project operations. The Council was informed that pre-project activities had also been authorized for 45 additional projects due for approval at a later date, 16 of which were included in country programmes submitted to the Council for approval at its thirteenth session. Five Investment Feasibility Studies had also been authorized since the Administrator's previous report to the Council.

40. In addition to recommending projects for approval by the Council, the Administrator, with the agreement of the Governments and Executing Agencies concerned, recommended the cancellation of four projects previously approved by the Council, namely: United Republic of Tanzania - Improvement of Tick Control Methods, Mwanza (TAN 25); 1/ Algeria - Development of Pasture Lands and Fodder Crops, St. Lekhdad and Bou Saada-Djelfa Areas (ALG 16); 2/ Algeria - Rural Development in Eastern Algeria (ALG 22); 3/ and Morocco - Development of Dry-Farming Areas, Phase II (MOR 32). 4/

1/ See document DP/SF/R.7/Add.97.
2/ See document DP/SF/R.7/Add.3.
41. The Administrator also informed the Council of the redesignation of the Interregional Project for Higher Level Management, Technical and Productivity Training (INT/18), 5/ which the Council approved at its tenth session in June 1970 and for which it approved supplementary assistance at its twelfth session in June 1971. 6/

42. Members of the Governing Council commended the Administrator for the high calibre of the project recommendations, which they noted with gratification had been finalized while UNDP was in the process of formulating country programmes. The Programme contained a diversity of projects which covered all major economic and social sectors. Particular importance was attached to the inclusion of projects involving the training of national specialists as well as the establishment of pilot projects, which, though few in number, utilized the findings of science and technology. However, it was noted in this connexion by some members that the proportion of UNDP resources assigned to industrial development was insufficient, particularly in view of the activities of UNIDO. One member expressed satisfaction that the programme contained a number of projects which could have a significant multiplier effect in the countries concerned. Another member drew attention to the fact that while the projects recommended for approval represented only some of the countries whose country programmes would be submitted to future sessions of the Council, they were already included in the indicative planning figures.

43. Several members welcomed the increase in the number of projects allocated to the Asia and the Far East region and hoped that this trend would continue. It was noted with some concern, however, that no projects were recommended for five of the seven least developed countries in that region and the hope was expressed that the needs of these five countries would be taken into account in the future. Two members urged that more projects should be allocated to Africa, a region with 16 of the 25 least developed among the developing countries and with acute development needs. The importance of providing assistance to African countries to enable them to prepare national and regional projects was also underlined.

44. Reservations were also expressed regarding the unevenness with respect to the determination of Government counterpart contributions and it was suggested that the question of the counterpart contributions of the least developed countries should be reviewed further by the Administration.

45. Support was expressed for the pre-project activities authorized under the regional project for the integrated development of the Upper Mures river basin in Romania. One member welcomed the expansion of UNDP activities in the field of the preservation of the cultural heritage, noting that such projects were relevant to the economic and social programmes of many countries. Another member emphasized the importance her Government attached to the project in Morocco for the creation of services of documentation and also expressed the hope that UNDP would play an active role in a new project in Morocco involving the Food and Agriculture Organization of the United Nations. In addition, the same member drew attention to the interest taken by a number of members in the projects being submitted for approval, which illustrated the important role the Council had to play with respect to individual projects.


6/ See document DP/SF/R.12/Add.82.
46. One member expressed her Government's reservations concerning the project proposal for Rwanda, which appeared to request both supplementary assistance as well as a second phase of assistance. The same member, however, welcomed the assurance of the Administration that the project would be closely reviewed in order to ensure that it would be implemented properly.

47. Regret was expressed by one member that, compared to the previous year, the number of large-scale regional and inter-regional projects had decreased. Another member requested that the reservations expressed regarding individual projects during the Council's deliberations in both private and public meetings would be brought to the attention of Governments and those bodies concerned in the preparation of the programmes.

48. A number of members expressed strong opposition to the inclusion in the programme of projects for South Korea and Israel, stating in this connexion that they objected to the allocation of UNDP resources to countries which engaged or participated in aggressive activities. Similar reservations were also expressed regarding projects for the Republic of Viet-Nam and the Khmer Republic, on the ground that these countries were participating in wars of aggression against the peoples of Indo-China.

49. However, two members indicated that they had no objection to UNDP assistance being given to South Korea and Israel; in their view, the decision of the Administrator not to deny aid to these countries was both appropriate and in accordance with the objectives of the Programme.

50. One member charged that Israel was exporting arms to South Africa and Portugal. A representative of an observer country, responding by permission of the Council, emphatically denied that his country was exporting arms to South Africa and Portugal.

51. Several members reiterated their opposition to the exclusion of the German Democratic Republic from the membership of UNDP since this deprived developing countries of extra available assistance and was therefore not in those countries' interest. Two members objected to the increasing UNDP involvement with the World Bank since this tended to transform UNDP into an appendage of the Bank, an agency that carried out imperialistic and neo-colonialist activities. It was also noted that the projects assigned by UNDP to the Bank often did not fall within the purview of the Bank's activities.

Decision of the Governing Council

52. At its 295th meeting, the Governing Council:

(a) Approved the country, regional and inter-regional projects consisting of 106 new projects and supplementary financing for 12 projects as listed in annex II to this report;

(b) Authorized the Administrator to make the appropriate arrangements with the Governments and Executing Agencies for the execution of those projects;

(c) Approved the cancellation of four projects referred to in paragraph 40 above - Improvement of Tick Control Methods, Mwanza (TAN 25), Development of Pasture
B. Projects of the former Technical Assistance type

53. The Administrator recommended for approval by the Governing Council 45 regional and 15 inter-regional projects of the former Technical Assistance type, each costing an estimated $200,000 or more over its anticipated duration (DP/TA/L.31 and Corr.1 and 2 and Add.1). The total estimated cost of the projects for 1972 amounted to $6,032,350.

Summary of discussion

54. Members of the Council expressed satisfaction with the new format of the document containing the regional and inter-regional project recommendations (DP/TA/L.31) which gave a clearer presentation of these projects than hitherto.

55. While the importance of regional and inter-regional projects was not disputed by members, attention was drawn to the difficulties involved with these types of activity. Mention was made of the fact that they were frequently more costly and less clearly defined than country projects. Furthermore, it was observed that certain interregional projects were carried out on a world scale and the technical studies planned for them covered a wide range of activities. Thus the effectiveness of such projects was difficult to evaluate and the Council would be wise to adopt a cautious attitude with regard to them.

56. One member noted with regret that there were no regional projects and only one inter-regional project concerned with industrialization.

57. Another member welcomed the meaningful projects and the wide spectrum of activities envisaged for the Asian region. He stated that his country, which had been subjected to numerous typhoons in recent years, attached particular importance to the typhoon programme in the ECAFE region (WMO/68/7). Mention was also made of the usefulness of the regional project for applied research for land and water development (MID/FAO/68/24) which would help combat the adverse effects of soil erosion and water shortage on agricultural production in the Middle East. With regard to that region, the hope was expressed that a project involving the processing and marketing of agricultural products would be initiated shortly to meet the urgent needs in the area. It was further suggested that close co-operation between UNDP and the competent organs of the Arab League regarding regional projects in the Middle East would be welcome.
58. It was noted that only four of the 15 interregional projects recommended were concerned with industrial and economic development in the strictest sense while the remainder were involved with health, population and other activities. In this connexion, several members agreed that some of these projects would be better suited to international programmes other than UNDP and supported the suggestion of one member that the project for the Cairo Demographic Centre be taken over by the United Nations Fund for Population Activities. On the other hand, one member pointed out that such projects often fulfilled real needs that could not be met from other sources. Citing the four ICAO projects included in the list of interregional project recommendations, the member said they were illustrative of the approach of the small specialized agencies which did not have the resources to provide technical assistance to individual Governments.

59. Considerable emphasis was given by members to the need for the systematic formulation and appraisal of regional and inter-regional projects within the framework of a general development policy, and for the establishment of clear priorities. Several members expressed the hope that long-standing projects such as the regional centres for community development in Latin America and the Middle East would be carefully reconsidered in the light of these priorities and that they would be terminated when appropriate. In this connexion, another member stated that the activities of institutions founded several years ago by the specialized agencies should be reviewed by the Joint Inspection Unit of the United Nations.

60. One member indicated that he would welcome further information regarding the possible use of regional indicative planning figures. With regard to those projects intended to provide advisory services, two members wondered whether they had been adequately co-ordinated with the activities of other United Nations bodies, and to what extent the Administration had been able to take into account, with respect to interregional and global projects, the World Plan of Action for the Application of Science and Technology to Development.

61. The Council requested the Administrator to submit a report at its fifteenth session on the results of its on-going review of regional and inter-regional projects, including such recommendations as might result from such a review. The Council also agreed that the word "colonization" in the title of the project LAT/FAO/70/34 should be replaced by the word "settlement".

Observations of the Administration

62. The Assistant Administrator in charge of the Bureau for Programme Co-ordination indicated that intercountry programmes would be submitted to the Council in such a way as to allow for review and appraisal of projects and that guidelines had already been issued. He added that the annual regional meetings of Resident Representatives would provide an opportunity for the identification of the types of needs that could best be served through intercountry programmes. He also stated that the Administration recognized the need for weeding out old projects and developing new ones, but noted the need for criteria and priorities if, as expected, there were more requests than available resources for intercountry programmes.

63. In response to the query of one member, who asked what criteria were followed for selecting countries to participate in seminars, fellowships, training courses and similar activities of interregional projects, the Assistant Administrator and
Director of the Regional Bureau for Europe, Mediterranean and the Middle East stated that the Executing Agencies normally invited, on a yearly basis, all countries that might be interested to propose applicants.

Decision of the Governing Council

64. At its 297th meeting, the Governing Council approved the regional and inter-regional project recommendations of the Administrator for projects of the former Technical Assistance type (DP/TA/L.31 and Corr.1 and 2 and Add.1).

65. At the same meeting, the Council requested the Administrator to submit a report to the Council at its fifteenth session reviewing on-going regional and inter-regional projects of the former Technical Assistance type, together with such recommendations as might result from the review.
CHAPTER III  
COUNTRY AND INTERCOUNTRY PROGRAMMING

66. Under item 4 of its agenda, the Governing Council had before it for consideration and approval:

(a) The first country programmes, covering 19 countries in the different regions, as well as a general assessment by the Administrator, contained in document DP/L.199 and Corr.1, of this first experience in country programming; and

(b) Country and intercountry indicative planning figures (IPFs) proposed by the Administrator (DP/L.213).

A. Country programmes

67. Each of the 19 country programmes before the Council was accompanied by a note by the Administrator describing the nature of the programming exercise, the relation of the country programme to the development plan of the country, the content of the country programme according to sectors and subsectors, the utilization of UNDP funds over the programming period, and the recommendations of the Administrator.

68. The 19 countries, and the relevant document references are as follows:

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<tr>
<th>Region</th>
<th>Country programme document</th>
<th>Note by the Administrator</th>
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69. Following an introductory statement by the Administrator, the Assistant Administrator in charge of the Bureau for Programme Co-ordination stated that the principles of the Consensus had been conscientiously applied to the programmes submitted to the Council for its approval. He also stressed that the experience gained in this first exercise would be reflected in country programmes submitted to later sessions of the Governing Council. The Assistant Administrators of the Regional Bureaux gave the Council a short assessment of the country programmes in their respective regions, outlining the specific advantages and problems experienced in the preparation of the individual country programmes. The Assistant Administrator in charge of the Bureau for Programme Analysis and Policy Planning found that the first series of country programmes were on the whole encouraging and that certain trends were emerging within the context of better co-ordination within Governments, within the United Nations family of organizations and between bilateral and multilateral programmes.


71. There was general agreement among members of the Council that discussion of the experience gained in country programming would be more meaningful after a prior consideration of the individual country programmes by the Ad Hoc Group of the Council (see paragraph 32) in private meetings.

Approval of country programmes

72. At its 299th meeting, following the consideration of individual country programmes by the Ad Hoc Group, the Governing Council:

(a) Approved the proposed UNDP country programmes for Algeria, Bulgaria, Chad, Colombia, Cyprus, Fiji, Ghana, Hungary, Kenya, Laos, Lesotho, Malaysia, Mauritius, Panama, Philippines, Togo, United Republic of Tanzania, Venezuela, and Zaire, within the limit of their approved indicative planning figures and for the duration of their respective programme period; and

(b) Authorized the Administrator to proceed with appraisal and approval action on requests for assistance falling within the outlines of the country programmes, and calling for planned expenditures which may be contained within their approved IPFs and the financial resources currently available at any given time.
At its 300th meeting, the Council further decided, by 32 votes to none, with 14 abstentions, to include the following text in its report:

"In private sessions of the Governing Council, after the consideration of each country programme, the President summarized the comments made in relation to the Administrator's note preceding his recommendation of approval of the proposed country programme. The Council requested the Administrator to communicate through the Resident Representatives these summaries to the country having presented the country programme in question."

At the same meeting, the Council also decided that the approval of the country programmes by the Council is final. However, as an exceptional measure, in view of the fact that not all the documentation was available in all working languages, it was agreed that members of the Council could transmit to the Administrator, for distribution to members of the Council, further comments on the country programmes approved at the thirteenth session or present them, at the latest, at a closed meeting during the fourteenth session of the Council.

One member expressed the hope that the Council would also be kept informed of the summaries communicated to countries concerned in connexion with the decision recorded in paragraph 73 above.

General assessment by the Governing Council of the first experience in country programming

At its 310th meeting, the Governing Council approved the text reproduced in paragraphs 77 to 91 in connexion with its general assessment of the first experience in country programming - item 4 (a) of the provisional agenda.

The Governing Council commended the 19 countries which had prepared and submitted the country programmes which the Governing Council reviewed and approved at its thirteenth session and expressed its appreciation of the collaboration and assistance provided by UNDP and the participating organizations.

The Council considered that this first experience in country programming, by providing all member States with information on national development plans and the relationship of UNDP inputs to such plans, had greatly facilitated the discharge by the Council of its responsibility for the most effective use of UNDP resources.

On the basis of this first experience, and pending the consideration of additional programmes, the Council wished to make the following provisional observations in regard to the substance and the procedures of country programming, without prejudice to the decisions that the Governing Council might take at a subsequent session on the proposal of the Administrator or any member State.

1. Substance of country programming

The first experience provided evidence that country programming would yield better results than the previous methods of operation of UNDP. This observation was based on the following considerations:
(a) The programming exercise had provided better possibilities for the integration of UNDP assistance with the development objectives of the countries concerned. The result should be greater efficiency and impact of that assistance upon the countries' development, and a consequent strengthening of the basis for increased voluntary contributions.

(b) An essential part of the exercise had been, in several cases, a careful review of on-going UNDP activities in order that those which were not yielding satisfactory results would be modified or discontinued.

(c) The exercise had brought about better co-ordination both of inputs from various sources and of developmental activities within the developing countries.

(d) It had led to a more comprehensive identification of priority areas and needs of developing countries.

81. Country programming had also paved the way for improved future evaluation of the capacity of the UNDP to extend assistance, and of the efficiency and effectiveness of that assistance.

82. Country programming had clearly demonstrated that the developing countries were capable of absorbing assistance from UNDP in excess of the resources anticipated by the indicative planning figures. This situation had in many cases led to "over-programming" in one form or another.

83. It was important that a common approach to this question be developed, and the Administrator was therefore requested to adopt the concept of reserve programming and help Governments to apply it - i.e., each country programme could include a list of reserve projects over and above the IPF, without prejudice to the possibility of transferring projects from the reserve list to the list of projects within the IPF. This concept of country programming could also be applied by Governments whose country programmes had already been approved.

84. The Administrator was requested to make further efforts to integrate into each country programme all inputs available within the United Nations system. The Council hoped at the same time that co-ordination in the developing countries would continue to be improved, and would embrace all development activities and all sources of the system, on the understanding that each country would be solely responsible for the co-ordination of the activities undertaken within the framework of multilateral or bilateral assistance and their integration in the national plans.

85. The UNDP and the participating organizations should give particular attention to informing and advising the Governments on the potentialities of the use of UNDP resources in helping the countries, and in particular the least developed countries, to attain the objectives of the Second United Nations Development Decade.

86. The Council wished also to emphasize the importance, as part of both the programming exercise and of the periodic review of programmes, of a comprehensive and systematic evaluation of the on-going activities supported by UNDP.

87. Finally, the Council requested the Administrator to continue his endeavours to improve the capacity of the Resident Representatives, and of the partnership between the UNDP and the United Nations organizations, to carry out their role in country programming.
2. Procedures

88. The proposed country programmes and the Administrator's recommendations on them should be made available to all members of the Governing Council, in their respective working languages, at least six weeks before the session at which they will be considered for approval. In this context it was the feeling of the Council that consideration should be given to the possibility of rescheduling the traditional dates of the January session in order to make possible a better preparation of the discussion during that session, more specifically with regard to the country programmes to be adopted.

89. Proposed country programmes would be considered at private meetings of the Governing Council and summary records of these meetings would be made available to each Government concerned with respect to the consideration of its country programme.

90. In agreement with the Governments concerned, the Administrator was authorized, in view of the delays in starting the country programming exercises, to present at the sixteenth session approximately one half of the country programmes envisaged for submission in 1973.

91. The Administrator was requested to prepare, on the basis of the summary records of the present session, a paper containing:

   (a) A summary of the main issues discussed during this debate, and
   
   (b) A list of all concrete proposals made by member countries regarding the procedures to be followed in the country programming exercise. The Administrator was invited to make his comments on these proposals.

92. At its 309th meeting, following a procedural discussion concerning a proposal submitted by Brazil, Nigeria, Pakistan and Upper Volta, the Governing Council decided to postpone consideration of this proposal until its fourteenth session. The four-power proposal is reproduced as annex III to this report.

Decision of the Governing Council

93. At its 310th meeting, the Governing Council:

   Took note of the Administrator's report (DP/L.199);
   
   Requested the Administrator in presenting the next group of country programmes to take into account the observations made in the Council in the course of the consideration of item 4 (a); and
   
   Further requested the Administrator to prepare for the fourteenth session a progress report on the additional experience gained in country programming.

B. Indicative planning figures

94. In presenting item 4 (c) to the Governing Council, the UNDP Administration indicated that even though current estimates of resources were lower than initial estimates, it was deemed best to follow the same general guidelines for the second
series of indicative planning figures (IPFs) for the period 1973-1977, subject only to some minor adjustments, as were followed for the first series of indicative planning figures.

Summary of discussion

95. During the discussion, many members of the Council stated that they had not envisaged that indicative planning figures would be subject to an annual review but rather, as stated in the Consensus, would only be subject to periodic review in the light of the progress of the country programme. While recognizing that certain annual readjustments might be necessary to correct inequities and to meet changed circumstances, they were not convinced of the need to reset the IPF period each year and to concurrently reapprove IPFs for all countries.

96. Some members voiced the objections and reservations of their Governments on the IPFs and insisted that they be revised as soon as possible in order to remove any unfairness resulting from certain historical circumstances.

97. The general opinion was voiced that any increase in the resources which would permit adjustments to IPFs should be applied to those least developed countries mentioned in General Assembly resolution 2768 (XXVI). Some members found that, of the amount proposed for upward adjustments in some IPFs, too small a proportion had been allocated to upward adjustments of the IPFs of the least developed countries. In view of the relatively small amounts proposed for upward adjustments in the IPFs for the least developed countries, one member proposed that the Council set aside $5 million annually from the Programme Reserve for such countries to finance selected priority projects outside their IPFs. This proposal was supported by a number of other members of the Council. One member indicated that, while this proposal warranted consideration, it involved too modest an amount, but that even this would require an increase in the Programme Reserve; as another possibility to assist the least developed countries, he suggested that a special account should be established where resources in excess of the projected annual 9.6 per cent increase could be channelled for this purpose. The same member said that the idea of a cut-off point should be examined in connexion with IPFs and the related item of special measures to assist the least developed among the developing countries (see paragraphs 282-306 below).

98. In addition to the foregoing, it was suggested during the discussion that the Administration should provide more comparative data on IPFs and should clearly identify any changes made when providing such information in the future.

99. Discussion of this item revealed support from members of the Council for the suggestion that consideration of this item be deferred to the next session of the Governing Council, at which time discussion of the question could be resumed following the review of criteria for establishing indicative planning figures. Such a deferment would allow the time and opportunity for the Administration to take into account the observations made during the thirteenth session of the Council, particularly the views expressed concerning the level of IPFs for certain countries. In this connexion, some members suggested that the Administration should reconsider as soon as possible the IPFs granted to Israel, the Republic of Viet-Nam and South Korea, with a view to suspending all UNDP assistance to the Governments of those countries.
Observations of the Administration

100. In replying to questions raised by members of the Governing Council, the Administration stated that the information requested would be made available in the desired form at the fourteenth session of the Council. The Administration pointed out that various planning activities in respect of country programmes would have to be undertaken before definitive action by the Council on the proposals contained in document DP/L.213. The Administrator, therefore, would necessarily proceed in these cases on the basis of the proposals contained in that document.

Decision of the Governing Council

101. At its 302nd meeting, the Governing Council decided to defer further consideration of indicative planning figures until its fourteenth session.
CHAPTER IV

QUESTION OF THE APPROVAL OF COUNTRY PROJECTS

102. Under item 6 of its agenda, the Governing Council considered the proposal of the Administrator contained in document DP/L.198 to the effect that the Administrator and Resident Representatives be authorized to approve projects for countries which had not yet submitted country programmes. The Administrator stated, in paragraph 8 of DP/L.198, that it was his intention to present to the Governing Council for approval projects in the following categories, whether or not they were part of a country programme:

(a) Those which break new ground or involve unfamiliar or advanced technology;
(b) Those which have important policy implications or political aspects;
(c) Those which involve a substantial continuing commitment.

Summary of discussion

103. Most of the members who spoke on this item indicated their agreement with the proposal submitted by the Administrator, stressing, inter alia, that it was important to remove any possibility of discrimination in the processing of projects as between countries which had not yet submitted country programmes and those which had. It was pointed out that the adoption of uniform procedures for all recipient countries would considerably facilitate the processing and approval of projects.

104. Several members, while favouring in principle the Administrator's proposal, suggested that the Council should establish financial or time-limits in its authorization to the Administrator to approve projects for countries which have not yet submitted their country programmes. In this connexion, certain members asked that the Administrator interpret in a precise manner paragraph 8 (c) of DP/L.198 so as to avoid the Council's being placed in the position of merely being able to take note of a project with substantial continuing commitments. One member proposed that long-term projects, in other words those in excess of two years, be submitted to the Governing Council, on the understanding that the Administrator would initiate their implementation under preparatory assistance.

105. A few members felt that the Administrator's proposal was not in line with the Consensus and were therefore opposed to it.

106. During the discussion, it was agreed that paragraph 8 (b) of DP/L.198 should be amended to read: "Those which have important policy implications in the light of paragraph 20 of the Consensus", it being felt that the phrase "policy implications" was sufficiently comprehensive. Two members indicated that they understood the phrase "policy implications" to mean that all projects having political implications would be brought to the attention of the Council.
107. At its 299th meeting, the Council adopted the following decision:

The Governing Council,

Taking into account the coming into effect of indicative planning figures as of 1 January 1972, and the desirability of permitting the speedy approval of projects for all countries on an equal basis,

Authorizes for a period of two years the Administrator and, through him, the Resident Representatives to follow the same procedures for project approval for all countries, on the understanding that projects approved for countries which have not yet submitted country programmes should be clearly related to the development objectives of the country concerned and clearly fit into its future country programme and that projects coming under categories referred to in paragraphs 8 (a), (b) as amended, and (c) in document DP/L.198 should be presented by the Administrator to the Council for prior approval. The Administrator is requested to inform the Council at its next session, in each case, of each project approval decision taken by him and by the Resident Representatives in the exercise of their delegated authority.
108. Under item 8 of the agenda, the Sessional Committee of the Governing Council, to which this item was referred by the Council, considered a report by the Administrator (DP/L.205 and Add.1) outlining the experience gained and progress achieved in the implementation of General Assembly resolution 2659 (XXV) establishing the United Nations Volunteers programme. In accordance with the decisions of the Governing Council at its eleventh and twelfth sessions, the report also contained the Administrator's recommendations on the administrative structure of United Nations Volunteers, in particular the question of the future location of the Co-ordinator's Office.

109. In introducing the report, the Co-ordinator stated that the progress achieved within eight months of operational activity gave hope for progressive growth of the programme in the future. It was noteworthy that 16 Governments of developing countries had expressed firm interest in requesting United Nations volunteers, thus confirming their faith in the potential of this new development component.

110. In presenting the recommendations as reflected in document DP/L.205, the Co-ordinator drew the attention of the Committee to paragraphs 26-32 of the Administrator's report to the effect that the main thrust of the programme's activities should be concentrated in Geneva, in close proximity to specialized agencies and organizations in the United Nations system, as well as to the two recruiting organizations with whom the programme had entered into contractual arrangements. At the same time, the United Nations Volunteers Liaison Office would be placed at the UNDP headquarters. Finally, in paragraphs 33-36, the Administration had proposed certain posts for the programme.

**Summary of discussion**

111. Members expressed broad satisfaction at the concrete progress achieved within a short period. It was stressed that while the United Nations Volunteers programme was still young and considerable effort would still be needed to ensure its success, it had become a living reality. The figures reflecting formal requests from Governments of developing countries, as well as the fact that some 41 United Nations volunteers had already taken up their assignments in the field, with this number expected to rise to approximately 150 in the coming months and 300 towards the end of 1972, were considered reassuring and marked a successful beginning in the operational phase of the programme. At the same time, members commended the important role that the Co-ordinator had played in establishing the machinery and launching the operations of the programme.

112. Many members acknowledged that qualified United Nations volunteers could provide a valuable service in developing countries and should be recognized as an additional component of multilateral development assistance. However, it was the general view that the qualitative aspects of such service should be underscored
in order to ensure a high level of technical and professional qualifications and experience. Some members stressed that care should be exercised to send young persons dedicated to development and inspired with high moral qualifications, who would willingly work in true partnership with people of developing countries. Some members were of the view that it would be useful to receive information on the technical qualifications of United Nations volunteers.

113. Several members expressed the hope that more United Nations volunteers would be recruited from developing countries. They suggested that a balance should be maintained in recruitment from developed and developing countries. One member observed that some developing countries had a reservoir of young persons with certain specialized qualifications which could well be identified and channelled into the mainstream of development activity.

114. Several members recognized the important role of the Special Voluntary Fund which would permit financing of external costs of volunteers from developing countries who had no available sponsorship. In this context, the representative of Canada announced a pledge of 20,000 Canadian dollars and the representative of the Federal Republic of Germany a pledge of 70,000 D.M. to the Fund. The representative of the United States of America, in recalling his Government's previous contribution to the Fund, informed the Committee that his Government would no longer maintain its original stipulation. Accordingly, his Government would agree that the Fund could pay up to but not more than one third of the local costs of volunteers. This decision was welcomed by another member who expressed the hope that contributions would be made on a similar basis. Yet another member, however, stated that the scope of the Fund should be determined by the decisions of the Governing Council and not by individual contributors. One member indicated that his Government was considering the possibility of training 30 volunteers who could be placed at the disposal of the United Nations Volunteers programme.

115. Several members expressed the view that a technically qualified United Nations volunteer, at an approximate cost of $3,000 per year, compared favourably with the pro forma cost of the expert estimated at $30,000 per year. In this context it was maintained that substantial savings could be realized by reducing the number of experts, where appropriate, and utilizing well qualified volunteers. In the view of one member, the above comparisons should not be pressed too far since the $30,000 figure was based on the market rate and, in any event, constituted the total pro forma cost, which should not be confused with the sums actually received by experts. Similarly, $3,000 for volunteers did not represent the sums received by volunteers per annum but included various other local costs.

116. Members were in agreement with the financial arrangements for placing the United Nations volunteers and accepted that local costs should be charged to budgets of specific projects to which they were assigned. Several members recognized, however, that the least developed countries should be given further assistance and, therefore, the Administrator's decision to set aside modest amounts in the programme reserve to augment relevant country IPFs for the purpose of financing the volunteer component within the project budgets was welcomed.

117. Several members, in referring to Economic and Social Council resolution 1618 (LI) and General Assembly resolution 2810 (XXVI) requested that the specialized agencies and organizations in the United Nations system channel all requests for volunteers in United Nations assisted development projects through the United Nations Volunteer programme.
118. Some members expressed their satisfaction with the recruitment arrangements which the United Nations Volunteers programme had concluded with the International Secretariat for Volunteer Service (ISVS) and the Co-ordinating Committee for International Voluntary Service (CCIVS). The view was also expressed that rather than initiate a new recruitment machinery, the United Nations Volunteers programme should continue to rely on the specialized services of these two international organizations. The view was also expressed that existing contractual arrangements with them should be continued and extended. One member suggested that the possibility of establishing contacts with higher educational and technical institutions in developing countries for the provision of qualified young persons should be explored.

119. The Secretary-General of the ISVS informed the Committee of his organization's achievement in the field of recruitment and training on behalf of United Nations Volunteers. In this context, its regional offices were very active in recruiting suitable candidates from developing countries as well. He gave an assurance of continued support of his organization to the United Nations Volunteers programme.

120. Concerning the future administrative structure of the United Nations Volunteers programme, the majority of members expressed their support for the proposals contained in document DP/L.205. With few exceptions, members were in agreement that the main thrust of the programme's activities should be placed in Geneva in proximity to specialized agencies and organizations in the United Nations system as well as to the two international volunteer recruiting organizations. Members recognized that the establishment of the Co-ordinator's Office in Geneva and a corresponding Liaison Office in UNDP headquarters was in the best interest of the programme's future growth, its operational efficiency and economy. In supporting this move, some members emphasized that those changes should not jeopardize the established co-operation between the programme and UNDP. Some members stated that their support for the proposal did not constitute a precedent for support of other possible proposals to change the location of United Nations offices. Several members noted that the Council was required to take a decision on the location of the programme at the present session which should not, therefore, be deferred to a future date.

121. One member was not convinced that the proposal to move the Co-ordinator's Office to Geneva was in the best interest of the development of the Programme. He noted that programming was of primary importance and had to be carefully worked out before recruitment could be initiated. Accordingly, he opposed this proposal. While recognizing that the Co-ordinator could not be in two places at the same time, he added that since recruitment functions were delegated to CCIVS and ISVS and were effectively carried out by them, there was no need for the Co-ordinator to be preoccupied with this aspect. Another member, while expressing his willingness to go along with the majority on the question of location, had some doubts whether the move to Geneva would improve the two related questions of programming and recruitment. Yet another member stated that the matter might preferably be postponed until an appropriate time was determined for such a move.

122. In the course of the discussions, the Sessional Committee was informed of a request from the Administrator that, since he had not had an opportunity to look into all aspects of this question, it would be preferable if the Committee's recommendation on this point could be couched in terms of authorizing the Administrator, at the appropriate time, to resettle the Co-ordinator's Office to Geneva.
123. As regards the Administrator's staffing proposals contained in paragraph 36 of document DP/L.205, several members expressed reservations on the Administrator's proposal to double the existing staff in 1972. One member, supported by other members, suggested that the number of staff should be maintained at the 1971 level. There was also discussion about deleting some specific posts from the proposed manning table for 1972.

124. Other members, while emphasizing the need for utmost economy, generally supported the Administrator's proposal. Following discussion on various suggestions, most members expressed willingness to accept the Administrator's proposals, on the understanding that every effort would be made to stagger their implementation and achieve savings, and that the Administrator would report to the Council at its forthcoming session.

125. Some members saw merit in the Co-ordinator's proposal to consider the United Nations Volunteers item on an annual basis, preferably at the June session.

126. In response to questions and observations raised in the course of discussions, the Co-ordinator gave an assurance that a high level of qualifications would be maintained for volunteers since this aspect would determine the degree of interest that developing countries would reposit in the programme in future. The Co-ordinator acknowledged the significant contribution that ISVS had made and indicated that the existing contractual arrangements would be continued. He further stated that every effort would be made to encourage participation of volunteers from developed and developing countries. Finally, he gave his assurance that he would make every effort to effect savings in the administration of the programme.

127. The draft report of the Sessional Committee on this item could not be considered by the Sessional Committee because of pressure of time. The observations made on it by members of the Governing Council at its 311th meeting are accordingly reflected in summary record DP/SR.311.

Decision of the Governing Council

128. At its 311th meeting, the Governing Council, on the recommendation of the Sessional Committee, took the following decision:

The Governing Council,

Taking note of the Administrator's report (DP/L.205 and Add.1) and the views expressed by members of the Council,

(a) Requested the Administrator to give effect to establishing, not later than the fourteenth session of the Governing Council, the Co-ordinator's Office in Geneva and an appropriate Liaison Office at UNDP headquarters in order to resolve the issue of the final location of the Co-ordinator's Office in conformity with the decisions of the Governing Council at its eleventh and twelfth sessions;

(b) Approved in principle the Administrator's staffing proposals contained in paragraph 36 of document DP/L.205 on the understanding that the Administrator would exercise maximum economy in their implementation and report on the savings achieved to the Council at its fourteenth session.
CHAPTER VI
DEVELOPMENT SUPPORT INFORMATION SERVICE AND COMMUNICATION SERVICES TO SUPPORT PROJECTS AND COUNTRY PROGRAMMES

129. For its consideration of item 9 of the agenda, referred to it by the Governing Council, the Sessional Committee of the Governing Council had before it a note by the Administrator on the development support information service and communication services to support projects and country programmes (DP/L.203).

130. In introducing this item, the Chief of the Development Support Information Service confined his remarks to the development support communication services described in section II of document DP/L.203. He emphasized that while primary responsibility for planning and carrying out project support communication work remained with Governments and Executing Agencies, UNDP had overall responsibility for ensuring that its resources were used most effectively, and therefore that communication appraisal and action was undertaken as part of country and intercountry programming.

131. The pooling of advisory and training services, and materials production, could in many cases result in economy and efficiency, as demonstrated by experience in the Development Support Communication Service (DSCS) (Asia). The pattern for countries in regions other than Asia would be adjusted to their needs and circumstances. Charges for this work would be made against indicative planning figures to the maximum extent feasible. Other arrangements were required when normal planning, delivery and charging procedures could not be applied in this relatively new field of endeavour. Thus the Administrator had proposed ceilings under which pooled services would be provided to countries in Asia, and in other regions. The main concern of the Administrator was to ensure that an acceptable method of providing and financing communication support services be found.

Summary of discussion

A. Development support communication services

132. The majority of members who spoke on this part of the item stressed the importance of using communication techniques to help generate greater participation by specific segments of the population in the development activities and benefits of projects and country programmes. The steps taken by the UNDP and the agencies in recent years to provide such inputs for projects and country programmes were welcomed.

133. Several members characterized the UNDP/UNICEF Development Support Communication Service for Asia as an excellent example of the value of pooling scarce international specialists, as well as equipment and other facilities, for work in this field. Several members emphasized the importance of bringing specific area knowledge, sociological experience and cultural sensitivity to bear in formulating and executing communication programmes for support of projects and country programmes and in helping strengthen Government structures for this work.
134. Regarding the proposals to begin systematic survey and planning work for groups of projects and countries in Africa, Latin America, and the Mediterranean and Middle East, many members agreed that similar communication needs of those regions called for action by the UNDP, in co-operation with the Governments and agencies concerned. Several members hoped that the Administrator could furnish them with further information on the current tentative plans, and that an outline of the identified needs and the kinds of pooled services and financing required to meet them could be provided to a forthcoming session of the Governing Council. They asked that information be included on personnel and equipment for such services and on the projects and country programmes to be serviced, together with a longer-term plan, time-table and financial estimates.

135. Members discussed at some length various alternative financing methods for the existing pooled services in Asia and for similar work to be done outside of Asia. Several members favoured the proposal for financing from the Programme Reserve, subject to later review as to whether the present level remained adequate for all agreed purposes. Some members, however, urged caution in using the Programme Reserve for this purpose, while others doubted whether the Programme Reserve was the correct funding source.

136. Various alternative financing methods suggested by members included possible use of:

(a) The Programme Support portion of the UNDP annual budget for all or part of the estimated costs of $1 million. While some members believed that part or all of the DSCS (Asia) services should, by definition, be financed under the Programme Support budget, others pointed out that this would require a commensurate increase in that budget. Other members believed that, for 1972, anticipated savings might be used to meet at least part of communication service costs;

(b) Intercountry indicative planning figures to cover all or part of the costs of such services for groups of countries concerned;

(c) Country indicative planning figures for those costs which could feasibly be charged to those figures according to the usual procedures;

(d) Certain combinations of the above alternatives for financing parts of the required services in accordance with the nature and purpose of the work performed. Difficulties were acknowledged in finding a single source or combined sources of financing that would be appropriate and flexible; reluctance was expressed to leaving the financing of these activities to chance.

137. The draft report on this part of the item could not be considered by the Sessional Committee because of pressure of time. The observations and reservations made on it by members of the Governing Council are reflected in summary record DP/SR.311.

Decision of the Governing Council

138. At its 311th meeting, the Governing Council, subject to observations and reservations expressed by members:
(a) Approved the continued financing, in accordance with existing procedures, of development support communication services for the Asia and Far East region during 1972, as detailed in table 1 of document DP/L.203.

(b) Requested the Administrator, with respect to future arrangements for the Development Support Communication Service in Asia and the progressive supplying of necessary similar services to groups of projects and countries in other regions (as outlined in paragraph 37 of document DP/L.203), to examine in more detail the alternative financing methods discussed at the thirteenth session, and to report to the fourteenth session on the respective merits of such methods for financing all or part of the expenditures for these services as from 1 January 1973, in order to enable the Governing Council to take a comprehensive decision at its fourteenth session.

B. Development Support Information Service

139. Several members commented on the contribution of public information and education towards generating needed understanding and support for the Programme and its objectives. A number of members stated that this work was a necessary complement to the broader mobilization of public opinion for the Second United Nations Development Decade.

140. Reference was made to General Assembly resolutions 2800 (XXVI) and 2897 (XXVI). In this connexion, several members concurred with the Administrator that the UNDP could not meet all of its development information needs, and that the Government services and the information services of the United Nations system had vital roles to play. Members welcomed the other initiatives proposed by the Administrator to avoid unnecessary overlapping and duplication of services, and to improve collaboration with the United Nations Office of Public Information and the Centre for Economic and Social Information, as well as the information services of the agencies and Governments. Certain members hoped to be informed at the Council's fifteenth session of the outcome of these initiatives.

141. One member urged that United Nations Information Centres devote more attention to development information, and stressed the desirability of Resident Representatives taking a greater part in information support activities for country programmes. Other members felt that, as the UNDP programme grows and financial possibilities improve, it would be indispensable to expand DSIS services.

Decision of the Governing Council

142. At its 311th meeting, the Governing Council took note of section III of the Administrator's report (DP/L.203) and endorsed the relevant budgetary implications contained in paragraph 162 of document DP/L.200.
CHAPTER VII
FINANCIAL MATTERS

A. Contributions, revised estimates of resources and Programme costs for 1972 and initial estimates of resources and Programme costs for 1973-1977

143. Under agenda items 7 (a), (b) and (c), referred to it by the Governing Council for preliminary consideration, the Budgetary and Finance Committee had before it for review the status, as of 7 December 1971, of contributions pledged for the financial year 1972; estimates of resources and Programme costs for that year; and a forecast of resources and Programme costs anticipated to materialize over the five-year period 1973-1977 as reflected in document DP/L.211.

Contribution pledged for the financial year 1972

144. During the consideration of this item, the representative of Japan announced that his Government, subject to Parliamentary approval, had pledged an amount equivalent to $8 million as its contribution for 1972. This constituted an increase of 38.9 per cent over its pledge for 1971, which was an amount equivalent to $5.76 million.

Estimate of UNDP resources and Programme costs for 1972

145. In response to a question put by one member, the UNDP Administration explained that in making the forecast of $265 million for income from voluntary contributions the Administrator had decided to assume, for those countries which had not made a specific pledge for 1972, contributions at levels no greater than 1971. Despite the announcement of an increased pledge by Japan, the Administrator considered it prudent to maintain the initial forecast in the light of other unsettled conditions.

146. It was explained by the Administration that the estimates of field programme costs represented forecasted delivery by Executing Agencies, rather than a planned programme for 1972. The estimates of expenditure in respect of agency overhead costs were consequential, therefore, in accordance with Governing Council decisions taken at its twelfth session to pay agency overhead costs at a composite rate of 13 per cent.

147. The estimate of $33.5 million in respect of UNDP programme support and administrative costs represented provision in the budget which was being submitted for approval to the current session of the Council. It was the general feeling of the Committee that the administrative and programme support costs for the year 1972 should be reduced to a minimum so that the rate of increases would be no greater than the rate of increase in resources.
148. Members expressed serious concern over the high cost of total administrative and programme support costs in relation to field programme costs, and noted in particular the forecasted rise of UNDP programme support and administrative costs from 11 per cent in 1972 to 14 per cent for the period 1973-1977. While recognizing the fact that the rate of reimbursement of agency overhead costs was fixed by the Council for 1972 and 1973 and that studies were under way to determine what level of overhead costs would be payable from 1974 onwards, members felt that the growth of the UNDP programme support and administrative cost budget should be checked and the trend reversed in so far as possible. One member suggested a cut-back of 20 per cent in total administrative and programme support costs and stated that such a cut-back would permit the erasure of the anticipated deficit.

149. With regard to the disposition of the unused resources of prior years, some members expressed concern over the quickened infusion of funds into the new programme and the effect of this on the level of the programme when the balance of these resources was exhausted. At the same time, they requested information on the composition of the Operational Reserve.

150. In response to the above questions and observations, the Administration informed the Committee that the estimates represented broad orders of magnitude to be used for planning purposes and were by no means rigid. The Administration intended to be as stringent as possible in the use of funds for administrative purposes and the Council would have before it for approval each year the most recent estimates as reflected in the budget for the ensuing year.

151. The release of unused resources of prior years was entirely contingent upon injection of new resources and the rate of expenditure by Executing Agencies. If the former fell below expectations, the only way to maintain the tempo of delivery would be a faster use of reserves.

152. Members of the Committee were informed that approximately one half of the $150 million Operational Reserve was in the form of receivables, currencies not readily usable, and non-interest-bearing letters of credit. These letters of credit were, in effect, promisory notes from Governments, payable only under conditions agreed to by those Governments. The remainder consisted of funds derived from all contributors without distinction as to national origin.

153. Several members supported a proposal that the work of the Committee would be facilitated if the data provided in table II of document DP/L.211 were expanded to cover each of the five years from 1973-1977. A specific proposal was put forward by two members as follows:

"The Committee considers that the Administrator should provide for consideration at the fourteenth session of the Council a statement showing anticipated resources and programme costs for each of the five years 1973-1977.

"Resources should distinguish between voluntary contributions, local cost assessments, and other income. The utilization of prior year resources should also be shown where appropriate."
Programme costs should show separately the anticipated expenditure and its anticipated annual distribution for:

(a) Country programmes already approved;

(b) Country projects approved outside the framework of approved country programmes;

(c) Country programmes not yet approved. In some cases it would only be possible to assume an appropriate proportionate distribution of country IPFs. In others, where programmes were closer to submission for approval, more precision might be possible;

(d) Intercountry projects and programmes;

(e) The Programme Reserve divided as far as possible between its constituent elements;

(f) Agency overhead costs;

(g) UNDP programme support and administrative costs;

(h) Total firm forward commitments in the form of allocations to agencies;

"Calculations should reflect current Council decisions on IPF and support costs levels.

"The information should be presented in tabular form on the lines of table III in DP/L.157 presented to the Council's eleventh session.

"Similar information should be provided annually to the Council on a rolling five-year basis."

15. In 1972, the above information would be prepared for presentation to the fourteenth session of the Council. Thereafter, the information would be provided annually at the January session of the Council.

155. The Administration agreed to the provision of such information and to the preparation of forecasts of voluntary contributions at a rate of increase of 15 per cent, which was in excess of the current percentage adopted by the Governing Council for the establishment of indicative planning figures, as proposed by one member. The same member expressed the wish that the Administrator should provide for alternative projections between 9.6 per cent and 15 per cent.

156. One member hoped that the important and necessary type of expenditure to be made under the Programme Reserve would be covered by future increases to this Reserve.

Decision of the Governing Council

157. At its 310th meeting, on the recommendation of the Budgetary and Finance Committee, the Governing Council:
Took note of

(a) The unused resources of $149.9 million estimated to be available on 31 December 1971 after establishment of the Operational Reserve at its approved level of $150 million;

(b) The estimate of new resources totalling $291.5 million anticipated to be available during 1972;

(c) The continued use for the purpose of forward programming of an estimated average annual increase of 9.6 per cent in voluntary contributions, resulting in an estimate of new resources totalling $1,885.3 million, which would be available during the period 1973-1977;

(d) The Administrator's intention to provide more detailed forecasts of resources and programme costs at the fourteenth session, and annually thereafter, at the January session of the Council.

Authorized the Administrator, within the total resources estimated to be available, after provision for UNDP programme support and administrative costs, to allocate funds to the Participating and Executing Agencies to permit them to enter into commitments for the full cost to completion of approved projects, including the related agency overhead costs, and to incur expenditure for carrying out project activities in the year 1972.

158. With reference to subparagraph (c) of the above decision, some members indicated that they could not accept the estimates being presented on a rolling basis, and stressed that the estimated annual increase of 9.6 per cent in voluntary contributions was applicable only to the period 1972-1976 and, in their opinion, should not be applicable thereafter.

B. Waiver of local cost assessments for 1972

159. Under agenda item 7 (d), referred to it for preliminary consideration by the Governing Council, the Budgetary and Finance Committee had before it document DP/L.207, which outlined the Administrator's plans for waiving local cost assessments applicable to the year 1972.

160. Members of the Committee welcomed the Administrator's responsiveness to General Assembly resolution 2768 (XXVI), reflected in his decision to grant full waivers of local costs for 1972 to the 25 "hard-core" least developed of the developing countries. While welcoming the decision, it was noted that this was just one of the measures which might be taken to alleviate the plight of the least developed countries. Many members of the Committee looked forward to the adoption of other measures. Some members also expressed the view that these waivers should be granted for an extended period of time.

161. With respect to possible waivers for other countries, there were mixed feelings as to the path the Administrator should take. Some members favoured a liberal approach; others struck a more cautious note, harbouring the belief that waivers should be granted only under extraordinary circumstances. Some who held the latter view drew attention to the adverse consequences of a too liberal policy, namely the diminution of resources and its concomitant effect on indicative planning figures. One member expressed his delegation's reservation on the 8 per cent assessment for local cost contributions.
Several members urged the Administration to develop, for the fourteenth session of the Governing Council, criteria which could be applied uniformly in determining which countries should enjoy the benefits of waivers. The view was expressed that the development and application of standard criteria would go a long way towards the elimination of an uneven treatment among countries. The Administration agreed to present a paper on this question to the fourteenth session of the Council. In this connexion, several members held the opinion that mere accession to independent status was not a sufficient criterion to warrant the receipt of waiver privileges.

The Governing Council considered the report of the Budgetary and Finance Committee in connexion with special measures in favour of the least developed among the developing countries (see below, paragraphs 282-306).

**Decision of the Governing Council**

At its 308th meeting, the Governing Council, on the recommendation of the Budgetary and Finance Committee, took note of document DP/L.207 and requested the Administrator to submit a report to the fourteenth session of the Council on the specific criteria evolved by him in regard to the question of waivers of local cost assessments.

**C. Arrangements for Custodianship of UNDP Funds**

In considering agenda item 7 (g), UNDP Financial Regulations and Rules (see paragraphs 178-191), members of the Budgetary and Finance Committee had engaged in extensive debate on articles IV and V of these regulations which deal with the subjects of the custody of UNDP funds and the investments of those funds. The views of members were reflected in the report of the Committee on the above-mentioned agenda item (see paragraphs 180-183).

The debate on agenda item 7 (e), on the arrangements for custodianship of UNDP funds (DP/L.215), which had been also referred to the Budgetary and Finance Committee by the Council, reflected the previous debate on the subject and members reiterated their views.

Several members expressed a desire to see the study mentioned in paragraph 3 of document DP/L.215 move to an early conclusion and hoped that the UNDP Administration could issue a report to the fifteenth session of the Governing Council. The Administration accepted to do so.

**Decision of the Governing Council**

At its 310th meeting, the Governing Council, on the recommendation of the Budgetary and Finance Committee:

(a) Took note of document DP/L.215;

(b) Requested the Administrator to report to the fifteenth session of the Governing Council on the question of arrangements of custodianship of UNDP funds.
D. Agency overhead costs

169. In considering agenda item 7 (f), referred to it by the Governing Council, the Budgetary and Finance Committee had before it documents DP/L.212 and Add.1. Document DP/L.212/Add.1 contained the observations of the Advisory Committee on Administrative and Budgetary Questions on a special report by the Administrative Committee on Co-ordination (ACC), in which a management survey on the question of reimbursement to Executing Agencies of overhead costs was reviewed. The ACC report was issued as document E/5081.

170. Several members expressed the view that the current rate of reimbursement to agencies was too high. Some members based their point of view, among other things, on the experience gained from the administration of some bilateral programmes where costs ranged from 2 per cent to 8 per cent of the total costs of the programmes. While recognizing the basic differences between administering a bilateral and a multilateral programme, some members felt that the substantially lower costs of the former called into question procedures in UNDP and between UNDP and the Executing Agencies which led to combined administrative, support and overhead costs of at least 25 per cent.

171. The representative of one of the large Executing Agencies contended, on the other hand, that overhead costs were inadequate and advanced reasons why these costs were constantly on the rise. UNDP overhead costs had to be supplemented by the agency's regular budget, a circumstance which was criticized by the governing body. It was also pointed out by agency representatives that administrative costs were only a portion of agency overhead costs. The representatives of some of the smaller Executing Agencies explained the basis of their request for additional overhead payments under the flexibility arrangements.

172. One member stated that there was a difference between pure administrative costs and overhead costs which included, besides administrative costs, an element of programme support costs which could be apportioned as direct project expenditure over the spectrum of projects.

173. From the debate, several points became clear:

(a) It seemed necessary to reach an early decision as to whether UNDP would bear the full overhead costs of agencies related to its activities or whether these costs should be shared between UNDP and agencies on a new basis, either a single arrangement for all agencies or individual arrangements for each agency.

(b) There should be a clear definition of what overheads should cover, and what should be understood to constitute three categories of costs: administrative, project support, and programme support costs. Thus it was necessary for the Administrator to consider the whole area of administration and support costs for UNDP's operational programme, not only those currently financed through agencies. Alternative means of financing essential overhead costs should be considered. Inter alia, the possibility should be explored of linking the issue of the financing of agency field representatives and the question of reimbursement of overhead costs.

(c) The objective should be to decide, by identification and measurement, not necessarily carried to extremes of precision or with the same degree of involvement on the part of the smaller agencies, on an acceptable standard of service to UNDP.
(d) The time-table for the technical studies required to permit the achievement of this objective should be compressed and the expert advice of the United Nations Joint Inspection Unit should be secured in order to hasten a rational, equitable and economic solution.

174. The UNDP Administration informed the Committee that the Consultative Committee on Administrative Questions would meet in March to tackle the question of definitions and the current composition of costs financed from overhead. It undertook to bring to the attention of the agencies the note of urgency struck by the Committee in its desire to see the studies move forward to a swift conclusion and was optimistic that some real progress would be made at the forthcoming session.

175. As to the decision to be made on reimbursement, the Committee hoped that the Council could be seized with this question at its fourteenth session.

176. Members agreed that for 1972 additional overhead payments totalling no more than $536,292 be paid to five executing agencies (IMCO, ITU, UNCTAD, UPU and WHO) under flexibility arrangements; three members expressed reservations.

Decision of the Governing Council

177. At its 308th meeting, the Governing Council, on the recommendation of the Budgetary and Finance Committee:

(a) Took note of documents DP/L.212 and DP/L.212/Add.1;

(b) Authorized the Administrator to make additional overhead payments totalling a maximum of $536,292 to IMCO, ITU, UNCTAD, UPU and WHO under flexibility arrangements;

(c) Decided to continue consideration of the question of overhead costs on the basis of a progress report by the Administrator at its fourteenth session;

(d) Expressed the wish that the Joint Inspection Unit's advice would be available to the Administrator in the preparation of the necessary technical studies, and that in the light of these studies he would undertake as a matter of urgency an independent, in-depth study of the whole question of overhead costs of all organizations concerned in order to determine precisely their overhead costs and to prepare a rational, equitable and economical solution, and present a report thereon to the Council at its fifteenth session.

E. UNDP Financial Regulations and Rules

178. The Budgetary and Finance Committee, at the request of the Governing Council, reviewed the draft provisional financial regulations which the Administrator was presenting to the Governing Council for its approval in document DP/L.201 and Add.1. These financial regulations and rules are of an interim nature pending adoption by the United Nations General Assembly of the omnibus Statute for UNDP, at which time a permanent set of financial regulations and rules will be prepared and submitted to the Council. In its review of these provisional financial regulations and rules, the Committee had the benefit of the comments of the Advisory Committee on Administrative and Budgetary Questions (ACABQ), which were annexed to document DP/L.201/Add.1.
Article I. Applicability

179. Members suggested that it might be useful to define, in the proposed financial regulations, the terms "counterpart contributions" and "local costs." These terms were defined in paragraph 195 (b). The Committee concurred with the ACABQ's recommendation which stated that when the UNDP's permanent financial regulations are drafted, an attempt should be made to provide definitions of "programme support and administrative costs" and "agency overhead costs," and put forward the suggestion that the term "executing agent" should also be included in the list of definitions on that occasion. The UNDP secretariat agreed to do so.

Article IV. Custody of Funds

Article V. Investment of Funds

180. While no amendments to the texts were recommended, the Committee discussed aspects of custodianship in the light of the information contained in document DP/L.215, entitled "Arrangements for custodianship of UNEP funds." The Committee noted that the representative of the Secretary-General, in a statement in the Fifth Committee on 17 December 1971, had foreshadowed a possible need to resort to short-term borrowing from UNDP funds to tide him over the temporary liquidity problems in the management of United Nations finances in 1972. Considerable concern was expressed by the Committee in connexion with the possibility that such a temporary borrowing might immobilize UNDP funds over long periods and that there might be a cost to the UNDP in terms of interest foregone.

181. The Committee welcomed a statement made by the Director of the Financial Management Division that he had been authorized by the United Nations Controller to assure the Governing Council that, if such arrangements between the United Nations and UNDP became necessary, there would be no loss to the UNLP in terms of principal, interest or any other income foregone.

182. One member stressed the importance of securing sound management of UNDP resources as underlined in paragraphs 9 through 12 of the report of the United Nations Board of Auditors (A/8407/Add.1).

183. In connexion with the investment of funds, the Administration stated that whenever possible efforts were made, in conformity with previously expressed wishes of the Council, to make investments of UNDP funds in the form of participations in development loans arranged by the World Bank and Regional Development Banks. It was emphasized that safety of principal and rate of return were always the major considerations in reaching investment decisions, but that once these criteria were satisfied, the Administration attempted to give preference to development-oriented placements. Under authority previously granted by the Council, loans had also been made to a few countries to enable them to construct housing for experts. The problem of inadequate housing for experts was one of growing concern in the execution of the Programme and had the attention of the Council in another context.

Article VI. Voluntary Contributions

184. One member, supported by other members, proposed a change in Regulation 6.1 to the effect that voluntary contributions might be accepted from all States wishing to participate in the Programme. However, other members opposed this
proposal; the Committee therefore recommended no change in Regulation 5.1. Several members proposed an amendment to Regulation 6.4 to allow Governments to make contributions in their national currencies or currencies of their choice in view of the voluntary nature of such contributions. Other members, however, thought that because of the transitional character of the regulations no change should be made at this time.

Article VII. Government Contributions for Projects

185. The texts of Regulations 7.2 to 7.4 were not quite clear to members as they could not easily determine when the language used referred to local costs or when it related to counterpart contributions. At the request of the Committee, the UNDP secretariat redrafted these Regulations (see paragraph 195 (a)).

196. With regard to rule 107.1, two members stated that in view of their countries' budgetary set-up their Governments could not comply with the obligation of payments of local costs on 1 January of the year to which such payments referred, although they adhered to the principle of payment of local costs before the commencement of projects.

Article X. Miscellaneous Income

197. With respect to rule 110.4, members commented on the difference in treatment of the handling of proceeds from the sale of equipment depending upon whether or not project accounts had been closed and requested the Administrator to look into the possibility of adopting a system which would uniformly credit such proceeds to the respective project budgets.

Article XI. Financing the UNDP Programme

198. The amendment of Regulation 11.3 to insert the words "under all circumstances" between "to guarantee" and "the financial liquidity" was proposed by one member and accepted by the Administrator (see paragraph 195 (a)).

199. The Committee took note of the observation of the ACABQ that the current provisions of rule 111.3 pertain to the years 1972 and 1973 only.

Article XIII. Implementing the UNDP Programme

200. The Committee expressed the wish that Regulation 13.2 be modified to conform closer to the content of paragraph 40 of the Consensus (see paragraph 195 (a)).

General observations

201. The Committee endorsed the recommendations of the ACABQ that, in future, the use of language which might be open to various interpretations should, wherever possible, be avoided. In this context, one member suggested that in the preparation of the permanent regulations the texts of the Statute upon which the regulations were based and the regulations and rules themselves should not be repetitive; in fact they should be complementary. Another member expressed a wish to see reflected in future financial regulations the fact that the Administrator was now fully responsible for the management of all aspects of the Programme.
Consideration by the Governing Council

192. The Chairman of the Budgetary and Finance Committee introduced the Committee's report on UNDP financial regulations and rules in the Governing Council.

193. The Director, Financial Management Division, informed the Council that the regulations would be subject to change as the Council took further decisions on various important matters. In the meantime, the Administrator would have to operate with some flexibility, and it was his understanding that the Council was agreeable to this during the transitional period. The attention of the Council was drawn particularly to the fact that for the time being the arrangements under the former Revolving Fund for pre-project activities in respect of intercountry and global projects would have to be continued as a purely practical matter. Furthermore, the Administrator intended to respond to the Council's wish that UNDP should enter into direct contractual arrangements to a greater degree and that increased attention should be given to global projects. Action along these lines, particularly in regard to direct contracting for activities involving institutions or research, might often require that the Administrator take exceptional actions falling outside normal contracting and procurement procedures.

194. During the discussion in the Governing Council, the President informed the Council that the full text of the revised provisional regulations and rules would be made available to members in the near future.

Decision of the Governing Council

195. At its 310th meeting, the Governing Council, on the recommendation of the Budgetary and Finance Committee:

(a) Approved, subject to comments and reservations made by several members to certain sections, the text of the provisional financial regulations submitted by the Administrator in document DP/L.201 and Add.1, with the following changes:

Regulation 7.2: Counterpart contributions required from recipient Governments towards the costs of projects shall normally be made both in cash and in kind. The level and nature of such counterpart contributions will be determined in agreement with the recipient Government and in the light of policies established by the Governing Council. The level, nature and timing of such counterpart contributions will be described, as appropriate, in the relevant project document.

Regulation 7.3: The Governing Council shall establish the level for cash contributions required from recipient Governments towards local costs. The assessment of such local cost obligations may be waived in full or in part in cases of hardship.

Regulation 7.4: deleted

Regulation 11.5: There shall be established an Operational Reserve the purposes of which are to guarantee under all circumstances the financial liquidity and integrity of the Programme, to compensate for uneven cash inflows, and to meet such other requirements as may be decided upon by the Governing Council.
Regulation 13.2: Projects shall be executed, whenever possible, by the United Nations, by the specialized agencies concerned, or by the International Atomic Energy Agency. First consideration shall normally be given to these organizations in the selection of the agent by which UNDP assistance to each project will be implemented. Agreements shall be entered into between the Administrator and each Participating and Executing Agency in which the general terms and conditions which are to govern the financing and execution of such projects are specified.

(b) Took note of the provisional financial rules to be promulgated by the Administrator, it being understood that these would be amended to reflect changes agreed during discussion of the item by the Budgetary and Finance Committee, including definitions of "local costs" and "counterpart contributions" as defined hereunder.

"Local costs" means an assessed contribution made by Governments to the general resources of the UNDP to help meet expenses of a general nature incurred by UNDP in local currencies in the execution of projects.

"Counterpart contributions" means the agreed contributions of Governments made in cash or in kind for the cost of specific services and facilities as set out in individual project documents.

F. Audit reports

196. Under item 7 (h) of its agenda, the Council considered the audited financial report and accounts of the UNDP for the year ended 31 December 1970 (A/8407/Add.1), together with the relevant comments of the Advisory Committee on Administrative and Budgetary Questions (A/8350), and General Assembly resolution 2759 B (XXVI).

Decision of the Governing Council

197. At its 306th meeting, the Governing Council took note of the audit reports (A/8407/Add.1).
CHAPTER VIII

ADMINISTRATIVE AND BUDGETARY MATTERS

A. Budget Estimates for the Administrative and Programme Support Services of the United Nations Development Programme for the year 1972

198. For its consideration of item 10 (a) of the agenda, referred to it by the Governing Council for preliminary consideration, the Budgetary and Finance Committee of the Governing Council had before it the Administrator's budget estimates for the administrative and programme support services of the UNDP for the year 1972 (DP/L.200) and the related report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) (A/8643). In addition, the Committee was informed of the potential budgetary aspects of the Administrator's proposals with regard to the United Nations Volunteers (DP/L.205) (see chapter V of this report) and the Development Support Information Service and communication services to support projects and country programmes (DP/L.203) (see chapter VI of this report).

199. In introducing the budget estimates for 1972, the Director of the Bureau of Administrative Management and Budget outlined the situation in regard to the 1971 budget. He informed the Committee that the Administrator expected to hold 1971 expenditures within $28,785,000 which reflected savings of approximately $715,000 as forecast in his report to the twelfth session of the Council in June 1971 (DP/L.186). As anticipated, most of these savings would arise under staff costs and were the direct consequence of deferral of recruitment to new posts added in 1971.

200. Turning to the 1972 budget, the Director outlined the new form, approved by the Council at the twelfth session, 7/ in which the budget had been presented. The budget was thus formulated by object-of-expenditure for appropriation purposes while at the same time there was a detailed presentation for each budget objective and corresponding organizational unit showing the estimated amount of resources to be applied.

201. The Director outlined the principal elements forming the basis of the budget estimates:

(a) At headquarters, the new organizational arrangements were to be reviewed by the Administrator during the early months of 1972 and therefore, for the present, constituted an experimental pattern. Accordingly, pending the review and recommendations resulting therefrom, the Administrator regarded 1972 as a holding year in respect of headquarters, precluding any significant augmentation of staff or services. Some marginal additions to the staff had, however, become essential in order to meet certain specific and urgent requirements;

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(b) For the field offices, the Administrator proposed to proceed with the second instalment of the three-stage process of strengthening them to enable them to meet their new and enlarged responsibilities;

(c) In order to meet the needs of the Programme, it was proposed to open new offices or sub-offices in six other locations;

(d) The new arrangements which were approved by the Council last June for the assignment of Senior Agricultural Advisers to UNDP field offices would be implemented beginning 1 January 1972. Under these new arrangements two thirds of the total costs of all of the Agricultural Advisers would be met by UNDP and one third by FAO;

(e) It was proposed to increase the number of Agricultural Advisers from 55 to 58, after full consultation with the Director-General of FAO. Similarly, the number of Industrial Advisers would be increased from 22 to 26 following the strong recommendations of the Industrial Development Board and the Executive Director of UNIDO.

202. The resulting budget estimates for 1972 amounted to $33,452,400 (net). Setting aside costs related to the United Nations Volunteers and the Field Advisers, the increase in costs for "UNDP Proper" between 1971 and 1972 was approximately 10.7 per cent. Further, the 1972 estimates for "UNDP Proper" represented some 10.3 per cent of total estimated resources for that year. The total 1972 budget, including the United Nations Volunteers and the Field Advisers showed an increase over 1971 of 13.39 per cent and represented 11.49 per cent of total resources for 1972. This latter percentage also fell within the range of 10 to 12 per cent of the total resources that the Administrator had indicated to the Council on earlier occasions. Of the total increase of 13.39 per cent, 9.35 per cent related to the field and only some 4 per cent to headquarters.

203. Referring to the report of the Advisory Committee on Administrative and Budgetary Questions (A/8643), the Director noted that the Committee's approval of the proposed strengthening of field offices as being consistent with the objectives of the Consensus. In regard to the 17 new general service posts proposed for headquarters, the Administrator had noted the views of the Advisory Committee and found no major difficulty in deferring recruitment to some of these posts. It was noted that the Advisory Committee had no objection to the proposed addition of four professional posts to the headquarters secretariat. With respect to overtime in field offices, the Director indicated that significant savings would be difficult to make in view of the fact that the total provision of $174,000 was spread over some 100 offices or $1,700 per office. The Director stated that the Administrator was aware of the need for strict control of travel costs; at the same time, a certain minimal amount of travel by Resident Representatives and their staff, the heads of the Regional Bureaux and country desk officers was essential to the effective functioning of the Programme. The Administrator had also noted the comments of the Advisory Committee on Section 5 (Other general expenses) and would make every effort to exercise the utmost practicable control over expenditures covered by this section.
Summary of discussion

204. The Committee expressed appreciation of the new form in which the Administrator had presented the 1972 budget estimates. The new presentation provided a clear picture of the purposes and amounts of proposed expenditures and facilitated a more efficient consideration of the budget by the Committee. The hope was expressed that the new form of the budget would continue to be used for future presentations, and to this end, would be further refined.

205. There was concern about the increase in the 1972 estimates in comparison with the appropriations for 1971. The view was expressed that the growth in costs of 13.39 per cent over 1971 was greater than the growth guidelines indicated in the Consensus, although it was recognized that in the initial period of adapting the secretariat to its new and enlarged tasks costs would be somewhat higher. It was also indicated that the increase in 1972, if compared with actual expenditures in 1971 as reported by the Administrator to the twelfth session (DP/L.186), would amount to approximately 16 per cent.

206. While expressing reservations at the increase in costs as compared to earlier years, two members stated that whereas such increases might reasonably be expected and therefore accepted by the Council at this stage of Programme development, a similar percentage growth would not be acceptable in future years. In future years, upon completion of headquarters' reorganization and the third phase of strengthening of the field offices, it was to be hoped that the present growth rate in the budget estimates would be reduced. Many members expressed the opinion that efforts should be made by the Administration to reduce costs relating to staff and travel; costs related to general expenses, overtime, consultants, subvention to the United Nations and hospitality were the subject of special comments.

207. In connexion with general expenses and particularly regarding costs incurred for renting of office accommodations in New York, one representative indicated that the Council might at some time wish to consider a suggestion along the following lines:

The Governing Council,

Preoccupied about the substantial increase in expenditures for rent and maintenance of the offices of UNDP;

Requests the Administrator to undertake a study of measures that could be taken in order to provide the Administration with convenient and economical premises, taking into account the resources that could possibly be appropriated for the financing of new premises;

Further asks the Administrator to undertake this study jointly with the study the Secretary-General was commissioned with by General Assembly resolution 2895 (XXVI);

Decides to take up this question on the occasion of its fifteenth session. (See also paragraphs 249 and 251.)

208. In regard to staff costs, several members felt that reclassification of existing posts at headquarters, especially at the higher level, might well await
the outcome of the review which the Administrator intended to make for submission to the fourteenth session of the Council.

209. General support was given to the proposals for the strengthening of field offices, which was recognized as a consequence of the new programming and the related arrangements which the Council had approved. The view was expressed, however, that because of the increased delegation of authority to the field offices in respect of programming, some of the functions which had been transferred to these offices should, through redeployment, result in some reduction of staff at headquarters.

210. Some members requested clarification regarding the proposed new offices and sub-offices and particularly the criteria being followed for establishing such offices. Certain questions were also raised regarding the necessity and value of global and regional meetings of Resident Representatives.

211. A few members commented on the distinction made between "Administrative Costs" and "Programme Support Costs" in one of the annexes to the budget presentation. One member found the distinction to have little validity; another proposed that the present distinction be retained until such time as the Administrator could take advantage of the outcome of the ACC study into this matter in connexion with agency overhead costs.

212. One member expressed dissatisfaction with the existing documentation services, in particular translation of documents into all working languages. He indicated that he appreciated some of the problems involved but nevertheless believed the existing situation was unsatisfactory and must be improved. The member asked if a later scheduling of the January session of the Governing Council would help by reducing the strain on the United Nations translation and documentation services during the General Assembly period and whether the Council should consider budgetary provision to enable the Administrator to have some of this work done externally.

213. While appreciating the detailed examination of the budget estimates by the Advisory Committee, some members felt that the usefulness of that Committee's report would be enhanced if it included more definitive conclusions and recommendations.

214. In the course of the discussion, the Committee heard a number of strongly expressed views in regard to economy, reduction in estimated expenditures and a halt to the growth of the budget estimates in relation to programme resources.

215. One member suggested that the new additions and reclassifications at headquarters be deferred until after the projected review of the headquarters arrangements at the June 1972 session of the Council.

216. One member proposed that a ceiling of $32 million be placed on the 1972 budget pending a review of the whole situation by the Administrator with a view to identifying savings and reporting back to the Committee at a later session in 1972; and that the Administrator be authorized to strengthen the immediate Office of the Administrator by establishing or redefining previously established posts, within the total amount of funds approved under Section 1. The proposal was supported by several other members.
217. Following the observations of the Administration, the Committee turned its attention to the suggestion and proposal previously made. After a short discussion, the member which had suggested deferral of proposed headquarters new posts and staff reclassifications withdrew its proposal. Discussion then centred on the proposal that a ceiling of $32 million be placed on the 1972 budget. After an exchange of views on this matter, the member which had made the proposal said that, after consultations with members and the Administrator, he was inclined to accept the views of the Administrator and was reluctantly prepared to go along with a 1972 budget at the proposed level of $33.4 million, provided:

(a) The Administrator review the budget, with a view to identifying and effecting appropriate savings, and report back to the Committee at a time to be agreed upon by the Committee; and

(b) The Administrator be given the authority which would permit him to redeploy, redefine and reclassify posts within his office according to his needs.

218. A number of members also raised questions about the proposal to authorize the Administrator to strengthen the immediate Office of the Administrator. It was suggested that the issue was really one of redeployment of resources in the context of strengthening the field offices and of necessary adjustments at headquarters and that for this purpose the Administrator should have the needed flexibility. It was also suggested that any proposals to strengthen the headquarters should be put up to the Council for approval.

219. Several members expressed general reservations about the increase of administrative and programme support costs in the estimates for 1972 and one member stated it could not approve the budget for 1972.

Observations of the Administration

220. In responding to comments made by members of the Committee, the Administrator indicated that he understood the concern expressed by members in regard to the size of the budget and its increase in relation to growth in Programme resources. He reminded the Committee that this period of UNDP reorganization was transitional. In direct response to the proposal put forward by one member that a ceiling of $32 million be placed on the 1972 budget, the Administrator informed the Committee that such a limitation would make his review of the organization and its staffing and other needs in the next few months extremely difficult. In regard to the field, he indicated his own support for this growth as being essential to the well-being of the Programme and pointed out that, taking into account inflationary increases in costs, the real additional resources proposed for the headquarters was within $250,000. In response to observations on United Nations Volunteers costs, the Administrator expressed the view that these were modest, particularly in view of the great potential of the Volunteers programme. He also indicated that he would be most reluctant to see cuts in the allocation for consultants as he believed that, during his first year in office, it would be necessary from time to time to make various reviews with the use of outside consultants.

221. The Director of the Bureau of Administrative Management and Budget responded to a number of points made by members. In regard to the opening of new field offices, he emphasized that new offices were opened when it was deemed absolutely
necessary for management and optimum delivery of the Programme. Prior to a new office being opened, the services of an agency representative were often called upon or a sub-office was established under the auspices of a neighbouring office.

222. In response to comments on increases in staff costs, the Director stated that 1971-1973 were years of major organizational restructuring and field expansion. Forty-eight field posts had been approved in 1971 and the second stage of field strengthening called for 44 more professional posts in 1972. Over this same period the number of field technical advisers had increased very substantially with corresponding increase in costs for the Programme. In addition, increases in salary and related entitlements over the period accounted for some 8-12 per cent rise in costs, while inflationary elements generally accounted for some 6-7 per cent increase in costs per year.

223. With respect to global and regional meetings, the Director referred to the three global meetings held so far (Turin 1966, Hot Springs 1968, and New Delhi in 1970) and stated that the Administrator believed these meetings to have been most useful. With regard to the New Delhi meeting, it was a necessary and useful device for bringing developments in respect of reorganization and country programming to the attention of all Resident Representatives. For the future, regional meetings might well prove to be more useful; however, this was a practice that was still evolving and the Administrator would keep the Council informed periodically on this matter.

224. With respect to the distinction made in the budget presentation between administrative and programme support services, the Director pointed out that the present distinction was made at the request of the Governing Council. The present exercise of this distinction had its limitations and would be further refined in the light of the clearer definitions which were expected to result from the ACC study of this matter.

Decision of the Governing Council

225. At its 310th meeting, the Governing Council, on the recommendation of the Budgetary and Finance Committee:

(a) Approved the estimates of 1972 requirements for administrative and programme support services of the UNDP secretariat in a total amount of $33,452,400 (net) as submitted in document DP/L.200, subject to the observations and reservations made by members during the discussion, and the understanding that the Administrator shall report to the fourteenth session on savings which are envisaged. The estimates comprise the following appropriations sections:

<table>
<thead>
<tr>
<th>Section</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 - Salaries and wages</td>
<td>$24,718,800</td>
</tr>
<tr>
<td>2 - Common staff costs</td>
<td>7,888,300</td>
</tr>
<tr>
<td>3 - Travel and transportation</td>
<td>1,694,800</td>
</tr>
<tr>
<td>4 - Permanent equipment</td>
<td>548,000</td>
</tr>
<tr>
<td>5 - Other general expenses</td>
<td>3,864,800</td>
</tr>
<tr>
<td>6 - Subventions</td>
<td>673,000</td>
</tr>
</tbody>
</table>

Gross Total: $39,387,700

Less:

<table>
<thead>
<tr>
<th>Section</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>7 - Estimated income</td>
<td>$5,935,300</td>
</tr>
</tbody>
</table>

Net Total: $33,452,400
(b) Decided that the Administrator may transfer credits between sections only with the authorization of the Governing Council, such authorization to be obtained, if necessary, by canvassing members through correspondence.

(c) In order to finance these requirements, authorized an allocation in the amount of $33,452,400 (net) from the resources of the UNDP.

(d) Further authorized the Administrator to redeploy staff resources and redefine previously established posts within the total approved appropriation under Section 1 (Salaries and wages), and requested him to report to the Council at its fourteenth session on the actions taken in this regard.

B. Arrangements to provide advice and support to Resident Representatives in sectoral fields within the United Nations development system

226. In considering this agenda item, which was referred to it by the Governing Council, the Sessional Committee had before it documents DP/L.209 and Corr.1 and Add.1. The Administrator's report described the arrangements which had already been made for sectoral advice to and support of the Resident Representatives and identified the Resident Representatives' requirements for such advice in the light of the new programming and related procedures. After outlining the main features of the current arrangements, the Director of the Bureau of Administrative Management and Budget explained that the Administrator needed to have further consultations with the executive heads of the agencies before making proposals for new or additional arrangements and that, in view of the importance of this matter, he would give it his urgent and full attention.

227. Members of the Sessional Committee who commented on the report expressed appreciation for the comprehensive information provided. One member wished that new proposals had been presented even at this stage to ensure effective integration at the country level of sectoral support from other agencies in line with the new country programming procedures. He expressed the view that the agencies should have separate representation only if matters financed by the regular budget required it and that, even in that case, such representation be located within UNDP premises. He advocated arrangements along the lines of FAO and UNIDO and welcomed the interest shown by UNESCO and the ILO. As regards the financial aspects, he felt that the possibility should be considered of UNDP financing the cost of the agencies' field representatives, whereas the agencies should absorb a substantial share of the overheads currently reimbursed by UNDP. Another member, supporting these comments, stressed the importance and urgency of proper integration of all sectoral advice within UNDP and of an interdisciplinary approach for UNDP activities. He urged that early action should be taken by the Administrator.

228. In reply to a question, the Director of the Bureau of Administrative Management and Budget explained that the increase of four posts of Senior Industrial Development Field Advisers (UNIDO) in 1972 and the four more posts for 1973 had been proposed after full consultation with the Executive Director of UNIDO and corresponded to the needs which experience had indicated.

229. One member, in referring to the relations between the IBRD and UNDP, stated that this agency should not be given preferential treatment compared to other
financial institutions and that more detailed information should be available to the Sessional Committee on this point.

Decision of the Governing Council

230. At its 310th meeting, the Governing Council, on the recommendation of the Sessional Committee:

(a) Took note of the report of the Administrator on arrangements to provide advice and support to Resident Representatives in sectoral fields within the United Nations development system (DP/L.209 and Corr.1 and Add.1) and of the observations made thereon during the discussion of this item;

(b) Requested the Administrator to submit an interim report to the Council at its fourteenth session and a comprehensive report at its fifteenth session.

C. Participation of UNDP in the United Nations Staff College

231. For its consideration of item 10 (c) of the agenda, referred to it by the Governing Council, the Sessional Committee had before it document DP/L.204.

232. In introducing the report, the Director of the Bureau of Administrative Management and Budget indicated that the report reflected the progress made since the twelfth session when the establishment of a United Nations staff college had been reported in document DP/L.181, paragraphs 5-10. He recalled that the Council at its twelfth session had supported, in principle, the concept of the staff college and particularly the first phase of the proposal. Many members at the twelfth session, however, had felt that the financial implications needed clarification.

233. Financing of the staff college had since been considered by the Advisory Committee on Administrative and Budgetary Questions and the Fifth Committee at the twenty-sixth session of the General Assembly. The General Assembly endorsed the Fifth Committee's recommendation that, in principle, the idea of the establishment of a United Nations staff college was acceptable but that the consideration of the proposal to set up such a college should be deferred until its twenty-seventh session.

234. In stressing the Administrator's interest in staff training programmes, the Director of the Bureau of Administrative Management and Budget expressed the UNDP's desire not only to continue its staff training activities, but also to participate in a staff college of the United Nations system where courses of common interest could be organized more rationally and economically.

235. General support was expressed by the Committee for the Administrator's recommendation that the Governing Council endorse, in principle, the idea of UNDP's participation in a United Nations staff college and defer further consideration of the proposal until its fifteenth session in January 1973 after consideration of this proposal by the General Assembly at its twenty-seventh session. One member, however, expressed reservation regarding the Administrator's recommendation. Another member, while in agreement with the principle of establishment of a staff college, expressed his objection to the utilization of UNDP limited resources for non-operational activities. Nevertheless, he indicated that he would agree to the UNDP's financial participation provided that the cost could be financed from savings.
236. Several members expressed their reservations on cost factors and the possible long-term implications of such a decision and indicated that all organizations in the United Nations system should participate in financing the United Nations staff college.

237. In the light of the above, the Sessional Committee recommended the following decision to the Governing Council:

"The Governing Council, under item 10 (c) of its agenda, subject to the observations and reservations made by members during the discussion, approves, in principle, the idea of UNDP participation in a United Nations staff college and defers further consideration of the proposal until its fifteenth session in January 1973."

Consideration in the Governing Council

238. One member of the Governing Council indicated that the Sessional Committee's recommendation did not reflect fully the reservations made by members concerning the financial implications and therefore proposed that the following be added to the text of the recommendation: "the approval in principle should not be taken as committing the UNDP to any particular arrangements for sharing in the costs of financing the core budget of the college"; he felt that this would serve to place on notice the reservations felt by some members about the financial implications of UNDP participation in the project. Another member indicated that by approving in principle the creation of the staff college the Council would be indicating to UNITAR the interest which it has in this matter. Furthermore, he pointed out that the proposed addition would not reflect properly the expressions of members of the Council and proposed to add the words "at this stage" after the word "committing".

239. The above proposals were accepted by the Council. Accordingly, the Governing Council adopted the following decision.

Decision of the Governing Council

240. At its 310th meeting, the Governing Council, under item 10 (c) of its agenda, subject to the observations and reservations made by members during the discussion, approved, in principle, the idea of UNDP participation in a United Nations staff college and deferred further consideration of the proposal until its fifteenth session in January 1973, the approval in principle should not be taken as committing, at this stage, the UNDP to any particular arrangements for sharing in the costs of financing the core budget of the college.

D. General outline of the Administrator's ideas regarding the budget for the Administrative and Programme Support Services of UNDP for 1973

241. In considering this agenda item, referred to it by the Governing Council the Budgetary and Finance Committee had before it document DP/L.217 which reflected, as far as was possible at this transitional stage, the general outline of the Administrator's ideas regarding the budget for the Administrative and Programme Support Services of the UNDP for 1973.
The Committee recognized that the note submitted by the Administrator was prepared within the limitations inherent in the timing of its submission this year and that it essentially represented an attempt to identify the principal factors which would have a bearing on the budget estimates for 1973. It was accordingly impractical to establish at this stage, and in advance of the projected review of the headquarters establishment, meaningful guidelines for the formulation and submission of the 1973 estimates to the fourteenth session of the Council. Some members, however, did not find that the note contained sufficient material for the Committee's consideration.

Some members proposed the holding of a special intersessional meeting of the Budgetary and Finance Committee before the fourteenth session, perhaps in March 1972, in order to review the Administrator's preliminary budgetary proposals for 1973, before they were finalized and submitted to the Advisory Committee on Administrative and Budgetary Questions and to the fourteenth session of the Council. These members stressed that March was merely illustrative and the real issue, to which their Governments attached great importance, was whether Governments would have an opportunity to review these proposals in their formative stage. These members also suggested that such a meeting would be the appropriate occasion for the Administrator to report on his review of the 1972 administrative and programme support services budget. Other members did not see the advantages inherent in holding an intersessional meeting of the Committee in March or April 1972, and foresaw practical difficulties in such a session both in terms of the timetable for the preparation and submission of the estimates following a review of various related matters by the new Administrator and of the ability of members to participate in a March-April session.

In regard to the general approach to the 1973 budget estimates, some members indicated that the growth of the budget should be at no greater rate than the increase in resources. It was also suggested that a better yardstick, as in the case of overhead costs paid to Executing Agencies, would be the proportion which administrative and programme support costs represented of total projected programme expenditures. Some members felt that the 1973 budget should reflect a continuing emphasis on strengthening the offices of the Resident Representatives; the view was expressed that the experience of the first round of country programming indicated scope for effecting a strengthening of the Resident Representatives' offices through the posting of personnel at present employed in the Regional Bureaux at Headquarters.

One member, while recognizing the transitional problems at this time, suggested the following guidelines for consideration in regard to the preparation of the Administrator's preliminary outline to be submitted in January in future years:

(a) Developments of relevance to the work of UNDP which arise in the immediately preceding session of the General Assembly should be taken into account in the preliminary budget paper to be submitted in January each year because such developments often provide guidelines for further action on the part of UNDP.

(b) Similarly, the results of the immediately preceding Pledging Conference should also be reflected in the January paper.
(c) The paper might also cover any new concepts and directions for UNDP activities which the Administrator might arrive at in the light of the priorities and experience of the past year.

(d) An indication should also be given of how the Administrator foresees the discussion of trends in the budget, in terms of major categories such as personnel costs.

(e) While a detailed budget is not to be expected in January, the preliminary paper should include some key budget figures, however approximate, to give a general idea of the over-all likely magnitude of the budget.

246. In response to the proposal for holding a special session of the Committee in March 1972 to consider, in general outline, the 1973 budgetary proposals, the Administrator pointed out that he would have had only a very brief period in office before March and wondered whether that would give him adequate time to formulate carefully considered proposals; he thought that perhaps April-May 1972 would be more agreeable. On the same matter, the Deputy Administrator drew the Committee's attention to the various other meetings which had been planned during the March-April period.

247. In response to questions regarding the growth of administrative and programme support costs, the Director of the Bureau of Administrative Management and Budget explained to the Committee that the basic objective of the Administrator would continue to be to try to minimize costs and achieve utmost economy consistent with providing adequate support to the programme administration. It was hoped that after the completion, hopefully in 1973, of the current reform and restructuring of UNDP and of the strengthening of field offices, the Secretariat should be capable of meeting its new and enlarged responsibilities without any significant real increase - as distinct from the impact of inflation - in the budget for a period. This would be on the assumption that no new tasks requiring specific additional resources would be placed on the Secretariat during that period.

248. In the light of the above, the Budgetary and Finance Committee recommended the following decision to the Governing Council:

"The Governing Council, under item 10 (d) of its agenda, takes note of document DP/L.217 and requests the Administrator, in formulating his budget estimates for the administrative and programme support services of UNDP for 1973, to take into account the comments and observations made in the Budgetary and Finance Committee and the Council on this item."

Consideration in the Governing Council

249. While considering this recommendation in the Governing Council, one member referred to the suggestion in paragraph 207 above, under item 10 (a) of the agenda, concerning a request to the Administrator to undertake a study relating to the headquarters premises of UNDP and proposed that this suggestion be formally approved by the Council. This proposal was accepted by the Council.
Decisions of the Governing Council

250. At its 310th meeting, the Governing Council, under item 10 (d) of its agenda, took note of document DP/L.217 and requested the Administrator, in formulating his budget estimates for the administrative and programme support services of UNDP for 1973, to take into account the comments and observations made in the Budgetary and Finance Committee and the Council on this item.

251. At the same meeting, the Governing Council:

Preoccupied about the substantial increase in expenditures for rent and maintenance of the offices of UNDP,

(a) Requested the Administrator to undertake a study of measures that could be taken in order to provide the Administration with convenient and economical premises, taking into account the resources that could possibly be appropriated for the financing of new premises;

(b) Further asked the Administrator to undertake this study jointly with the study the Secretary-General was commissioned with by General Assembly resolution 2895 (XXVI);

(c) Decided to take up this question on the occasion of its fifteenth session.
CHAPTER IX
UNITED NATIONS REGULAR PROGRAMME

A. Technical co-operation

252. Under item 13 (a) of its agenda, the Governing Council considered a report (DP/RP/12) submitted by the Secretary-General on the new profile of the United Nations regular programme of technical assistance. In an introductory paragraph, the report traced the evolution of the programme over the past 25 years and its constant search for a distinctive, purposeful direction. The report described and analysed the current activities under the programme and its efforts to adhere to the guidelines, endorsed by the General Assembly in 1969, which placed specific emphasis on fulfilling the needs of the least developed of the developing countries.

253. The Director of the Office of Technical Co-operation introduced the report by referring to the new profile of the regular programme. He pointed out that although the programme continued to operate within its traditional fields of assistance, the form of assistance was now being shifted from short-term expert and related services on an ad hoc basis to larger, self-contained projects of an innovative and catalytic character. Moreover, while concentrating on the least developed of the developing countries, the projects to be implemented were designed to meet the countries' most urgent needs in critical areas of development. In formulating projects, close attention would be paid to their interdisciplinary nature with a view to attaining maximum impact on the development of the country being assisted. The Director also singled out the importance of regular programme assistance on the regional level and its contribution to promoting economic co-operation among developing countries on a regional and subregional level. He made reference to the recent General Assembly resolution 2803 (XXVI) which authorized an increase of $1,825,000 in regular programme resources and which would make possible the implementation of additional projects of benefit to the least developed of the developing countries as well as regional and subregional projects benefiting these countries. The Director, while stressing the role of the United Nations, which ranked second after FAO in volume of technical assistance projects executed under the UNDP programme, suggested that the Council examine more thoroughly the implementation performance for the system as a whole and the United Nations Secretariat in particular. He felt that the critical problems of programme delivery had tended to be somewhat neglected by the Council during its last few sessions.

Summary discussion

254. In the discussion of the report of the Secretary-General, the majority of speakers gave their support not only for the principle of the regular programme but also for the new direction with its emphasis on support for the least developed of the developing countries and for improving regional advisory services. Several members welcomed the increased allocation of $1,825,000 authorized by
the General Assembly at its twenty-sixth session. Some members expressed concern
over the method of selection and distribution of projects and it was felt that
there should be an equitable distribution of resources to ensure that all of
the least developed of the developing countries obtained an equal share. Some
members especially welcomed the opportunity which the additional funds afforded
for financing some of the urgently needed projects in the least developed
countries. It was also suggested by some members that problems of co-ordination
between UNDP-financed projects and those financed under the regular programme
be studied and considered with the United Nations and the Administration of
the United Nations Development Programme.

255. Several members felt that the United Nations budget should not be used to
finance technical assistance activities, and expressed the view that projects in
the field of public administration, among others, should be able to be
incorporated in UNDP programming. Furthermore, one of these members pointed
out that the yearly characteristics of the regular programme and the system of
group-term planning now being practised by UNDP made any co-ordinated action
difficult. He stated that it would be advisable to immediately envisage a
reallocation of responsibilities between UNDP and the specialized agencies so
that activities carried out up till now under the regular programme could be
continued in conditions satisfactory to all. Two other members, while not
opposing the principle of the regular programme, expressed their disapproval of
the recent increase in the resources made available to the regular programme.

256. The Assistant Administrator in charge of the Bureau for Programme Analysis
and Policy Planning said that many agencies financed technical assistance
projects under their own regular programmes and that as a result of the close
co-operation which existed between UNDP and these agencies, competition and
overlapping of activities were avoided.

257. In response to the questions raised by members, the Director of the Office
of Technical Co-operation said that the question of whether technical assistance
activities should or should not be financed from the United Nations regular
budget was a point of principle which could only be decided by the General
Assembly and the Economic and Social Council. He also emphasized the close
relationship between UNDP and the United Nations in the execution of projects
and illustrated the point by mentioning the large number of experts presently
assigned to technical assistance projects being executed by the United Nations,
whose services were being and could be made available to assist UNDP and countries
with their country programming exercises. He stressed the fact that the
UNDP-appointed Resident Representatives also acted as United Nations
representatives and that they were therefore able to avoid duplication between
the two programmes. In so far as the programming of regular programme resources
on an equitable basis between all of the least developed countries was concerned,
he felt that this would again result in fragmentation of limited resources and
would make it impossible to pursue the policy of formulating larger impact-
generating projects.

Decision of the Governing Council

258. At its 305th meeting, the Council took note of the Secretary-General's report
(DP/RP/12), after having heard the views expressed during the discussion.
B. Special Advisory Services in the field of natural resources and other fields

259. The Director of the Office of Technical Co-operation introduced the joint report of the Secretary-General and the Administrator (DP/L.129). He mentioned that following the decision of the Economic and Social Council in July, the Secretary-General had announced the establishment of the service to member countries and that so far seven official requests for short-term expert services had been received. He said that it was the joint suggestion of the Administrator and the Secretary-General that the Administrator should consult with Participating and Executing Agencies with a view to providing similar services in fields other than natural resources.

Summary of discussion

260. Several members welcomed the scheme, but some expressed the view that these services should be financed under the indicative planning figures rather than under the regular programme of the United Nations. One member inquired about the financial implications to UNDP. Another member suggested that the UNDP should study possibilities of reimbursable projects and present the Council with the results of such a study next year.

261. The Assistant Administrator in charge of the Bureau for Programme Co-ordination said that the financial implications of the scheme were minimal and that he thought that experimenting with the rapid provision of short-term expert services was worthwhile for UNDP to pursue. He also agreed that the possibilities of reimbursable projects merited further study. The Director of Technical Co-operation said that he had taken note of the wish of several members that the Special Advisory Services should mainly be financed from the indicative planning figures.

Decision of the Governing Council

262. At its 308th meeting, the Governing Council took note of document DP/L.219 and authorized the Administrator to consult Participating and Executing Agencies with a view to making arrangements for short-term advisory services in fields other than natural resources.
263. Under item ii of its agenda, the Governing Council had before it, in addition to the draft text of the omnibus statute and supplementary information submitted to it at its twelfth session (DP/L.177 and Add.1), comments received on the draft statute from participating States and Executing Agencies, as well as suggested changes proposed to the draft statute subsequent to the twelfth session (DP/L.177/Add.2).

Summary of discussion

264. Members of the Council recognized that since the Council was called upon, by General Assembly resolution 2814 (XXVI), to incorporate in the omnibus statute any new matter or procedures that might be agreed upon at the Council's thirteenth and fourteenth sessions, it was necessary to postpone final consideration of the draft Statute at the current session.

265. After a brief discussion, centred mainly on the procedure to be followed in the Council concerning the future consideration of the draft statute, it was agreed that a deadline of 1 September 1972 should be fixed for the submission of written observations on the draft Statute.

Decision of the Governing Council

266. At its 308th meeting, the Governing Council decided to defer detailed consideration of the draft omnibus statute until its fifteenth session.
CHAPTER XI

ACTION TAKEN IN 1971 BY ORGANS OF THE UNITED NATIONS AND RELATED AGENCIES

267. Under item 12 of its agenda, the Governing Council had before it a note by the Administrator (DP/L.218) drawing its attention to resolutions adopted in 1971 by the General Assembly, the Economic and Social Council and by other organizations in the United Nations system which were relevant to UNDP. In the note, the Administrator informed the Council that due account would be taken of the views expressed in these resolutions in carrying out the activities of the UNDP.

268. With reference to paragraph 11 of General Assembly resolution 2823 (XXVI) relating to the report of the Special International Conference of the United Nations Industrial Development Organization, the Secretary of the Governing Council informed the Council that the Executive Director of UNIDO and the Administrator would meet at an early date after the thirteenth session in order to establish the arrangements for the intergovernmental meeting which would take place between the members of the bureaux of the Governing Council and the Industrial Development Board.

269. The representative of the ILO mentioned the resolution adopted by his organization's Conference in June 1971 concerning the strengthening of tripartism in the technical co-operation activities of ILO. Some of ILO's most successful projects had been those in which workers and/or management had actively participated.

Decision of the Governing Council

270. At its 308th meeting, the Council took note of the action taken by the organs and agencies of the United Nations system in 1971 on matters relating to UNDP (DP/L.218).
CHAPTER XII

UNITED NATIONS CAPITAL DEVELOPMENT FUND

271. Under item 14 of its agenda, the Governing Council considered a progress report by the Administrator (DP/L.216). In introducing the report, the Director of the Financial Management Division commented with regret on the difficulties encountered in initiating the Fund's operations. He indicated that the slowness in carrying out extensive negotiations between donor Governments and potential users of UNCDF equipment inevitably delayed the conclusion of transactions for the use of the Fund's limited resources. He stated that the Administrator would continue in all ways open to him to attempt to make the Fund as fully operational as possible in the light of the known handicaps to full-scale activity.

Summary of discussion

272. Some members of the Council expressed deep disappointment over the slowness in making the Fund fully operational; the representative of one donor Government illustrated the frustrations encountered by mentioning the withdrawal of a request for UNCDF assistance after prolonged negotiations between the parties concerned; another member referred to the desirability of placing in development loans the maximum possible amount of unutilized funds. The new Administrator was urged to explore new means of speeding up the initiation of the Fund's operations.

Observations of the Administration

273. In response to points raised during the discussion, the Director of the Financial Management Division pointed out that the slowness in bringing the Fund into operation resulted from the inherent features of UNCDF as it now stands. He agreed that the last-minute cancellation of a specific request for UNCDF financing after negotiations were nearly concluded between donor and recipient Governments was an illustration of the difficulties encountered by the Administrator in carrying out the General Assembly mandate in this regard. He invited the attention of the Council to paragraph 10 of DP/L.216 on the Administrator's use of the cash resources of the Fund for the purchase of development loan participations.

Decision of the Governing Council

274. At its 306th meeting, the Council took note of the Administrator's progress report (DP/L.216).
CHAPTER XIII
OTHER MATTERS

A. Co-operation between the Organization of African Unity and the United Nations Development Programme

275. Under item 16 of its agenda, the Governing Council had before it a report by the Administrator (DP/L.214) on a proposed agreement for co-operation between the Organization of African Unity (OAU) and the United Nations Development Programme.

276. In introducing the report, the Assistant Administrator and Director of the Regional Bureau for Africa briefly reviewed the co-operation that already existed between the OAU and the organizations in the United Nations system and noted in particular the agreements that had been concluded between the OAU and some of the specialized agencies. He observed with satisfaction that the Council, in approving the project for educational assistance to African refugees in co-operation with the OAU (REG 297) had, through its action, endorsed General Assembly resolution 2863 (XXVI) which invited the organizations concerned in the United Nations system, particularly the UNDP, to continue their co-operation with the OAU. He also mentioned that the OAU had a role to play in both the political and economic fields and pointed out that two specialized committees had been created within the OAU to deal with economic, scientific, educational and social affairs.

Summary of discussion

277. There was general support in the Council for the proposed agreement between the Administrator of UNDP and the Administrative Secretary-General of the OAU. One member expressed the hope that the assistance to be provided would not be limited to the regional indicative planning figures for Africa and that the Governing Council and the Administrator would find ways and means to expand such co-operation in the future. Another member expressed the hope that UNDP would enter into a similar agreement with the regional organizations in Asia.

278. After noting that the assistance envisaged included the provision of educational facilities for persons displaced from African territories under colonial rule, one member expressed the belief that countries which had created these situations should contribute counterpart funds for such programmes and cited in particular the United Kingdom and South Africa. One member stated that he had no objection in principle to assisting African refugees from colonial territories but that the nature and extent of UNDP assistance in this field should be clearly defined. The importance of co-ordinating UNDP assistance to the OAU with the United Nations Educational and Training Programme for Southern Africa and with the activities of the United Nations Trust Fund for Southern Africa was also underlined.

279. One member expressed concern that the role envisaged for the OAU might impinge upon some of the activities of the Economic Commission for Africa (ECA). He indicated that his delegation would reserve its position regarding the agreement until the views of the Economic Commission for Africa and the Conference of Foreign Ministers of the OAU were known.
Observations of the Administration

280. The Assistant Administrator informed the Council that as far as possible, UNDP would not require financial counterpart contributions of Governments for regional projects emanating from the OAU, but that the host country could provide the necessary infrastructure with respect to land, buildings, etc. He furthermore confirmed that the Council would be informed of the text of the agreement after it had been concluded.

Decision of the Governing Council

281. At its 306th meeting, the Governing Council authorized the Administrator to conclude an agreement with the Organization of African Unity along the lines described in document DP/L.214.

B. Special measures in favour of the least developed among the developing countries

282. Under item 16 of its agenda, the Council considered special measures in favour of the least developed among the developing countries. A note (DP/L.210) on this matter was submitted by the Administrator. At the same time, the Council considered the report of its Budgetary and Finance Committee, to which it had referred for preliminary consideration a note by the Administrator on the waiver of local cost assessments for 1972 (DP/L.207) (see paragraphs 159-163).

283. The Assistant Administrator in charge of the Bureau for Programme Analysis and Policy Planning indicated that the approach adopted by the Administrator was to look for the most appropriate new methods of extending assistance to the least developed among developing countries. Several innovations had been suggested in the special measures for the 25 "hard-core" least developed countries. These were based on the vast experience of the agencies of the United Nations system with whom there had been consultation. It was vital that there should be effective co-ordination among all involved in this assistance. This approach reflected in part the fact that at the present time increased UNDP resources were not available for these countries. Further, having regard to assistance to the least developed countries from all sources, the issue was not simply one of the size of UNDP effort.

Summary of discussion

284. Several members referred to the list of 25 "hard-core" least developed countries established by the General Assembly in resolution 2768 (XXVI). It was urged that the entire United Nations system should follow this list. At the same time, it was recognized that the list was not unchangeable. At appropriate stages, changes could be considered by the Committee for Development Planning.

285. Some members mentioned the exclusion of countries with large population from the "hard-core" list even though they were specially disadvantaged. Care should be taken that their interests - including adequacy of food - were safeguarded. A member urged that the terms of aid to these countries, rather than the level of aid, was more important.
286. The granting of full waivers of local costs for 1972 to the 25 "hard-core" least developed countries was generally welcomed but it was recognized that it was only one of several measures of assistance to these countries. Several members urged that the local cost waiver should extend beyond 1972 and apply for as long as it was required. The waiving of local costs was regarded by one member as a de facto increase of 8 per cent in the indicative planning figures of countries benefiting therefrom. It was the understanding of a member that there would be no offsetting reduction in outside resources made available to countries benefiting from this waiver of local costs.

287. Some members stated that the UNDP should devote a larger proportion of its resources to the least developed countries. Some members referred to the proposal made by four members (see annex III) to the effect that at the June 1972 session it should be decided to make an additional $50 million available to the least developed countries for the 1972-1976 period. Other members of the Council did not think that such a decision was advisable.

288. It was the view of some members that donor countries had matched the political will for a special effort for the least developed countries with a willingness to provide the financial means. The issue was how the rising level of finance which was being provided should be allocated among all developing countries. A member stated that the special interest of the least developed countries was one of the factors taken into consideration in present indicative planning figures.

289. The Council had agreed to review the criteria for establishing indicative planning figures at its fourteenth session. It was suggested that at that time, various historical influences on indicative planning figures might be assessed. One member stated that account should be taken of the emphasis on assistance to least developed countries which was given by many donor countries in their bilateral programmes. Also, members might wish to examine the idea of a "cut-off" of assistance to the most developed of recipient countries. The adoption of this or of some other criteria could lead to a redistribution of resources in favour of the least developed countries.

290. Several members supported a proposal that the least developed countries should be the primary beneficiaries when resources available to the UNDP were greater than those deriving from an annual rate of increase in resources of 9.6 per cent, the rate governing the establishment of present indicative planning figures. A member suggested that this should be considered at the Council's fourteenth session. One member suggested that one of the ways to channel increased UNDP resources to the least developed countries could be to introduce some kind of a special component to which each country could pledge supplementary contributions over the estimated annual increase of 9.6 per cent.

291. Some members stated that their special concern for the least developed countries was reflected in contributions given in addition to the regular sum contributed to the UNDP. It was suggested by some members that while it was essential to give special help to the least developed countries, they were opposed to the idea of a special fund for these countries. The present approach of the UNDP was preferable.

292. Support was given by several members to a proposal that the Council allocate a sum of $5 million from the Programme Reserve for special measures in favour of the least developed countries. This proposal was viewed by some as part of a short
term action programme which was without prejudice to subsequent major decisions by the Council. Some members stated that their support of this proposal, or for a higher figure, required support also for an increase in the over-all level of the Reserve from its present level of $9 million. One member suggested that the size of the Programme Reserve should grow along with that of the total programme.

293. It was considered by other members that no definite decision could be taken or the proposal at this session. The sum involved was not large and its use for funding "other financial measures" was not clear. It would be preferable to examine the proposal in the broad review of resource allocation to be made at the fourteenth session. At that time consideration could be given both to the establishment of indicative planning figures and to the several claims on the Programme Reserve.

294. A member suggested that prolonged study could detract from action and that action at this time, prior to the third session of UNCTAD, was to be preferred.

295. The Director of the Financial Management Division referred to a number of potential expenditures which the Council might wish to see financed from the Programme Reserve. In addition to assistance for the least developed countries and the SIS, funds might be needed to assist in disaster-related operations; to bolster some intercountry activities; to permit some essential short-term investment feasibility studies; and for certain country programming exercises. Consequently, the Reserve as a whole needed to be considered when examining the proposal for $5 million for the least developed countries.

296. The Council generally welcomed the proposals in DP/L.210 for assistance to the least developed countries by means of "other financial measures" and "special measures in programming and implementation". Several members considered that the ideas expressed by the Administrator, though preliminary, were imaginative and constructive. They were gratified by the over-all approach taken and the intention to translate them into an action-oriented programme in the near future. It constituted a realistic start and clearly benefited from an awareness of general approach in various United Nations bodies. A member hoped that UNDP would continue to keep track of the involvement of the whole United Nations system in this matter. It was hoped also that the Council would get feedback from the implementation of these proposed measures.

297. In applying the proposed special measures, several members insisted on the need for a country-by-country approach for the least developed countries. Country programming procedures should be used to pinpoint the unique situation of each country.

298. A member approved the suggestion that, with the concurrence of the Governments concerned, a number of "hard-core" countries might be selected for a particularly intensive approach to programming and programme implementation. There were varying assessments of the idea of using the experience gained from development activities of the least developed regions of countries that did not belong to the category of the least developed. A member urged that, in the implementation of special assistance to the least developed countries, there should be appropriate geographical representation.

299. It was suggested that the special measures taken to assist the least developed countries should help to enlarge their options. There was a need for an
integrated approach in their use of resources and for regional development to overcome typical smallness of national markets of these countries. Other members stated that the purpose of this assistance must be to help least developed countries increase their absorptive capacity. It was considered important that least developed countries should be specially helped to close the gap between the completion of pre-investment studies and subsequent investment.

300. A member stated that his Government, in the course of extending its bilateral assistance to least developed countries, would co-operate fully with them and with the UNDP to ensure that assistance was most effectively deployed. Another member urged that all developing countries must work in partnership to assist the least developed countries. The Lima meeting had declared itself on this matter and the views expressed there should be accepted. In seeking to assist the least developed countries, it was regarded as essential to ensure that none of the measures taken in any way affected the sovereignty of these countries.

301. Some skepticism was expressed by some members concerning the measures proposed in DP/L.210 since they appeared to give too much emphasis simply to the identification of problems facing the least developed countries. A member considered that the implementation of the proposed measures would not be sufficient per se to respond to the needs of these countries.

302. Some members, recognizing the preliminary nature of the considerations in DP/L.210, asked the Administrator to take into account the views expressed at the thirteenth session in developing his concrete measures.

303. A final decision on the adoption of measures should be made in June 1972. A decision at that time would allow the Council to take into consideration the results of the third session of UNCTAD. In taking positive actions which were open to the UNDP in assisting the least developed countries, it was considered important that they be seen as one part only of the total effort that could be made by the entire United Nations system. The potential of the entire system in this area must be realized. A member stated that it was all the more important to render development assistance to the least developed among developing countries since some of the current trade proposals were likely to benefit the more developed among these countries.

304. Some discussion on assistance to the least developed countries was held under items 4 (a) and 4 (c) and reference should therefore be made to the report on those items (see paragraphs 76-93 and 94-101 respectively).

305. Because of the continuing importance of the problems of the least developed countries, a member suggested that the matter be a regular item on the agenda of each Council session.

Decision of the Governing Council

306. At its 308th meeting, the Council took note of document DP/L.210. (See also the decision taken by the Council, in paragraph 164 above, in connexion with document DP/L.207 on the waiver of local cost assessments.)
C. Assistance in the establishment of inter-institutional links in science and technology

307. The Council had before it a note by the Administrator (DP/L.202), informing it of an initiative taken by UNESCO, in co-operation with other participating organizations, towards the provision of UNDP assistance in establishing on a wider scale, at the request of Governments, inter-institutional links in scientific and technological progress in science and technology.

Decision of the Governing Council

308. At its 308th meeting, the Governing Council took note of document DP/L.202.

D. Report of the Administrator on the twelfth session of the Inter-Agency Consultative Board (IACB)

309. Introducing the Administrator's report on the twelfth session of the IACB (DP/L.208), the Assistant Administrator in charge of the Bureau for Programme Co-ordination briefly reviewed the principal items considered by the Board. Recalling that the IACB was the mechanism whereby the Administrator could seek the advice and counsel of the executive heads of agencies on the major problems with which the United Nations family of organizations was concerned, he noted that discussions in the Board had centred on many of the same policy and operating problems which the Council had itself considered at the present session, including an assessment of the first experience in country programming (see paragraphs 76-93 above), with particular emphasis on the difficulties encountered by the agencies in meeting the timetable involved in the new system. Other subjects dealt with by the Board included the importance of special measures for the least developed countries (see also paragraphs 282-306).

Summary of discussion

310. The Council expressed appreciation for the useful information provided concerning the Board's deliberations. One member underscored two important elements mentioned in the report: the necessity of ensuring that adequate time was available for the preparation and review of country programmes, and the importance of human and co-operative inputs as well as of finance in the provision of increased assistance to the least developed among the developing countries. Support was expressed for the importance given by the IACB to global projects in the attainment of the objectives of the International Development Strategy.

Decision of the Governing Council

311. At its 308th meeting, the Governing Council took note of the report of the Administrator on the twelfth session of the Inter-Agency Consultative Board (DP/L.208).
E. United Nations Revolving Fund for Natural Resources Exploration

312. The President of the Governing Council announced that, at the request of several members, he was inviting the Administration to make an informal, oral statement on recent developments in this matter, particularly as they affected UNDP.

313. The Director of the Financial Management Division stated that the UNDP Administration had co-operated closely with the United Nations Secretariat and with the Intergovernmental Working Group on the Fund, with a view to ensuring that the projected administration and operations of the Fund would be integrated under the UNDP umbrella to the maximum possible extent. UNDP had assisted in preparing a Revised Scheme for the Fund (E/C.7/28), which would be considered by the Committee on Natural Resources at its second session, to be held in Nairobi from 31 January to 11 February 1972. This Scheme provided for the Fund to be administered by the Administrator of UNDP on behalf of the Secretary-General. It also provided for co-ordination at the field level through the UNDP Resident Representative, so that there could be appropriate integration with country programming and other UNDP activities. The time had not yet come for formal consideration by the Governing Council, but the Council would be kept informed of all significant developments.

314. Several members emphasized the desirability of maintaining the closest links between UNDP and any activity of this kind. They considered that the Council should follow developments with care, and that formal consideration by the Council should take place at the earliest practicable date. Two members emphasized that any financial resources which become available for a Fund of the type under discussion should be additional to funds already forthcoming under present arrangements.

315. The President indicated that since the matter was before the Council for information only, no decision was required during the present session.
CHAPTER XIV

STATEMENTS BY THE DEPUTY ADMINISTRATOR AND THE ADMINISTRATOR

A. Statement by the Deputy Administrator

316. Mr. C. V. Narasimhan stated that it was with deep regret that he was confirming what was generally well known, that the time had come for him to divest himself of his concurrent responsibilities as Deputy Administrator of the UNDP. He had a feeling of deep regret that he would not be participating in the work of the Council in future sessions in his present capacity. When he had first met the new Administrator on 11 January he had mentioned to him his desire to give up, over a period of weeks, his additional responsibilities as Deputy Administrator. The new Administrator had shown great understanding and sympathy in agreeing to this proposal, with only one wish, that he might be available to complete the work of the Governing Council session. This was one reason why he had delayed the formal announcement to the last days of the Council. The other was to save the time of the Council so that not much time was spent on speeches thanking him for his work. He felt he did not need any thanks because for him it had been a labour of love. He had the deepest affection and highest esteem for Mr. Hoffman, with whom he had been associated in the early days of the United Nations Special Fund, and both Mr. Hoffman and Secretary-General U Thant had shown considerable understanding when he had assumed his dual responsibilities. For that he was truly grateful to them. Incidentally, the fact that the post of Deputy Administrator in UNDP had remained unfilled for 30 months might have saved some $80,000 to the Programme. If, in spite of all the demands on his time and his energy, he had spent these 30 months discharging his dual responsibilities, Mr. Narasimhan said it was because of three major concerns that he had.

317. The first related to the work of the Council, which was one of the most effective instruments within the institutional framework of the United Nations. He had always been concerned that there should never be an occasion when, within the Council, there should be a division between the major contributing countries and the less developed countries. The Council was one of the few decision-making organs in the United Nations system and not merely a deliberative organ. He was glad that some of the apprehensions that had been voiced by the developing countries in the early discussions of the Capacity Study, that the resources of the Programme might not grow because of the views expressed in the study about the level of resources that could effectively be used by the Programme, had been dispelled. He was also glad that the expansion of the Council to a membership of 48, providing greater representation for the developing countries, had gone through smoothly, without producing any division between the two groups of countries. This was the first session of the expanded Council and its work had gone forward smoothly and without any division, not only because of the spirit of co-operation amongst the members, but also because of the distinguished leadership provided by the President. He shared Mr. Hoffman's hope for the future that, in January 1976, the Council would be approving a programme with total resources of $1,000 million and he hoped that he could be present along with Mr. Hoffman on that great occasion.
318. His second concern was that the Administration and the Governing Council should be on the same wave-length. For many years this had been the case and there had been only rare exceptions — as in June 1970 at the tenth session of the Council when the Consensus was adopted, and in January 1971 when the Council took its decisions on the future structure of the UNDP headquarters. He was glad to see that these decisions were implemented to the satisfaction of the Council and he was grateful for having been able to play some small part in the restructuring exercise.

319. Mr. Narasimhan went on to say that his third concern had been that, within the Administration, there should be a consensus on the restructuring and that it should be accomplished as smoothly as possible. That this had indeed been the case was due to the spirit of understanding and "give-and-take" which had been shown by all his senior colleagues. During the last nine months, almost all major decisions had been taken on a collegiate basis and he was confident that the restructuring had worked. He had no doubt that the Council was of the same view.

320. While, understandably, he left the UNDP with mixed feelings, he felt confident and hopeful about its future in the safe and capable hands of Mr. Peterson. From what he had seen of Mr. Peterson over the last six months he felt he would have enjoyed working for him and was sorry not to have had the opportunity. He had, however, placed his services at Mr. Peterson's disposal whenever his advice or assistance was needed, and it was on call.

321. In conclusion, Mr. Narasimhan wished Mr. Peterson great success in his high responsibilities. He also wished the best of luck to all his former and future colleagues in the UNDP. Most important of all, he wished the Governing Council every success because its success was the success of the development effort of the United Nations and that, as the Secretary-General had stated in inaugurating the thirteenth session, was the success of "true peace building".

322. The President said that over the past two and a half years Mr. Narasimhan had accomplished the very unusual feat of being at once the closest collaborator of the Secretary-General and of the Administrator of UNDP. In both capacities Mr. Narasimhan had brought a deep belief in the ideals and principles of the United Nations, a penetrating intelligence and a remarkable capacity for work. He had joined UNDP at a difficult time when the organization was undergoing a process of review and restructuring, to which he had made valuable contributions. Bringing to his work a profound understanding of the needs and problems of the developing countries, he had clearly left his mark on many programmes administered by UNDP. The United Nations was indeed fortunate in being able to continue to draw on Mr. Narasimhan's extraordinary talents in his capacity as Under-Secretary-General and Chef de Cabinet. On behalf of the Council, he expressed deep gratitude to Mr. Narasimhan for all he had accomplished during his term of service as Deputy Administrator and welcomed his offer of continuing service and advice, on an informal basis, to the new Administrator.

B. Statement by the Administrator

323. Mr. Rudolph A. Peterson, Administrator of UNDP, expressed the appreciation to Mr. Narasimhan for his services to UNDP, and thanked him for the offer to be on call to advise and assist him as needed. He informed the Council that he had decided to appoint Mr. Myer Cohen as Acting Deputy Administrator, and that Mr. Cohen would now become his Deputy as the operational head of UNDP after 4 February 1972, the date Mr. Narasimhan's resignation as Deputy Administrator would take effect.
324. The Administrator observed that he had been on the job for too short a time to talk in detail about important issues which the Council had been grappling with for months or even years. There were, however, some observations he would like to make so that the members of the Council could at least have an idea of his thinking on the problems they had been considering at the thirteenth session.

325. First of all, he wanted to thank the Governing Council for its in-depth examination of country programming. Country programming was still at an innovative stage. It would undoubtedly always be a complex and difficult job. It would require the best and clearest thinking that could be brought to bear on it. He was, therefore, very grateful for the useful and pragmatic suggestions which had emerged from the Council's painstaking review of progress in country programming so far.

326. The UNDP Administration agreed with the consensus the Council had reached on this subject. It felt, as did members of the Council, that country programming would produce better results than the former UNDP method of operation. It would permit a more precisely targeted use of Programme resources, thus allowing their application to yield a more powerful impact. Combined with the periodic review system, it would provide the Administration with clearer standards for evaluating how well it was doing and would furnish more definitive guidelines for planning future activities. The Administration felt, too, that country programming would help strengthen the mechanisms available to recipient Governments for clarifying and coping with their all-round economic and social needs. And it would allow those Governments to count on both a greater continuity and a better scheduling of UNDP assistance in meeting such needs. The Administration had carefully noted the observations made by the Council on country programming, and intended to do all that it could to follow up on them. For while the Administration believed that it had made a good beginning in this field, it was no more than that. There was a long way yet to go, much to learn and a continuing need for the Council's guidance and support.

327. He also appreciated the authority the Council had given him, and the UNDP's Resident Representatives, to approve certain types of projects in areas where country programmes had not yet gone into effect. As the Council knew this authority was requested because there were a number of problems in a number of countries which were simply too urgent to be put aside until a complete programming package had been wrapped up. Nevertheless, he and the Resident Representatives intended to use with discretion the discretionary powers the Council had given them. They would, of course, seek the Council's prior approval for projects that break new ground, involve new or advanced technologies, or major policy implications - as well as those which may involve a substantial continuing commitment. There might even be other criteria than these which the Council had laid down that would lead them to defer a decision. He would make it his personal business to see that use of their project approval authority never impeded the preparation of country programmes - and that it was always exercised with the likely final nature of each such programme in mind. In short, when they are sure of their ground they would act. But when they were in doubt, they would come to the Council first.

328. Obviously, the quality of UNDP country programming, the ability to make sound decisions on individual projects, and the capacity to carry out programmes and projects alike all depended greatly on the calibre of the UNDP's staff - particularly its field staff. That is why he also particularly appreciated the Council's expressed concern for continually up-grading the effectiveness of field
office personnel. To stress this point was not to deprecate the abilities of an experienced, skilled and devoted group of men and women. It was simply to say that, where development was concerned, the very best just could not be too good.

329. Thus, one of his priority objectives would be to provide UNDP field office staffs with the best possible facilities for in-service training and the greatest possible opportunities for promotion on the basis of performance. Moreover, in the matter of recruitment, the UNDP Administration would follow the spirit of Article 101 of the United Nations Charter, which states: "The paramount consideration in the employment of the staff and in the determination of the conditions of service shall be the necessity of securing the highest standard of efficiency, competence, and integrity...."

330. It would pay due regard, as Article 101 also stipulated, to: "the importance of recruiting staff on as wide a geographical basis as possible". But Article 101 gave first priority to "efficiency, competence and integrity"; and so would the UNDP's Administration. In fact, he could not in good conscience have accepted the responsibility of administering the Programme if the Charter did not provide leeway for this kind of independent executive action.

331. While on this important subject, he wanted to say how much he welcomed the Council's action in authorizing him to redeploy staff and redefine posts within the total budget appropriation for personnel. This allowed him the freedom and flexibility he would need to ensure that UNDP had the right people in the right places at the right times, and to shape UNDP headquarters and field staffs into a single, co-ordinated force.

332. He had been particularly pleased to follow the discussions of the Budgetary and Finance Committee, and to note the expertise with which the Committee took its responsibilities in hand. UNDP's humanistic ends could not be achieved without firm control of its monetary means. And both his personal inclinations and his professional experience would lead him to keep a very close eye on how well UNDP used its financial resources. The Council's clearly expressed wishes in this area would have his continuing attention. As a former banker, he noted, he had considerable respect for other people's money.

333. However, one fact must be kept in mind about the programme support and administrative budget which the Council had approved. Certain items in that budget reflected needs created by the second year of the Administration's effort at restructuring the UNDP so that the Programme could become able to use effectively twice the resources that were available for 1970. Hopefully, 1973 would be the final year of major headquarters restructuring and field office strengthening. But during this period of reorganization, UNDP must necessarily incur administrative expenses that were somewhat higher than he would ordinarily like to see. He hoped that, after 1973, the programme support and administrative budget could become stabilized, and perhaps even reduced, as a percentage of total available resources.

334. Yet he felt he must frankly add that UNDP's efforts at self-improvement would turn out to have limited value unless those resources progressively grew at a rate that would double them in a fairly short period of time. Already it seemed clear, from the Council's discussion of IPFs, that most countries felt that the resources allocated to them were insufficient. Some members had also expressed the view that more funds should be made available for global, regional and interregional projects,
for projects in the least developed countries, and for the application of promising technological breakthroughs. He was sure all understood that these - and several equally valid needs - could only be met if the level of voluntary contributions to UNDP was substantially increased. UNDP could build the finest administrative machinery in the world. But unless that machinery was fueled with sufficient financial resources, it could not generate enough horsepower to adequately serve the ends for which it was constructed.

335. He was convinced that in order to attract more resources UNDP must be able to make a very good case for getting them. As Paul Hoffman had pointed out, there was a growing trend in the major donor countries to channel development funds through multilateral agencies. But this trend would only continue if taxpayers and their representatives the world over were convinced that it would continue because they could see that these funds were being well spent, and for purposes that would have some effect on their own well-being. Unlike other powerful interests, UNDP had no constituency to vote for it and no lobby to act for it in national legislatures. He could unhappily say that, in his own country, far too few people knew anything at all about the problems of global development and the role of the United Nations in helping to solve those problems. There was also - and he suspected that the same held true in other major donor nations - an evident trend to focus on urgent domestic problems while de-emphasizing similar problems abroad.

336. He was well aware of what was being done by Governments, by other branches of the United Nations, and by UNDP itself to mobilize public opinion in support of international co-operation for development, but he was not sure that what was being done was enough. He completely agreed with the view expressed by Mr. Hoffman to the Governing Council in Santiago, on 21 June 1971, when he said that "a doubling of our resources in the next five years will not take place unless you help us spread much more information about the importance and accomplishments of our work". He would devote considerable personal attention to this problem and intended to share his thinking on it with the Council at a later date.

337. There was one other determining factor for UNDP's future. That factor was the continued strengthening of field work capabilities by the participating agencies - and the continuing growth of interagency co-operation at all levels. He had already been able to meet with the heads of these agencies collectively, and hoped to have further meetings with them on an individual basis. He also looked forward to productive discussions at future meetings of the IACB. For he shared the feeling with his predecessor that the United Nations development system was something much more than the sum of its individual parts, and that it had the common task of strengthening this system by collective action. That would, of course, require a good deal of give and take on everyone's part. The individual agencies each had their own mandated priorities and their own main directions of work. So, too, did UNDP. Most importantly, the developing countries had their own priorities and directions - and these three dynamics did not always necessarily coincide. What he therefore thought was needed - and what UNDP would work for as hard as it could - was to continue evolving formulae under which common interests could be served with maximum effectiveness, while divergent interests, where they existed, could be harmonized to the greatest possible extent.

338. He wanted, in closing, to say a very brief word on the general philosophy he was bringing to the job as Administrator. That philosophy could be summed up as continuity enlivened by innovation. Continuity was essential because the principles of the Programme had proven to be sound. Innovation was equally important, because
rapid changes taking place in both the problems and opportunities faced by the developing countries created changing needs for UNDP assistance. From what he had seen of the Governing Council's work at the current session, he believed that he and the Council shared a similar outlook. The Council had reiterated its backing for the UNDP's over-all policies. At the same time it approved the modernization UNDP had carried out in its operating practices. Finally, it had given the Administration freedom to refine strategies, sharpen tactics and carry on the day-to-day work of the Programme according to the best of its judgement. That was all he could realistically ask for as the UNDP's new Administrator. However long he served in that post, he would rarely ask for more.
CHAPTER XV

DATE AND PROVISIONAL AGENDA OF THE FOURTEENTH SESSION

339. At its 311th meeting, following arrangements worked out by the Administrator with the Director-General of WHO, the Governing Council decided to hold its fourteenth session from 6 to 23 June 1972 at WHO headquarters in Geneva. It was also agreed that the Budgetary and Finance Committee would convene at WHO headquarters on 5 June.

340. At the same meeting the Council agreed on the following provisional agenda for its fourteenth session:

1. Opening of the session
2. Adoption of the agenda
3. Country and intercountry programming and projects:
   (a) Review of criteria to be followed in calculating indicative planning figures
   (b) Further consideration of indicative planning figures
   (c) Further assessment of the experience in country programming
   (d) Further consideration of the special measures in favour of the least developed among developing countries
   (e) Consideration, in private meetings, of individual country programmes
   (f) Approval of country programmes
   (g) Approval of projects
4. Report by the Administrator on projects approved between the thirteenth and fourteenth sessions of the Governing Council
5. Comprehensive review of:
   (a) The organization of the United Nations Development Programme
   (b) Its methods and general procedures
6. Personnel for development assistance
7. Report of the Administrator on the activities of the United Nations Development Programme in 1971 with relevant supplementary documentation and reports of the Joint Inspection Unit
8. The role of UNDP in promoting investment follow-up
9. Role of UNDP in promoting industrial development:
   (a) Progress report in accordance with Economic and Social Council resolution 1617 (XXI)
   (b) Report of the ad hoc Committee set up by the General Assembly under resolution 2823 (XXVI)
10. Financial matters:
   (a) Financial position of UNDP for 1971 and final report on the Revolving Fund
   (b) Size and composition of the Operational Reserve
   (c) Agency overhead costs
   (d) Revised estimates of resources and programme costs for 1972 and initial estimates of resources and programme costs for 1973-1977
   (e) Waiver of local cost assessments

11. Administrative and budgetary matters:
   (a) Budget estimates for the programme support and administrative services of UNDP for the year 1973
   (b) Review of progress of the administration of the 1972 budget: report of the Administrator on savings envisaged
   (c) Progress report by the Administrator on arrangements to provide advice and support to Resident Representatives in sectoral fields within the United Nations development system

12. Future arrangements, including methods of financing, of communication services to support projects and programmes

13. United Nations technical co-operation activities

14. United Nations Volunteers

15. United Nations Capital Development Fund

16. Information papers on the regular programmes of technical assistance in 1971 of the specialized agencies and the International Atomic Energy Agency

17. Other matters

18. Date and provisional agenda for the fifteenth session of the Governing Council

19. Draft report of the Governing Council to the fifty-third session of the Economic and Social Council
ANNEXES

ANNEX I

REPRESENTATION AT THE THIRTEENTH SESSION a/

Members of the Governing Council

Australia, Austria, Belgium, Brazil, Bulgaria, Cameroon, Canada, Central African Republic, Cuba, Denmark, Ecuador, Ethiopia, Federal Republic of Germany, Finland, France, Guatemala, India, Indonesia, Iran, Iraq, Italy, Ivory Coast, Japan, Kuwait, Lebanon, Libyan Arab Republic, Mexico, Morocco, Netherlands, Nigeria, Norway, Pakistan, Philippines, Poland, Romania, Sweden, Switzerland, Trinidad and Tobago, Turkey, Uganda, Union of Soviet Socialist Republics, United Kingdom of Great Britain and Northern Ireland, United States of America, Upper Volta, Uruguay, Yugoslavia, Zaire, Zambia.

States represented by Observers

Algeria, Chile, Colombia, Czechoslovakia, Egypt, Ghana, Guyana, Honduras, Hungary, Israel, Kenya, Madagascar, Malaysia, Mauritania, New Zealand, Panama, Peru, Spain, Sudan, Ukrainian Soviet Socialist Republic, Venezuela.

United Nations and United Nations Bodies


Specialized Agencies


Other Intergovernmental Organizations


a/ In accordance with paragraph 3(f) of General Assembly resolution 2836 (XXVI) of 17 December 1971, participants are not listed by name.
ANNEX II

List of large-scale country, regional and interregional projects (formerly Special Fund type projects) approved by the Governing Council at its thirteenth session

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<td>1</td>
<td>Burundi</td>
<td>Secondary School Teacher Training Institute, Bujumbura (Phase II) (BDI 16)</td>
<td>UNESCO</td>
<td>1 042 000</td>
<td>1 068 400</td>
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<td>2</td>
<td>Cameroon</td>
<td>Federal School for Posts and Telecommunications, Yaounde (CMR 25)</td>
<td>IU</td>
<td>2 425 000</td>
<td>787 400</td>
<td>3 212 400</td>
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<td>3</td>
<td>Central African Republic</td>
<td>Accelerated Vocational Training Programme, Bangui (CAP 14)</td>
<td>ILO</td>
<td>372 000</td>
<td>362 600</td>
<td>734 600</td>
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<td>Ethiopia</td>
<td>Rinderpest Control (ETH 22)</td>
<td>ILO</td>
<td>795 000</td>
<td>769 400</td>
<td>1 568 400</td>
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<td>5</td>
<td>Gabon</td>
<td>Supplementary Assistance in Forest Development (GAB 6)</td>
<td>FAO</td>
<td>94 000</td>
<td>365 100</td>
<td>457 100</td>
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<td>6</td>
<td>Gabon</td>
<td>Treatment, Drainage and Disposal of Solid and Liquid Waste, Libreville (GAB 15)</td>
<td>WHO</td>
<td>233 000</td>
<td>510 400</td>
<td>733 400</td>
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<td>Guinea</td>
<td>Supplementary Assistance to Forestry Training and Development Centre (GUI 3)</td>
<td>FAO</td>
<td>261 000</td>
<td>75 000</td>
<td>356 000</td>
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<td>8</td>
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<td>9</td>
<td>Ivory Coast</td>
<td>Institute of Pedagogical Research Abidjan (Phase II) (IVC 32)</td>
<td>UNESCO</td>
<td>593 000</td>
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<td>1 762 550</td>
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<td>Liberia</td>
<td>Supplementary Assistance to College of Agriculture and Forestry, Monrovia (Phase II) (LIR 6)</td>
<td>FAO</td>
<td>214 000</td>
<td>284 000</td>
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<td>Liberia</td>
<td>Rural Basic Craft Training (LIR 15)</td>
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<td>667 000</td>
<td>1 748 000</td>
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<td>Malawi</td>
<td>Economic Feasibility and Engineering Studies of Two Main Roads (MLW 17)</td>
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<td>30 000</td>
<td>1 016 200</td>
<td>1 046 200</td>
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<td>Mali</td>
<td>Productivity and Management Training Institute, Bamako (MLI 25)</td>
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<td>239 000</td>
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<td>1 458 700</td>
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<td>Niger</td>
<td>National School of Public Health, Niamey (Phase II) (NER 25)</td>
<td>WHO</td>
<td>1 285 000</td>
<td>750 450</td>
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<td>People's Republic of Congo</td>
<td>Forestry Training and Demonstration Centre, Mossendjo (Phase II) (COB 25)</td>
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<td>564 000</td>
<td>674 400</td>
<td>1 238 400</td>
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<td>17</td>
<td>Senegal</td>
<td>Foundry Development Centre, Thies (SEMN 20)</td>
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<td>572 000</td>
<td>581 200</td>
<td>1 153 200</td>
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<td>Somalia</td>
<td>Technical Education and Vocational Training (SEMN 19)</td>
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<td>895 000</td>
<td>964 950</td>
<td>1 859 950</td>
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<td>Somalia</td>
<td>National Teacher Training Centre (SMC 20)</td>
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<td>Somalia</td>
<td>Mineral and Groundwater Survey (Phase III) (SEMN 23)</td>
<td>United Nations</td>
<td>929 000</td>
<td>1 070 750</td>
<td>1 999 750</td>
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<td>21</td>
<td>Swaziland</td>
<td>Industrial Advisory and Consultancy Services (SWA 6)</td>
<td>UNIDO</td>
<td>26 000</td>
<td>199 800</td>
<td>225 800</td>
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<td>Upper Volta</td>
<td>National Training Centre for Rural Handicrafts, Ouploadougou (UPV 14)</td>
<td>ILO</td>
<td>453 000</td>
<td>819 250</td>
<td>1 274 250</td>
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<td>24</td>
<td>Regional</td>
<td>Telecommunication Link between Bathurst (Gambia) and Kaolack (Senegal) (REG 255)</td>
<td>ITU</td>
<td>80 000</td>
<td>187 400</td>
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<td>115</td>
<td>Madagascar</td>
<td>Establishment of a Cyclone and Thunderstorm Forecasting, Detection and Warning System (MAG 30)</td>
<td>WMO</td>
<td>618 000</td>
<td>1 212 000</td>
<td>1 830 000</td>
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<td>116</td>
<td>Madagascar</td>
<td>Establishment of an Agrometeorological and Hydrometeorological Network for the Lake Alaotra Basin (MAG 31)</td>
<td>WMO</td>
<td>202 000</td>
<td>390 000</td>
<td>592 000</td>
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<td>Equatorial Guinea</td>
<td>Emergency Secondary Teacher Programme (OPAS) (UNESCO/REG/69/15)</td>
<td>UNESCO</td>
<td>133 000</td>
<td>1 037 400</td>
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<td>Rwanda</td>
<td>Supplementary Assistance to the Pilot Plant for Industrialization of Jatropha Production (SWA 3)</td>
<td>UNIDO</td>
<td>108 000</td>
<td>632 700</td>
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<td>Regional</td>
<td>Programme of Educational Assistance to African Refugees in Baggumay, United Republic of Tanzania, Conakry, Guinea and Mombi, Zambia (REG 297)</td>
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<td>2 116 000</td>
<td>333 600</td>
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<td>Afghanistan</td>
<td>Assistance to the Afghan Air Authority (Phase II) (AFG 30)</td>
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<td>Burma</td>
<td>Training for Mineral Exploration at the University of Arts and Sciences, Rangoon (BUR 16)</td>
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<td>Burma</td>
<td>Exploration and Pilot Development of Alluvial Deposits of Tin and Tungsten in the South (BUR 19)</td>
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<td>877,000</td>
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<td>Ceylon</td>
<td>Assistance in the Establishment of a Master Plan for the Metropolitan Area of Colombo (CEY 28)</td>
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<td>Iran</td>
<td>Assistance in Execution of the Varamin-Garmsar Development Plan (IRA 43)</td>
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<td>33</td>
<td>Iran</td>
<td>Forestry and Range Faculty and Forest Ranger School (Phase II) (IRA 44)</td>
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<td>2,151,000</td>
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<td>Khmer Republic</td>
<td>Pilot Station for Irrigated Agriculture in Battambang (Phase II) (KMR 21)</td>
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<td>Mongolia</td>
<td>Experimental and Demonstration Plant for the Utilization of Scrap Leather (MON 9)</td>
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<td>1,116,000</td>
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<td>Pakistan</td>
<td>Plant Quarantine Centre, Karachi (PAK 92)</td>
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<td>Republic of Korea</td>
<td>Assistance to Extension Services Department in the Medium Industry Bank (Phase II) (KOR 52)</td>
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<td>Republic of Korea</td>
<td>Assistance in the Development of Regional Plans (Phase II) (KOR 50)</td>
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<td>Singapore</td>
<td>Singapore Mass Transit Study (SIN 17)</td>
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<td>Thailand</td>
<td>Industrial Services Institute (Phase II) (THA 61)</td>
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<td>42</td>
<td>Thailand</td>
<td>Shrimp and Prawn Culture Research, Development and Training Centre (THA 42)</td>
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<td>725 000</td>
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<td>43</td>
<td>Regional</td>
<td>Technical Support for Regional Offshore Prospecting in East Asia (REG 168)</td>
<td>United Nations</td>
<td>115 000</td>
<td>696 300</td>
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<td>44</td>
<td>Regional</td>
<td>Formulation of a Pioneer Projects Programme for the Lower Mekong Basin (REG 293)</td>
<td>United Nations</td>
<td>1 172 000</td>
<td>1 015 000</td>
<td>2 187 000</td>
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<td>45</td>
<td>Regional</td>
<td>Research on the Control of the Coconut Palm - Rhinoceros Beetle (REG 291)</td>
<td>IBRD</td>
<td>206 000</td>
<td>793 400</td>
<td>999 400</td>
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<td>108</td>
<td>India</td>
<td>Leather Goods Development-cum-Demonstration Centre, Madras (IND 113)</td>
<td>UNIDO</td>
<td>437 000</td>
<td>351 400</td>
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<td>109</td>
<td>India</td>
<td>Structural Engineering Research Centre, Madras (IND 120)</td>
<td>United Nations</td>
<td>1 406 000</td>
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<td>110</td>
<td>India</td>
<td>Central Agmark Research and Training Institute, Nagpur (IND 125)</td>
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<td>411 000</td>
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<td>111</td>
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<td>Training of Telecommunications Junior Engineers and Senior Technicians (INS 36)</td>
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<td>112</td>
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<td>Development of the National Educational Programme (Phase II) (INS 37)</td>
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<td>4 375 000</td>
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<td>Nepal</td>
<td>Training of Personnel for the Hotel and Tourist Industries (MNP 25)</td>
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<td>4 086 066</td>
<td>841 100</td>
<td>4 927 166</td>
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Sub-total: 30 180 186

Sub-total: 24 103 500

Sub-total: 54 283 686

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a/ Participants: Indonesia, Khmer Republic, Malaysia, Philippines, Thailand, Republic of Korea, Republic of Viet-Nam.

b/ Participants: Khmer Republic, Laos, Thailand, Republic of Viet-Nam.

c/ Participants: South Pacific Islands.
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\d/ Includes an amount of $159 500 which the Government of Kuwait will provide as a special cash contribution towards the over-all implementation of the project.
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<td>63</td>
<td>Syrian Arab Republic</td>
<td>Management Development and Productivity Centre, Damascus (Phase II) (SYR 42)</td>
<td>ILO</td>
<td>753 004</td>
<td>727 600</td>
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<td>64</td>
<td>Syrian Arab Republic</td>
<td>Surveys of the Balikh Basin (SYR 46)</td>
<td>FAO</td>
<td>2 711 000</td>
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<td>65</td>
<td>Tunisia</td>
<td>Support and Expansion of the National Reforestation Research Institute (TUN 40)</td>
<td>FAO</td>
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<td>956 400</td>
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<td>66</td>
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<td>Assistance to the National Productivity Institute (Phase II) (TUN 45)</td>
<td>ILO</td>
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<td>67</td>
<td>Tunisia</td>
<td>Evaluation and Planning of Employment Requirements (TUN 49)</td>
<td>ILO</td>
<td>139 000</td>
<td>351 000</td>
<td>590 000</td>
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<td>68</td>
<td>Turkey</td>
<td>Supplementary Assistance for Transport Co-ordination and Railway Study (TUR 31)</td>
<td>IBRD</td>
<td>208 000</td>
<td>267 000</td>
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<td>69</td>
<td>Turkey</td>
<td>Establishment of a Petroleum Development Centre (TUR 45)</td>
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<td>1 285 000</td>
<td>608 500</td>
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<td>70</td>
<td>Egypt</td>
<td>Supplementary Assistance to Institute of Petroleum and Mining Engineering at Shobin-el-Kom (UAR 45)</td>
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<td>950 000</td>
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<td>71</td>
<td>Egypt</td>
<td>Science Centre for Advancement of Post Graduate Studies, University of Alexandria (UAR 73)</td>
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<td>1 464 200</td>
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<td>72</td>
<td>Egypt</td>
<td>Improvement of Field Crop Productivity (UAR 91)</td>
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<td>33 549 000</td>
<td>2 784 400</td>
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<td>73</td>
<td>Yemen</td>
<td>Institute of Health Manpower, Sana'a (YEM 15)</td>
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<td>769 300</td>
<td>885 300</td>
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<td>74</td>
<td>Regional: Iraq, Kuwait, Libyan Arab Republic, Egypt and Syrian Arab Republic</td>
<td>Regional Maritime Training Centre, Alexandria (REG 286)</td>
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<td>5 395 000</td>
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<td>People's Democratic Republic of Yemen</td>
<td>Pilot Training and Demonstration Centre for Leather Products (SOY 14)</td>
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<td>27 136 600</td>
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<td>LATIN AMERICA</td>
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<td>76</td>
<td>Argentina</td>
<td>Supplementary Assistance to a Fishery Development Project (ARG 10)</td>
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<td>473 000</td>
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<td>77</td>
<td>Argentina</td>
<td>Centre for Utilization of Computers in Health Programmes (ARG 41)</td>
<td>WHO</td>
<td>3 505 000</td>
<td>1 288 900</td>
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<td>78</td>
<td>Argentina</td>
<td>Industrial Development of the Northwest Region (ARG 46)</td>
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<td>1 021 000</td>
<td>715 200</td>
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<td>Bahamas</td>
<td>Fishery Development (UK 72)</td>
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<td>80</td>
<td>Bolivia</td>
<td>Telecommunications Training Institute, La Paz (BOL 18)</td>
<td>ITU</td>
<td>1 954 000</td>
<td>699 600</td>
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<td>81</td>
<td>Bolivia</td>
<td>Forest Inventory and Development (BOL 31)</td>
<td>FAO</td>
<td>364 000</td>
<td>729 100</td>
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<td>82</td>
<td>Brazil</td>
<td>Strengthening of Basic Science Teaching and Research at the Federal University of Bahia in Salvador (Phase II (BRA 62)</td>
<td>UNESCO</td>
<td>1 810 000</td>
<td>894 300</td>
<td>2 704 300</td>
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<td>83</td>
<td>Brazil</td>
<td>Tropical Fruits Processing Centre, Bahia (BRA 55)</td>
<td>FAO</td>
<td>949 000</td>
<td>1 069 100</td>
<td>2 018 100</td>
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<td>84</td>
<td>Brazil</td>
<td>Development of Agricultural Production through the Application of Nuclear Technology (BRA 56)</td>
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<td>875 900</td>
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<td>Chile</td>
<td>Inland Water Fishery Development Programme (CHI 44)</td>
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<td>343 100</td>
<td>543 100</td>
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<td>86</td>
<td>Chile</td>
<td>Rural Management in Agrarian Reform (CHI 46)</td>
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<td>1 070 900</td>
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<td>952 800</td>
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<td>88</td>
<td>Chile</td>
<td>Bacteriological Institute, Santiago (CHI 50)</td>
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<td>Costa Rica</td>
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<td>Secondary Teacher Training (DOM 14)</td>
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<td>1 385 700</td>
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<td>92</td>
<td>Ecuador</td>
<td>Technical Advisory Services to Industry (ECU 35)</td>
<td>UNIDO</td>
<td>1 391 000</td>
<td>1 229 500</td>
<td>2 620 500</td>
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<td>El Salvador</td>
<td>Faculty of Engineering, University of El Salvador (SLS 12)</td>
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<td>Guyana</td>
<td>Development of Potable Water Supply, Sanitary Sewerage and Storm Drainage (GUY 16)</td>
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<td>698 000</td>
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<td>Haiti</td>
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<td>1 244 300</td>
<td>357 800</td>
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<td>Honduras</td>
<td>Forestry Development, Planning and Administration (HON 11)</td>
<td>FAO</td>
<td>4 666 000</td>
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<td>Jamaica</td>
<td>Supplementary Assistance to the Productivity Centre, Kingston (JAM 7)</td>
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<td>3 120 000</td>
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<td>Nicaragua</td>
<td>Geothermal Resources Development (NIC 10)</td>
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<td>1 066 500</td>
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<td>Department of Basic Sciences, National University of Asunci6n (PAR 25)</td>
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<td>101</td>
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<td>103</td>
<td>Surinam</td>
<td>Hydroelectric Investigation in Western Surinam (NET 8)</td>
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<td>698 950</td>
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<td>105</td>
<td>Uruguay</td>
<td>Fishery Research and Development Project (URU 17)</td>
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<td>Regional Zoonoses Centre (RSG 241)</td>
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<td>5,902,000</td>
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<td>Regional</td>
<td>Inter-American Centre for Labour Administration (RSG 274)</td>
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<td>118</td>
<td>Uruguay</td>
<td>Export Promotion (URU 20)</td>
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<td>1,470,000</td>
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<td>Brazil</td>
<td>Multi-purpose Water Development of the Yaguaron River Basin (BRA 61 - URU 18)</td>
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<td>Paraguay</td>
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<td>INTERREGIONAL</td>
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<td>46</td>
<td>Interregional</td>
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<td>204,114,066</td>
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Participants:
- g/ Participants: Argentina, Barbados, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Guyana, Haiti, Honduras, Jamaica, Mexico, Nicaragua, Panama, Paraguay, Peru, Trinidad and Tobago, Uruguay, Venezuela.
- g/ Participants: Argentina, Peru, Uruguay, Venezuela.
- g/ Participants: Bahrain, Ceylon, Ethiopia, India, Jordan, Kenya, Republic of Korea, Madagascar, Mauritius, Pakistan, Qatar, Somali Republic, United Arab Emirates, United Republic of Tanzania, Thailand. The project will be implemented in co-operation with the members of the Indian Ocean Fishery Commission (IOFC) and other interested Governments.
The Governing Council

Having in mind the goals and objectives of the International Development Strategy for the Second United Nations Development Decade, adopted by the General Assembly in resolution 2626 (XXV),

Recalling its decisions on the restructuring of the United Nations Development Programme and the establishment of country programming procedures,

Recalling further the decisions taken at its eleventh and twelfth sessions concerning the implementation of the United Nations Development Co-operation Cycle during the five-year period of 1972-1976,

Aware of the need to ensure that the UNDP's operations during the current Development Cycle will contribute significantly to the fulfillment of the goals of the Second United Nations Development Decade,

A

1. Invites Governments to expedite the preparation of country programmes falling within the current Development Cycle and requests the Administrator to provide whatever co-operation might be requested for the purpose.

2. Decides that, for the period 1972-1976, Governments may prepare country programmes 25 per cent above their indicative planning figures, this 25 per cent being considered a margin for adjustments in the expectation of increased contributions.

B

1. Reaffirms that all contributions made to the Programme for the period 1972-1976 should be fully committed, within the same period, by ensuring that all the increases in contributions are duly reflected in the country and intercountry indicative planning figures pertaining to the current Development Cycle.

2. Stresses that whenever a country programme period overlaps the Development Cycle, the estimated resources for the second part of the programme will be calculated according to the planning estimates and indicative planning figures of the current Development Cycle. When the next round of planning estimates and indicative planning figures are established, the level of expenditures of that part of the country programme which overlaps the next Cycle will be adjusted to conform to the new planning estimates and IPFs.
3. **Decides** that upward adjustments in the indicative planning figures for the period 1972-1976 will be made at the fifteenth and seventeenth sessions of the Council, taking into account the growth factor provided for in paragraph 13 of the Consensus and the results of the review of criteria to be followed in calculating such figures, to be effected at the fourteenth session of the Council.

4. **Requests** the Administrator to present annual forecasts during the period 1972-1976 of estimates of resources and of programme costs for the following year and for the remaining part of the period on the basis of an average annual increase in voluntary contributions of 9.6 per cent, 12 per cent and 15 per cent. Forecasts for the period 1977-1981, when the second round of indicative planning figures should come into effect, will first be presented for consideration in 1974.

5. **Urges** Governments, in the light of the requirements and needs of the recipient countries, to substantially increase their financial contributions to the Programme, so as to enable it to double the level of delivery within the next five years and to use as fully as possible its improved capacity to assist developing countries in attaining the objectives of the Second United Nations Development Decade.

C

1. **Stresses** that approval of a country programme by the Council, in accordance with paragraph 36 of the annex to resolution 2688 (XXV) of the General Assembly, entitles the Administrator to proceed with appraisal and approval of action on requests for assistance falling within the general outlines of the country programme. Approval by the Council of a country programme means that the Council has approved the expenditure of UNDP resources, up to the level of the indicative planning figure for the country during the current Development Cycle, on projects and on fields of activity set forth in the country programme.

2. **Decides** to extend to the end of 1976 the delegation of authority enabling the Administrator to approve projects within country programmes.

3. **Urges** the Administrator and the heads of the Regional Bureaux to co-operate in the elaboration of intercountry programming in each region and subregion on a pluriannual basis and in such a manner as to establish a direct link between intercountry programming and the objectives and goals of the country programmes of the same region and subregion.

D

1. **Decides** to exempt the least developed among the developing countries from the payment of local costs for as long a period as required by their special situation.

2. **Decides** further that, in the review of indicative planning figures to be made at the Fourteenth session of the Council, an additional amount of $50 million will be made available for distribution among the IPFs of the least developed among the developing countries for the period of 1972-1976, the resources to be drawn as a first charge from increases in contributions over the 9.6 per cent planning estimates and, if such increases are not realized, to be drawn from the operational reserve.