



GOVERNING COUNCIL

Twenty-seventh session

SUMMARY RECORD OF THE 681ST MEETING

held at the Palais des Nations, Geneva,
on Thursday, 5 June 1980, at 3 p.m.

President: Mr. ALBORNOZ (Ecuador)

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The meeting was called to order at 3.25 p.m.

PROGRAMME IMPLEMENTATION (agenda item 4) (continued)

- (a) ANNUAL REPORT OF THE ADMINISTRATOR (DP/423 and Add.1, 439, 460-462, 463 and Corr.1)
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- (g) INTERNATIONAL CO-OPERATIVE ACTION IN SUPPORT OF THE MAR DEL PLATA PLAN OF ACTION (DP/474)
- (h) STANDARDIZATION OF DEVELOPMENT CO-OPERATION PROCEDURES (DP/468)

PROGRAMME PLANNING AND PREPARATION FOR THE THIRD PROGRAMMING CYCLE (agenda item 5) (continued)

- (a) PREPARATION FOR THE THIRD PROGRAMMING CYCLE, 1982-1986 (DP/451 and Corr.1, 496) (continued)

1. Mr. RILEY (International Bank for Reconstruction and Development) said that, historically, investment had been the reason for the Bank's association with UNDP. UNDP had been unable to finance all the investments for technical co-operation activities that borrowing countries had needed and those countries had accordingly had to borrow from the Bank and from IDA for such activities. Lending for technical assistance currently amounted to approximately \$400 million per year.

2. The Bank welcomed the Administrator's efforts to revitalize UNDP's investment role including, in particular, the establishment of an Investment Development Office. The suggestions made by members of the Council for a greatly increased dialogue between UNDP and the financial institutions were welcome and would be followed up promptly by the Bank.

3. The Bank had also taken note of the suggestion made by the Administrator in paragraph 30 of document DP/479 that arrangements should be made jointly by UNDP and the Bank to ensure that resident representatives received special training on investment development. It would take advantage of the forthcoming global meeting of resident representatives in Tunis to seek the latter's suggestions for such a programme.

4. During the previous year, the Bank, in co-operation with the Office of Project Execution of UNDP, had developed new approaches for collaboration using not only UNDP grant funds but also Bank loan funds.
5. He would comment at a later stage on the proposed energy fund, which the Bank regarded as capable of playing a most important role in the development of new sources of energy.
6. Mr. WOLTE (Austria) said that the Administrator, both in his report for 1979 and in his introductory statement, had described the impressive framework within which UNDP's activities were unfolding. In highlighting certain shortcomings, both organizational and conceptual, the Administrator had contributed further to the credibility of the Programme.
7. Austria had been able to increase its annual contribution to UNDP in recent years by an average of 15 per cent. His Government would try to continue to follow that precedent within the limits of its over-all allocations for technical development co-operation. His Government would study the question of multi-year pledges in the light of the findings of the Intergovernmental Study Group on Future Financing of the Programme (DP/451). The proposal for a system of rolling three-year pledges seemed worth retaining but his Government's budgetary arrangements might not permit it to go much beyond such a system.
8. Where IPFs for the third programming cycle were concerned, his Government had consistently supported the principle of universality. There should be no cut-off point and UNDP must preserve its universal appeal by remaining open to all developing countries as a catalyst for high-quality international expertise. His delegation supported the text of the decision worked out in New York. On the question of the floor, his delegation had been impressed by the arguments advanced by the representative of Ecuador and supported by other representatives. It should be possible to find the basis for a consensus during the Council's current session. He welcomed the decision of those countries which had decided to relinquish their national IPFs.
9. The start of the third programming cycle would also offer an opportunity to eliminate the problem of non-convertible currencies.
10. His Government had never adopted a rigid attitude towards the establishment of new funds and consequently had no difficulty in accepting the principle of an energy fund along the lines proposed by the Administrator. Care must, however, be taken to avoid any overlapping with facilities already in existence. A further problem might result from the gap between the broad mandate of the Fund and its relatively limited resources.
11. Commenting on the statement by the Executive Director of UNIDO at a previous meeting, he confirmed that there had been a wide measure of support for a considerable increase in the allocations for the Special Industrial Services Programme. He had reservations, however, regarding the alternatives proposed for Senior Industrial Field Advisers. In view of the high-quality service and expertise expected from those Advisers, he doubted whether a junior professional officer could meet the requirements. It was precisely the high quality and wide-ranging professional experience of Senior Industrial Field Advisers which was partly responsible for the difficulty in finding appropriate staff.

12. Mr. VILLAGOZ (Observer for Bolivia) said that Bolivia was a land-locked country, in which 65 per cent of the population lived on the land on a subsistence basis. Per capita income was below \$100 and 40 per cent of the population was illiterate. The country's GNP had risen at an annual rate of 6 per cent between 1974 and 1977, but the rate of increase had fallen to 3.2 per cent in 1978 and 1979 and a further drop to 2.1 per cent was expected for 1980; in the meantime the population was growing at an annual rate of 3 per cent. External indebtedness had risen from \$650 million in 1971 to over \$3,000 million in 1979 and debt-servicing costs now required about 33 per cent of the country's export earnings. Oil reserves were almost exhausted and Bolivia might become an oil importing country in two or three years' time. Income was poorly distributed, leading to permanent social tension; the people had accordingly turned away from governments based on force and were seeking to consolidate a democratic system of government.
13. Bolivia was nevertheless rich in natural resources and the transportation network had been expanded. Integration would broaden the present limited markets. The Andean Group was the most dynamic example of integration in South America and was on the point of establishing a Customs union through the adoption of a common external tariff.
14. The economic policy of the democratic Government was oriented towards increased investment in the agricultural sector, which was backward economically and in which poverty was rife. Second priority was being given to investment in the mining sector, where increased resources would be devoted to prospecting and exploring for new reserves. The obsolete equipment of existing mines would be replaced. Mineral smelting would be expanded so that the value-added content of exports would be increased with a view to reversing the currently negative terms of trade with the developed countries. Modernization of manufacturing industry was proceeding apace and maximum advantage was being taken of the possibilities of technology transfer from the developed countries.
15. In the current unjust international economic order, the developing countries could mobilize their own resources and resolve their critical poverty problem through their own efforts alone. The building of a better world called for a united effort by all countries to construct a new system of international relationships leading to a new international economic order.
16. UNDP assistance had contributed to the following projects in Bolivia: technological development in the field of tropical forest resources; technological development with respect to foodstuffs; development of the biological sciences; renewable sources of energy; the study of arid and semi-arid lands; integral agricultural development, conservation, soil management and reafforestation; prospection for and evaluation of mineral resources and techniques for the exploitation and concentration of tin; enhancement of the national planning system; training of public employees; administrative reform of the central government; and modernization of the technical-administrative structure of the main public enterprises. For the years 1980 and 1981 there remained a balance in Bolivia's IPF of only \$3 million, while a sum of over \$10 million was required for pending projects.

17. With regard to the third programming cycle, even an average increase in contributions of 14 per cent would be insufficient to meet the growing number of requests for co-operation and technical assistance addressed to UNDP. All countries should make voluntary contributions to the Programme and should ensure that resources were used as efficiently as possible so as to accelerate the rhythm of economic development.
18. His delegation had hoped that Bolivia's IPF for the third planning cycle would have been higher than the figure given in document DP/496. Bolivia had been included in group 3 on the basis of 1976 statistics, which did not, however, reflect the country's current situation. In 1976 the hydrocarbon sector had accounted for some 14 per cent of the GNP, but that proportion had declined from 1979 onwards and the country might indeed shortly become a net oil importer. Subsequent research in rural areas had demonstrated that the 1976 census had seriously underestimated the population. On the basis of those 1976 figures, Bolivia's per capita GNP had been estimated at \$510. Subsequent developments indicated clearly that Bolivia should be included in group 2, comprising countries with a per capita GNP below \$500.
19. Mr. BONNESSERRE (Argentina) said that the current session, during which the Council had to prepare the third programming cycle, presented a new opportunity to reaffirm and strengthen the principles and objectives governing the Programme's activities.
20. With regard to the criteria for the allocation of IPFs, his delegation's reasons for questioning the exclusive use of per capita GNP and population size were well known. It wished to reiterate its conviction that additional criteria should be used reflecting the development levels and characteristics of each country. Further study should be given to that question in order to work out truly equitable criteria.
21. The Argentine delegation considered that the floor concept should again be applied in the third cycle and that no developing country should receive an allocation lower than that for the second. That was particularly important in view of the current erosion of allocations in real terms.
22. The preparation of the third cycle had aroused particular concern in the Latin American region. The Argentine Government therefore fully supported the statement made by the representative of Ecuador, which clearly set out the common position of all Latin American countries. The Council should bear in mind that the preparation of the third cycle was not merely a numerical exercise, but also had important political implications for the orientation of the Programme.
23. Argentina had always supported the adoption of urgent measures to satisfy the special needs of the least developed among the developing countries and would continue to do so. However, if that special treatment was detrimental to the other developing countries, it would in fact penalize development. Some developing countries made important contributions to the Programme and might become net contributors in the near future. Such a step should, however, be based on a voluntary decision by the country concerned in the light of its development needs and national policies and programmes.

24. His delegation fully shared the Administrator's concern about the future level of contributions, especially in the light of the disappointing results of the 1979 Pledging Conference. Unless constantly increasing pledges were forthcoming, not only would assistance to some countries be reduced but the whole Programme might be endangered.

25. His delegation supported the efforts being made by the Administrator to evaluate the quality of technical co-operation and adopt measures to improve it. Greater participation by the Governments of recipient countries in the evaluation of their respective national programmes would require better communications between Governments and the offices of resident representatives. UNDP's procedure should be revised in order to enable the resident representatives to inform the responsible government authorities of any changes in project budgets. That would be a positive step towards true self-management by the Governments of recipient countries.

26. His delegation supported the recommendation in document DP/456 that international, national and regional action should be harmonized. It also supported the suggestion that studies should be carried out on the potential demand for, and supply of, unconventional technology with respect to energy, and the establishment of links between that new technology and the formulation of energy policies. Those activities should not at present involve any increase in the sum allocated to the global programme.

27. His delegation was satisfied with the Administrator's efforts to promote the formulation of pre-investment projects likely to attract national or outside investment. It was, however, disturbing that pre-investment activities had decreased during the past few years (DP/442, para.3). Promotion activities should therefore be continued, mainly using the infrastructure and facilities existing in UNDP and participating agencies.

28. One area which was assuming new importance in international economic co-operation was science and technology for development. Under the Vienna Programme of Action, UNDP was to administer the United Nations Interim Fund for Science and Technology for Development. The Argentine Government had supported that recommendation and was particularly interested in the work being done to launch the Fund's operations. His country had decided to make a voluntary contribution to the Fund in the near future and would in due course inform UNDP of the exact amount. In view of the disappointing results of the Pledging Conference in March 1980, the developed countries must state the exact amount of their contributions as soon as possible, in accordance with the commitments assumed at Vienna. His delegation might refer to that matter in greater detail during the discussion of agenda item 7 (g), in the light of the results of the second session of the Intergovernmental Committee on Science and Technology, which had just completed its work in New York.

29. Ever since the beginning of the Programme, his country had demonstrated the importance it attached to technical co-operation activities as one of the fundamental elements of the international contribution to the economic development of peoples. That position was demonstrated by the 14 per cent increase in Argentina's contribution for 1980 recently announced by the Argentine Government.

30. Programming for 1982-1986 should take the following principles into account: respect for the IPFs allocated to the less developed of the developing countries; a review of the exclusive criteria of per capita GNP and population size; maintenance of the principle of universality and voluntary contributions; allocation to developing countries with a GNP above \$1,500 of an IPF equal to that of the second cycle; a review of the figures for regional IPFs and the reserve fund and a reduction of administrative costs to the figure for 1979-1980; and special consideration for the situation of the geographically disadvantaged countries of the Latin American region.

31. Mr. MARTIN (New Zealand) said that the Administrator's candour in acknowledging that there was still room for improvement and his proposals for operational improvements pointed to a continuing determination on his part to reject any complacency that might adversely affect the efficiency and effectiveness of the Programme. Among those proposals, the New Zealand delegation particularly welcomed those arising from the evaluation and related studies presented to the Council.

32. The report by Sir Robert Jackson on investment follow-up (DP/472) had drawn attention to certain shortcomings in the UNDP system, some of which were, by their very nature, virtually insoluble. Steps had already been taken to remedy some of the others. Given the nature of the country programming system, his delegation agreed that decentralization - which was clearly desirable - would not necessarily increase investment-oriented activities and that, in the final analysis, it was to the recipient countries themselves that UNDP must look for an increase in the number of bankable projects. Ways had already been identified in which UNDP might be able to encourage that process - for example, through closer co-operation with Governments in formulating country programmes which were in harmony with national development objectives, but which also took into account the priorities established by the Governing Council, as well as through closer co-ordination with international financial institutions from the earliest stages of projects.

33. UNDP had made an important contribution towards increasing Governments' perception of the importance of active participation by women in development. His delegation welcomed the assessment relating to rural women's participation in development (DP/453) and endorsed the Administrator's recommendations, which were well designed to ensure that emphasis would continue to be placed on action-oriented aspects of the study.

34. The high priority accorded to the subject of energy, evident both from the evaluation study and from the Administrator's proposal for the establishment of an interim fund, was entirely appropriate. Those studies were welcome evidence of UNDP's continuing sensitivity to changes in the international economic climate which affected developing countries' perceptions of their development needs and priorities. In the latter context, the implications of the proposed interim fund for the 1981 Conference on New and Renewable Sources of Energy must be carefully examined. His delegation had reservations about the establishment of new special-purpose funds.

35. The report on evaluation of the global programme (DP/456) showed that that programme had provided valuable support for research activities in areas of particular concern to developing countries. Among the useful suggestions offered in that report, his delegation in particular endorsed the broadening of the programme, especially in the field of energy, and the proposals for institutional innovation. There was considerable duplication of research on new and renewable sources of energy, with the resulting effort spread too thinly to achieve positive and timely results.

36. In document DP/501, the Administrator drew the Council's attention to the Joint Inspection Unit's balanced appraisal of the Asian-Pacific Institute for Broadcasting Development, to which New Zealand contributed. The report confirmed his country's impression that the Institute's training programme was well conceived and implemented. The significant input from Pacific countries and the substantial degree of interest shown by ASEAN countries in the courses run by the Institute were particularly reassuring. His delegation was also glad to note that the Institute was now in a position to assist the developing countries of the region in strengthening their national centres for the study of broadcasting for development purposes. However, it shared the Inspectors' concern about the Institute's lack of financial resources and agreed that a new financial scheme would have to be devised to raise contributions, in particular from member countries.

37. With regard to the proposals for the third programming cycle, the New Zealand delegation continued to have doubts about the realism in the present economic climate of the 14 per cent target for the growth rate in voluntary contributions. The achievement of that target would certainly call for a significant change in the pattern of contributions. It also saw considerable merit in the guidelines suggested in document DP/496 for a phased approach to the achievement of net contributor status by middle-income recipient countries as a means of mobilizing additional resources.

38. The proposals before the Council on the allocation of resources went a long way towards meeting the call for a greater transfer of resources to the poorest countries. New Zealand fully understood from its own experience that there would be a continuing and growing requirement for technical co-operation by middle-income countries. It believed, however, that highest priority must be given to the countries with the most urgent needs.

39. With respect to the balance between country and inter-country programmes, his delegation would wish to see the proposed 81:19 ratio maintained. The report on evaluation of the global programme confirmed the value of that programme. The new regional programming process recently set in motion, initially in the Pacific, had shown that a larger share of resources could be used productively in programmes designed with the active participation of the recipients to fit the needs of groups of countries sharing a common environment and common problems.

40. Finally, his delegation welcomed the proposed streamlining of reporting requirements and of the Council agenda. It was no criticism of the Administrator to say that the amount of documentation was too great to be digested. It would in fact be a well-deserved expression of confidence in the Administrator and his staff if the Council could agree to simplified reporting procedures and to a more streamlined agenda. His delegation fully supported the proposal for a working group to make recommendations to that effect.

41. Mr. HANIFF (Malaysia) said that Malaysia's long association with UNDP had shown that the programmes and activities of the past two country programmes had been extremely beneficial in providing development planning advice, investment support services and other technical assistance. In the past decade UNDP had become the world's largest source of multilateral technical co-operation and had helped through national, regional, interregional and global projects and programmes to enhance the capacity for self-sustained development and greater self-reliance among developing countries with a view to establishing the New International Economic Order. Its activities had also been a source of encouragement at a time of world-wide economic distress. If UNDP was to continue to play its expanded role, it was imperative for the Council to reach a consensus on ways and means of increasing the availability of resources.

42. His delegation would urge, as a first step, that UNDP and its executing agencies should effectively reduce their expenditure, especially their administrative overheads. It therefore supported the steps taken and to be taken for the operational improvement of the Programme. It was encouraging that UNDP had undertaken to focus greater attention on the effective implementation of programmes, improved procedures and streamlined organizational arrangements in order to avoid duplication of programmes and activities, as well as to reduce low-priority activities. At the level of project implementation, the system of tripartite monitoring reviews should be further reinforced in order to maximize the benefits derived from technical assistance and to reduce the costs of aid delivery based on an integrated system.

43. In the interest of efficiency and economy, his delegation also urged a greater decentralization of operations. One effective step would be to give UNDP regional representatives greater powers of decision-making in the execution of country programmes so as to ensure greater flexibility and greater sensitivity to the needs of the recipient countries.

44. While an increased responsiveness to the needs of the least developed among the developing countries was to be welcomed, it should be borne in mind that poverty might also exist in developing countries with a relatively high GNP. In 1979 and 1980, Malaysia was implementing new economic policies to reduce poverty and regional imbalances.

45. In the past, regional commissions had played a constructive role in meeting the regional needs of developing countries. The Economic and Social Commission for Asia and the Pacific (ESCAP), in particular had adopted at its last session in March 1980 a regional development strategy for the 1980s with particular emphasis on food and agriculture, industry, energy transfer and infrastructure. The strategy

also emphasized population activities, equality of participation and full employment of natural resources for least developed, land-locked and island developing countries. In that connexion, his delegation urged that adequate resources should be made available in support of regional priorities in the ESCAP region by granting it a maximum allocation in order to achieve the objectives set for the regional development strategy in the 1980s.

46. Planning for the third programming cycle should be based on the basic principle of the universal and voluntary nature of UNDP. Three important issues needed to be equitably resolved, namely the question of using GNP and population size as the criteria for determining the country IPF in the third cycle, the ceiling or cut-off point concept and the net contributor status.

47. With regard to the first point his delegation considered that GNP and demographic criteria could serve only as a general and convenient guide for the formulation of country IPFs for the third cycle. Other complex factors involved in a country's internal development must not be overlooked and supplementary criteria, including deteriorating terms of trade, population growth rates and income distribution should be adopted.

48. His delegation was also concerned at the application of the ceiling or cut-off point concept, which, in its view, would not only be contrary to the traditional spirit of universality of participation in UNDP's technical co-operation activities, but could also threaten the solidarity of recipient countries. UNDP's fundamental purpose of assisting all developing countries to increase their developmental capacities irrespective of their levels of development would thus be defeated.

49. Similarly, his delegation firmly believed that the question of net contributor status should be settled by the countries concerned in accordance with the spirit and intention of the universal and voluntary nature of the Programme, as defined in the annex to General Assembly resolution 2688 (XXV). The Council could, of course, as in the past, appeal to the countries concerned to consider becoming net contributors, but it would not be appropriate for it to take a definite decision on which countries or group of countries with a GNP of a certain level should become net contributors. Malaysia, for example, might have a higher GNP than other developing countries, but it was still very much a developing country, and still needed technical assistance, especially in the current unpredictable economic climate, in order to sustain its economic development.

50. In the final analysis, it was his delegation's hope that the central issue of determining the IPFs, especially the respective country IPFs, could be settled by consensus at the current session. In the spirit of equity and universality, a compromise solution should be found to ensure that a country like Malaysia, which already had a modest IPF and regarded UNDP assistance as indispensable to its development efforts, should receive an IPF for the third cycle that was, at the very least, no less in real terms than the amount it had received during the second cycle.

51. Mr. SHUMAEV (Union of Soviet Socialist Republics) said that the Administrator's report (DP/460) showed that in comparison with 1978 there had been an increase of 25.5 per cent in the application of programme resources. The rise of nearly 150 per cent in expenditure on regional, interregional and global projects was of particular importance in the light of the resolution adopted by the General Assembly at its thirty-fourth session giving regional economic commissions the status of executing agencies. There had also been some progress during the past year in using all programme resources, including national currencies received as current contributions or previously accumulated.

52. However, certain problems still remained; for example, the Programme was not devoting enough attention to the industrial development of developing countries. Without an industrial base, those countries would be unable to achieve economic independence or solve such socio-economic problems as the attainment of full employment. The new dimensions policies should be broadened to include pilot projects in various economic branches; the development of a co-operative movement as a means of achieving fuller mobilization of materials, manpower and finance; and the establishment of model co-operatives in developing countries.

53. There were still shortcomings in project execution in some countries and regions, and instances of uneven or inadequate utilization of resources. Despite the administrative measures taken, agency overheads were still too high. There had been no progress in reducing the considerable expenditure on the remuneration of international experts; nor had it been possible to cut the lavish expenditure by certain missions on unnecessary travel. For every dollar spent on technical assistance, only 60 cents represented aid as such; the rest was swallowed up by administrative and other overheads. Therefore, significant resources could be brought into use to increase the effectiveness of the programme, and that showed the importance of a more closely integrated approach to development and the need for more rational selection of country programming projects.

54. The programme was still not doing enough to promote the training of qualified national personnel. The severe shortage of indigenous skilled manpower was acting as a brake on the social and economic development of emerging States and would continue to be so until the countries concerned possessed qualified personnel of their own. A well-designed and carefully balanced policy to that end would enhance the effectiveness of the Development Programme, and UNDP should therefore give greater priority to group and individual training of skilled manpower in developing countries. In that connexion, the competent organizations of the USSR had always assigned their best staff to United Nations and agency programmes for the development of skills, and had organized seminars, symposia and study tours for UNDP fellowship holders from developing countries. It was unfortunate that, by giving preferential treatment to a small group of countries, UNDP was failing to make full use of the possibilities thus offered.

55. Similarly, in placing orders for project equipment, the UNDP administration gave undue priority to a few market economy countries, thereby compromising the international character of the Programme and denying developing countries the benefit of the expertise to be found in socialist and third world countries. He hoped that measures would be taken to put an end to that state of affairs.

56. The increasing imbalance in the distribution of posts in both the central and decentralized staffs of the Programme gave cause for concern. The USSR and other socialist countries were always prepared to share their experience in economic matters with developing countries.

57. The Programme should be vigilant to safeguard its universal, egalitarian and voluntary character. He had therefore been somewhat concerned by the statement made by the representative of Afghanistan at the 679th meeting on the reduction of technical assistance to his country and the suspension of projects and withdrawal of experts ostensibly for security reasons. The administration of the Programme should increase aid to Afghanistan, which was among the least developed and land-locked States and which for almost two years had been suffering severe losses in an undeclared war with the forces of imperialism and reaction.

58. One of the main tasks of the current session was the preparation of the third programming cycle, and in that connexion one of the more complex and delicate issues was that of the criteria to be applied in the establishment of indicative planning figures. The only correct approach to that problem was to make a full and objective assessment of all general and specific factors affecting each country, in accordance with the principles of the 1970 consensus, so as to ensure continuity between the second and third cycles. The proposals made by the Administrator in document DP/425 could furnish the basis for such continuity.

59. The establishment of universally applicable criteria was made more difficult by the limitations imposed by the methodology employed. A fuller and more objective assessment of all factors relevant to the setting of IPFs would necessitate a more sophisticated methodology, including, if need be, the application of corrective factors, in the preliminary allocation of resources for the forthcoming cycle. All such questions must be decided with due regard to the progressive decisions of the General Assembly at its sixth and seventh special sessions, the Charter of Economic Rights and Duties of States, and similar texts.

60. He attached especial importance to assistance for national liberation movements recognized by the Organization of African Unity, and to aid for the Palestine people in accordance with General Assembly and Economic and Social Council resolutions. He supported the request of the representative of the Palestine Liberation Organization for the inclusion of aid to the Palestine people as a separate item on the agenda of the next session.

61. A prominent position in the third programming cycle would be given to activities connected with the United Nations Decade for Transport and Communications in Africa. In both those fields the Soviet Union had long been helping African, Asian and Latin American countries under bilateral programmes, and could continue to do so both on a bilateral basis and through utilization of its contributions to United Nations technical assistance, including the accumulated rouble balances.

62. In planning the tasks and objectives of the next five years, the Governing Council should bear in mind that the 1970s had been a testing period for the developing countries, which had been seriously affected by the economic crisis in the industrial centres of capitalism. Yet it would be wrong to ascribe all the difficulties to adverse trends in the world economy. The opponents of detente had been trying to hinder the development of peaceful coexistence, continue the arms race, increase international tension and perpetuate colonialism. However, the question of development and international technical co-operation must be considered in the light of the primary task of the United Nations to safeguard international peace and security. The relaxation of international tension and the ending of the arms race would bring about economic and social development.

63. He entirely agreed with the observation made by the Administrator in his opening statement that close co-operation between members of the Governing Council and the administration of the Programme was of great importance. His delegation had had discussions with the Administrator on the strengthening of such co-operation, and would continue to work along those lines.

64. Mr. ALVARES-MACHIEL (Brazil) expressed his Government's great appreciation of the technical co-operation programme financed by UNDP in Brazil. Although the IPF on which the programme was based, was small in comparison with the much greater financial resources provided by other sources of international aid, the UNDP country programme was by far the most important in qualitative terms and had mobilized counterpart resources of about \$300 million, corresponding to an IPF/counterpart ratio of 1 to 10. The projects involved were reserved for the few Brazilian institutions that had been able to prove their technical and financial capacity to offer an effective counterpart contribution so as to ensure the best possible multiplier effect.

65. The example of one UNDP-financed Brazilian project clearly demonstrated the dramatic role that multilateral aid could play in improving key sectors of the economy of developing countries. With the help of a limited number of highly-sophisticated experts, the Brazilian Aerospace Technological Centre had been able relatively swiftly to comply with international standards and had become Brazil's national agency for aircraft certification and homologation. That development had been crucial in opening up the international market for the young Brazilian air industry.

66. One of the basic principles of multilateral technical co-operation, as defined by the 1970 consensus, was its universal character, which was twofold: it was geographical, since the principle of universality enabled all UNDP member developing countries to apply for technical co-operation from the programme; and it was comprehensive in terms of the areas opened up to technical co-operation. IPFs, whether for \$250 million or \$10 million, were in fact mere tokens of international solidarity, and every country must be allowed to receive a small share of the resources. His delegation was convinced that continued correct interpretation of the principle of universality was fundamental to an equitable distribution of resources for the third cycle.

67. He reaffirmed his delegation's support for measures to provide effective assistance to the least developed countries, whose needs his country understood very well, since only a few years before it had been confronted with similar problems. Those countries should receive the bulk of the resources available for international aid. Moreover, TCDC programmes especially designed to meet the needs of the least developed countries could help to channel increased resources to those countries.
68. But the special efforts in favour of the least developed countries should not be used as a pretext to exclude countries and regions at a higher level of development from the benefits of UNDP's technical co-operation programmes. Those who advocated such an exclusion were disregarding the needs of developing countries for the transfer of technology and the training of human resources, needs which had to be met in order to develop and strengthen structures of fundamental importance in the struggle against poverty.
69. His delegation was confident that the Council would be able substantially to increase the amount of the resources available for the least developed countries in the next cycle without excluding any country from the programme or demanding any unacceptable sacrifice from other developing countries. The middle-income countries had shown flexibility and a spirit of understanding in the discussions of the subject at the Council's two last sessions. In February 1980, the developing countries members of the Group of 77 had reached an agreement based on the maintenance of certain basic principles that were essential for the survival of the programme.
70. However, the calculations given in document DP/496 had not satisfied his Government. Although it still believed that all recipient countries should have the right to seek compensation for the effects of inflation on their IPFs, it was prepared to maintain the terms of the 1970 consensus, provided that all its points were covered and that the calculations used as the basis for the distribution of resources in the third cycle contained no disruptive concepts and ensured full maintenance of the basic principles. The most important of those principles was the floor concept, which gave an assurance to every member country that a minimum sum would be available for technical co-operation, thus enabling them to plan in advance. It also to some extent offset the adverse effects that application of the basic criteria might have for certain countries. The elimination or restriction of that principle would seriously affect the position of recipient countries, large and small, and even of some newly-independent countries in the Latin American region.
71. Rejection of the cut-off concept would be contrary to the principles of universality and the voluntary character of the programme. His delegation could not agree to the establishment of levels above which member countries would become net contributors. No one should be compelled to become a net contributor in order to benefit from UNDP technical co-operation; that would be as unfair as to impose a specific level of contributions on donor countries. The relationship between IPFs and contributions should be left to the discretion of the recipient countries, which were well able to determine the level of their contributions. Moreover, the

developing countries should not be denied the right to decide when it was appropriate for them to relinquish their IPFs in favour of other developing countries. The effects of the current international economic crisis would oblige some developing countries to postpone measures which they might wish to take in order to become net contributors to the programme.

72. He endorsed the position taken by the representative of Ecuador, as the spokesman for the Latin American group, in the negotiations on future IPFs. Brazil would not be prepared to accept flagrant discrimination against Latin America, an entire developing region, and against 85 countries from all regions in receipt of UNDP funds. He pointed out that out of an over-all increase of \$1.9 billion for country IPFs in the next cycle, the Latin American region would, on the most favourable hypothesis, receive only \$60 million.

73. His delegation feared that if the Council agreed to set aside the basic concepts which guided UNDP's work, it would seriously jeopardize the future position of the very developing countries which today would appear to benefit from such an error. It seemed that the present downward trend in the level of contributions by major donors to the programme might well be connected with current attempts to exclude or restrict participation by a certain group of recipient countries. A note of warning should be sounded in that respect. The success of such attempts would pave the way for the establishment of new criteria restricting the utilization of IPF funds by recipient countries, thus further limiting the scope of the programme so as to adjust it to a dwindling level of contributions.

74. His delegation was, however, confident that the Council would be able to avoid a deadlock with possible undesirable consequences for the Programme's future. It hoped that good sense would prevail. Collaboration between developing and developed countries was needed to ensure that UNDP continued to carry out its responsibilities in the field of technical co-operation to the satisfaction of all developing countries.

75. Mr. ADANDE (Observer for Benin) said that Benin, one of the world's poorest countries, had opted for the path of self-reliance but none the less appreciated bilateral and multilateral assistance and wished to put such assistance to the best possible use. Its State economic plan was designed to strengthen the rural infrastructure in order to promote self-sufficiency in food; to make a start on industrialization; and to reinforce educational, health and transport facilities. In implementing that plan, Benin had exhausted its IPF for the second cycle, but was very far from having been able to carry out all the projects for which UNDP aid had been requested. Despite careful management, project costs had risen as a result of inflation, the growing part played by funds in project execution, and the increasing cost of experts, which might absorb two-thirds or even three-quarters of project budgets.

76. With regard to preparation for the third programming cycle, which his delegation considered to be the most important matter before the Council, he said that his delegation approved most of the conclusions in document DP/496. The proposed 14 per cent growth rate in resources was a minimum if the gap between rich and poor was not to grow even larger, and if the international community's development target was to be reached. It was in the interest of the industrialized countries to bring the developing countries to a minimum level of development in order to ensure peace as well as a continued high standard of living in the developed countries themselves. That growth rate could, however, be achieved only if the developed countries were prepared to contribute a little more than in the past to UNDP.

77. With respect to the criteria for determining national IPFs for the third cycle, his delegation believed that the principles of per capita GNP and population size should be retained, and that consideration should also be given to the special needs of the least developed among the developing countries, land-locked countries, island developing countries, newly independent countries, countries suffering from serious ecological and geographical handicaps, front-line States and most seriously affected countries. In addition, attention should be given to the magnitude of each country's efforts to promote development and the attainment of social justice. The cumulative debt burden and balance-of-payments deficit of each country should also be considered, as well as the continued deterioration in the terms of trade.

78. In paragraph 6 of document DP/460, the Administrator had himself pointed out that resources devoted to UNDP pre-investment work were declining. His delegation believed that what was most needed was increased assistance at the design stage of projects.

79. His delegation approved the support given by UNDP to the OAU planning seminars at Monrovia and Dakar and had found two publications issued with the help of the ILO International Institute for Labour Studies ("What kind of Africa by the year 2000?" and "Economic planning and social perspective in Africa") particularly useful. Such endeavours should continue with UNDP help.

80. His delegation wished to point out that United Nations bodies had a moral duty to help the front-line States of southern Africa and the national liberation movements recognized by OAU. Assistance was urgently needed by the peoples of Namibia, Angola and Zimbabwe and the oppressed black population of South Africa in their legitimate struggle against racism and colonialism.

81. His country had high hopes of technical co-operation among developing countries. Local experts were naturally more familiar with local conditions and were more highly motivated, but in their absence his country was in favour of using experts from other developing countries because their experience was very similar. North-South co-operation would be necessary for many years to come, but it was in the interests of the international community to replace it gradually by vertical co-operation.

82. His country, like many others, relied greatly on UNDP and believed that every effort should be made to secure the resources necessary for the third programming cycle. That only could be done through a display of international solidarity and his own country was prepared to make its modest contribution to solving the problems before the Council.

83. Mr. CORDERY (United Kingdom), referring to a statement made by one delegation earlier in the meeting regarding assistance to Afghanistan, said that the withdrawal of foreign troops was a prerequisite for the resumption of the international community's programme of aid to that unfortunate country.