



GOVERNING COUNCIL

Twenty-seventh session

SUMMARY RECORD OF THE 682nd MEETING

held at the Palais des Nations, Geneva,
on Friday, 6 June 1980, at 10 a.m.

President: Mr. POPESCU (Romania)

CONTENTS

Programme implementation (continued)

- (a) Annual report of the Administrator
- (b) Evaluation
- (c) Investment follow-up
- (d) Comprehensive report to the General Assembly on UNDP and the new international economic order
- (e) Assistance to national liberation movements recognized by OAU
- (f) United Nations Decade for Transport and Communications in Africa
- (g) International co-operative action in support of the Mar del Plata Plan of Action
- (h) Standardization of development co-operation procedures

Programme planning and preparation for the third programming cycle (continued)

- (a) Preparation for the third programming cycle, 1982-1986

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The meeting was called to order at 10.15 a.m.

PROGRAMME IMPLEMENTATION (Agenda item 4) (continued)

- (a) ANNUAL REPORT OF THE ADMINISTRATOR (DP/423 and Add.1, DP/430, DP/439, DP/460, DP/461-3)
- (b) EVALUATION (DP/437 and Corr.1, DP/448, DP/452, DP/453, DP/456)
- (c) INVESTMENT FOLLOW-UP (DP/442, DP/472, DP/479 and Corr.1)
- (d) COMPREHENSIVE REPORT TO THE GENERAL ASSEMBLY ON UNDP AND THE NEW INTERNATIONAL ECONOMIC ORDER (DP/470)
- (e) ASSISTANCE TO NATIONAL LIBERATION MOVEMENTS RECOGNIZED BY OAU (DP/467 and Corr.1)
- (f) UNITED NATIONS DECADE FOR TRANSPORT AND COMMUNICATIONS IN AFRICA (DP/459)
- (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/449, DP/451, DP/496)
 - 1. Mr. KHURELBAATAR (Observer for Mongolia) paid a tribute to the Administrator, whose bold initiatives had enabled UNDP to achieve a positive over-all financial situation, and hoped that the technical co-operation activities of UNDP and all the other United Nations agencies would contribute to the strengthening of peace and to understanding among peoples.
 - 2. His delegation believed that UNDP should continue to support the national liberation movements recognized by the OAU and the Palestine Liberation Organization, and urged, as other delegations had done, that the question of assistance to the Palestinian people should be included in the agenda for the next session of the Governing Council. Moreover, it fully approved the remarks contained in the Report on the role of qualified national personnel in the social and economic development of developing countries (DP/445), established by UNDP as the "lead organization".
 - 3. Turning to the question of Indicative Planning Figures (IPFs) for the third programming cycle (1982-1986), he said that, if national IPFs were to correspond to the needs of countries, not only population size and per capita GNP should be taken into consideration, but also supplementary criteria reflecting objective factors, such as the geographical situation or climatic factors affecting their economic and social development. When calculating the amount to be allocated as Mongolia's IPF for the third programming cycle, the Council should take into account, inter alia,

three objective factors: firstly, the harshness of the climate which had unfavourable repercussions on the economy, especially on building and agriculture; secondly, the geographical situation of Mongolia, a land-locked country situated some 2,000 kilometres from the sea, which hampered the development of its trade and other forms of economic co-operation; and, thirdly, the demographic situation of the country, which for a surface area of 1,565,000 square kilometres, had only 1,600,000 inhabitants, of whom 47 per cent were under 16 years of age and 7.3 per cent over 60 years of age, which meant that there was a shortage of manpower. His delegation hoped that the Governing Council would take those three factors into consideration when calculating the amount of assistance to be provided to his country as its IPF. It had great need of that assistance, especially for the purpose of developing transport and communications and ensuring better distribution services throughout the country.

4. Mr. BLAIN (Gambia) said that it was satisfying to note that despite the harmful effects of inflation and the decrease in the resources available to UNDP, the Programme had succeeded in progressively extending the scope of its activities over the years, showing itself to be increasingly attuned to the needs and the special problems of developing countries, especially the least developed countries, which it had for some years been assisting in identifying projects and determining priorities. Of the initiatives taken by the Programme to enhance the effectiveness of UNDP operations, his delegation particularly approved the study undertaken to evaluate the respective workloads at Headquarters and in the field and to review their distribution. It also welcomed the progress made in implementing the Integrated Systems Improvement Project (ISIP). However, it wished to see a reinforcement of UNDP's role in pre-investment and follow-up investments.

5. With regard to the third programming cycle (1982-1986), his delegation was pleased to note the prominence given to agricultural development and food production and fully endorsed the draft decision submitted by the recipient countries (DP/L.334), which provided for the allocation of 80 per cent of total country IPFs to countries having a per capita GNP of \$500 or less and for giving special treatment to the least developed countries and other low-income countries with a per capita GNP of \$250 or less, as well as to the most seriously affected, land-locked and island developing countries, newly-independent countries, front-line States and countries suffering from serious ecological and geographical disabilities. His delegation felt, however, that in calculating amounts to be allocated in the form of national IPFs, other disabilities from which least developed countries might be suffering should be given weighting equal to that of being among the least developed.

6. If UNDP was to continue giving practical aid to countries in the southern hemisphere in order to further their development, it was imperative that all countries, especially those in the northern hemisphere, should generously finance the Programme and set the target for an average annual increase in voluntary contributions at a cumulative rate of at least 14 per cent.

7. TCDC programmes and projects implemented by UNDP were greatly contributing towards promoting national and collective self-reliance in developing countries in accordance with the Buenos Aires Plan of Action. Shortly after becoming independent, and conscious of the advantages of bilateral and regional co-operation, the Gambia

had embarked upon a series of projects in collaboration with neighbouring developing countries and multilateral institutions in the region, which included the Gambia River Basin Development Organization Project and a road-construction project between Senegal, Gambia and Guinea-Bissau. He therefore hoped that UNDP would continue, within the context of its TCDC activities, to assist developing countries in identifying their needs and capacities and making optimum use of the resources available to them, to collaborate with FAO and UNIDO in efforts to accelerate the industrialization and commercialization of agricultural products, and to strengthen national development institutions by helping them to rationalize their work at the regional level. It also hoped that the constructive decisions taken at the High-level Intergovernmental Meeting on TCDC would be scrupulously applied.

8. The prolonged drought in the Sahel was adversely affecting the economy of the countries in the region and the quality of life of their peoples. His delegation believed, therefore, that UNDP, in accordance with General Assembly resolution 33/88 and in collaboration with the United Nations Environment Programme (UNEP), should continue to make every effort to support the United Nations Sudano-Sahelian Office (UNSO), which was responsible for co-ordinating United Nations efforts to apply the Plan of Action to Combat Desertification in 15 countries in the Sudano-Sahelian region. To cover the UNDP share of the administrative costs of the joint UNDP/UNEP venture, the UNDP programme support and administrative services budget should be used, as proposed by the Administrator in document DP/494, paragraph 7 (b), with the proviso that if that mode of funding proved impossible, recourse should be had to the regional IPF of the Regional Bureau for Africa (RBA) and the Regional Bureau for Arab States (RBAS) or, as a last resort, to the Programme Reserve Funds. In no case should the interest income from UNSO investments be used, as those - like the UNSO Trust Fund from which it accrued - should be reserved for the financing of programmes and projects of the smaller group of countries for whom the Trust Fund had been provided.

9. In view of the seriousness of the transport and communications problems in the African continent, the Gambia attached paramount importance to the Decade for Transport and Communications in Africa and hoped that UNDP would provide the funds necessary to ensure its success.

10. He noted with satisfaction the implementation of UNDP programmes for the liberation movements recognized by the OAU, the special measures to assist the newly-independent State of Zimbabwe, and the ten projects implemented in the Gaza Strip for the Palestinian people, and fully endorsed the proposal by the Secretary-General of OAU that a joint OAU/UNDP committee should be established for the implementation of decisions taken and resolutions adopted by the OAU Heads of State and Government, particularly the resolutions adopted at the Lagos Summit Meeting on the economic problems of Africa.

11. Mr. DA-LUZ (Observer for Cape Verde) said that UNDP, in its efforts to promote the dialogue between rich and poor countries while respecting the principle of the sovereignty of the countries assisted and the voluntary nature of contributions, was a unique instrument in the history of multilateral co-operation. Because of its considerable experience and prestige, it would play a decisive role during the coming 10 years. To carry out that role effectively it needed increased resources. His delegation hoped that those industrialized countries which had shown some reluctance in the past would agree to increase the amount of their voluntary contributions by 14 per cent.

12. He gave a brief outline of economic and social conditions in his country so that the Governing Council would be in a better position to judge the extent of its needs. Cape Verde had almost no immediately exploitable resources and lacked means of production. It had experienced a 12-year drought which had brought agriculture to a halt and accelerated the process of desertification. In addition, the isolated position of the country and the fact that it was an island, which entailed high transport and communications costs, and the small size of the local market were seriously hampering national development. Under such conditions it was hardly surprising that per capita GNP was only \$130. Even that figure was deceptive, since services alone accounted for 52 per cent of GDP, whereas agriculture accounted for only 20 per cent, fishing 4 per cent and industry 6 per cent. Exports offset only approximately 5 per cent of imports and the balance of trade deficit was almost equivalent to the GDP.

13. In spite of those difficulties Cape Verde was undertaking an intensive development programme. Substantial investments had been made in order to establish an agricultural infrastructure, to discover and exploit underground water, to increase areas under irrigation, to undertake reforestation, establish land and sea transport infrastructures, build schools and health establishments and to develop small-scale fishing projects. UNDP had made considerable direct and indirect contributions to the development effort.

14. Unfortunately, the greater part of the work still remained to be done. In the context of its first development plan, currently being prepared, Cape Verde was directing its efforts inter alia towards increasing agricultural production, building up livestock and developing small-scale fishing industries, establishing small industrial production units, improving living conditions and providing water supply to the population. It was also necessary to establish an inter-island coastal shipping network and extend its telecommunications and land communications networks in order to improve distribution and marketing services.

15. In addition, action would have to be taken to create conditions favourable for development (land reform, administrative and educational reform, establishment of a planning system, training of cadres and technicians, etc.).

Cape Verde, which was one of the least developed and most seriously affected countries and whose financial resources were consequently very limited, relied on UNDP aid to carry out all those activities. However, the IPF proposed for the country did not correspond to its true needs or to the development efforts undertaken since it had attained independence. As could be seen from document DP/496, despite many General Assembly resolutions, especially resolution 32/99, inviting Member States and United Nations specialized agencies and institutions to give special treatment to Cape Verde, a number of other countries had received more favourable treatment. In the opinion of his delegation, the resources allocated to Cape Verde under the national IPF for the third programming cycle (1982-1986) should amount at least to \$15 million.

16. Mr. GALLITZ (Observer for the German Democratic Republic) felt that the preparation of the third programming cycle of UNDP would set standards which would enable UNDP to serve the interests of the developing countries, particularly the least developed countries, during the period from 1982 to 1986. In his view, the aims of the third programming cycle of UNDP should be considered in close connexion with the Third United Nations Development Decade.

17. Efforts to transform international economic relations in a democratic manner and to promote economic and social development were inseparably linked with the problems of détente and disarmament, and the continuation of the arms race was incompatible with the optimal utilization of the resources available to mankind for political and social progress. UNDP's efficiency would be measured, above all, by the extent to which it could help the developing countries to strengthen their economic independence, both now and in the future. All the German Democratic Republic's efforts as a donor country were channelled towards that goal and in future it would continue to provide assistance, according to its possibilities, within the framework of UNDP. UNDP activities should be based on the principle of universality and voluntary funding, and the Consensus of 1970 must be strictly observed. The universal nature of the Programme must be maintained. His delegation opposed, therefore, the idea of fixing a threshold beyond which a number of countries would automatically be deprived of UNDP technical assistance. Obviously, the least developed countries should receive preferential treatment, but the technical assistance formerly received by other countries should not be discontinued. Thus the proportion of indicative planning figures should not undergo any fundamental change.

18. The principle of voluntary financing must be applied to both the nature and the volume of the contributions, in other words, countries must be free to make their contributions in the currency of their choice. His country could not agree to any change or new interpretation of that principle. The contributions it had made to United Nations agencies in national currency were used to carry out the major tasks decided upon by them. Thus in 1979, its contribution to UNDP in national currency had all been used to provide commodities and to finance expert services, training courses and fellowships. Furthermore, an equivalent sum, representing a part of the unused contributions, had been allocated to projects funded by UNDP. He wished to draw particular attention to the excellent results achieved by the training courses in the field of maritime transport, printing, etc. organized in his country for participants from developing countries; in his view, further courses should be organized and could be financed with the as yet unused portion of his country's voluntary contribution to UNDP. He wondered why it had not been possible to ensure full funding for certain training courses although the national currency contribution had been available; he asked the secretariat for its views on the subject.

19. He stressed the importance of UNDP assistance to the national liberation movements recognized by OAU and the need to give due support to the Arab people of Palestine represented by the Palestine Liberation Organization, in their struggle for the implementation of their inalienable rights. Furthermore, referring to the statement made by the representative of Afghanistan, he asked the Administrator and members of the Council to take decisions in favour of that country.

20. Mr. CHANDLER (Observer for Barbados) said his statement would concentrate on preparations for the third programming cycle, which was one of the main concerns of the Council at the current session. The two basic features of the Programme were the voluntary nature of contributions and the universality of its membership. All countries were free to enter UNDP and participate in the Programme and they were also free to leave, and his delegation hoped that that situation would remain unchanged.

21. His delegation supported the principle that a major part of UNDP resources should be allocated to the poorest and least developed countries. Yet, other countries also needed technical assistance and might have great difficulty in financing it. It would therefore be fair for them to receive a sufficiently large share of UNDP resources. That was why his delegation had supported the proposal that 80 per cent of the total amount of country IPFs should be allocated to countries with a per capita GNP of up to \$500 and the remaining 20 per cent to countries with a per capita GNP above \$500 (DP/L.334, paragraphs 1(d) and (c)). It had also supported the principle that no country should receive an allocation for its national IPF for the third cycle less than that for the second cycle. In fact, any reduction in national IPFs would be a severe blow for countries which, like Barbados, had reached a critical stage in their development.
22. With regard to the sharing of UNDP resources among developing countries, his delegation could not accept the idea of a cut-off point above which some developing countries would be deprived against their will of the UNDP technical assistance which was vital to their development. Such a measure would be contrary to the basic principles of the voluntary financing and universality of UNDP which must be preserved. If, however, some countries felt that they could forgo their national IPF allocations they should be encouraged to do so in the interests of the less fortunate countries. But no country should be deprived of UNDP technical assistance because its per capita GNP was relatively high. Similarly, while he understood that the Administrator wished to find additional resources for the countries with a low per capita GNP and was therefore rightly encouraging all countries which could do so to become net contributors, he pointed out that some developing countries, including Barbados, found it extremely difficult to do so, although their per capita GNP might appear relatively high.
23. His delegation had always considered that the basic criteria used for the allocation of IPFs, namely per capita GNP and the size of the population, did not adequately reflect the nature and structure of the developing countries' economies and, in the majority of cases, gave a very misleading picture. The Council had, moreover, recognized the need to adopt supplementary criteria to ensure a more equitable distribution of resources among recipient countries (DP/L.334). His delegation hoped that there would be no discrimination in the application of the supplementary criteria during the third programming cycle.
24. With regard to the Administrator's proposal that the current practice of grouping certain countries under what was known as an "undistributed IPF" and providing a separate IPF for each member of the group (DP/425 and DP/496), he felt, although he had no basic objection to the proposal, that it would be difficult to implement with regard to certain countries and territories in the Caribbean subregion, for data were not available concerning all those countries, and where they did exist, they were of a tentative nature. Thus, as the Administrator had suggested, it would be necessary to recalculate the IPFs allocated to those countries when more reliable data became available. Furthermore, he noted with concern that documents DP/425 and DP/496 remained silent as to whether the current practice of allocating a global sum to groups of island countries would be continued. In his view, it was most important that such resources should be taken into account in calculating the IPFs of those countries so that they would receive a larger amount than would be allocated if only the basic and supplementary criteria were applied. Since the General Assembly had adopted several resolutions under which

UNDP had an obligation to increase the assistance it provided to the Caribbean countries, he hoped that the Council would take into account the concerns he had expressed, particularly as the countries concerned were not represented in the Council and hence could not plead their case.

25. Mr. IONESCU (Romania) welcomed the excellent results achieved by UNDP in 1979. He was pleased to note that the number of experts and fellowships and the value of equipment ordered and of subcontracts awarded had increased considerably. However, despite a slight increase in 1979, the share received by developing countries had remained small. Between 1978 and 1979, the value of equipment ordered from those countries had increased by only \$5 million and their share in the total volume of orders had fallen during that time from 17 to 12.5 per cent. His delegation was convinced that the executing agencies were very concerned about that situation and would do their utmost to remedy it as from 1980.

26. In 1979, the Romanian Government had continued to attach great importance to co-operation with UNDP and to its role as a central funding agency for multilateral technical co-operation activities. In keeping with its practice ever since 1974, Romania had increased its annual voluntary contribution by 20 per cent and had pledged a like increase in 1980. However, he pointed out that the drastic revision in the rate of exchange applied to Romania's voluntary contribution had artificially retarded its reaching the status of net contributor. In fact, Romania's voluntary contribution for 1979 had represented one-fifth of the IPF allocated to it for the second cycle. The figures in table 5 of document DP/496 should therefore be rectified accordingly. Furthermore, since 1978, all the local expenses of the UNDP office in Bucharest had been defrayed by the Romanian Government.

27. He noted with satisfaction that his country's voluntary contribution was being used also to help other developing countries within the framework of TCDC. In view of the way in which technical co-operation activities could contribute to the establishment of the New International Economic Order, he subscribed to the views expressed by the Administrator in the report (DP/470) concerning relations between UNDP and the developed and developing countries and the role of UNDP in promoting the national and collective self-reliance of the developing countries. He therefore supported the recommendation that the report should be transmitted to the eleventh special session of the General Assembly, for the time had come to adopt a concrete plan of action in that field.

28. His delegation unreservedly approved the views expressed in document DP/467 on UNDP assistance to the national liberation movements recognized by OAU.

29. Turning to the question of the third programming cycle, he stressed the need for continued respect for the principle of universality, because, as the representative of the Federal Republic of Germany, a major contributor, had stated, the more advanced countries might require technical assistance as much as the poorer ones. He considered, furthermore, that the amount of national IPFs for the third cycle should not under any circumstances be less than those for the second cycle. The application of a ceiling might well be arbitrary, because it was impossible to determine the level of development of a country solely on the basis of its per capita GNP. Many other factors must be taken into account, and the Council would have to be more flexible and realistic in that regard. The data of the World Bank might be used for projections, but should not be used for the calculation of national IPFs. In fact, he was surprised that the United Nations system used two different indicators, namely net national product to calculate countries' contributions and per capita GNP to determine national IPFs.

30. In his opinion it was for the countries which were potential net contributors to decide when they would reach that status, and no time-limit should be imposed upon them.

31. In conclusion, he said that, despite the good results recorded in 1979, the assistance provided by UNDP was still too modest and the needs of countries were frequently far greater than the resources available to meet them. He hoped that the Council would find the means of strengthening the Programme and its role in international life, particularly in the establishment of a New International Economic Order. Romania would continue to act in that spirit and would increase its voluntary contributions to UNDP.

32. Mr. MARIATEGUI (Peru) associated himself with the views expressed by the representative of Ecuador at the 676th meeting concerning the defence of the fundamental principles of UNDP: the maintenance of the universality of the Programme and the voluntary nature of its financing; recognition of the efforts made by the Latin American countries to achieve an annual increase of about 14 per cent in their contributions; maintenance for the third programming cycle of country IPFs, which should not be less than those of the second cycle; rejection of criteria such as the "threshold", which created distortions; need to achieve a balance between fundamental and supplementary criteria in establishing IPFs; determination of Latin America to contribute to the establishment of a common, equitable and concerted position of all the recipient countries within the UNDP Governing Council.

33. In Peru, the programme of technical co-operation with UNDP for the period 1977-1981 had been designed to support national development plans. A large proportion of the programme's sources had been devoted to rural problems, to which Peru attached great importance. For the purpose of dealing with those problems, Peru had undertaken micro-regional activities which, in addition to producing an immediate effect, made it possible to work out a proven methodology. Preference had been given to the mountain regions with a high population density and low income levels whence large migratory movements originated. One of the objectives had been to induce the populations to remain in their home territory by establishing in that territory an economic infrastructure and social services and creating stable activities. In particular, UNDP had provided assistance in the Huamachuco area, in northern Peru. The activities carried out had had a multiplier effect, as evidenced by the formulation of other micro-regional projects, including those at Cuzco, Huancavelica and Ayacucho, which received aid from the Netherlands, Belgium and the Federal Republic of Germany respectively.

34. Peru wished to place that important experience at the disposal of all developing countries, particularly since many of the delegations which had attended the High-level Meeting on TCDC seemed to have similar concerns. He also referred, in that regard, to the recommendations in document TCDC/7.

35. Within the framework of the third programming cycle (1982-1986), the Government of Peru would continue to devote a large part of the resources of its IPF to meeting the needs of the rural populations, particularly in the most disadvantaged areas, by projects like those he had described and also by other activities, including a health programme. The Government's policy reflected the development model set out in the long-term national plan for 1979-1990.

36. Mr. INAN (Observer for Turkey) said that, before taking its seat in the Governing Council on 1 January 1981, his delegation wished to express its views on agenda item 5 (a), entitled "Preparation for the third programming cycle, 1982-1986".

37. In the difficult setting mentioned by earlier speakers, Turkey had been particularly affected by the increase in oil prices and its inflationary effects on the world economy. In 1980, petroleum imports would account for nearly half of the value of Turkey's total imports, and their cost would be greater than total export earnings. Turkey was also seriously affected by the tremendous increase in the prices of imported industrial products.

38. UNDP assistance made a great contribution to Turkey's development; it was being employed in many projects in various industrial sectors (for example, steel, textiles, manufacturing and petrochemicals) that were geared to the training and improvement of the labour force. Virtually all the projects assisted by UNDP had already produced results. Furthermore, the practice of cost sharing was expanding and, with its potential, Turkey should be able to make use of a substantially increased IPF during the next cycle. In that regard, he stressed that the capacity to absorb UNDP resources should be taken into account in the distribution of available funds.

39. Unfortunately, whereas the need of many countries for UNDP assistance was growing, he noted a trend towards reducing the amount of technical know-how made available to a number of countries, including Turkey. Furthermore, according to table 2 of the annex to document DP/496, Turkey's IPF for the third cycle might be reduced by 10 or 20 per cent or might, at best, remain unchanged. In his delegation's opinion, the use of GNP as the criterion for determining a country's IPF concealed more than it revealed of the difficulties of the development process. In addition, allowance should be made for inflation, which reduced the value of the dollar, and for the depreciation of national currencies against the dollar; for example, the 1978 World Bank figures certainly did not reflect the 33 per cent devaluation of the Turkish lira in 1979. In conclusion, he therefore requested the Governing Council to take appropriate steps to adjust the IPFs for the third cycle in order to offset the effects of inflation and to ensure that no country would receive less than it had received during the second cycle in real terms.

40. Mr. KANE (Senegal) said that the twenty-seventh session of the Governing Council was beginning at a time overshadowed by an acute international crisis which had serious effects on UNDP resources. The scarcity of energy resources and the current inflation affected all developing countries, which were also very concerned about the slow pace of the North-South dialogue.

41. Nevertheless, UNDP was pursuing its goals with the same dynamism. As the Administrator said in his report, during the past decade UNDP had instituted country programming and the IPF system, decentralized its field operations, introduced a tripartite system for the follow-up of projects and created a dynamic incentive through the new dimensions.

42. With regard to the implementation of the programme in 1979, he welcomed the increase in the value of UNDP components obtained from the developing countries: those countries had provided 26 per cent of experts, 12.5 per cent of equipment ordered, 27.5 per cent of subcontracts awarded and hosted 31.2 per cent of training fellowship awards. Within the framework of the new dimensions policy, his delegation entirely approved the principle of making maximum use of national expertise in the implementation of UNDP projects; in that regard, the increased number of projects executed by Governments was encouraging. On the other hand, the diversity of co-operation procedures continued to pose problems; the Administrator had made recommendations on the subject, but they would still have to be supplemented by other measures.

43. Referring to country programming, his delegation endorsed the Administrator's recommendations, in particular those which provided that governments should be responsible for the formulation of programmes and that United Nations agencies should help in that process if governments so wished.

44. He considered that additional resources should be released for assistance to national liberation movements, particularly since South Africa was continuing to procrastinate over the independence of Namibia and intensifying repression on its territory. The Council should have some idea of the amount of resources that were to be allocated for the South African and Namibian peoples.

45. The Transport and Communications Decade in Africa was of very great importance but unfortunately, because of insufficient preparation, the pledging conference had not produced the desired results. It was to be hoped that substantial contributions would be made available rapidly. In that area, UNDP should also continue to assist ECA.

46. Lengthy discussions had been devoted to the third programming cycle (1982-1986), particularly at the Special Meeting in February 1980. Great progress had been made, in particular as regards the allocation of 80 per cent of resources to countries with a per capita GNP of less than \$500, but uncertainties remained concerning in particular the growth rate of resources. It was a matter of concern that some donor countries seemed to question the figure of 14 per cent; surely, a lower rate would jeopardize the attainment of a number of UNDP objectives. Furthermore, the decline in the rate of contributions, deplored by the Administrator, would have serious consequences if it continued. To correct that situation, it was essential that other developed countries should increase their contributions, preferably in convertible currencies - although paragraph 30 of the report of the Administrator (DP/460) indicated some progress with regard to the utilization of non-convertible currencies. The position of the developing countries was not such as to enable them to increase their contributions substantially. It was to be hoped, however, that the question of the increase in the number of net contributors would be the subject of fruitful discussion.

47. Another subject of concern was the application of the floor principle. In document DP/496, the Administrator stated that the maintenance of the floor criterion at 100 per cent would operate to the disadvantage of countries in the \$500-\$750 per capita GNP group. His delegation hoped that the problem would be

resolved by taking account of the needs of the least developed countries. It strongly supported the principle of the Programme's universality, while hoping that the developing countries with a per capita income of \$1,500 would undertake to pay for a gradually increasing part of their IPFs.

48. Mr. BLIX (Observer for Sweden) said that at the close of the second UNDP programming cycle there was reason to express satisfaction with the results obtained by UNDP - thanks in part to the dedication of the Administrator and his colleagues - but UNDP had not become the main United Nations funding instrument for technical assistance, as had been hoped. It was financing only one-third of all United Nations technical assistance, as compared with two-thirds in 1968, and the specialized agencies were financing much more, both from their own budgets and from funds in trust. That development was explained largely by the centrifugal forces at work in the international system which emanated from the different States. It should not, however, be forgotten that the States were responsible for the international organizations and that, in the final analysis, their criticism was directed against themselves. It was the responsibility of Member States to ensure that UNDP received the necessary means of action while the United Nations Secretary-General should also lend support to strengthening the central role of UNDP in its relations with the various United Nations agencies.

49. It was very disturbing to note that the contributions pledged at the Conference in November 1979 represented an increase of 4 per cent only for 1980, whereas the planned target had been 14 per cent. The problem of resources was one of the most serious facing the Council. The UNDP budget of expenditure - the largest multilateral programme for technical assistance - had been only \$550 million in 1979. It was therefore not surprising that its operations, which covered over 150 countries, had not had a greater impact. As its resources were obviously too limited in relation to the aid which it should give to developing countries, especially the least developed countries, and also, since its administrative apparatus was too wide-spread (with 111 country offices), overhead expenses were excessive. In addition, owing to the low volume of resources UNDP was unable to perform efficiently the function of co-ordinator and point of reference to assist developing countries in their planning of external resources.

50. In view of the poor results achieved during the second cycle, he wondered if it was even possible to consider attaining the 14 per cent growth target for contributions during the third programming cycle. The core of the problem was that UNDP had to rely for funds on a handful of industrialized countries: three countries - the United States, Netherlands and Sweden - contributed 40 per cent of resources and 10 countries provided four-fifths of total contributions, the share of the four Nordic countries having been 25 to 30 per cent in the 1970s. It was not healthy for an organization to be so dependent on a small number of States and that was why Sweden approved the Administrator's recommendation in his report on preparation for the third programming cycle, 1982-1986 (DP/496) for a diversification of contributing countries.

51. The situation might be improved by applying a well-known principle: from each according to his capacity, so far as the donors were concerned, and to each according to his needs, so far as the recipients were concerned. That would be a reasonable formula which would not penalize any country. UNDP could not rely on increased resources from the small number of donor countries, of which Sweden was one, which had been assuming a disproportionate share for too long. The major

industrialized countries would have to be persuaded to increase their as yet modest contributions and the socialist countries would have to be persuaded to make their contributions - which were the lowest of all - in readily usable currencies. It was incomprehensible that some European countries were still net recipients of the Programme; they should all become net contributors. Developing countries having a per capita GNP of more than \$1,500 should also endeavour to increase their contributions and become net contributors, which would not prevent them from having access to the technical services of the United Nations system. The Administrator should make appropriate representations to those three groups of countries before any meeting on planned contributions for the first three years of the next cycle.

52. The Swedish delegation had noted with interest the report of the Intergovernmental Study Group on Future Financing of the Programme (DP/451), which represented a step towards more regular and more predictable financing. It was probably too early to take any decision on the question and the Group should therefore be reconvened to work out a system for multi-year pledging which would be effective as from the third cycle.

53. With regard to distribution of UNDP resources, his delegation would like countries with a per capita GNP below \$500 to receive the largest possible share of resources allocated to national IPFs. They were currently receiving 68 per cent and Sweden would support a consensus aiming at increasing that figure to 80 per cent during the third cycle. It was most important that the greatest possible share should go to countries with a per capita GNP under \$250; the proposed compromise on that point was satisfactory. His delegation was still not convinced of the arguments advanced for a floor in calculating IPFs but in a spirit of compromise was willing to accept the so-called "calculation VI", as contained in the report of the Administrator (DP/496). It also supported the Administrator's suggestion that the third programming cycle should be regarded as a transition period during which the richer developing countries would become net contributors. It would be an important step towards ensuring that all developing countries participated and made use of United Nations technical know-how on financial terms appropriate to their level of development.

54. His delegation accepted as a compromise the allocation of individual IPFs (81 per cent) and inter-country activities (19 per cent). The increased share for the latter should make it possible to compensate the regions which had a higher percentage of relatively rich developing countries.

55. The increase in resources would also make it possible for UNDP to increase its activities in the field of energy, pending the creation of a special fund or institute for energy, concerning which it would be premature to take a decision at the current session.

56. His delegation hoped that the critical question of the third cycle would be considered during informal, open-ended meetings of all those interested, rather than in group negotiations which were alien to the spirit and tradition of UNDP.

57. In the Administrator's report on relations between UNDP and external institutions (DP/475) it was stated that a number of organizations had expressed an interest in closer collaboration with UNDP, but it was disappointing to note that concrete examples referred to only one organization and to a rather limited sector. The idea of such co-operation dated back only one year, but he suggested that other organizations should be involved during the trial period.

58. The Swedish delegation had noted with much interest the summary of action-oriented assessment of rural women's participation in development (DP/453) and the summary of the FAO/UNDP evaluation study of agricultural training (DP/452), which showed that women, especially in developing countries, were still often left outside the development process. UNDP should continue its action to promote the participation of women in all development aid activities, especially in agricultural development projects, and his country supported the relevant recommendations made by the Administrator.

59. The year 1981 had been proclaimed the International Year for Disabled Persons. In every country at least 10 per cent of the population was disabled in one way or another. UNDP, together with recipient countries, should actively seek the means to implement projects for disabled persons and integrate them in the development process.

60. Several speakers had commented that the Council's agenda was becoming longer and documents were becoming increasingly numerous. The work of the Council should be streamlined and his delegation supported the United States proposal that there should be one annual session of not more than two weeks, and thought that the Netherlands proposal concerning short meetings on specific subjects should be given further consideration. The Administrator might submit a report on the matter to the Council at its twenty-eighth session.

61. In that connexion, he wished to make a comment on the High-level Meeting on Technical Co-operation among Developing Countries, held the previous week. It had been an interesting meeting but he wondered why a second meeting was scheduled after only one year's interval. The secretariat should be given time to prepare for it and produce the reports requested of it. He agreed with the representative of the United Kingdom that it would be more advisable to hold the meeting in two years' time.

62. A programme as complex as that of UNDP was bound to give rise to criticism on occasions. It was also right that people in the developed countries should know where their money was going and that the developing countries should be convinced that maximum benefit was being drawn from the Programme.

63. Transfers of resources to developing countries should be greatly increased, not only as a moral obligation but as a necessary development to ensure sustained growth in the world economy. However, transfers could only be effective if there was sufficient absorption capacity, which was where technical co-operation - and consequently the UNDP - could play a decisive part.

64. Mr. BULINDA (Uganda) said that there seemed to be a consensus that on three items the Council should take action during the session: the continued role of UNDP in providing technical assistance to developing countries, an increase in Programmes resources, and priority in the distribution of resources to the lowest income countries. However, a consensus was still to be reached on a fourth point, the most important: the level of future resources for the Programme. That problem would have to be solved through the spirit of solidarity which had always prevailed in the Council.

65. Referring specifically to his own country, he said that at its thirty-fourth session the General Assembly had adopted resolution 34/122 on assistance to meet the reconstruction, rehabilitation and development needs of Uganda in which it had invited UNDP and other donors to maintain and increase their programmes of assistance

to Uganda and to co-operate closely with the Secretary-General in his efforts to organize an effective international programme of assistance and to report to the Secretary-General on the steps taken and the resources made available to assist countries. The General Assembly had further invited UNDP, together with other donors, to bring to the attention of their governing bodies the special needs of Uganda and to report the decisions of those bodies to the Secretary-General by 15 August 1980.

66. In his report on the implementation by UNDP of General Assembly resolutions concerning assistance to various countries, including Uganda (DP/439, paragraphs 56-66), the Administrator had outlined the various steps taken so far by UNDP and the difficulties encountered, and had concluded that Uganda would require massive aid for some time to re-establish and to maintain its basic services. He (Mr. Bulinda) fully endorsed that conclusion but regretted that the Administrator had not drawn the Council's attention to the special needs of Uganda referred to in the General Assembly resolution. The Council should carefully study the unique case of Uganda when it came to considering allocations for the third programming cycle. In that respect he had difficulty in accepting the calculations of IPFs proposed in document DP/496. He agreed with the guidelines and the basic and supplementary criteria defined by the Council at its special session but he contested the method employed by the secretariat to determine two basic criteria: population and per capita GNP. It was unjust, because it left out a number of countries. Nor was he satisfied with the Administrator's explanation that IPFs for some countries had not been calculated because the basic data had not been available and that they would be made known to the Council at "a later session". That would mean that even at the next session of the Council the countries concerned might not know their IPFs, even though the current programming cycle would finish at the end of 1981. How could they make plans for the next cycle under those conditions? Did the Administrator's remark that the data for calculating IPFs had not been available mean that the data in question had not been available in the countries concerned or in Washington, where the World Bank Atlas was published? He would also like to know what the countries concerned could do to assist the secretariat in obtaining the necessary information.

67. In the light of those considerations his delegation proposed - as was also suggested in document DP/496, paragraph 55 - that the Council should defer its decision on IPF calculations until its session in 1981 and should invite the secretariat, in consultation with all concerned, to finalize the calculations.

The meeting rose at 1.10 p.m.

