



GOVERNING COUNCIL

Twenty-seventh session

SUMMARY RECORD OF THE 683rd MEETING

held at the Palais des Nations, Geneva,  
on Friday, 6 June 1980, at 3 p.m.

President

Mr. JASABE

(Sierra Leone)

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The meeting was called to order at 3.15 p.m.

PROGRAMME IMPLEMENTATION (agenda item 4) (continued)

- (a) ANNUAL REPORT OF THE ADMINISTRATOR (DP/423 and Add.1, 439, 460, 461, 462, 463 and Corr.1, 439)
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- (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. VOUTOV (Observer for Bulgaria) said that his delegation had been impressed by the progress achieved in 1979. The 25.5 per cent increase in field programme expenditures reflected the Administration's efforts to achieve operational improvements.

2. It had also noted with satisfaction the modest progress made towards implementing the "new dimensions" policies. The volume of government-executed projects was still insignificant, but an encouraging start had been made. Some delegations had spoken in favour of broadening those activities, and in that connexion he informed the Council that his country had undertaken the execution of a project.

3. The increase of 28 per cent in the number of experts from developing countries serving on UNDP-financed projects in 1979 was also commendable. However, much remained to be done in that regard, and the share of the socialist countries in UNDP field activities was still far from sufficient.

4. Referring to the data used by UNDP for per capita GNP in determining individual country IPFs, he said his delegation had been surprised at the figure given by the International Bank for Resettlement and Development for Bulgaria's per capita GNP. That figure differed greatly from the Bulgarian national statistics, as well as from the data contained in the United Nations Statistical Yearbook, CMEA statistics and the data published by other United Nations economic organizations. Those discrepancies could partly be ascribed to differences in methodology, but in Bulgaria's case the figure was so far wide of the mark that his delegation believed that a technical error had been made, which should be corrected. It was prepared to place the necessary data at the Council's disposal if required.

5. With regard to the establishment of individual country IPFs for 1982-1986, his delegation fully supported the allocation of 80 per cent of total programming resources to countries with a per capita GNP below \$500. It also endorsed remarks of previous speakers concerning the universal and the voluntary nature of the Programme, and agreed that IPFs should be retained for all recipient countries during the third programming cycle. It fully supported the views expressed by the representative of Ecuador on behalf of the group of Latin-American countries, as well as those of the representatives from Mexico and Greece.

6. Any diminution or cut-off of country IPFs would make it difficult to complete on-going projects which were to continue during the next cycle, and would also jeopardize the global results expected from UNDP inputs and activities during previous cycles. For countries with a low per capita GNP, including Afghanistan, UNDP assistance was of vital importance, and any cut-off, for whatever reason, was unacceptable. His delegation attached great importance to all country IPFs being retained for the next period, since many of the projects in the current Bulgarian country programme were of interest not only to the national economy, but to the countries of the region and also to developing countries. Those projects included a centre for foot and mouth disease control which aimed at establishing a barrier in Bulgaria that would prevent an outbreak of the disease in Europe. Because of its strategic position, Bulgaria had a very important role to play in that respect. The project had recently been launched with a small amount of the country's IPF, and the Government had allocated considerable funds for the purpose. FAO had expressed the view that Bulgaria ought to allocate a much greater amount to the project from its IPF in the period 1982-1986.

7. The problem of new energy resources and maximum utilization of conventional resources was becoming very acute. The small-scale projects in Bulgaria's country programme included the establishment of a laboratory for new technology in low-calorie coal utilization, which had obtained encouraging results. The Senior Advisers to ECE Governments on Science and Technology and the ECE Coal Committee had shown great interest in the project and recommendations had been made for further development of the laboratory in order to provide for participation by all interested countries. His delegation considered that that project also deserved UNDP support during the next programming cycle.

8. With respect to the alternatives for individual country IPFs in the period 1982-1986, his delegation supported alternative I in annex table 2 in document DP/496, which reflected the draft decision of the recipient countries. Although its adoption would mean a substantial reduction in IPFs, in real terms, it would cover the most urgent needs of the country programmes.

9. With regard to the issue of net contributor status, Bulgaria had always endeavoured to increase its voluntary contributions in accordance with its possibilities. Table 5 in document DP/496 showed that the average annual increase in its contributions in 1977-1980 had been 17 per cent. That trend would be maintained in the future. The suggestion made by some delegations that countries in a position to do so should become net contributors by the beginning of the next cycle was not realistic. His delegation fully supported the Greek representative's suggestion for a gradual move towards that status.

10. His delegation did not agree with the suggestion that all contributions should be made in convertible or readily usable currency, for that ran counter to the voluntary nature of the Programme and would create serious difficulties for a number of countries. It might even prevent some countries from making a contribution to UNDP. His

delegation did not in fact think that any currency was unusable. Experience had shown that all countries' contributions could be effectively utilized if there were a common will to do so on the part of UNDP, the executing agencies and Governments concerned. His own country had achieved encouraging results in that respect in a very short period, and he hoped that that trend would continue. Moreover, a country's objective in making a voluntary contribution was twofold: to contribute to the Programme's resources and to participate in UNDP activities in rendering technical assistance. If the participation of all countries in technical assistance were ensured, there would be no problem in utilizing any country's currency.

11. He reiterated his country's support for UNDP activities and his Government's appreciation of the fruitful co-operation with UNDP, especially the assistance rendered by the European Bureau of UNDP, to which the successful implementation of Bulgaria's country programme was largely due.

12. Mr. SUZUKI (Japan) said that at its current session, the Council had to explore new ways not only of mobilizing the further resources needed for essential projects in the third programming cycle, but also of making the best use of the over-all resources available, taking into account present international economic difficulties. His delegation therefore endorsed the Administrator's conclusions in document DP/496 that there should be a greater response to the Council's appeals for selected recipient countries to move towards net contributor status and that greater emphasis should be given to low-income countries in the sharing of total country IPF resources. Those measures would also contribute to the promotion of the developing countries' commendable efforts towards self-reliance and increased co-operation among themselves.

13. His Government had fully supported the Council's decision concerning an annual increase of 14 per cent in contributions during the second programming cycle; its contributions had in fact been well above that level during the previous four years. It would probably be unrealistic, however, to count on the same rate of annual growth during the third cycle, in view of the general economic difficulties anticipated in the next few years. It would perhaps be more appropriate to aim at maintaining a continuous increase in real terms above the level of the second cycle. His delegation believed that that could be achieved by a continued commitment on the part of contributing countries and by the gradual introduction of the net contributor concept.

14. Turning to the report of the Intergovernmental Study Group on Future Financing of the Programme (DP/451), he said that the arrangements to be worked out for implementing the concept of voluntary burden-sharing, which his delegation supported, should be based on universal acceptance of that concept by the contributing countries. However, because of the Japanese budgetary system, his Government would find it difficult to accept multi-year pledging, which it also feared might prove to be counter-productive, as multi-year commitments might tend to be more conservative than annual pledges.

15. His Government nevertheless still firmly supported the role of UNDP as the central funding and co-ordinating agency in the field of technical co-operation in the United Nations development system, and had decided to contribute the sum of \$41 million in 1980, representing a 17.4 per cent increase over the previous year. It would in addition contribute a further \$1 million to the United Nations Capital Development Fund, which in Japan's opinion, deserved greater support, since it placed maximum reliance on recipient Governments in the execution of projects designed to mobilize community efforts and to help the poor increase their productivity.

16. His Government had followed with great interest the development of the integrated systems improvement project, since it believed that there was a need for improvements in programming and management systems in order to achieve greater operational effectiveness in dealing with matters of ever-increasing complexity. His delegation had welcomed the progress reported in that regard in documents DP/448 and DP/454, and hoped that the various evaluation projects proposed would be completed in time for the commencement of the third programming cycle so that the findings could be translated into improved programme design and implementation. Care should, however, be taken to ensure that such projects did not merely contribute further refinements to the ever-increasing literature on evaluation methodology.

17. His Government attached great importance to increased assistance in exploring energy resources in developing countries, and believed that the Administrator's new proposal in document DP/438 deserved serious consideration. In order to avoid further proliferation of funds as well as the administrative and operational delays which the establishment of a new fund would entail, his Government suggested that the proposed exploration and pre-investment surveys should be financed by the United Nations Revolving Fund for Natural Resources Exploration. Although it believed that the terms of reference of the Revolving Fund were already wide enough for that purpose, the matter should be studied at the meeting of governmental experts to review the Fund's operations, to be held in September 1980. The Governing Council could take a final decision at its next session, on the basis of that study, and the operation could start immediately thereafter. His delegation wished to continue close consultations with all delegations regarding that important new venture at the current session so that the Council could give a clear guidance to the Administrator.

18. Mr. BRODODININGRAT (Indonesia) said that, although the over-all trend of UNDP's activities was favourable, there was still ample room for improvement. Perhaps the most disquieting matter was the perennial dilemma of too many technical assistance needs chasing too few available resources. The frequently expressed support for the consensus on the New International Economic Order had yet to be translated into the action needed for its effective implementation at the operational level. His delegation therefore looked forward with guarded optimism to the special session of the General Assembly in August 1980 and to the launching of the new international development strategy and the global round of negotiations.

19. Despite the inadequate structural framework within which UNDP had to operate, his delegation noted with satisfaction the progress being made in giving effect to resolutions of the Governing Council and the General Assembly. Especially noteworthy were the assumptions by government co-ordination bodies of the lead role in selecting projects, the increased commitment of resources to agriculture and the greater emphasis on an effective tripartite system. With regard to the tripartite system, his delegation wholeheartedly agreed with the Administration that participation by Governments, UNDP field offices and executing agencies served to increase the lead role of Governments and enhance continuous programming. It also supported the recommendation that new projects should be identified and formulated as programme implementation moved forward. Such continuous programming should enable Governments to ensure that technical co-operation activities were more responsive to changing development needs at the country level.

20. Similarly, measures to increase the collective role of the developing countries in intercountry programmes at the regional and subregional levels were to be commended. In particular, the revised consultative process initiated in 1979 should prove effective in ensuring a more central role for the collective involvement of Governments. In that connexion also, the fact that one-third of the interregional IPFs had already been allocated for support of the New International Economic Order and that a wide-ranging programme stressing economic co-operation among developing countries had been formulated jointly by UNDP and UNCTAD lent credence to UNDP's policy of reorienting its operational technical co-operation activities along lines compatible with the establishment of that Order.
21. The "new dimensions" policy had inevitably encountered the human resources problem in many developing countries. However, the promulgation in 1979 of revised instructions regarding the use of nationals of those countries demonstrated that UNDP was not evading the question. The special unit for TCDC within UNDP had also done much to promote collective self-reliance and evidence of its commitment to that policy was provided by the substantial studies it had prepared for the recent high-level meeting on TCDC, together with its encouragement of the orientation of national focal points and national staff in the principles and activities of TCDC.
22. Indonesia attached great importance to the participation of women in development and therefore welcomed the action-oriented assessment of rural women's participation in development in 1979, summarized in document DP/453.
23. His delegation confirmed the position it had adopted at the Council's Special Meeting concerning preparation for the third programming cycle. It had then made the following three points: firstly, that an average annual growth rate of 14 per cent in voluntary contributions to the UNDP programme must be achieved if the programme was to grow in real terms; secondly, that the basic criteria of per capita GNP and population size should be retained for the third cycle, as well as, in principle, the general methods adopted for their application; and thirdly, that there should be a reasonable shift of resource allocation towards the countries in greatest need of technical co-operation financing, which would not necessarily mean the exclusion of any country from the Programme.
24. His delegation had been among the first to support the common position of the recipient countries. It was of course prepared to discuss any suggestion that would make the recipient countries' proposal even more widely acceptable, but would prefer not to jeopardize the very delicate balance reflected in that proposal.
25. His delegation would not offer any comments on the Interim Fund for Science and Technology for Development, not because of any lack of interest, but because the subject was currently being discussed by the Intergovernmental Committee on Science and Technology for Development in New York.
26. Mr. ONDREJCEK (Czechoslovakia) said that his delegation recognized the need for a further shift in the distribution of resources to the least developed among the developing countries and supported that trend in UNDP's activities, which should be based on an over-all increase in UNDP's resources. The future strength and effectiveness of the Programme largely depended on maintenance of its basic principles - universal and voluntary participation in rendering and receiving technical assistance.

27. UNDP provided one possible opening for the utilization of funds saved by reducing expenditure on armaments. His delegation had welcomed the statement made by the Administrator at the special session of the General Assembly devoted to disarmament in 1978, and hoped that the UNDP representative would make a similar statement at the special session on disarmament in 1981, listing the specific national, regional and global projects that could be implemented with the savings achieved by reducing expenditure on armaments.
28. Czechoslovakia appreciated the assistance extended by UNDP to national liberation movements in Africa recognized by OAU. It also supported the special assistance granted to Nicaragua and the claim of the Government of Afghanistan for technical and financial assistance.
29. Czechoslovakia was convinced that the immense problems confronting the developing countries could be solved only by correct planning procedures and would welcome an increase in the number of projects aimed at strengthening planning activities in those countries. Planned industrial development was indispensable if developing countries were to overcome their difficulties and Czechoslovakia therefore recommended that UNDP assistance should place greater emphasis on the industrialization of developing countries, particularly on the expansion of the public and State sector, which was a guarantee of independent development.
30. Technical assistance for the development of agriculture, forestry and food supplies should give more attention to the establishment of agricultural co-operatives, one of the new democratic forms of land ownership which secured a better exploitation of the soil, thus contributing to the solution of the food problems of developing countries.
31. Czechoslovakia recommended that UNDP should make more scientific studies of future trends in world economic and scientific development and should use such studies in recommending priorities for national, regional and global development projects.
32. Since no development could take place without the necessary trained staff, training courses should be a major part of all technical assistance.
33. Czechoslovakia would like to increase its voluntary contributions to UNDP in Czechoslovak national currency, but could not do so while there was still an accumulation of those contributions in UNDP. In order to utilize those accumulated funds, the Czechoslovak Government had decided in 1978 that all Czechoslovak services provided under any form of UNDP technical assistance could be fully covered by Czechoslovak voluntary contributions to UNDP, even if Czechoslovakia were to incur expenditure in freely convertible currencies in providing those services. In November 1979, negotiations had taken place in New York on an agreement between Czechoslovak Airlines (CSA) and UNDP on the financing from Czechoslovak voluntary contributions of travel on CSA flights by participants in training courses financed by UNDP, as well as by experts and UNDP officers. The UNDP administration had agreed in substance with the text of the draft agreement submitted by Czechoslovakia, but, in spite of repeated reminders, it had not yet transmitted its observations, that had led to the cancellation of a seminar on forest industries that was to have been in Czechoslovakia in 1980, and other courses were similarly threatened. If UNDP made greater use of Czechoslovak services for technical assistance to developing countries and if the agreement between CSA and UNDP was signed without delay, the accumulated Czechoslovak contributions would be rapidly exhausted, thus enabling Czechoslovakia to increase its contributions to the Programme.

34. Mr. RAMBISSOON (Trinidad and Tobago) said that his delegation supported the Administrator's appeal for an annual average increase of at least 14 per cent in voluntary contributions as a target for the third cycle. In that respect, the Council had already heard some rather discouraging news from some of the traditional donor countries of UNDP. His delegation's hope that the unarguably great need of the developing countries for technical co-operation assistance in the 1980s would continue to be met through the resources made available to UNDP. For many developing countries, the provision of a substantial volume of multilateral technical assistance was a vital part of the implementation of a new international development strategy and almost a sine qua non for the achievement of their development goals and targets.

35. The basis on which those resources were distributed was therefore of great significance. At the Council's twenty-sixth session, three main factors governing the allocation of national IPFs had been identified, namely the country's population, its per capita GNP, and supplementary criteria relating to its special development characteristics. At that session his delegation had pointed out that the disproportionate emphasis placed on the first two factors tended to discriminate against small countries. A good illustration was provided by the Caribbean region, where the islands had rather small populations and per capita GNPs which did not place them in the category of least developed countries. However, the economies of those islands were based, not on a firm industrial foundation, but largely on agricultural exports and tourism, with their attendant uncertainties. Small countries and particularly small island developing countries faced problems of a peculiar kind and needed to offset these disadvantages.

36. In the 1970 consensus, it had been agreed that at least 82 per cent of the net resources available each year would be allocated to country programming and at most 18 per cent, to inter-country programming. During the second cycle those proportions had been 80.35 and 19.65 per cent respectively. In February 1980, the recipient countries of UNDP, in a consensus decision, had agreed that 81 per cent of net resources should be allocated to country programming and 19 per cent to inter-country programming. The calculations presented in document DP/496 were based on those figures and, notwithstanding the gradual erosion in the total resources being made available for country programming, his delegation could support that ratio.

37. The same document also set forth the underlying philosophy that the greater share of the resources available for country programming should go to countries with a per capita GNP of \$500 or less. The delegation of Trinidad and Tobago had always supported the need for special assistance to such countries and was in agreement with the idea on which the calculations presented in the document were based. It would, however, like to stress the need for other developing countries to continue to receive assistance from UNDP at a level no less than they had done in the past. One of the distinguishing characteristics of UNDP had been its universality. That was why his delegation could not support the so-called cut-off principle, which would have the effect of excluding certain countries from the Programme.



38. During the consideration of the country programme of Trinidad and Tobago at the last session, it had been pointed out, as an indication of the importance which the country attached to UNDP, that its cost-sharing contributions for the period 1979-1981 had exceeded the IPF resources available to the country. In 1978 and 1979, Trinidad and Tobago had increased its contribution by 15 per cent, whereas its IPF for the current and the previous cycles had remained fixed. It was now faced with the prospect of having its IPF for the third cycle cut by 20 per cent. In view of the serious erosion in the real value of the dollar resulting from inflation, to allocate to a country in 1982 a nominal IPF amounting to 80 per cent of the 1972 figure was tantamount to providing that country with approximately one third of the assistance that it had received in the earlier year. Consequently, his delegation would like to reaffirm its support for maintenance of the floor principle at 100 per cent and to request the Administrator to continue his efforts to ensure that no country should receive a national IPF for the third cycle that was less than its IPF for the second cycle.

39. There was no direct relationship between a country's per capita GNP and population and its ability to participate in technical assistance schemes. As the representative of Ecuador had pointed out in a statement made on behalf of the Latin American group members of the Council, the effect of reducing the IPFs of countries with a per capita GNP above a certain level seemed to be to penalize those countries which were making strenuous efforts to help themselves.

40. His delegation recognized the difficult position of the UNDP Administration in reconciling the seemingly conflicting considerations that were involved, but was confident that it was not beyond the Administration's ingenuity, with a little good will and flexibility on the part of all concerned, to resolve the matter amicably to the satisfaction of all.

41. Mr. VUNIBOBO (Fiji) said he hoped that the draft decision submitted by the group of the recipient countries concerning the distribution of resources for the coming programming cycle would form the basis on which the Council ultimately made its decision, together with the detailed analysis and alternatives contained in document DP/496.

42. His delegation had no quarrel with the argument that the bulk of multilateral aid should go to the countries with the lowest per capita income but hoped that the continuing needs of the middle-income group, particularly the island developing countries, would be borne in mind. The misleading nature of per capita income as the basic criterion for determining country IPFs was illustrated by statistics in the World Bank Atlas for 1979. Per capita income for five island groups in the South Pacific had been shown as ranging from \$1,440 for his own country to \$7,400 for American Samoa. Anyone not familiar with the region would conclude that those islands did not require any aid. On closer examination, however, it would be found that four out of the five were dependent territories whose economies were intimately linked with those of the metropolitan Powers; two had substantial military establishments and very little else; one was the world's third largest producer of nickel but most of the returns went to expatriate workers and most of the profits were also expatriated; a fourth received a wide range of official social assistance from its administering Power. Moreover, the component islands of many of those countries were separated by immense distances, and the few agricultural commodities they produced were affected by price fluctuations and remoteness from their markets. Although some of those island States appeared to have made considerable progress, it would be prudent for the Council to keep in

mind their high vulnerability to the vicissitudes of the world's economy and to natural disasters. He therefore hoped that it would not merely adopt a flexible approach but would also show a measure of sensitivity towards the middle-income group.

43. A comparison between current IPFs and expenditure would give the Council some idea of probable developments in the third cycle. In that connexion, he wondered if the Council was reasonably confident that the proposed shift in the allocation of resources would not involve certain risks. For instance, if the aid allocated to the least developed countries in the third cycle was not used within the prescribed period, it might provide the major donors with a legitimate pretext for suggesting that the allocation should be reduced. It was to be hoped that the Council would give the Administrator some discretion to re-allocate resources from countries unable to make full use of their allocations to those which had exhausted smaller allocations.

44. His delegation welcomed the initiative taken by the Administrator to send a mission to the South Pacific. It was to be hoped that the meeting convened to discuss the mission's report would lead to new initiatives and further development, especially in areas which had so far been under-exploited by the communities of the region, rather than by interests outside the region. He hoped, in particular, that an allocation for fisheries, in both the global and regional programmes, would be substantially increased in the new cycle.

45. With regard to counterpart contributions by recipient Governments, the provision of counterpart staff could pose a very real problem for countries which were short of trained personnel. The resident representative could perhaps be authorized to use his discretion in the matter, depending on the project and the circumstances.

46. Mr. AL-SHAKAR (Observer for Bahrain) said that his delegation would like to associate itself with other delegations in supporting the proposal made by the representative of the Palestine Liberation Organization that a separate item entitled "Assistance to the Palestinian people" should be included in the Council's agenda at its next session.

47. The Administrator's introductory statement had reflected the desire of UNDP officials to bring the activities of the Programme into line with the expectations of recipient countries. His approach to development problems would undoubtedly contribute to the establishment of the New International Economic Order.

48. With regard to the proposed IPFs for the third programming cycle, Bahrain, like all developing countries, was trying to make the best possible use of the assistance and services rendered by UNDP. The Programme's activities in Bahrain had begun in 1972 with assistance in the form of two large-scale projects and a series of small projects. The first country programme had involved expenditure of \$2.5 million over the five-year period. Because of a greater demand by some ministries for UNDP-assisted activities, the Government of Bahrain had increased its cost-sharing arrangements with UNDP by 70 per cent in 1976. The second country programme, covering the period 1977-1981, had been approved by the Governing Council in January 1979 and had involved a total programmed expenditure of \$8 million, consisting of an IPF allocation of \$2.5 million and a Government cost-sharing contribution of \$5.5 million. However, owing to escalating costs and world-wide inflation, early in 1979 programme commitments had exceeded the

resources available by \$350,000. Therefore, at the half-way point of the current cycle, IPF resources for the second programme were fully exhausted and expected borrowing from the next cycle was estimated at \$500,000, with no prospect of any new projects or extensions for the following 18 months to two years.

49. That situation was due partly to the small size of the IPF in relation to the level of Government economic activities and to the high absorptive capacity of the economy, and partly to the desire of certain ministries to entrust some of their projects to the United Nations, even though most of the costs were covered by their own budgets. Despite the exhaustion of the country's IPF, government institutions were continuing to request UNDP assistance. Several worthwhile projects had been evaluated by the United Nations and were considered important to the country's economic and social progress, but had not been implemented because of the lack of financial resources.

50. His delegation considered that there was merit in using per capita GNP as a main criterion in calculating IPFs but that weight should also be given to a declining GNP. The GNP figures for Bahrain might give the impression of economic prosperity but nevertheless hid many anomalies. The data base was neither accurate nor complete; purchasing power was limited by the very high cost of living; most government income was routed towards the infrastructure so that little was left for pre-investment studies or training of national human resources.

51. Bahrain was dependent on the export of a single commodity, oil, production of which was declining at an annual rate of almost 4 per cent. Proven oil reserves would be depleted within 15 years. The future loss of oil revenue heightened the need to develop alternative sources of income through diversification of the economy.

52. The calculation of Bahrain's IPF had been based on old data covering only Bahrainis, whose birth-rate was, however, one of the highest in the world. The foreign population, which accounted for over 30 per cent of the total, had not been considered in determining the IPF. The presence of so large a foreign population had adverse economic effects, particularly where the social services and public facilities were concerned; it had created pressures on housing, food prices and health services and had contributed to the high cost of living. Moreover, as a small island country, Bahrain was geographically disadvantaged. For example, transportation and insurance costs for imports were high. Almost all fresh and canned food was imported, mostly by air. His delegation accordingly wished to draw attention to General Assembly resolution 34/205, and particularly to its paragraph 7, in which UNDP had been requested to consider increasing its assistance to developing island countries.

53. Assistance through IPF financing had consistently proved inadequate. The spiralling cost of living had led to an increase in cost per expert; the number of experts had remained constant but the fast depletion of the IPF had forced the Government to resort to cost-sharing. The current percentage of IPF in the Bahrain programme was 30 per cent, one of the lowest figures in the world. Since forthcoming projects for 1980 and 1981 would be wholly financed by cost-sharing, the relevance of IPF funds to UNDP programmes in Bahrain would be negligible. Furthermore, as the current IPF had already been exhausted, even on-going projects could only be extended on a cost-sharing basis of 100 per cent. The 1982-1986 cycle would certainly be even more difficult.

54. His delegation considered that the proposed IPF for Bahrain for the third programming cycle was insufficient for the development projects currently in progress. Any reduction would seriously affect Bahrain's country programme and have an adverse effect on the country's social and economic development. He was confident that the Governing Council would give appropriate consideration to the matter.

55. His delegation shared the views expressed by the representative of Ecuador that UNDP financial resources should be allocated fairly among developing countries and that no country should receive national IPF for the third cycle that was less than its IPF for the second cycle.

56. Mr. KHARMA (Observer for Lebanon) expressed his Government's gratitude to UNDP, and the international development organizations and contributing Governments, for their continuing generous assistance to Lebanon.

57. In preparing the third programming cycle, it was important to bear in mind the special requirements for assistance in the reconstruction and development of Lebanon set forth in General Assembly resolutions 33/146 and 34/135, and the serious deterioration in the Lebanese economy described in the Secretary-General's report to the last session of the Economic and Social Council (A/35/99). In the circumstances described in that report, the country's per capita GNP had declined sharply and its economic growth rate was actually negative. The task of reconstruction was therefore daunting, but the fact that the Lebanese economy functioned at all in the present adverse conditions was a tribute to its potential and its capacity to grow, with the assistance of UNDP and the international community, once present difficulties had been overcome. The Lebanese Council for Reconstruction and Development had prepared a major programme for the rebuilding of houses and the reconstruction of the Beirut port and international airport and the Beirut-Tripoli highway; the Council had also made plans for improvements in such areas as health and education services, vocational training and rural development.

58. Despite its plight, Lebanon had stood by its international commitments and had heeded the Administrator's appeal for a 14 per cent annual increase in voluntary contributions; its last pledge had been for \$365,000. It had also increased its voluntary contributions to other agencies and organizations, such as the Office of the United Nations High Commissioner for Refugees (UNHCR) and the United Nations Children's Fund (UNICEF);

59. He hoped that Lebanon's IPF for the third programming cycle would be substantially increased and that uncommitted funds from the second cycle would be carried over.

60. Mr. EL EBRAASHI (Egypt) said that he had been pleased to learn from the Administrator's statement at the 675th meeting that the Interim Fund for Science and Technology had become operational on 19 May 1980 and that 250 project proposals had been submitted. He asked the Administrator for information about the proposals submitted by Governments, agencies and other organizations, and about the procedure for the submission of projects.

61. With regard to preparations for the third programming cycle, his delegation maintained the view it had expressed at the Special Meeting of the Governing Council in February 1980 concerning the importance of achieving a 14 per cent growth rate for voluntary contributions. The Administrator had evoked the possibility of a falling off in voluntary support at a time when technical co-operation and investment backup were in particularly heavy demand. Achievement of the 14 per cent growth rate would be decisive as far as the scope and effectiveness of UNDP technical assistance were concerned and he therefore called on all States, and especially the major contributors, to achieve that target.
62. It was universally recognized that the bulk of IPF resources should be allocated to countries most in need of UNDP assistance and having a per capita GNP of \$500 or less. In making IPF allocations, the Governing Council should balance the importance of honouring that principle against the importance of safeguarding the universal and voluntary character of the Programme.
63. He agreed with the statements by the representative of Greece and other representatives concerning the concept of net contributors; the Council should indeed encourage an increase in the number of such contributors. At the same time every effort should be made to safeguard the floor concept.
64. He agreed with the Administrator's views, as set forth in his note on preparations for the third cycle (DP/425), regarding the basic and supplementary criteria for allocating IPF resources in the third cycle; his delegation stood by the compromise agreement reached by recipient countries at the last Special Meeting of the Governing Council. He was also in favour of the Administrator's efforts to introduce a multi-year pledging system so that programme resources could be more easily predicted.
65. He noted with satisfaction from the Administrator's report for 1979 (DP/460) that field programme expenditures had risen by more than 25 per cent and that financial management had improved. He commended the Administrator's efforts to find ways of improving the country programming process as a basis for ensuring more effective implementation of UNDP technical co-operation.
66. Egypt had always supported efforts to integrate women into development and he therefore welcomed the Administrator's report on rural women's participation in development (DP/453).
67. He underlined the importance of the decisions and programme of action adopted at the African summit meeting in Lagos in April 1980 and asked the Council to take those decisions into account in its deliberations. He expressed appreciation of the Administrator's efforts to implement General Assembly resolution 34/133 concerning economic assistance to the Palestine people, to whom the United Nations bore a special responsibility. He also fully supported UNDP assistance to African liberation movements recognized by OAU, and urged that the Programme should increase its aid to the people of Namibia and the African peoples in South Africa.
68. Mr. KAAKUNGA (South West Africa People's Organization) said that the fascist régime was continuing its illegal occupation of Namibia and the exploitation of that country's mineral resources, thus threatening the peace and security not only of African States but of the entire world. Members and supporters of SWAPO were

being detained indefinitely without trial while in the northern area crops were being destroyed and properties looted. The régime was systematically violating the territorial integrity of the People's Republic of Angola and the Republic of Zambia.

69. Despite such aggression, SWAPO and the front-line States of southern Africa, including Zimbabwe, with the assistance of Nigeria, OAU and the United Nations, had been trying to implement the various United Nations resolutions for the peaceful decolonization of Namibia, as well as Security Council resolution 435 (1978) of 29 September 1978, but their efforts were being frustrated by South African intransigence. The régime's recent demands included the withdrawal of SWAPO forces from Namibia, withdrawal of United Nations recognition from SWAPO, and the inclusion of Angolan renegades, whom the régime was training and arming in Namibia, in the negotiations on the country's future. SWAPO found those demands totally unacceptable and had therefore concluded that its only option was to continue the armed struggle. Certain quarters, particularly in Western imperialist countries, still tried to maintain that racist South Africa would eventually agree to the implementation of Security Council resolution 435 (1978); such intrigues and manoeuvres were aimed merely at delaying Namibian independence.

70. He requested the Council to increase UNDP assistance to Namibia, especially for training, and to step up financial aid. UNDP aid to Namibia had been most effective; by the end of 1979, 67 students had graduated from the United Nations Institute for Namibia, and a further 100 were expected to graduate in January 1981. It was estimated that when Namibia became independent it would need some 1,500 foreign experts and technicians and it was therefore important to train sufficient personnel to run the government at that time.

71. Dr. KILGOUR (World Health Organization) said that during the past year UNDP had played an important part in fostering new health programmes in connexion with the strategy of Health for All by the Year 2000. In addition to UNDP support of specific projects, the Deputy Administrator had served as Chairman of the inter-agency steering committee for the International Drinking Water and Sanitation Decade.

72. Nevertheless it must be acknowledged that a gradually dwindling proportion of UNDP resources was being devoted to health. That was a crucial matter because a healthy world was a productive and peaceful world, as the United Nations General Assembly had recognized in unanimously adopting resolution 34/58. By adopting that resolution the international community had given credence to the proposition that health for all by the year 2000 was an achievable goal, to be reached by four main approaches: a just distribution of health resources through primary health care; the use of scientifically sound health technology which could be maintained by the people themselves at a cost the community could afford; community involvement in its own health and its socio-economic future; and the unilateral reinforcement of action in health and other socio-economic sectors to promote human development. Such reciprocal action between health and other sectors was one of the keys to the achievement of the new international economic order.

73. The General Assembly's call for inter-sectoral collaboration in health care was primarily directed to countries, but also to the organizations of the United Nations system; WHO had brought the need for inter-organization collaboration in health to the attention of the Administrative Committee for Co-ordination (ACC) and all interested organizations had expressed their readiness to co-operate. The main emphasis would be on action at the country level and the Administrator of UNDP, through the resident co-ordinators in countries, had been promoting co-operation between the international organizations and the countries in the matter of health development. WHO would continue to assist countries in preparing health strategies and in so doing would work closely with the Administrator and his staff under the guidance of the Governing Council and the World Health Assembly.

74. Ms. URDANETA (Observer for Venezuela) said that the future shape of international co-operation for development would be determined by the results achieved during the current session. Her delegation had serious reservations regarding the draft decision submitted by the Administrator for the calculation of IPFs, as it did not take proper account of the proposals of recipient countries. It accordingly supported the statement made by the representative of Ecuador on behalf of the Latin American Group.

75. Her delegation shared the view of the Group of 77 on the question of the methodology employed in calculating IPFs. Too much weight was, however, given to the basic criteria, namely GNP and population, while supplementary criteria should not be applied uniformly in every case. Each country had its own development characteristics, limitations and problems, and the application of supplementary criteria should therefore be adapted to individual circumstances. Her delegation shared the view of the Latin American Group that 80 per cent of the resources available for national and multi-national programmes should be allocated to countries with a national per capita income below \$500. Ideally, resources should be devoted exclusively to such countries but the fact was that many other countries, including the majority of members of the Group of 77, also needed international technical co-operation in order to overcome the difficulties confronting them and were, in turn, ready to share their experience. Her delegation also believed that new formulas should be sought for aiding countries in critical development situations. In that connexion, stress should be laid on better co-ordination of the assistance and financial resources which the least developed countries received from many international development agencies and institutions.

76. Venezuela firmly supported the principles established by the 1970 consensus, which had given the Programme its universal and voluntary character. No developing country should be penalized in UNDP because of special and transitory conditions giving it a relative advantage over other countries. Such circumstances could enable certain countries, such as Venezuela, by means of a great effort, to become net contributors to UNDP. Countries in that position were, however, still developing countries with all the problems inherent in that condition and needed international technical co-operation in order to achieve their own development objectives and to collaborate fully with the international community.

77. Her delegation considered it important that the Programme's resources should be substantially increased in real terms so that it could give adequate support to the internal efforts of countries to achieve full development. The proposed minimum annual increase of 14 per cent in voluntary contributions during the third programming cycle would hardly be sufficient to maintain UNDP's current

level of activities. Venezuela had been a net contributor since 1977 and had also voluntarily contributed to programme costs at the rate of 8 per cent of its IPF. It had been elected to the Governing Council with effect from 1 January 1981 and her delegation wished to assure countries that their confidence had not been misplaced.

78. Venezuela's policy was to continue to increase its own co-operation programmes in Latin America, in particular with the least developed countries of the region and, within the limits of its resources, to respond to requests for co-operation from countries outside the region, in accordance with the principles of TCDC. Venezuela's co-operation with the Caribbean, Central American and South American countries merited special mention.

79. Her delegation appealed to developed countries and to those developing countries in a position to do so, to increase their voluntary contributions to UNDP. Her Government continued to be gravely concerned at the growing tendency of certain sectors in developed countries to press for the introduction of discriminatory and selective criteria in international co-operation. Such an approach was incompatible with the principles of solidarity, international social justice and the new international economic order. It had been firmly repudiated by the fourth Ministerial Meeting of the Group of 77 at Arusha. A more positive attitude towards their responsibilities to the developing countries on the part of such developed countries would improve the climate for future global negotiations on international economic co-operation.

80. Mr. MOHAMMED AL SHAMI (Yemen Arab Republic) said that his country had benefited greatly from the assistance and expertise of UNDP in virtually all its development endeavours. It was accordingly concerned to see UNDP assured of more continuous and predictable resources. The recommendations contained in paragraph 12 of document DP/451 represented a good basis for further action in that connexion.

81. His delegation welcomed the consensus regarding the reallocation of a higher percentage of UNDP resources to the low income countries and particularly to the least developed amongst them. Only through militant international solidarity could such countries be helped to withstand the adverse effects of the current international economic crisis.

82. His delegation, like others, had reservations regarding the use of per capita GNP as the sole criterion for determining country allocations. A multi-indicator evaluation system would help to eliminate possible distortions resulting from the use of a single criterion. Account should be taken of all aspects of a country's economy, including its human and material infrastructure, technical and technological level, available resources and capacities, as well as the standard of living. The figures relating to his country in annex table 2 of document DP/496 differed substantially from the official data issued by his Government. Per capita GNP had been given as \$580 compared with his Government's official figure of \$393. Population had been stated to be 5.1 million whereas his Government's figure for 1978-1979 was 7.1 millions; the latter figure was consistent with the figures given in the United Nations Statistical Yearbook, 1978 and the United Nations Demographic Yearbook, 1977. The consequences of such discrepancies were very important for his country.



83. His delegation welcomed the report of the Administrator on assistance to national liberation movements and on the implementation of the Governing Council's decision regarding assistance to the Palestinian people. It hoped that efforts would be continued so that all approved projects would be implemented in the near future. His delegation also supported the proposal of the Palestine Liberation Organization that assistance to the Palestinian people should be included as a separate item in the Council's agenda at its twenty-eighth session.

84. Mr. KUNIGI (Japan) said that the Special Committee on Preferences of UNCTAD, which had just completed its ninth session, had requested him, in his capacity as its Chairman, to seek the prolongation beyond 1980 of the UNCTAD/UNDP project entitled "Assistance to developing countries for fuller utilization of the generalized system of preferences" (INT/77/002). The Administrator had referred to the project in paragraph 14 of document DP/470. The delegations of the preference-giving as well as of the preference-receiving countries had expressed their appreciation of the important contribution the project had made towards assisting the developing countries to use the generalized system of preferences as a means of securing better access for their products to the markets of the preference-giving countries. The Special Committee had felt strongly that there was a continuing need to provide technical assistance to the beneficiary countries because of the technicalities and difficulties of the schemes of the donor countries. Such problems had included lack of sufficient information on the schemes, sometimes compounded by a very limited knowledge of the structure of foreign Customs tariffs. There was a need for continued assistance in providing exporters with information on the administration of quotas, ceilings, maximum country amounts and rules of origin. The Special Committee had also felt that a continuation of the project would mean the maintenance of a focal point for preference-receiving countries as well as for preference-giving countries which contributed bilateral resources, through the project, to technical assistance activities relating to the generalized system of preferences. Between 1 May 1977 and 31 December 1979, UNDP had provided \$547,018 for the project and voluntary contributions had amounted to \$473,934, representing 84 per cent of the total UNDP interregional provision. The project had also been a focal point for contributions from UNDP regional IPFs and, during the period under consideration, \$165,398 had been allocated to the project's activities in Africa, Asia and the Pacific. Owing to the important contribution the project was making towards the improvement of trade in developing countries through the generalized system of preferences, the Special Committee had taken the unanimous view that the project should be continued beyond 1980 in order to assist developing countries to derive full benefit from the system.

The meeting rose at 5.50 p.m.

