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SUMMARY RECORD OF THE 684th MEETING

held at the Palais des Nations, Geneva,  
on Monday, 9 June 1980, at 11 a.m.

President: Mr. POPESCU (Romania)

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The meeting was called to order at 11.15 a.m.

PROGRAMME IMPLEMENTATION (agenda item 4) (DP/500, 520) (continued)

- (a) ANNUAL REPORT OF THE ADMINISTRATOR (DP/423 and Add.1, 439, 460, 461, 462, 463 and Corr.1)
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- (g) INTERNATIONAL CO-OPERATIVE ACTION IN SUPPORT OF THE MAR DEL PLATA PLAN OF ACTION (DP/474)
- (h) STANDARDIZATION OF DEVELOPMENT CO-OPERATION PROCEDURES (DP/468)

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

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

1. Mr. SALIBA (Observer for Malta) said that the most important problem was that of the resources which would be put at the disposal of UNDP for the third cycle; all the fine words about the usefulness of the Programme would be rendered meaningless if they were not backed up by adequate financial support. He was therefore concerned about some statements which gave the impression that contributions to UNDP would not reach expected levels. Like other representatives, he felt that UNDP's share in development aid should regain its previous importance, that the bulk of UNDP resources should not come from a few donors only and that contributions should increasingly be made in easily usable currencies. Malta had steadily increased its contribution during the past three years and was now twenty-seventh among contributors, with a per capita contribution higher than that of several developed countries which had a higher per capita GNP. That testified to Malta's appreciation for the valuable contribution UNDP was making to its development efforts and the useful role UNDP was playing in general. He hoped his country would continue to benefit from UNDP projects because, as an island State with a very small population, it was unable to set up endogenous technological capacity in vital sectors.

2. He agreed with representatives who had stressed that the criteria of per capita GNP and size of population were too rigid and were given undue emphasis which caused bizarre distortions. Thus, as the delegation of Ecuador had pointed out, when a country had a high GNP because its population was small, it was doubly

penalized because its small population was already a handicap. In that respect, he was not alone in thinking that the supplementary criterion for island developing countries had had no significant impact. Like all the members of the Council, he considered that special attention should be given to the needs of the least developed countries, without denying other countries their fair share. In spite of the unfavourable world situation, he thought that with goodwill additional resources would be found.

3. Noting that some delegations did not appear to be convinced of the need for a "floor" for country IPFs, he said that the IPF fixed for Malta 10 years before, had been only \$500,000 per annum. If that figure was maintained during the third cycle, in 1986 Malta would be receiving the same sum as it had received 15 years earlier, while in the meantime the cost of experts and equipment had increased considerably and the value of money had depreciated rapidly.

4. Mr. AASE (Norway), speaking on behalf of the Nordic countries, said that they entirely shared the view expressed by the Administrator in his annual report (DP/460, para. 24), that vastly intensified efforts were necessary in the area of UNDP's investment activities. Investment follow-up should be one of the fundamental objectives of UNDP-financed technical assistance. In that respect, the arrangement between UNDP and FAO had proved useful and should be extended to other agencies. Similarly the special-interest arrangements with the World Bank and regional development banks should be further strengthened. The Governments of the Nordic countries therefore whole-heartedly endorsed the recommendations in document DP/442 aimed at reversing the current decline in investment follow-up. Furthermore, he supported the proposal of the representative of the Netherlands for a meeting of a special working group of the Council early in 1981 to prepare for consideration of the question of investment follow-up at the twenty-eighth session.

5. As members would recall, it had been decided, when the Consensus had been adopted, that provision for investment and other forms of follow-up to Programme-assisted projects would, when necessary, be an integral part of the programming process and of the formulation, implementation and evaluation of projects, and that, in each case, the Government would be primarily responsible for all measures which should be taken at all stages of a project to ensure effective follow-up, including follow-up investment.

6. Mr. MORSE (Administrator, UNDP) welcomed the interest which delegations had shown in the various issues considered and the constructive spirit in which discussions on agenda items 4 and 5 (a) had taken place. He thanked the many representatives who had expressed confidence in the Programme and its leadership and staff, whose competence and dedication were praiseworthy. He was particularly pleased that many representatives of developing countries had borne witness to the effective and catalytic contribution of UNDP to their development efforts. The deep interest expressed by other developing countries in the size and configuration of the co-operation activities for the third cycle indicated that truly multilateral technical co-operation must play an absolutely indispensable role during the coming decade.

7. Considerable progress had already been made in preparations for the next programming cycle, and all the complex issues could be resolved quickly, provided, of course, that delegations continued to show the spirit of compromise and accommodation which had always characterized the work of the Council. He hoped that members would attach all due importance to the vital question of the nature of the changes which might be introduced in country programming for the third cycle. In his view, country programming was the primary operational tool of UNDP and he wanted it to be the best possible tool for development.

8. Turning to the policy review of operational activities, prepared for the Economic and Social Council by the Director-General for Development and International Economic Co-operation, he emphasized that the majority of the issues which were covered in the report and were of direct concern to UNDP were on the agenda for the current session of the Governing Council. That indicated that its attention was rightly focused on the main issues of technical co-operation within the broader context of operational activities. Representatives might therefore wish to have informal discussions on the report of the Director-General, as the representative of the Netherlands had suggested.

9. He noted that several delegations had expressed concern about the centrifugal tendencies evident in United Nations system development activities during the past decade, the proliferation of new funds and the erosion of UNDP's central funding and co-ordinating role. Thanks to the Council's diligent work on those questions, a solution to all the problems was beginning to appear. The use of country programming as a frame of reference for other operational activities of the system, the designation of resident co-ordinators for greater field-level cohesion, the current work of the Administrative Committee on Co-ordination (ACC) in introducing greater uniformity in budgets and procedures, UNDP's increasingly close and harmonious relations with the executing agencies, the work of the Inter-Agency Task Force and so on all pointed toward a reversal of past trends. Although in 1978 UNDP had financed only one third of technical co-operation activities within the United Nations system, whereas in 1968 it had financed two thirds, it should be noted that in 1979 its project expenditure had increased by over 25 per cent as compared with 1978, which was an encouraging trend.

10. He was grateful to the countries which had indicated their continued support for the Programme in 1981 by pledging increases in their contributions, particularly those which intended to meet or exceed the 14 per cent growth target. Obviously, the genuine economic difficulties facing many contributors could not be ignored, but they must be seen in the perspective of the much greater problems facing developing countries in their quest for self-reliance. Providing those countries with the technical co-operation and other inputs they needed to achieve that goal was a long-term international undertaking which must not fall victim to what, it was to be hoped, were short-term problems. One of those problems was, of course, the inflation which was prevalent throughout much of the world and undermined the real growth of the Programme. In real terms, the rate of growth called for, namely 14 per cent, was clearly modest and he was frankly disappointed that so many contributors had found it difficult to achieve.

11. Turning to the question of financing, he reminded members that the Council had for a number of years been wrestling with the issue of a more equitable sharing of the financial burden. A maximum effort must be made by every participant in the Programme. He pledged his own maximum effort to secure new sources of support among the industrialized countries, to speed the transition to net contributor status among Programme recipients in a position to make that transition, and to make the best possible use of all contributions in the interests of the developing countries. If only one or two of the countries which had the capacity to do so would come forward with dramatic increases in their contributions, others would follow suit.
12. Referring to the related question of using accumulated non-convertible currencies, he pointed out that they had been used to finance a number of projects; UNDP had recently identified a further six new projects which would in all probability be largely financed with roubles. Consultations were continuing on the conclusion of an agreement between Czechoslovak Airlines and UNDP, to which the representative of Czechoslovakia had referred.
13. In his view, special funds did not compete with the Programme as such if they were designed to meet particular development needs and comprised resources which would not, in any case, go to UNDP. In other words, they did not deprive UNDP of financial resources. Furthermore, in the majority of cases, contributions to special funds supplemented contributions to the Programme. Such funds benefited from the administrative capacity of the Programme, particularly its extensive field office network, and had frequently proved very useful, enabling UNDP to respond more rapidly and flexibly to the needs of the developing countries. Without wishing to advocate a proliferation of special funds which could only harm the Programme's efficiency, he felt that, at a time of resource constraint such as the present, every opportunity must be taken to expand resources in order to meet the needs of developing countries. It was in that context that he had proposed to the Governing Council the establishment of a new special fund for oil-importing developing countries to finance pre-investment studies and exploration projects in the field of energy. The fund would be financed partly by donor countries and partly by recipient developing countries; it would be managed by UNDP and could, in due course, be incorporated into the United Nations Revolving Fund for Natural Resources Exploration.
14. In his view, the Governing Council should consider that proposal without awaiting the results of the United Nations Conference on New and Renewable Sources of Energy or the review of the Revolving Fund, both of which were to be held in 1981. The World Bank was about to undertake a vastly expanded lending programme in the area of oil exploration and urgently needed specialized pre-investment surveys to complete that programme. If the Council decided to set up the proposed fund immediately, the poorer developing countries would not need to borrow from other sources to finance the necessary pre-investment studies for the initial high-risk exploration activities.
15. The pre-investment needs of the developing countries prompted him to refer to Sir Robert Jackson's study on UNDP and pre-investment (DP/472); that was a remarkable study, even though there might be reservations about some of its conclusions. As Sir Robert had mentioned, pre-investment needs were enormous and yet over the previous decade UNDP technical co-operation activities had developed to the detriment of pre-investment activities. He himself had drawn the Council's attention to the problem at the previous session and since then positive steps had been taken to

stimulate the Programme's pre-investment activities. Such steps included the establishment of the Investment Development Office, the conclusion of co-operative agreements with the World Bank and regional development banks, and an experimental arrangement with the Investment Development Centre of FAO. It was his intention that similar agreements should be concluded with WHO and UNIDO, and that closer relations be established with other public and private sources of financing. Currently, UNDP and the World Bank were considering meeting each quarter to consider investment follow-up possibilities and thereby establish better co-ordination between technical co-operation and other development activities.

16. He expected that the improvements suggested in the country programming process - in particular, continuous programming - would give rise to a more intensive dialogue between UNDP, the executing agencies and governments. That should result in projects that were of better quality and better adapted to the needs of the developing countries, and in substantially increased Programme support for pre-investment activities. Even at the current time it was foreseen that the experimental arrangement with FAO would result in investment follow-up of around \$200 million. A number of UNDP pre-investment activities in recent years had already produced excellent results. For example, following UNDP feasibility studies costing \$250,000 for the road construction project in northern Yemen, the Abu Dhabi Fund had invested \$44 million in the project. Similarly, UNDP-financed studies for the Quatre-Socurs dam in Mauritius had resulted in \$100 million in investment follow-up by various governments. A UNDP-financed feasibility project costing \$400,000 for the development of a free zone in the port of Cartagena in Colombia had generated \$100 million in investment by the World Bank and an additional \$100 million by private companies. Another UNDP-funded feasibility study for the Sélingué dam in Mali had resulted in \$300 million in follow-up investment by the European Economic Community and \$40 million by Canada. Lastly, on the important question of pre-investment, he requested the Council to indicate clearly how much emphasis it wished UNDP to place, in its discussions with governments, on the need to include an appropriate amount of preinvestment-oriented activities in future country programmes.

17. With regard to evaluation, he confirmed that the good management of the Programme required thorough and continuous monitoring of Programme activities. The various evaluation methods outlined in document DP/448 would enable UNDP to improve the quality, effectiveness and efficiency of its operational activities. As to the assessment of rural women's participation in development, he intended actively to apply its recommendations. On the question of feed-back, he fully agreed with the representative of Poland that that was a most important mechanism and that more active account should be taken of the findings of the Joint Inspection Unit.

18. The very positive reaction to the report on evaluation of the global programme (DP/456) showed that UNDP's standards of evaluation were generally improving. However, some concern had also been expressed, particularly by the representative of New Zealand, who felt that the global programme should devote more of its funding to institutional innovation. Referring to the support expressed by the representatives of Denmark and Switzerland for interregional programmes for training in dealings with transnational corporations, he observed that such programmes related to an important aspect of the new international economic order and that UNDP was a pioneer in that field. In the context of the quality of, and staffing for, field activities, the representative of China had stressed the need for improvements in the procedures of both UNDP and its agency partners, and had particularly regretted delays between the

time of project identification and the time of implementation. The representatives of Canada, France and Norway had pointed out that UNDP should be represented by very highly qualified staff at field level, that additional staff should be assigned to handle increased workloads and that there should be further decentralization. As to representation in the field, UNDP was making considerable efforts, which he was following personally, and had achieved marked success. The first global meeting of resident representatives in almost 10 years was to be held in Tunis in July; at that meeting improved efficiency at field level and strengthened collaboration with agency partners would be key subjects for discussion and practical measures would be taken. He had already drawn attention on a number of occasions to the heavy and varied demands on resident representatives. Their tasks were becoming increasingly complex because field officers were spending at least 40 per cent of their working time on non-UNDP-funded activities. Accordingly, staffing review at the field level, supplementing the review recently completed at headquarters, was being undertaken in 1980 to ensure that the quality of services did not suffer.

19. He was grateful to delegations - especially the delegation of Malaysia - which had supported the many steps taken to limit the Programme's overhead costs. He agreed with the representative of the USSR that every dollar available to the Programme should as far as possible be used for the direct benefit of the developing countries themselves. Combined agency/UNDP overhead and programme support costs had constituted less than 22 per cent of total UNDP expenditure in 1979. That percentage would have been considerably lower if it had not taken into account the additional workload arising from non-UNDP-funded activities. At the end of 1979, the number of professionals and higher-category personnel engaged in the main Programme had been the same as at the end of 1977, while field expenditure had increased by almost one third. A great effort had been made to increase the value of inputs from developing countries, as had been recognized by a number of delegations. He nevertheless agreed with the representative of Denmark that the procurement question should be given close attention and that there was a need for improved information on prospective procurement of equipment, contracts and employment of consultants if globally competitive bidding was to become an effective reality. He was confident that the work of the Interagency Procurement Services Unit was helping to improve the procurement system in that respect.

20. Very close attention should be given to the recommendations of the recent High-level Meeting on the Review of Technical Co-operation among Developing Countries. UNDP clearly had an important role to play in that historic movement, which nevertheless depended primarily on the initiative of the developing countries themselves, and vigorous action at the country level was necessary. The task of UNDP was to support and promote such action, and in that connexion he referred to the project for a development information network among developing countries in all parts of the world.

21. Insufficient progress had been made in the new-dimensions policy, in particular with regard to government execution of projects. As the representative of China had observed, developing countries were having difficulties in executing complex projects and a process of preparation was necessary to help them. That question would be given high priority at the global meeting of resident representatives in July. The use of



twinning arrangements within the new dimensions policy, as mentioned in particular by the delegation of Poland, also deserved further attention. That delegation had also suggested additional studies on UNDP's role in the new international development strategy. UNDP certainly had a fundamental role to play in that strategy and should also encourage the North-South dialogue in every way possible. In that connexion, he referred to document DP/470 on UNDP and the new international economic order. UNDP was currently financing all kinds of projects relevant to the new international economic order in such areas as international trade, commodities, monetary arrangements, dealings with transnational corporations, development of natural resources, energy planning, improved transport and communications, industrialization (particularly relating to the processing of raw materials and agricultural products), and science and technology.

22. He wished to thank the many delegations which had expressed satisfaction with the considerable support provided by UNDP to national liberation movements recognized by OAU. A working arrangement had been established with OAU for consultation on development needs in Africa generally. With regard to the concern expressed by various representatives about a reduction in technical co-operation activities in Afghanistan, it should be noted that there had been no change in the programming or implementation of projects in Afghanistan except as a result of the viability of actual projects and the security of United Nations personnel.

23. He assured the representative of Egypt that the United Nations Interim Fund for Science and Technology for Development had become operational and was currently engaged in a critical examination of project proposals for initial financing. He thanked the representative of Argentina for announcing the Argentine Government's intention to contribute to the Interim Fund. He also thanked those delegations which had commented on UNDP's programme of assistance to the Palestinian people and expressed confidence that the important decision taken on that subject in 1979 could be implemented. He was pleased that a number of delegations had endorsed the programme of co-operation between ECA and UNDP in the Decade for Transport and Communications in Africa.

24. Lastly, on the question of documentation, he had taken note of the comments of the representative of the Federal Republic of Germany and agreed that his annual report (DP/460) covered the question in a way which was unlikely to interest the general public. However, an illustrated brochure on UNDP activities in 1979, which had just been distributed, was public-oriented and might be of greater interest to parliamentarians concerned about results from the moneys they approved. The 32-page limit had been met by almost all documents and, although over 1,800 pages of documentation had been submitted at the current session, all documents - with the exception of an energy proposal of nine pages (DP/438) - had been directly requested by members of the Council. He shared the concern expressed by many delegations that the Council's documentation and agenda were too cumbersome. However, as the representative of the Gambia had observed, its documentation should be sufficiently complete and detailed to enable it to provide the policy guidelines expected of it. On the other hand, the agenda could be shortened, as the representatives of the Federal Republic of Germany, the Netherlands and the United States had noted, and a working group might be convened at the current session to explore that possibility, as suggested by the representative of the Netherlands.

25. The PRESIDENT, observing that the general debate on items 4 and 5 (a) had shown the value of UNDP and the confidence it continued to inspire, invited the Council to take a number of decisions. Agenda item 5 (a), "Preparation for the third programming cycle, 1982-1986," had been referred to an open-ended working group on IPF's which had already met during the morning. He proposed that the report of the Intergovernmental Study Group on Future Financing of the Programme (DP/451) should be referred to the Budgetary and Finance Committee.

26. It was so decided.

27. With regard to item 4 (f), "United Nations Decade for Transport and Communications in Africa", he drew the Council's attention to decision 1/80/2 of the High-level Meeting on the Review of Technical Co-operation among Developing Countries, in which the Meeting requested the Administrator to transmit the report on the state of transport and communications among developing countries to all competent organizations and requested UNDP to take special account of the needs identified in the programmes of the Transport and Communications Decade in Africa. He also drew attention to decision 79/27 taken by the Council at its previous session, in which it decided to consider the question of increasing the regional IPF for Africa by 8 per cent when calculating the IPF's for 1982-1986. He therefore proposed that item 4 (f) should be referred to the working group on IPF's.

28. It was so decided.

29. With respect to item 4, he suggested that the Council should request the Administrator to prepare, in the light of the general debate and following consultation with the officers of the Council and the delegations concerned, a comprehensive draft decision for submission at a subsequent meeting of the Council.

30. It was so decided.

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

(b) PROGRAMME PLANNING

(i) EXAMINATION OF THE EXPERIENCE WITH COUNTRY PROGRAMMING (DP/454)

(ii) REVIEW OF PRESENT PRACTICES AND PROPOSALS FOR ENHANCING THE COLLECTIVE INVOLVEMENT OF THE DEVELOPING COUNTRIES IN THE DETERMINATION OF PRIORITIES FOR INTERCOUNTRY PROGRAMMES AND IN THE IDENTIFICATION AND INITIATION OF REGIONAL PROJECTS AND ACTIVITIES (DP/435)

(iii) CRITERIA FOR UNDP'S RESPONSE TO NATURAL DISASTERS (DP/432)

(iv) ASSISTANCE TO NICARAGUA

31. Mr. MORSE (Administrator), introducing agenda item 5(b), said that the report on experience with country programming (DP/454) (subitem (i)) had been prepared in 1979 in close collaboration with the agencies of the United Nations system. The object had been to determine how to improve the country programming process, and, through it, the quality of UNDP technical co-operation during the third cycle.

The report took into account the recommendations made at the twentieth session, as they were still relevant in many respects. It was the result of direct consultations conducted by combined UNDP/agency teams with government officials in 18 countries; the consultations had provided valuable information about the Governments' perception of UNDP technical co-operation and how it affected their own development efforts.

32. The proposals contained in section VI of the report did not represent a major departure from the present approach to country programming. Perhaps the most significant change was the shift in emphasis through continuous programming from an input-oriented project approach to programming by objectives. Continuous programming should lead to closer collaboration between Governments, UNDP and the organizations in the United Nations system. In addition, it should offer an effective means for co-ordinating assistance provided by the United Nations system at the country level, in accordance with General Assembly resolution 32/192 concerning the restructuring of the economic and social sectors. Interagency discussions in ACC and the Consultative Committee on Administrative Questions had led to the conclusion that the continuous programming envisaged would provide a better frame of reference for programming non-UNDP resources, while facilitating broader agency participation and support of operational activities at the country level.

33. The proposals contained in the report reflected the need for greater operational flexibility in the preparation of country programmes, and raised a number of questions to which the Council might wish to address itself. First, there must be effective consultation mechanisms to ensure that UNDP was fully involved in the final selection and preparation of projects to be included in country programmes after the programmes had been approved. Only top priority projects of clear relevance to the various countries' development objectives should be selected. That approach was consistent with the comments he had already made on Sir Robert Jackson's study on UNDP and pre-investment. Furthermore, with more systematic application of continuous programming, the Council could be called upon to approve country programmes which did not include clearly identified projects for the latter part of the programme period. There again, the Council might wish to consider how it could become more closely involved in the approval and periodic review of approved country programmes.

34. On subitem (ii), "Review of present practices and proposals for enhancing the collective involvement of the developing countries in the determination of priorities for intercountry programmes and in the identification and initiation of regional projects and activities, he had, at the request of the Council and in response to General Assembly resolution 34/206, prepared a report (DP/435) in which he proposed (para.9), after consultations with the agencies and regional commissions, a new consultative process for regional programmes.

35. Current practice in formulating regional programmes was based on the guidelines contained in the Consensus: such programmes must first and foremost reflect the development priorities of the countries concerned. During the first two programming cycles, UNDP and the agencies had developed a broad range of formal and informal consultation mechanisms suited to each region and sector. Based on the information generated by those consultations and the resolutions emanating from the General Assembly and other intergovernmental bodies, the Secretariat had prepared a broad framework of priority areas which had then been submitted to the Council for consideration. In that way, UNDP had sought to achieve a balanced distribution of regional resources among the various subregions and to promote innovative solutions to development problems.

36. An area of consultation in which improvement appeared necessary was the collective participation of Governments in the determination of priorities among the various sectoral priorities established by separate intergovernmental bodies and in the selection of priorities set out by regional and subregional bodies, which in general were not directly involved in UNDP's programming. His main proposal, which was contained in paragraph 9 (e) of document DP/435, concerned the convening in each region of special meetings of representatives of the Governments concerned to review the draft programme prepared by UNDP. The outcome of such meetings would assist UNDP in finalizing draft programmes for each region, which would then be submitted to the Council with the main conclusions of each meeting. That new process, together with the current comprehensive consultations, should ensure the full collective involvement of the developing countries of each region in the setting of priorities and the identification and initiation of regional projects.

37. With regard to subitem (iii), "Criteria for UNDP's response to natural disasters", the Council had authorized him to draw upon the Programme Reserve up to an amount of \$20,000 in each case of natural disaster, although UNDP's mandate did not specifically provide for disaster relief assistance. At the field level, UNDP worked closely with the Office of the United Nations Disaster Relief Co-ordinator through the resident representatives, who also represented that Office. The Council had in recent years adopted various decisions aimed at providing assistance in the event of a disaster, but there were no criteria for UNDP action in that field. The Council should therefore define such criteria and decide whether it was appropriate to use the Programme Reserve for contingencies of that kind.

38. A related issue, which the Secretariat had carefully reviewed, was whether a useful distinction should be made between natural and man-made disasters. On the one hand, humanitarian considerations would seem to dictate that action should be taken to relieve suffering regardless of the origin of the disaster. On the other hand, at a time when the Council was called upon to define criteria for keeping UNDP's disaster activities within reasonable bounds, it seemed difficult to envisage extending UNDP action to other kinds of disaster.

39. On the subject of assistance to Nicaragua (subitem (iv)), he reminded members that, at its special meeting in February 1980, the Council had, in decision 80/2, approved the borrowing of \$3 million against Nicaragua's third cycle IPF for technical co-operation activities to be undertaken in 1980-1981. The Council had also decided to review the situation at its twenty-seventh session. Thanks to the prompt action of the Council, it had been possible to maintain a high level of technical co-operation with the Government of Nicaragua and special reference should be made to the effective co-ordination in that country between UNDP-financed activities and activities financed from bilateral sources.