



GOVERNING COUNCIL

Twenty-seventh session

SUMMARY RECORD OF THE 685th MEETING

held at the Palais des Nations, Geneva,
on Monday, 9 June 1980, at 3.30 p.m.

President: Mr. POPESCU (Romania)

CONTENTS

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

(b) Programme planning (continued)

- (i) Examination of the experience with country programming
- (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
- (iii) Criteria for UNDP's response to natural disasters
- (iv) Assistance to Nicaragua

This record is subject to correction.

Participants wishing to make corrections should submit them in writing to the Official Records Editing Section, room E.6108, Palais des Nations, Geneva, within one week of receiving the record in their working language.

Corrections to the records of the meetings of the Governing Council at this session will be consolidated in a single corrigendum to be issued shortly after the end of the session.

The meeting was called to order at 3.40 p.m.

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

(b) PROGRAMME PLANNING (continued)

- (i) EXAMINATION OF THE EXPERIENCE WITH COUNTRY PROGRAMMING (DP/454 and Corr. 1 and 2)
- (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

1. Mr. AASE (Norway) said that his Government regarded country programming as a central tool of UNDP activity, and developing countries clearly attached great importance to the established concepts underlying that process. There was, however, a need to improve the process and make it more systematic.

2. In its bilateral co-operation with developing countries, his Government strongly emphasized the cardinal principle that Governments themselves had the sovereign responsibility for identifying the role of programme planning. His delegation was, therefore, gratified that the Administrator's report had confirmed the fact that UNDP technical co-operation was generally related to national plans and designed to meet national priorities as perceived by the Government. When Governments of recipient countries accepted the concept of co-operation with the resident representative in the formulation of their country programmes, UNDP should show greater readiness to delegate authority to the resident representative.

3. His Government was, however, concerned at the weak participation of the specialized agencies in preparing the country programming exercise both at headquarters and at the local level. His delegation agreed with the Administrator's statement in paragraph 98 (d) of document DP/454 that agency participation in country programming should be continuous and should proceed from the relationships established by each of them with governmental entities in the countries.

4. His delegation was prepared to support the Administrator's suggestion that the Council should adopt the draft decision contained in paragraph 103 of document DP/454.

5. Mr. HODY (Belgium) said that, although UNDP's mandate did not cover the provision of assistance relating to natural disasters, his delegation had no difficulty in approving the Administrator's proposals in paragraph 21 of document DP/432. The role of the resident representative as co-ordinator of external assistance should, however, be stressed; it should be his duty to encourage Governments of countries liable to natural disasters to draw up contingency plans in advance and, in particular, to establish procedures for co-ordinating assistance following a disaster.

6. His delegation was satisfied with the choice of countries visited by the joint UNDP/Agency missions in connexion with the examination of UNDP country programming experience reported in document DP/454. It was encouraging that most Governments had been broadly satisfied with the programming system and with the manner in which UNDP technical assistance had accommodated itself to national development needs. Governments had limited the application of UNDP resources in sectors receiving assistance from other organizations in the United Nations system. Overlapping had thus been avoided and UNDP assistance had been channelled to the priority sectors not covered by other sources. It was also important that Governments should co-ordinate bilateral and multilateral assistance; in that connexion round-table discussions of external aid were useful but must be followed up throughout the aid period. The use of the UNDP country programming process as a frame of reference for operational activities carried out and financed by organizations of the United Nations system from their own resources was an important element in the planning and co-ordination of external aid. The resident representative should play an important part in that connexion.
7. Country programming was a delicate matter, as the priorities of recipient developing countries and those of the countries making voluntary contributions to UNDP did not necessarily coincide. In that connexion, it was important that resident representatives, in their continuous dialogue with Governments, should stress such matters as the need for the entire population to participate in development and the role of women in development. They should make every effort to convince Governments of the need for proper co-ordination of all sources of aid. The introduction of a training programme for local officials involved in the country programming process might be of great value.
8. Subregional programming could make a useful contribution to the establishment of links between multinational and country programming.
9. Where programme implementation was concerned, there was a need not only for a continuing and structured dialogue between Governments, the agencies and UNDP, but also for a more sustained high-level follow-up by agency headquarters on specific projects.
10. His delegation considered that, for the future, it would be desirable for the system of continuous programming to stress objectives rather than inputs. Precise programme identification, permanent scrutiny of programme implementation and listing of new needs as they arose were necessary ingredients. The respective responsibilities of Governments, agencies and UNDP must be clearly defined and measures taken to ensure efficient operational relationships between them at all stages of the process.
11. His delegation was prepared to accept the recommendation made by the Administrator in document DP/435 regarding the determination of priorities for regional and interregional programmes and for enhancing the collective involvement of the developing countries of each region.
12. Mr. CORDERY (United Kingdom), speaking on agenda item 5 (b) (i) and (ii), said that reference had been made in the general debate to the erosion over the past ten years of some of the basic assumptions underlying the consensus resolution, which had established the country programming system. Resources channelled through

the central IPF system had fallen short of expectations and consequently UNDP country programming could no longer be expected to assume the coherent form envisaged in that resolution. The relationship between the various organs of the United Nations system at the field level was under examination, and it was still not entirely clear how the country programming process would be affected.

13. Sir Robert Jackson, in his report on investment follow-up (DP/472), had drawn attention to a tendency for the IPF to be regarded as a firm financial commitment, a source of funds entirely at the disposal of the Government. It thus tended to be used for needs which other donors were either unable to meet or uninterested in meeting. It was, of course, absolutely right that Governments should decide how their IPFs should be spent, but that principle was not easy to reconcile with the assumption underlying the original consensus that country programmes should reflect certain general development concerns, such as the need to generate investment in developing countries. Against that background, his delegation supported the proposal contained in document DP/454, which represented a sensible, pragmatic effort to adjust the country programming system to changing circumstances.

14. With respect to the relationship between the country programming system and the Governing Council, which had the ultimate responsibility for its supervision, he pointed out that the Council exercised its responsibility by two methods: firstly, by delegating authority to the Administrator to manage the programme on its behalf and, secondly, by examining country programme documents. Where the first method was concerned, there was a risk that the Council might inadvertently impede the Administrator's efforts to exercise the responsibility delegated to him if its decisions did not reaffirm his right and duty to ensure that concerns of the Governing Council were reflected in individual country programmes. With regard to the second method, he recalled his delegation's comments on previous occasions concerning the relatively limited value of the Council's discussions on individual country programmes. That was an item on which the Council's discussions might well be curtailed in the future. But the Council could not entirely abdicate responsibility for supervising programmes at country level, and without wishing to make a specific proposal at that stage, he wished to take up the Administrator's reference to the periodic country programme review. A document emerging from that review might provide a more valuable tool for the Council in monitoring the programme. He was very much aware of the need, referred to in paragraph 97 of document DP/454, to keep to a minimum the bureaucratic requirements to be met by field offices. It should, however, be possible to harness the procedures described in that document without generating significant extra work. Some way might then be found, perhaps in the context of the mechanisms mentioned in paragraph 101 of document DP/454, of bringing that information to the attention of the Council without a need for a full plenary debate.

15. Mr. BANDANA (Observer for Nicaragua) said that, as a result of the Secretary-General's special mission to Nicaragua, the framework had been established for the immediate launching of a UNDP plan of support. The UNDP office in Managua had been strengthened and flexible guidelines drawn up for urgent assistance programmes. All UNDP programmes initiated during the Somoza regime had been halted and, on 1 August 1979, a new programme cycle had been initiated to the value of \$2,308,535, which represented the outstanding balance of the IPF for the 1977-1981 cycle. Under an "umbrella project", more than 100 experts had been brought to Nicaragua; 18 had been assigned to rehabilitation of the sugar

industry while others had given assistance to the new Ministry of Foreign Trade and to a number of State enterprises under its jurisdiction, in particular, those concerned with cotton, meat and agriculture. Immediate help had also been given to the new Ministry of Planning and to the educational, health and housing sectors, while the Ministry of Finance had been given assistance in connexion with the reorganization of the tax system; study missions abroad had been financed. The IPF cost of the "umbrella project" had been \$516,000.

16. At the beginning of 1980 a substantial proportion of the remaining balance of the IPF had been allocated to medium-term programmes for the Ministry of Foreign Trade, for the Ministry of Finance in connexion with the budget and tax systems and with the complete reorganization of the Customs system, and for the International Reconstruction Fund in connexion with questions of external finance and investment. The IPF costs of the five projects for those three institutions had amounted to \$1,226,000.

17. With only \$530,000 remaining from the IPF allocation, his Government, in February 1980, had sought and obtained a loan of \$3 million against its IPF for the 1982-1986 cycle. With an allocation of \$323,000 from the special emergency fund, his Government at that point had at its disposal IPF resources totalling \$3,853,000. Following the approval and implementation of four projects for the Ministries of Education, Industry and Agricultural Development, the available funds had, however, dropped to \$820,000.

18. Nicaragua needed the assistance of the international community in its efforts to accelerate the reconstruction of its national economy. In response to that need, the General Assembly, in its resolution 34/8 of 29 October 1979, had urged the specialized agencies to contribute generously to that process. The loss of life in Nicaragua had amounted to 2 per cent of the population. The country's foreign currency reserve had been only \$3.5 million on the day of liberation. Production facilities had been destroyed by relentless bombing. A huge external debt had been inherited and would be repaid, although none of it had benefited the Nicaraguan people. Resources had been diverted to mitigate the impact of so much destruction, so that none were available to finance the external component of the plan of economic reconstruction for 1980-1982.

19. His Government was accordingly obliged to appeal to the international community and to the United Nations system, in particular, to UNDP. Programmes in process of elaboration would require \$2 million. Of that sum, \$397,000 was for completion of the study of the Momotombo geothermal site, which would facilitate financing for the construction of a geothermal power station at a cost of \$35 million, \$303,000 was for assistance to the Census and Statistical Institute, \$300,000 was for cultural development, and approximately \$1 million was to finance the plan submitted by FAO covering various sectors of agricultural development. Project documents for those programmes had already been drawn up but their implementation would leave Nicaragua with a deficit of \$1,180,000. Those projects were only the most urgent. Other projects, of no less urgency, had not yet been finally programmed. The cost of those projects, which his Government hoped to submit to UNDP, was approximately \$1.4 million. The projects in question related to vocational training; institutional support to the Ministries of Planning and Labour in connexion with global, sectoral and regional planning; and training, evaluation and planning with respect to labour and wages. The inclusion of those three projects in the programme for the cycle, would lead to a deficit of approximately \$2,580,000.

20. The projects he had mentioned included only those of the highest priority for which institutional plans for immediate implementation already existed. A complete list of needs would be very long. It would only be during the following cycle that his Government could consider projects covering prospection for and utilization of natural resources, telecommunications, postal services, civil aviation, housing, the environment, the industrial sector, the labour sector, social security, meteorological services, ports and shipping.

21. Bearing in mind the letter and spirit of General Assembly resolution 34/8, his Government wished to ask the Governing Council to recalculate Nicaragua's IPF for the third programming cycle. Between 1978, the base year for determining the IPF, and 1979, there had been a decrease of 25 per cent in Nicaragua's GNP according to ECLA statistics; according to World Bank statistics the decrease had been 33 per cent. His Government also requested the Governing Council to continue to give Nicaragua the same treatment as the least developed among the developing countries until its economic situation returned to normal, and to consider the possibility of granting the country a special allocation for the implementation of ongoing projects during the rest of the second cycle. In that connexion, the Council should take into account the possibility of using the Programme Reserve.

22. His Government was grateful for the excellent co-operation it had received from UNDP, and hoped that the questions of assistance to Nicaragua and to the Palestinian people would be included in the agenda of the Council at its next session.

23. Mr. ALBOROZ (Ecuador) endorsed the appeal made by the observer for Nicaragua and recalled that his Government, as well as those of the other Andean Group countries, had supported the new Nicaraguan Government from the outset. The General Assembly had rightly recommended that Nicaragua should be treated as one of the least developed among the developing countries, and his delegation believed that it should, in addition, receive an increased IPF for the third programming cycle. He trusted that the Administrator would be able to ensure that none of the ongoing projects in the second cycle were adversely affected.

24. Mr. ALVAREZ SOBERANIS (Mexico), referring to agenda item 5 (b), said that his delegation supported the conclusions in document DP/454. Country programming was a vital question and it must be planned in order to obtain the maximum benefit.

25. With respect to agenda item 5 (b) (iv), he recalled that Mexico had always assisted countries fighting for self-determination, including Nicaragua. That country deserved urgent international support, in view of its alarmingly high rates of mortality and unemployment and the economic after-effects of the earthquake. His delegation therefore supported the Nicaraguan request for an increased IPF and for treatment as one of the least developed among the developing countries.

26. Ms. MENA (Cuba) said that many years of dictatorship had left Nicaragua in an extremely difficult situation and the country lacked the resources to implement the economic and social development plans drawn up by the new revolutionary Government. Her delegation urged the Council to implement General Assembly resolution 34/8, as requested by the observer for Nicaragua. Until that country had stabilized its precarious economic situation, it should

be treated as one of the least developed among the developing countries and be granted assistance in the third programming cycle in accordance with its special needs. Her delegation agreed with the Administrator that all disasters from which countries could suffer were not necessarily due to natural phenomena. That was the case with Nicaragua and the Administrator should be empowered to draw on the programme reserve to enable that country to meet its urgent needs and to carry out projects it had planned.

27. Ms. URDANETA (Observer for Venezuela) urgently appealed to members of the Council and the Administrator to comply with the request made by the observer for Nicaragua. In the light of that country's special needs, Venezuela, like other States members of the Andean Pact, was providing co-operation on a bilateral basis. In order to implement General Assembly resolution 34/8 for the purpose of allocating IPFs, Nicaragua should be considered one of the least developed among the developing countries until its situation had returned to normal.

28. Mr. FESSENKO (Union of Soviet Socialist Republics) said that Nicaragua had won a victory over a dictatorship which had had disastrous effects on its economy, and was suffering from a very serious lack of resources. The USSR had already given Nicaragua bilateral aid in the form of trade co-operation, training and medical supplies.

The rehabilitation of Nicaragua's economy would require considerable assistance, and his delegation therefore supported its request to be considered as one of the least developed countries. His Government wished Nicaragua every success in its task of establishing an independent national economy.

29. Mr. DOMINGUEZ PASSIER (Spain) supported the appeal made by the observer for Nicaragua. His country had already given considerable bilateral support to Nicaragua, including the provision of experts, a fully staffed hospital, food and medical supplies. However, bilateral assistance had to be supplemented by multilateral aid and the Governing Council should meet the Nicaraguan request that it should be treated as one of the least developed among the developing countries, that its IPF for the third cycle should be recalculated, and that consideration should be given to a possible special allocation.

30. Mr. GALLITZ (Observer for the German Democratic Republic) said he fully supported the requests made by the observer for Nicaragua and asked the Governing Council to give them favourable consideration.

31. Mr. KANE (Senegal) said that all African countries shared the concern of Nicaragua and supported its requests to the Council. Although the disaster facing Nicaragua was not a natural but an economic one, he believed that the Governing Council should be able to give that country preferential treatment. The Council should also be able to help certain African countries, such as Uganda, Equatorial Guinea and Chad, which had also suffered from the ravages of dictatorship, and others that might face a similar situation in the future.

32. Mr. BUZAWA (Poland) said that, in view of the precarious economic situation in Nicaragua, his delegation fully supported the provision of UNDP assistance for that country's economic recovery and the constructive work being done on its development projects.

33. Ms. PHAN Thi Minh (Observer for Viet Nam) said that, from its own experience, her country fully understood Nicaragua's position and the effects of protracted dictatorship on the lives of its people. UNDP should therefore do everything possible to help that country by recalculating and increasing its IPF for the third cycle.
34. Mr. CAVALCANTI (Brazil) said his delegation fully supported Nicaragua's request for the greatest possible help.
35. Mr. GAJENTAAN (Netherlands) said that his delegation's failure to comment at that stage on the request for help for Nicaragua did not imply any lack of appreciation of that country's plight but merely meant that it proposed to refer to the matter later in another forum.
36. With regard to agenda item 5 (b) (ii), his delegation welcomed the recognition in the Administrator's report (DP/435) that the countries of the region concerned should have a primary voice in identifying and initiating regional projects and activities. Such involvement would provide an improved means of identification of sectoral and subregional priorities.
37. His delegation felt, however, that in paragraph 9 (e) of the document, greater stress should have been laid on the joint character of the meeting of the Governments in each area covered by the regional programmes to be convened by the Administrator in collaboration with the executive secretaries of the regional economic commissions. Even before the restructuring that had taken place in 1975, it had been recognized in reports of the Joint Inspection Unit that close relations between UNDP and the regional economic commissions were highly desirable. He therefore suggested that, in line with action taken at the plenary sessions of the regional economic commissions for Latin America and for Asia and the Pacific, the proposed meeting should be held under the joint auspices of the Administrator and the regional economic commission concerned. The fact that the geographical areas covered by the regional economic commissions might not coincide with those covered by the regional bureaux of UNDP was not necessarily an obstacle. His delegation welcomed the suggestion that such meetings should be convened and thought that they should be jointly financed from the UNDP budget and from the regular United Nations budget for the regional economic commissions. It therefore proposed that the words "under joint auspices" or some similar phrase should be inserted after the words "regional commissions" in the fourth line of paragraph 9 (e) of document DP/435. If that amendment was acceptable to the Council, it should ask the Administrator to enter into consultations with the United Nations Secretariat concerning the joint financing of those meetings.

The meeting rose at 5 p.m.