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held at the Palais des Nations, Geneva,  
on Monday, 16 June 1980, at 10.15 a.m.

President: Mr. POPESCU (Romania)

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The meeting was called to order at 10.25 a.m.

STATEMENT BY THE DIRECTOR-GENERAL OF THE OPEC FUND FOR INTERNATIONAL DEVELOPMENT

1. Mr. SHIHATA (Director-General of the OPEC Fund for International Development) said that, since its inception, the Fund had established close working relations with UNDP and was involved in financing 13 regional and global projects benefiting at least 68 developing countries in all regions. Thanks to the special efforts of the Administrator and his staff, the pace of implementation, which had been slow at the start, had picked up speed so that of the sum of \$28.5 million directly committed by the Fund for UNDP activities, about 30 per cent had been disbursed. In addition, the Fund had authorized the use of local funds generated under its balance of payments loans to meet local costs of many other projects. The Fund hoped to continue its co-operation with UNDP for the benefit of developing countries.
2. In that context, the OPEC Fund supported the new UNDP initiative in the energy sector. Recent studies by the Fund had proved that the present pattern of dependence on oil imports to fuel industry and maintain current life styles did not suit developing countries and in any case could not go on for ever. The oil-exporting countries, where production was declining, could not indefinitely meet the growing demand for oil, while the developing countries could not continue to find the foreign exchange to finance their imports of oil, the cost of which would inevitably rise as that commodity became scarce. The shift to indigenous energy sources, both conventional and non-conventional, therefore seemed to be the best long-term solution but such a shift would require inter alia concessional financing for pre-exploration work and feasibility studies, assistance in devising new energy technologies and, in the case of small neighbouring countries, close regional co-operation in the exploitation of hydro-energy sources. Very little had been done in those areas for the benefit of developing countries.
3. At least 38 developing countries had not yet taken any steps to evaluate their potential oil and gas resources, which seemed to be fairly abundant. The prospecting areas in developing countries had only 1.9 wells per thousand square kilometres as compared with 112 wells in the industrialized countries. Developing countries had 15 per cent of total proven coal reserves but their share of world production was much less. Exploited hydro-electric resources were an even smaller percentage of total proven reserves, amounting to 2 per cent in Africa, 6 per cent in Latin America and 12 per cent in Asia. Even non-commercial energy, which accounted for nearly half of the energy consumption in developing countries, was far from being fully exploited. However, in most countries the natural forests by themselves could meet rural energy requirements up to the end of the century.
4. Consequently, the OPEC Fund, with its clear emphasis on the financing of projects to lessen the dependence of recipient countries on imported energy, welcomed the proposal for the establishment of an Energy Fund for Exploration and Pre-Investment Surveys (DP/438). The OPEC Fund was prepared to contribute immediately 10 per cent of the resources now envisaged for the Energy Fund in its initial three-year period, provided that the remainder was supplied by other sources. The OPEC Fund was also prepared to participate immediately with other

international donors in a discussion of the details of that proposal and would be glad to host a meeting of all parties interested in the UNDP proposal at its Vienna headquarters.

5. In order to ensure that the resources it committed were put to effective use in developing countries, the OPEC Fund would ask to take part in the regular supervision of the proposed new fund. If that could not be arranged, the OPEC Fund would maintain its interest in the programme but on the basis of co-financing specific UNDP projects to be approved by the Fund on a case-by-case basis.

6. Mr. MORSE (Administrator) sincerely thanked the Director-General of the OPEC Fund for International Development for his generosity and for his firm support of the UNDP proposal for the establishment of an energy fund.

OTHER FUNDS AND PROGRAMMES (agenda item 7)

(a) UNITED NATIONS FUND FOR POPULATION ACTIVITIES

- (i) THE REPORT OF THE EXECUTIVE DIRECTOR ON 1979 ACTIVITIES AND THE FUTURE PROGRAMME (DP/464 and Corr.1, 465 and Corr.1)
- (ii) PROPOSED PROJECTS AND PROGRAMMES (DP/FPA/11 and Add.1 to 26)
- (iii) REQUEST FOR APPROVAL AUTHORITY (DP/482)
- (iv) BUDGET ESTIMATES FOR UNFPA ADMINISTRATIVE AND PROGRAMME SUPPORT SERVICES FOR 1981 (DP/483, 497)
- (v) AUDIT REPORTS (DP/434)
- (vi) AN EVALUATION REPORT ON SELECTED UNFPA PROJECTS (DP/493)
- (vii) THE FUTURE ROLE OF UNFPA

7. Mr. SALAS (Executive Director, United Nations Fund for Population Activities) said that, at the Council's twenty-sixth session, he had raised certain questions which he had hoped could be discussed at the current session. The discussion had been postponed to the twenty-eighth session because, at the current session the Council had to solve the more fundamental question of the adequacy of resources to meet present and future requests for assistance.

8. With regard to UNFPA programmes and activities in 1979, accelerated programming and the effective collaboration of Governments had made it possible to solve the problem of unallocated resources. The funds allocated by UNFPA had reached the record level of \$149 million, or \$40 million more than in 1978, while unallocated resources had declined from \$26 million to less than \$8 million; the implementation rate had also risen to the unprecedented level of 84 per cent. Actual expenditures had risen from \$95.7 million in 1978 to \$131.6 million in 1979, an increase of 37.5 per cent. Consequently, almost all resources available for 1980, including the remaining unallocated resources, had been programmed by the end of the first quarter of 1980.

9. UNFPA had thus attained the two goals which the Council had set, namely, to eliminate unallocated resources and to approve programmes sufficiently far ahead. Because it had scrupulously followed the Council's instructions in regard to expanding and accelerating programme implementation, it needed the Council's total support in order to respond positively to the many requests from developing countries.
10. Document DP/464 was a condensed version (to comply with the restrictions on document length) of UNFPA's annual report, which was also before the Council in English. The report showed that the Fund's accumulated resources had passed the \$600 million mark in 1979. For the second year in a row, total annual net pledged contributions had exceeded \$100 million and the latest figures showed a total of \$112 million, an increase of more than 11 per cent over 1978. Contributions pledged by Denmark, the Federal Republic of Germany, Japan, the Netherlands and Sweden had again increased substantially in 1979 and it was encouraging to note that the Federal Republic of Germany, Japan and Switzerland had pledged increases ranging from 20 per cent to 33 per cent in their contributions for 1980. Four countries or territories had become donors in 1979 and 21 would become donors in 1980 as a result of UNFPA's participation for the first time in the annual United Nations pledging conference for development activities held in November 1979. The total number of contributors to the Fund stood at 118. The number of projects directly executed by Governments or institutions in developing countries remained unchanged at 30 per cent of the total UNFPA programme but there had been an increase of \$12 million in absolute terms.
11. The implementation of the priorities system had continued to make progress, with 19 needs assessments completed in 1979 and 25 more due to be completed in 1980. Many of the programmes at present before the Council for approval were based on such assessments. UNFPA was moving towards its target of placing two-thirds of its total country programme allocations in developing countries. The proportion in 1979 was about 56 per cent as against 49 per cent in 1978, and it was at present nearly 65 per cent if the 14 borderline countries were included.
12. During 1979 discussions had continued in regard to infrastructure support for United Nations organizations. Reductions had been made in 1978 and 1979 and would continue in 1980 and 1981, with due regard, however, for the need for adequate backstopping of assistance to developing countries. He thought that the provision of infrastructure support was the best and most economical way of ensuring the backstopping services of United Nations agencies in the execution of country projects. It should be remembered in that connexion that UNFPA did not pay overhead costs to any agency except the United Nations and he therefore did not agree with the suggestion made in the document on agency support costs (DP/WGOC/31) that that arrangement should be changed.
13. Where intercountry activities were concerned, UNFPA was endeavouring to implement the decision taken by the Governing Council the previous year that support should be held at approximately 25 per cent of total programme resources in 1982.

14. The evaluation report on UNFPA projects (DP/493) described the findings of three major evaluations covering regional population activities in Africa implemented by the Economic Commission for Africa; the national family planning programme of Mauritius; and UNFPA aid to research activities. The Government of Mauritius had accepted the recommendations of the evaluation report and agreed that the full report should be made available to the members of the Council. He trusted that the Council appreciated the candour with which the evaluations described major problem areas of the operations, because UNFPA itself was taking the findings of the evaluations seriously and making efforts to implement the recommendations.

15. On the assumption that resources would continue to increase by about 15 per cent each year, the total cost of the UNFPA work plan for 1981-1984, including the annual budgets for all the country programmes, was estimated at \$791 million. At the current session UNFPA was submitting to the Governing Council for approval 25 programmes, plus three country programmes approved in 1978 and now resubmitted. Seventeen of those programmes were in priority and borderline countries in Africa, Asia and the Pacific, and Latin America. UNFPA commitments in respect of new submissions amounted to nearly \$320 million but it must be borne in mind that, in implementing the programmes, the countries themselves were committing at least \$1.5 billion. However, most of the programmes were for a four- or five-year period and if approved by the Council, would be subject to an intensive UNFPA review at the end of the first two years, not only in regard to progress but also in regard to the financial implications.

16. Three of those programmes accounted for 56 per cent of the resources. The first was in India, a priority country with which UNFPA had begun co-operating in 1971 by giving assistance for the training of auxiliary nurses. That co-operation had become official in 1974 when UNFPA had signed an agreement with the Indian Government under which the Fund had committed \$40 million in assistance over a period of five years to the Indian family planning programme. That Agreement had now been fulfilled and the Indian Government had requested additional UNFPA assistance for a renewed family planning programme. The government contribution would be \$350 million, and the UNFPA input of \$100 million over a five-year period would be used for comprehensive programmes in selected districts of the states of Bihar and Rajasthan and for innovative national schemes to increase community participation and expand maternal and child health and family planning services.

17. The second programme was for China, where UNFPA aid would amount to \$50 million over a four-year-period for sixteen projects in all kinds of fields: census-taking; demographic training and research; family planning training, and research; research and education in human reproduction and contraception; and contraceptive production and packaging. The Government's direct input would be about \$144 million and UNFPA was the first international agency from which China would receive assistance in the population field. He believed that a country with a population of almost one billion, which urgently needed new technology and advanced equipment for census-taking and modern family planning programmes and which was firmly committed to stabilizing its population, should be assisted by the Fund even though it was not a priority country.

18. The third programme was for Indonesia and was based on the recommendations of a needs assessment mission which had visited that country. The UNFPA contribution of \$30 million would enable the Government to implement its family planning programme in the geographic areas where its efforts were not now concentrated. Such aid was fully justified, because Indonesia was a borderline country that had unique problems resulting from maldistribution of its population.

19. The financial commitments involved by the programmes submitted to the Governing Council at the current session, when added to the commitments approved in prior years, represented a total requirement of almost \$459 million up to the end of 1984. If UNFPA was to have the resources needed for those new programmes during the next four or five years and to meet the financial commitments already incurred, its resources must increase substantially. In that connexion, the latest estimates suggested that 1980 contributions would be less than anticipated and would not exceed \$124 million, whereas UNFPA had anticipated a level of \$137 million. The smaller figure was due to the fact that one of the main contributors had substantially reduced its contribution in two successive years, and another slightly in 1980. UNFPA would be able to maintain its planned programme of \$136 million by using interest income and the balance of unallocated resources. It would, however, need \$159 million in 1981, and for that purpose, contributions in 1981 must show an increase of 25 per cent over 1980. Subsequently, an annual increase of 15 per cent would be required until 1984. It should be stressed, however, that the resources of \$791 million needed for the four-year work plan had been realistically assessed; clearly, UNFPA could undertake many more activities than were envisaged in the work plan if funds were available. There was, however, no question of its allocating funds in excess of the resources available to it each year. The resources placed at the Fund's disposal had not increased as anticipated mainly because of the general economic situation and the high inflation rates that had affected all countries, including those developed countries which were the major contributors.

20. It was apparent that, unless current UNFPA fund-raising efforts produced the hoped-for results, shortfalls in contributions might again occur in future years. A display of generosity on the part of all donor countries was therefore essential.

21. The need for increased resources for population activities had been clearly recognized, particularly by the International Conference of Parliamentarians on Population and Development and by the Brandt Commission, which had recommended that international assistance to UNFPA and other agencies dealing with population programmes should be increased in order to meet the growing needs in that area, particularly in the third world.

22. Multilateral bilateral programmes were showing good results; for example, the Government of Norway had enabled UNFPA to make additional allocations of more than \$1 million in 1979, and the Norwegian contribution was expected to be even larger in 1980. Discussions on additional programmes were also under way with Denmark, Japan and the Netherlands.

23. A change in the approval authority procedure was being proposed at the current session: UNFPA could now plan projects with Governments further in advance, so that more two-year and three-year allocations were required. Consequently, in document DP/482 the Governing Council was being asked to authorize allocations for the full programme in 1981, the same amount for 1982, and half that amount for 1983.

24. The budget estimates for the administrative and programme support services were contained in document DP/483; for 1981, administrative expenditures for headquarters were estimated at \$8.5 million, or approximately 5.4 per cent of the total programme authority of \$159 million. Increases in the 1981 budget estimates, both for headquarters and for the field, were attributable primarily to the effects of inflation. A 95 per cent increase in rental for headquarters facilities was also included. The staffing proposals reflected the need to strengthen the Fund's capacity to deal with a large and complex programme and improve the quality of delivery.

25. With regard to special activities, he drew attention to the results of the International Conference of Parliamentarians on Population and Development held in Colombo (Sri Lanka) in August-September 1979. Parliamentarians from 58 countries had unanimously adopted the Colombo Declaration on Population and Development, which was subsequently affirmed by the Council of the Inter-Parliamentary Union; that Declaration stated, inter alia, that international population assistance from all channels should reach one billion dollars annually by 1984 - when a World Population Conference should be held - and called for the strengthening of UNFPA within the United Nations system. In resolution 34/104, the General Assembly had also called for the strengthening of UNFPA and it was in conformity with that resolution that the Council was devoting more time to items relating to the Fund at its current session. He also drew attention to the other requests expressed in that resolution, which had been reproduced in the appendix to the printed version of UNFPA's annual report.

26. The "state of the world population" report, which constituted the introductory part of that version of the report, focused on regional aspects of population growth and on questions relating to migration. It was estimated that the urban population of the world would double again by the end of the century, when it would represent three-quarters of the total population of the more developed countries, and nearly one-half of the population of the developing countries. In that connexion, UNFPA was organizing an International Conference on Population and the Urban Future at Rome in September 1980; that Conference would bring together mayors and city planners from 60 cities, situated in both developed and developing countries, whose population was expected to exceed five million by the year 2000, as well as national planning officials.

27. The Fund was also interested in the World Conference of the United Nations Decade for Women to be held in Copenhagen in July 1980. The three sub-themes of the Conference - education, employment and health - were closely linked with population factors such as fertility, mortality, migration and urbanization. In that connexion, a special chapter on women, population and development had been included in the UNFPA Manual for Needs Assessment and Programme Development, and the Fund had recently prepared a paper on UNFPA policies and programmes in the field of women, population and development. A special section to assume responsibility for programmes for women and youth had also been set up within UNFPA in 1979.

28. The World Fertility Survey Conference was also being held in July 1980, which would set forth the substantive findings of the Survey to date and bring them to the attention of national officials. The 61 countries participating in the Survey would be represented, as well as the United Nations system, including UNFPA and other international agencies.

29. The Fund, which was actively interested in the ageing from the population standpoint, would also take part in the International Forum on Active Ageing, to be held at Rome in August and September 1980. According to the latest United Nations estimates, during the period 1950-1975 the number of persons aged 65 years and over had increased by over 60 per cent in Africa and south Asia, 85 per cent in east Asia, 130 per cent in Latin America and the Caribbean, and 82 per cent in the developed regions. The UNFPA input to the Conference would be its principal contribution to the World Assembly on the Elderly, which the General Assembly had scheduled for 1982.

30. He drew attention to the book World Population and Development: Challenges and Prospects, copies of which had been distributed to all Council members; its 17 chapters surveyed all aspects of population growth and economic development, including the decline in fertility, population and its relation to environment, food, nutrition, health, population redistribution, human rights aspects of population programmes, women, population and development, management of population programmes, etc. In order to ascertain how its staff viewed the Fund's role in the 1980s, UNFPA had organized a survey of all professional staff members; copies of the survey, the first of its kind within the United Nations system, were available to Council members. In addition, a three-year study was being initiated for the purpose of defining population challenges up to the year 2000 and developing an international strategy to meet them. The report on the study was expected to be available for the World Population Conference in 1984.

31. In conclusion, he said that the Fund had played a catalytic role in population assistance in the 1970s. In order to continue and expand that role, it now needed a substantial increase in its resources. Fertility rates were admittedly beginning to decline and population assistance had already achieved good results, but the international community could not afford to falter in its support for national efforts: population programmes required a long-term perspective and sustained commitment rather than periodic bursts of enthusiasm.

32. The PRESIDENT proposed that agenda item 7 (a) should be referred to the Budgetary and Finance Committee.

33. It was so decided.

MATTERS ARISING OUT OF ACTION TAKEN BY OTHER ORGANS OF THE UNITED NATIONS SYSTEM  
(agenda item 9)

(b) ROLE OF QUALIFIED NATIONAL PERSONNEL IN THE SOCIAL AND ECONOMIC DEVELOPMENT OF THE DEVELOPING COUNTRIES (DP/443)

34. Mr. BA-ISSA (Democratic Yemen) introduced a draft decision on the role of qualified national personnel in the social and economic development of the developing countries (DP/GC/XXVII/CRP.8), which he hoped could be adopted without difficulty.



35. Mr. SOARES DE LIMA (Brazil), referring to the Administrator's report on the role of qualified national personnel in the social and economic development of developing countries (DP/443), said he had some comments to make on the participation of national experts in country programmes. The Brazilian Government, which, in view of the extensive development efforts facing it, sought to derive the maximum advantage from UNDP funds, was not in favour of those funds being used to recruit local experts for programme implementation. In its opinion, UNDP resources should be used exclusively to finance activities or services that could not be paid for in local currency. Consequently, Brazilian experts could not take part in UNDP projects implemented within the country except as counterpart personnel, remunerated in local currency by the Brazilian Government.

36. That arrangement was the one which best met Brazil's needs, but would, of course, not necessarily suit all developing countries. Consequently, each country should be free to choose the best way of using UNDP assistance.

37. Mr. CHOWDHURY (Bangladesh) welcomed the fact that the Administrator's report on the role of qualified national personnel in the social and economic development of developing countries (DP/443) dealt with all aspects of development, and contained recommendations, which, broadly speaking, he was prepared to endorse. As the report stated, the development of human resources was just as fundamental an aspect of development as the construction of the physical infrastructure, and the lack of qualified national personnel and the under-utilization of such personnel were continuing to slow down the implementation of national development plans. The developing countries should therefore consider the development of their human resources from the standpoint of global and balanced economic and social development, and establish an adequate data base on the present and future supply of and demand for qualified personnel.

38. It was UNDP's role to assist the developing countries in overcoming their backwardness in the technological sphere, and it therefore had an important part to play in that area. In particular, it could provide those countries with the necessary assistance to assess the qualified personnel needed to implement their national development plans, and to determine their existing manpower resources.

39. Mr. KUNIGI (Japan) said that, at first sight, the draft decision submitted by Democratic Yemen on the role of qualified national personnel in the social and economic development of the developing countries appeared quite satisfactory, but he would revert to that proposal at a later stage, as well as to the report of the Administrator (DP/443), on which he wished to make a number of observations.

40. Mr. CZARKOWSKI (Poland) said that his delegation not only endorsed the conclusions of the Administrator's report (DP/443), but was prepared to become a sponsor of the draft decision submitted by Democratic Yemen (DP/GC/XXVII/CRP.8). In view of the responsibilities of the United Nations agencies, and particularly

of UNDP, whose programmes gave much weight to training activities for qualified national personnel, a series of measures should be taken within the United Nations to support the efforts of developing countries to strengthen the role of their qualified personnel in social and economic development.

41. Mr. AL-IBRAHIM (Kuwait) requested that the text of the statement by the Director-General of the OPEC International Development Fund should be reproduced in extenso and circulated to Council members.

42. Mr. KIRDAR (Secretary of the Governing Council) said that the text could be distributed in extenso only in English, since its translation into the other working languages would have financial implications.

The meeting rose at 11.55 a.m.