



GOVERNING COUNCIL

Twenty-seventh session

SUMMARY RECORD OF THE 703rd MEETING

held at the Palais des Nations, Geneva,
on Wednesday, 25 June 1980, at 11.30 a.m.

President: Mr. POPESCU (Romania)

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The meeting was called to order at 11.50 a.m.

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

(c) IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTIONS 32/197 AND 34/213 ON THE
RESTRUCTURING OF THE ECONOMIC AND SOCIAL SECTORS OF THE UNITED NATIONS
SYSTEM (continued)

1. Mr. DUVERNEY-GUICHARD (France) reaffirmed his delegation's support for the process of restructuring the economic and social sectors of the United Nations system, as defined in General Assembly resolution 32/197 and in the annex thereto.
2. His delegation noted with satisfaction that the decentralization of United Nations activities for the benefit of the regional economic commissions was in process of becoming a reality. The fact that those commissions were at last considered full executing agencies of projects financed by UNDP marked an important step in that direction. In addition, the new procedure approved by the Governing Council for strengthening collective participation by Governments in establishing UNDP's regional priorities could also help to strengthen the decentralization process, provided that the regional commissions were closely associated with it. If they were to carry out successfully the additional tasks which were progressively being entrusted to them, the regional economic commissions would need to have sufficient resources available to them. In his delegation's view, however, the major part of those resources should be allocated under other sectors of the United Nations budget, since the decentralization process should not lead to any duplication. Moreover, the process should be accompanied by increased co-ordination of the activities of the United Nations system, both centrally and at the local level.
3. His Government considered it of the utmost importance that all technical assistance supplied to developing countries should continue to be centralized by UNDP and it thought that at the local level the best way of strengthening co-ordination would, in nearly all cases, be to appoint the UNDP resident representative as resident co-ordinator of operational activities of the United Nations development system. His delegation had noted with satisfaction the information provided by the UNDP Administrator on the procedure for appointment of resident co-ordinators; it hoped that those appointments would be made as speedily as possible and that all organs and specialized agencies of the United Nations would collaborate to the full with the resident co-ordinators so as to enable them to carry out their very important tasks under the best possible conditions. The comments that had been made regarding relations between UNDP and FAO under agenda item 9 (a) augured well for that collaboration.
4. Centrally, the strengthening of co-ordination implied that not only the Economic and Social Council, but also the Administrative Committee on Co-ordination, the Committee for Programme and Co-ordination and the Consultative Committee on Administrative and Budgetary Questions, whose work was of the highest importance, should discharge their functions efficiently.

5. The strengthening of co-ordination, the aim of which was to improve the functioning of the system, should be effected in such a way as to respect the different fields of competence of the various organs and specialized agencies of the United Nations working for development. The restructuring effort was not merely an intellectual and administrative exercise, but was primarily a means of mobilizing more resources and skills for development.
6. Mr. CZARKOWSKI (Poland) said that the comments and proposals made in the course of the Governing Council's debate on the restructuring of the economic and social sectors of the United Nations system would undoubtedly have an influence on the decisions that the Economic and Social Council would take at its second regular session in 1980, after it had carried out a comprehensive policy review of operational activities for development, in accordance with its agenda.
7. Regarding the appointment of resident co-ordinators, his delegation approved the appointment procedure outlined by the Administrator at the 702nd meeting, but it hoped that the principle of equitable geographical distribution of posts would be duly applied and that, once appointed, the resident co-ordinators would carry out their duties with the strictest respect for the sovereignty of the recipient States namely that they would confine themselves to co-ordinating the activities performed within the framework of the United Nations, without seeking also to co-ordinate bilateral technical co-operation activities, which should remain within the exclusive competence of the recipient countries.
8. His delegation wholeheartedly supported the idea of utilizing the UNDP country programming system as a frame of reference for all operational activities executed and financed by United Nations bodies.
9. In conclusion, he said that, if there was a genuine desire to give greater coherence to the activities carried out within the framework of the United Nations development system, the proliferation of funds and other assistance programmes financed under the regular budget of United Nations agencies must be halted, for the confusion caused by such proliferation hampered the smooth and effective functioning of the system.
10. Mr. KAUFMAN (United States of America) said that, while the establishment of resident co-ordinators might be only one of the aspects of the restructuring of the economic and social system of the United Nations, an exercise in which his delegation had actively participated, it was nevertheless an aspect of major importance, especially as far as UNDP was concerned.
11. As the third programming cycle approached, it was most important that resident representatives should play a key role in all United Nations development activities at the country level. Their appointment as resident co-ordinators would be of great assistance to those representatives. The success of UNDP, and of the United Nations development system as a whole, would depend on the effectiveness of the resident representatives in performing their new role.
12. His delegation fully supported the efforts made by the Administrator to define the functions of the resident co-ordinators and to establish an appointment procedure. It hoped that all delegations would support those efforts, not only in the Governing Council but also in the governing bodies of all other organs of the United Nations system.

13. Mr. BLAIN (Gambia) said his delegation wholeheartedly supported the idea of entrusting the duties of resident co-ordinator to UNDP resident representatives. The latter possessed the experience and authority required for the harmonization and co-ordination of United Nations operational activities, a matter which was essential in order to avoid duplication within the system, to make the best possible use of available resources and to accelerate project implementation in developing countries. His delegation hoped that in the appointment of resident co-ordinators due consideration would be given to the principle of equitable geographical distribution of posts, so that the proportion of resident co-ordinators of African origin would be more equitable than was the proportion of African resident representatives.

TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES (agenda item 8)

- (a) REPORT OF THE HIGH-LEVEL MEETING ON THE REVIEW OF TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES (TCDC/13 and Corr.1 and 2, TCDC/13/Corr.3 (Russian only))
- (b) REPORT OF THE ADMINISTRATOR ON ENHANCING THE CAPACITIES OF DEVELOPING COUNTRIES FOR TECHNICAL CO-OPERATION (DP/457)

14. Mr. MORSE (Administrator of UNDP) reported to the Council on the first High-level Meeting on the Review of Technical Co-operation among Developing Countries, convened in accordance with Recommendation 37 of the Buenos Aires Plan of Action, as endorsed by the General Assembly in resolution 35/134. The representatives of 115 States, 23 intergovernmental organizations and 51 non-governmental organizations, together with 12 organizations of the United Nations development system and five regional commissions, had participated in the meeting. Progress achieved in TCDC had been reviewed in plenary session, while some substantive agenda items had been referred to working groups. Working Group I had dealt with new policies and innovations to further the development of TCDC and had drawn up the work programme for the 1981 Meeting. Working Group II had considered administrative and financial arrangements for TCDC and the question of the enhancement of the capacities of developing countries for technical co-operation, as also the report on progress made since the Buenos Aires Conference.

15. Some of the decisions taken at the High-level Meeting could have important repercussions on UNDP's operations. One such was decision I/80/6, concerning the enhancement of the capacities of developing countries for technical co-operation, which called on the Administrator to evaluate the functioning of the information referral system and to recommend to the High-level Meeting of 1981 and to the Governing Council of UNDP what action should be taken to improve, develop and expand that system. UNDP was also invited to strengthen the Inter-Agency Procurement Services Unit as an institutional mechanism for encouraging TCDC. In a decision on financial resources and arrangements for TCDC, the High-level Meeting had recommended that Governments should earmark a percentage of their IPFs for TCDC activities, subject to such conditions as might be approved by the Governing Council of UNDP. In addition, the Governing Council of UNDP was asked to review the possibility of an increase in funding from global, interregional and regional programmes, as well as from the Programme Reserve, for the purpose of enhancing TCDC, and to establish appropriate procedures for the flexible use of country IPFs for TCDC, in accordance with certain principles.

16. A large number of reports and studies had been requested for the 1981 High-level Meeting. Some of them fell clearly within the competence of the TCDC Special Unit. Others, however, would require the active involvement of specialized agencies and consultants, but even in those cases the UNDP secretariat would have much to do in planning, controlling and co-ordinating the work. According to preliminary estimates, approximately \$400,000 would be required to finance the services of specialized agencies and consultants, and the TCDC Special Unit would require two additional staff members, entailing an expenditure of about \$200,000, in order to be able to fulfil all the reporting requirements.

17. In conclusion, he said that the High-level Meeting on TCDC had been a great success. It had reflected an increasing international recognition of the importance of TCDC as a vital element in international co-operation for development. For its part, UNDP was ready to take on the leading role assigned to it in that area.

18. Mr. BOURGOIS (Secretary of the Governing Council) said that the Budget and Finance Committee had considered the financial implications of the recommendations of the High-level Meeting appearing in document TCDC/13. He read out the text of the two draft decisions which the Committee had adopted and which would be issued in document DP/L.336/Add.4.

19. Mr. HEFNY (Egypt) congratulated the Administrator and the staff of the TCDC Special Unit on their tireless efforts to strengthen technical co-operation among developing countries. His government considered that the High-level Meeting on the Review of Technical Co-operation among Developing Countries had achieved its objectives and it fully supported the decisions taken during that Meeting.

20. He stressed the importance of the report on enhancing the capacities of the developing countries for technical co-operation (DP/457) and expressed the hope that all Governments would give full consideration to the suggestions concerning the strengthening of technical co-operation among developing countries during the third development cycle and the Third Development Decade. Lastly, he said that his country had always co-operated with other developing countries in numerous areas and welcomed all measures designed to strengthen the capacities of developing countries in the field of technical co-operation.

21. Mr. BULINDA (Uganda) said that the Plan of Action adopted at Buenos Aires in 1978 had been an important milestone on the way towards national and collective self-reliance of the Third World. TCDC was a dynamic process that made it possible to attack world poverty, illiteracy, unemployment and other ills that threatened international peace. One of the objectives of TCDC was to enhance international co-operation, in both quantity and quality, and to improve the effectiveness of technical co-operation through the pooling of capacities. It was in that perspective that the Buenos Aires Plan of Action should be interpreted. Under the Plan of Action the developing countries were required to establish the arrangements on which TCDC was to be built and, since in most cases those countries lacked the necessary resources, the Buenos Aires Conference had requested all donors in a position to do so to render the necessary assistance to TCDC programmes. With that in mind, his delegation attached great importance to the establishment and strengthening of institutions. If TCDC was to yield optimum results, the assistance called for should be provided at all levels: national, subregional, regional and interregional.

22. In May 1980 technical co-operation experts from all African countries had attended a conference at Nairobi. The Conference had focused on three main topics: rural development; food production, processing and marketing; and application of science and technology for development. It had adopted a programme of technical co-operation among African countries, reproduced in document TCDC/L.1, which among other things urged those countries to establish and strengthen their national machinery for co-ordinating and promoting technical co-operation activities. Africa had sufficient potential to feed its population and even produce surpluses, but that potential remained undeveloped owing to lack of financial resources and appropriate technology. The Nairobi Conference had appealed to all donors, including the United Nations development system, to render assistance for the implementation of its Programme of Action.

23. In decision I/80/6 the High-level Meeting held at Geneva had reaffirmed that the use of the capacities of developing countries constituted an important means of strengthening international technical co-operation in general and had considered that appropriate measures should be taken by the developing countries themselves, developed countries, development banks and funds, and the United Nations development system. He recalled the requests that the Meeting had addressed, in decision I/80/6, to the organizations of the United Nations development system, especially UNDP. In conclusion, he said that his country was prepared to co-operate with all African countries and all other developing countries in efforts to achieve the objectives of TCDC. He took the occasion to express his delegation's appreciation to all the developing countries which had joined traditional donors in assisting his country in its current difficulties.

24. Mr. RUSO (Finland), speaking on behalf of the Nordic countries, recalled that during the High-level Meeting on TCDC those countries had expressed their support for appropriate action to enhance TCDC, which they regarded as a step towards the establishment of the New International Economic Order and a means of promoting collective self-reliance among developing countries. They had also stressed the catalytic role of the United Nations development system and, in particular, the co-ordinating function of UNDP.

25. Referring to the report of the High-level Meeting (TCDC/13), he expressed concern that the great number of reports and studies requested for the next High-level Meeting might affect their quality and entail excessive expenditure. It would be advisable to allow the Administrator more time to analyse the various aspects of those issues, as also their financial implications. The Nordic countries did not think that it would be possible for him to do so within the proposed time-table; it would therefore seem preferable for the next High-level Meeting to be held in 1982 rather than in 1981.

26. Mr. PEREIRA (Argentina) said that the recent High-level Meeting on the Review of Technical Co-operation among Developing Countries had largely fulfilled his delegation's expectations. His delegation attached particular importance to the decision on financial resources and arrangements for TCDC (I/80/7), which comprised various positive elements, including the possibility of using IPFs to finance TCDC activities, in accordance with Recommendation 38 (subparagraph d) of the Buenos Aires Plan of Action. His delegation wished to reaffirm that, as stated at the beginning

of Recommendation 38 of the Buenos Aires Plan of Action, the financing of TCDC activities was primarily the responsibility of developing countries themselves but that it would also be necessary for the developed countries and the United Nations development system to support those activities financially without prejudice to the decision-making control by the developing countries with regard to priority tasks.

27. In paragraph 5 of decision I/80/7 the High-level Meeting invited the Governments of developed countries to provide additional financial support for TCDC projects and activities, for example through third-country financing arrangements. His delegation had been happy to note the favourable views expressed by a number of countries in that connexion and the specific examples quoted, which demonstrated that that method of financing was applicable. He considered it essential that the changes to be made in the policies, rules and procedures of UNDP should be defined clearly in order to adapt them to the modalities of TCDC, which was a form of co-operation that differed greatly from traditional assistance. His delegation would naturally have preferred that question to be considered in detail during the first High-level Meeting. The Administrator's proposals on the subject would not, however, be submitted until the next High-level Meeting, which would entail some delay in achieving the goals pursued.

28. A further important decision of the High-level Meeting was decision I/80/8 on the work programme for the 1981 High-level Meeting. It was encouraging to see how carefully the work programme had been considered and all that was expected of the Meeting, the central and immediate goal being to progress from the conceptual stage to the stage of specific proposals.

29. His delegation would revert to the question of TCDC at a later stage.

30. Mrs. VASQUEZ DIAZ (Mexico) welcomed the outcome of the High-level Meeting on the Review of Technical Co-operation among Developing Countries. In order to remedy the political, economic and social imbalances caused by the current international disarray, it was necessary to find a common denominator that would enable countries at different levels of development to complement each other. The problem was to find multinational co-operation machinery that would benefit all. The third UNDP programming cycle and the High-level Meeting to be held in 1981 offered new possibilities for TCDC. In her delegation's view, each country should earmark a proportion of its IPFs for TCDC. Some countries, including her own, that had an appropriate infrastructure were beginning to have a certain amount of experience not only as recipients but also as suppliers of TCDC. At the regional and international levels the exchange of ideas must be intensified in order to identify, for example, the most appropriate technologies or the best formulas for obtaining equipment and scientific and technical personnel. That called not only for technical capacities but also for political decisions by all countries in order to unite their efforts towards the same goal. That was why her delegation felt that, over and above the financial aspect, TCDC should constitute a basically qualitative contribution to the Third United Nations Development Decade in order to promote the attainment of the objectives of the New International Economic Order. It was an ambitious undertaking which her country whole-heartedly supported.

OTHER FUNDS AND PROGRAMMES (agenda item 7) (continued)

(j) ENERGY FUND FOR EXPLORATION AND PRE-INVESTMENT SURVEYS (DP/438)

31. Mr. MORSE (Administrator of UNDP), replying to remarks made by representatives concerning his proposal for the establishment of an Energy Fund for Exploration and Pre-Investment Surveys (DP/438), said that on the whole he had been extremely encouraged by the Council's response. Almost all speakers had stressed the urgent need to help developing countries, particularly the poorest, to meet their energy requirements and had welcomed the increase in international resources earmarked for that purpose. They had also recognized UNDP's capabilities in that field and its future potential in effectively assisting that vital development sector in the years ahead.

32. Various Council members had, of course, expressed certain reservations with regard to the proposal in document DP/438. In view of the importance he attached to that question and his firm determination to see UNDP co-operate with the World Bank, other lending institutions and the United Nations Department of Technical Co-operation for Development in meeting those needs, he had instructed his staff to meet interested Council members informally in order to allay their fears and prepare a draft decision that would enable UNDP to utilize its exploration and pre-investment capabilities in that vital field. Thanks to the efforts and understanding of representatives, it had been possible to prepare such a draft resolution, which would shortly be circulated as a conference room paper. He hoped that it would receive the Council's full support.

33. Mr. ALBORNOZ (Ecuador) said that the most important factor in the field of energy was exploration for new resources. He felt, as the Administrator did, that it was necessary to give the most disadvantaged countries in that sector the greatest possible assistance. He welcomed the statement made by the Director-General of the OPEC International Development Fund, which had promised a contribution representing 10 per cent of the resources envisaged over the first three years of operation of the Fund proposed by the Administrator, if the remainder was supplied from other sources and provided that it could participate in regular monitoring of the Fund's activities. His delegation greatly appreciated that new co-operation between UNDP and the OPEC Fund, which complemented the other programmes of action implemented by the members of OPEC for the benefit of developing countries.

34. Moreover, the States members of the Group of 77 had agreed at a meeting they had held in New York that the OPEC countries should take part in directing the global negotiations leading up to the forthcoming special session of the General Assembly and they had also decided that energy should be included in the negotiations, on the same basis as other development problems (primary products, trade, financial and monetary questions, etc.), because those questions were all interdependent and could not be considered separately.

35. The countries of the Group of 77 had also prepared texts that were currently before the General Assembly Committee of the Whole in its capacity as the preparatory committee for the special session. It was in the context of those global negotiations, which would contribute to the establishment of the New International Economic Order, that his delegation was approaching the question of energy in the Governing Council, as in other United Nations bodies, and it was ready to support the draft decision announced by the Administrator.

36. Mr. AL-IBRAHIM (Kuwait) endorsed the statement made by the representative of Ecuador and said that, as a State member of OPEC, his country had supported the Administrator's initiative on the establishment of an Energy Fund from the outset. Energy was a major problem for the developing countries and it was among the topics to be included in the global negotiations on international economic co-operation for development, on the same footing as raw materials, trade, development, and financial and monetary questions. The States members of OPEC played their part in matters concerning energy and it was incumbent on other countries that were in a position to do so, above all the developed countries, to make an effort in the other sectors.

37. Mrs. URDANETA (Observer for Venezuela) fully supported the statements made by the representatives of Ecuador and Kuwait.

The meeting rose at 1.10 p.m.