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ADOPTION OF THE REPORT OF THE GOVERNING COUNCIL  
TO THE ECONOMIC AND SOCIAL COUNCIL AT ITS  
SECOND REGULAR SESSION, 1981

Draft report of the Governing Council on its twenty-eighth session

Rapporteur: Mr. Anton BARAMOV (Bulgaria)

Chapter II. Programme planning and preparations  
for the third programming cycle,  
1982-1983 (continued)

ANNEX

Decision 81/15. Programme planning

The Governing Council,

Having considered the Administrator's report on the implementation of revised country programming procedures for the third programming cycle 1982-1986 (DP/518 and DP/518/Add.1) and the oral statement of the Assistant Administrator on the implementation of decision 80/9 of the Governing Council on intercountry programming,

Noting the recommendations of the Administrator for procedural changes in the country programming process,

Appreciating the concern expressed in the Governing Council that country and regional programmes should respond to the priority needs for technical co-operation established by the Governments individually and collectively, and at the same time take account of global priorities established in intergovernmental forums,

Recognizing the need to make the UNDP country programming process more responsive to the requirements of individual Governments, and to simplify the preparation of country programme documents without affecting the quality of the programming of UNDP resources for development, or the information on which the Council has to base its assessment of individual country programmes,

Taking into consideration General Assembly resolutions 2688 (XXV) of 22 December 1970 (Consensus), 3405 (XXX) of 28 November 1975 (New dimensions in technical co-operation), 32/197 of 20 December 1977 (Restructuring the economic and social sectors of the United Nations system) and decisions 80/7 and 80/9 of the Governing Council,

1. Requests the Administrator to ensure that, in the dialogue between UNDP and individual Governments in establishing country programmes and with Governments collectively in formulating regional programmes, Governments will be informed on over-all global concerns enunciated in intergovernmental forums, bearing in mind their prerogative in preparing their own country programmes;

2. Takes note with approval of the steps taken by the Administrator for the implementation of decision 80/9 of the Governing Council;

3. Requests the Administrator to ensure that the timing of individual country programmes is decided in full agreement between the Government and the Resident Representative, bearing in mind (a) the provisions of paragraph 7 of the Consensus; (b) the need to avoid gaps between successive country programmes; and (c) the desirability of timely submission for the Council's approval of new country programmes;

4. Endorses the Administrator's proposals for the approval of extensions of country programmes contained in document DP/518/Add.1;

5. Endorses the Administrator's decision to continue to carefully examine the proposed use of programme resources for equipment in country programmes which are to be submitted to the Governing Council, bearing in mind paragraph 48 of the Consensus and subparagraph (e) (iv) of the annex to General Assembly resolution 3405 (XXX), as well as his decision reflected in paragraph 21 of DP/522 regarding information to the Governing Council on the proposed use of programme resources, and requests the Administrator to submit to the next session an in-depth study on this matter, taking into account all pertinent factors;

6. Endorses the Administrator's proposals for continuous programming contained in paragraphs 5 through 28 of his report DP/518;

7. Endorses the Administrator's proposals in paragraph 25 of DP/518 to submit to the Governing Council annual progress reports on programme implementation in each region, highlighting significant developments in selected individual programmes;

8. Endorses the Administrator's proposals for the simplification of country programme documents, including the use of short-format documents for country programmes of \$20 million and less, including cost sharing;

9. Approves the Administrator's recommendations to discontinue, for country programmes for \$20 million or less, including cost sharing, the submission of an accompanying Note by the Administrator and to accept their presentation with the Administrator's recommendation only<sup>1/</sup>; 1/

10. Endorses the Administrator's proposal to convene a special meeting of the Governing Council in February 1983 to facilitate the timely approval of new country programmes for the third programming cycle.

Decision 31/16. Preparation for the third programming cycle, 1982-1986

The Governing Council,

Mindful of the continuing urgent problems of development which are faced by peoples of developing countries, and reaffirming that the attainment of individual and collective self-reliance of the developing countries would make an important contribution to the ultimate solution of those problems,

Recalling General Assembly resolutions 3201 (S-VI) and 3202 (S-VI) of 1 May 1974 containing the Declaration and the Programme of Action on the Establishment of a New International Economic Order and 35/56 on the International Development Strategy for the Third United Nations Development Decade,

Taking into account the current world economic situation,

Bearing in mind the role of United Nations Development Programme in multilateral technical co-operation for the economic and social development of developing countries as defined by General Assembly resolutions 2688 (XXV) and 3405 (XXX),

Taking into account the need for achieving adequate real growth of the Programme in 1982-1986, and the prevalence of significant world-wide inflation,

Taking note with concern of the results of the consultations carried out by the Administrator in compliance with decision 80/30, which indicates that the resources available to UNDP in the third cycle, 1982-1986, may fall short of the total envisaged in decision 80/30,

Taking note also of the reports by the Administrator in documents DP/517, DP/519 and DP/565,

1. Reaffirms its decision 80/30 of 26 June 1980;
2. Decides:

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<sup>1/</sup> Inclusion of this paragraph would depend on the Governing Council's decision on the proposal made in DP/562 to submit country programme documents in their original language.

(a) To retain, for the purposes of forward planning, the level of resources envisaged for the third cycle in decision 80/30, which requires an assumed over-all average annual growth of voluntary contributions of 14 per cent on a cumulative basis from the level set for 1977-1981; and to request the Administrator to continue his consultations with donor countries, with a view to reaching the level envisaged for 1982-1986, and to report on the result of these consultations to the next session of the Governing Council;

(b) To request all countries, and especially those with which, in conformity with decision 80/30, the Administrator has had consultations, to reconsider the magnitude of their third-cycle contributions, and to urge those donors who may lag behind in the first part of the third cycle to compensate, taking into account the level of their contributions with increased contributions in the latter part of the cycle, each nation determining its own contribution so that the over-all resources objective of decision 80/30 is achieved;

(c) To request, in full conformity with decision 80/30, all countries in particular those whose previous contributions may have been below their capacity to pledge, to reconsider increasing substantially their present levels of contributions to UNDP, so as to help achieve a more balanced country pattern of resource mobilization for the Programme in 1982-1986; and

(d) To discuss at its next session the report referred to in paragraph 2 (a) above with a view to deciding on ways and means of securing adequate resource mobilization for the third cycle.

3. Further decides:

(a) To confirm the third-cycle country, intercountry and unallocated illustrative indicative planning figures (IPFs), and the illustrative magnitudes for the Programme Reserve, SIS and sectoral support, as approved by the Council in decision 80/30;

(b) To approve the newly established and the revised third-cycle illustrative indicative planning figures as recommended by the Administrator in DP/519, paragraphs 37, 39, 40 and 48-49, and in DP/565; and to approve, for countries for which a recommendation on such figures has not yet been submitted to the Council, the use of second-cycle figures as illustrative third-cycle figures until the twenty-ninth session, when the Council will consider the Administrator's specific recommendations; and

(c) To request the Administrator to ensure the delivery of technical co-operation projects to the fullest extent of the 1982-1986 IPFs and other elements in the field programme as set out in DP/496, table 2, always subject to the overriding requirement of containing expenditures within the financial resources available at any given time, so as to preserve the financial integrity of the Programme; and, within these limits, to endeavour to achieve a high level of delivery in 1982;

4. Urges the Administrator to reduce the size of the administrative budget of the Programme in the third cycle and decides, in order to maximize the availability of resources for programme activities in developing countries, to establish, as general guidelines for the third cycle, that the administrative budget should not, in any case, rise, in real terms, beyond the levels approved for the 1982-1983 budget, and that any justifiable need for additional resources tied with an increase in programme delivery should be met by redeployment of staff and other facilities;

5. Requests host Governments with UNDP field offices who are in a position to do so to increase significantly their contributions towards meeting the local costs of such offices, bearing in mind the level of their contributions, and requests the Administrator to consult with Governments on this matter and to report the results of these consultations at the next session with a view, inter alia, to enabling the Governing Council to evolve guidelines within the framework of which the Administrator could consult Governments for meeting local costs of UNDP field offices;

6. Reaffirms the central funding and co-ordinating role of the Programme in the field of technical co-operation within the United Nations system in conformity with the consensus of 1970 and General Assembly resolutions 32/197, 34/202 and 35/81 and recommends to the relevant intergovernmental bodies that the need to preserve this role should be taken fully into account in the consideration of funding arrangements for technical co-operation activities, and authorizes the Administrator to provide to the interested intergovernmental bodies the information they may request in this respect on the services available within UNDP;

7. Decides provisionally, taking into account the particular position of the host country concerned, to raise the ceiling on cost-sharing activities to double the present level in the case of those financed by the IPF recipient country and to increase by 50 per cent the present limit for those financed by third parties, it being understood that existing legislation on the reimbursement of administrative and programme support costs will apply; requests the Administrator to present to the Council at its twenty-ninth session an in-depth study, prepared in consultation with host Government authorities of a representative group of countries which utilize cost sharing, focusing in particular on the actual added costs resulting from cost-sharing activities within the framework of total costs of services provided by UNDP field offices in order to enable the Council to reconsider the question of cost sharing, taking into account all relevant factors including agreements already in force;

8. Decides, in order to accomplish the basic objectives of the Programme, namely promoting self-reliance and raising the living standards, technical capacity and economic and social development of the developing countries, that the following provisions shall apply to the payment and utilization of contributions:

(a) Recipient countries with a per capita gross national product of above \$3,000 which make their voluntary contributions wholly or in part in their national non-convertible currencies shall, as far as possible, contribute in convertible currencies over and above the reimbursement stipulated in paragraph 6 (e) (iii) of decision 80/30;

(b) In view of the multilateral nature of the Programme, non-recipient donor countries which make their voluntary contributions wholly or partly in (their national) non-convertible currencies (shall pay) (are requested if possible to pay) a gradually increasing share of their contributions in convertible currencies (so that their contributions will be fully convertible by the year 1985);

(c) Meanwhile, entities headquartered in net donor countries which have contributed in non-convertible currencies where such currencies are accumulated and until such accumulations are used shall be reimbursed for services and equipment purchased under the Programme (only in the currency of that country) (in the currencies in which their contribution is paid): (conversely, if when utilizing a non-convertible contribution, costs are incurred in other currencies, these shall be reimbursed to UNDP in the form of a convertible share of the non-convertible contributions);

9. Decides to extend the authority of the Administrator, further to the Council's decision at its twenty-first session, to approve projects through the period 1982-1986, it being understood that such delegation would be subject to review by the Governing Council within that period if the Council so wished, and that certain categories of projects would continue to be submitted by the Administrator to the Governing Council for approval as specified in paragraphs 20 and 23 of the Consensus and amplified by the Governing Council at its thirteenth session: and

10. Endorses the Administrator's request, having regard to paragraphs 53-57 of DP/519, to apply in the current cycle an amount of up to \$20 million for certain intercountry programmes, by borrowing from the 1982-1986 indicative planning figures of those programmes, it being understood that this level of borrowing will be within the amount of underspending that is expected in the total indicative planning figures in the current cycle.

Decision 81/30. Establishment of a UNDP study programme

The Governing Council,

1. Requests the Administrator, subject to the availability of resources, to establish a UNDP study programme to be financed by voluntary contributions of Governments, international institutions and private foundations, and to organize seminars to which high-level national policy makers, government representatives to international organizations, senior secretariat officials and field experts, should be invited to discuss informally various aspects of technical co-operation in order to promote greater understanding of development problems and to generate new resources and ideas;

2. Requests the Administrator to consult with interested Governments, international institutions and private foundations in order to ensure the necessary financing for a UNDP study programme;

3. Invites member Governments, relevant international organizations and foundations to finance the programme and to co-operate with the Administrator, in organizing the activities of this programme; and

4. Requests the Administrator to report to the Governing Council at its twenty-ninth session on the implementation of this decision.

### Establishment of UNDP study programme

#### A. Issues and background

The decade of the 1980s was born into a period of tumultuous international economic relations. The world economy at present is in a slowdown phase, in both developed and developing countries. The rate of growth of developed market economy countries, which averaged more than 5 per cent per annum in the early 1970s, declined to 1.3 per cent in 1980 according to recent estimates. Similarly, the rather good growth performance of developing countries, averaging nearly 6 per cent per annum in the 1970s, decreased to 3.8 per cent in 1980. Inflation and unemployment are at the highest levels since the great depression of the 1930s. Current trends indicate movement toward a more sombre future for the world economy and international development co-operation.

In the 1950s and 1960s, the economic development of developed and developing countries was largely considered as two separate issues and not as being interlinked and interdependent. In the early 1950s, development problems were largely seen in terms of aid. By the 1970s, however, it became evident that these problems could not be solved merely by the provision of aid, since they were fundamentally part of the weakness of the existing world economic system.

There are many lessons to be drawn from the experiences of the past few decades. At present not only are more resources required for assisting developing countries, but also greater understanding and technical knowledge of development issues and political determination are needed to remedy the existing situation. Similarly, due to insufficient public knowledge, there has been little recognition of the interdependence between issues and of the mutuality of interest and opportunities for partnership between developed and developing countries. According to the report of the Brandt Commission, international institutions need to communicate to an audience wider than the community of persons who participate in their intergovernmental bodies. The resolutions, decisions, and programmes adopted by these institutions can be effective only if they influence the public at large. On the other hand, it may be said that public opinion in industrialized countries has often been critical of assistance given to the developing countries. The mass media has given much publicity to cases of waste and failure, instead of to the aims of such assistance, to mutual gains and success stories. Such approaches have also negatively influenced parliaments and governmental circles, which has resulted in scepticism and created resistance to the adoption of more liberal policies.

Therefore, it appears that there is an urgent need to bridge the intellectual gulf which is growing dangerously between those who are directly involved in administering the aid programmes and those who are called upon to vote the requisite appropriations, as well as between governmental negotiators at international organizations and the internal policy makers. It is essential that every effort be made in order that the national policy makers and public mass media producers better understand the implications of arguments on international economic and technical co-operation for their own people.

Moreover, during the past three decades, the programmes, organizations and agencies of the United Nations system dealing with operational development activities, which have acquired substantial experience and carried out extensive research within their own fields, have seldom had joint substantive exchanges of views and discussions for effectively combining their efforts, evaluating their accumulated knowledge and information and forecasting relevant developments for the attention of Governments. Similarly, at present, there is little dialogue between the negotiators at the global level and practitioners - namely field experts, consultants and project managers - who deal daily with specific development issues. It may be said that the general commitments agreed upon at the international level can produce tangible results only if convergent measures are being taken at every level.

As a programme for development and not simply a fund to finance technical co-operation, UNDP has a special responsibility to encourage a better understanding of development problems and the generation of new ideas and possible solutions. Indeed, the success of its operations depends largely on the conceptual framework of development and technical knowledge within which such operations are carried out. A better understanding of the issues involved in technical co-operation activities is required in order to respond promptly to the changing needs of the development process.

It is therefore proposed to establish a study programme for development issues under the umbrella of UNDP, to be known as the UNDP study programme (UNDPSP). The output of such a programme may assist the Council in its consideration of policy issues related to the operational activities carried out by the funds and programmes under the Council's supervision. Similarly, the activities of the Programme may be beneficial to the General Assembly and the Economic and Social Council (ECOSOC) for their comprehensive policy review of operational activities and their consideration of other development issues.

#### B. Seminars

The new programme will organize and finance (as does, for example, the United Nations Environment Programme and the United Nations Fund for Population Activities) special seminars to discuss informally various aspects of technical and economic co-operation and development issues. Its aim will be to promote a better understanding of issues and to work out possible options and alternative courses of action, which may also be considered by the relevant intergovernmental bodies. The new programme may also finance and publish independent research activities related to technical co-operation and development.

Twenty to thirty invitees from developed and developing countries and relevant international organizations will participate in such seminars. According to the subject matters, high-level government officials, government representatives to international organizations, senior secretariat officials, and field experts of international organizations, parliamentarians, journalists, academicians, etc. will be invited to these seminars. The invitees will participate in their private capacities.

The Administrator, with the assistance of an Advisory Committee, will establish annual work programmes, which will include the subject-matter to be taken by different seminars. The subjects to be discussed will be related to problems of development and technical co-operation.

At the early stages of UNDPSP, a maximum of three to four seminars will be organized per year. One of these will be for the senior officials of the United Nations system and will deal primarily with development co-operation problems. The seminars will normally be held in different developed and developing countries, depending on hosting facilities. In order to ensure to the extent possible that discussions are of a free and informal nature, retreat locations will be preferred. At the end of each seminar a short report will normally be issued, in order to bring the results to the attention of the Governing Council, the Economic and Social Council and the General Assembly. Depending on the nature of the discussions, however, there could also be off-the-record meetings.

### C. Organization and management

The United Nations Development study programme will be administered by the Administrator. An honorary advisory programme committee will be established to be discussed at different seminars and for research activities to be carried out by independent researchers. For the related development policy matters of the programme, the Administrator will consult and closely co-operate with the Director-General for Development and International Economic Co-operation, and seek, as appropriate, the advice of the executive heads of the relevant specialized agencies and organizations of the United Nations system.

The secretariat of the Governing Council will normally provide support services to the seminars and other activities of the UNDPSP. Close co-operation and continuous working relationships will be established with the secretariats of other relevant organizations of the United Nations system for the carrying out of these functions.

The programme will pay the travel costs and other expenses of the participants of the seminars, finance research activities and publish reports of the seminars and the results of research activities. In order to meet the financial and administrative costs, a special trust account will be established for UNDPSP. Voluntary contributions from Governments, international institutions or foundations will be sought by the Administrator for financing the activities of the programme. Similarly, Governments, international institutions or foundations may also provide free hosting facilities for the seminars organized by the programme.

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