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Twenty-eighth session

SUMMARY RECORD OF THE 709th MEETING

Held at Headquarters, New York,
on Tuesday, 9 June 1981, at 3 p.m.

President: Mr. ABDULAH (Trinidad and Tobago)

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The meeting was called to order at 3.15 p.m.

PROGRAMME OF IMPLEMENTATION

- (d) ACTION TAKEN IN RESPONSE TO DECISIONS ADOPTED BY THE COUNCIL AT ITS TWENTY-SEVENTH SESSION (DP/516)
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ACTION TAKEN IN RESPONSE TO GOVERNING COUNCIL DECISION 79/48 (DP/558 and Corr.1)

PROGRAMME PLANNING AND PREPARATION FOR THE THIRD PROGRAMMING CYCLE, 1982-1986

- (a) REPORT BY THE ADMINISTRATOR (DP/518 and Corr.1 and Add.1)
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COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

- (a) RELEVANT TRENDS AND PROBLEMS IN THE COUNTRY PROGRAMMES (DP/522)
- (b) COUNTRY PROGRAMMES (DP/523)

OTHER MATTERS

- (c) FURTHER CONSIDERATION OF THE ORGANIZATION OF THE SESSIONS OF THE COUNCIL (DP/562 and Corr.1)

1. Mr. BROWN (Deputy Administrator), introducing document DP/519, said that, under paragraph 6 (e) of its decision 80/30, the Council had called for consultations based on the guidelines laid down at its twenty-seventh session. Document DP/519 contained an extensive country-by-country report on those consultations.

2. During the current cycle, 34 recipient countries with a per capita GNP in excess of \$US 1,500 were contributing \$US 21 million annually (\$US 105 million for the cycle) to the central fund resources of the Programme, equivalent to 3.3 per cent of total voluntary contributions. By application of the target set in decision 80/30 - or of the 14 per cent per annum target in cases where the application of the other formula would result in a lower rate of increase - the third cycle contributions of the 34 countries as a whole would be equivalent to an average of \$41 million per annum (\$204 million for the quinquennium). On the basis of the most favourable assumptions, therefore, contributions for the third cycle would be approximately double those for the second cycle. More than half that amount would come from seven countries which were presently net contributors. If they continued to hold that status, they would not be covered by the requirements of paragraph 6 (e) of decision 80/30. It had been assumed that eight further countries would contribute \$63 million on the basis of the 14 per cent growth target, leaving \$35 million to be

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contributed by the remaining 19 countries. By application of the target set in decision 80/30, those countries should contribute \$50 million. In other words, by using that formula, the maximum total impact over the five-year cycle would be an increase of \$20 million. The Administrator had indicated that there were some encouraging signs that the ultimate purposes of the Council's decision might be largely attained.

3. Document DP/519 also commented on the results of consultations with individual Governments, including consultations with Administering Powers in cases where the countries concerned were not yet independent. It was clear that in some cases a long-term endeavour would be required to achieve the target set in decision 80/30. However, several Governments had indicated a willingness to work towards that goal, provided that the principles of voluntary contributions and universality were in no way compromised.

4. As for the establishment of illustrative indicative planning figures (IPFs) for 15 countries outstanding, the Administrator made recommendations for Montserrat and Uganda in document DP/519. Since the preparation of that document, the World Bank had provided population and per capita GNP estimates for a further nine countries, the Administrator's recommendations for which would be circulated shortly in a conference room paper. In the case of the remaining four countries, it appeared unlikely that the World Bank would be able to make the necessary calculations in the immediate future; the Administrator would therefore have to use the best available estimates from other sources as a basis for his recommendations. In the meantime, the Council was being asked to agree that the 1977-1981 IPFs should continue to be used for those four countries.

5. With respect to the amendment of IPFs already approved, the Administrator was recommending action in the cases of Guinea-Bissau and the Yemen Arab Republic on the basis of revised estimates of basic data, and for Hungary, on the basis of the special circumstances explained in paragraph 40.

6. In response to decision 80/30, the Administrator was making a recommendation of \$4,516,000 for the Caribbean multi-island programme.

7. The World Bank had informed the Administrator that it was reviewing the methodology for calculating the GNP of centrally-planned economies. The extent to which that review would affect the calculation of illustrative IPFs for those countries would be reported to the Council at its next session.

8. Lastly, he drew the Council's attention to items B, C and D of part IV of document DP/519.

9. Mr. WIESEBACH (Assistant Administrator, Director, Bureau for Programme Policy and Evaluation) first introduced document DP/516, which reported on action taken in response to decisions 80/26, 80/8 and 80/28, adopted by the Governing Council at its twenty-seventh session.

10. In connexion with decision 80/26, he explained that document DP/544 contained recommendations designed to assist in the discussion on the administration of

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development co-operation at the United Nations Conference on the Least Developed Countries to be held in Paris. Document DP/516 reported on follow-up action through the Administrative Committee on Co-ordination (ACC) in response to General Assembly resolution 35/81, and also described current efforts to achieve improvements in project design and other operational policies and procedures within the United Nations system, issues which were addressed in more detail in document DP/558, to be introduced later.

11. With respect to the role of qualified national personnel (decision 80/8), UNDP had been requested by the Director-General for Development and International Economic Co-operation to act as lead agency for the follow-up work envisaged by General Assembly resolution 35/80 and was already working with the Inter-Agency Task Force at Headquarters to develop an appropriate programme of action on the basis of the outline submitted in paragraph 11 of document DP/516. In order to compile the inventory of present training capacities and to prepare a report on improving the respective information systems, pursuant to General Assembly resolution 35/80, the Administrator was requesting an allocation of \$80,000 for consultancy services and production of the report. In keeping with the request contained in decision 80/28, document DP/516 provided updated information on the implementation of General Assembly resolution 32/197 on restructuring.

12. Introducing document DP/518, concerning programme planning and preparation for the third programming cycle, he said that the Administrator had especially focused on the implementation of continuous programming, which he hoped would further improve the response of UNDP technical co-operation to evolving development needs in individual countries, and on the mode of presentation of new country programmes to the Governing Council. Through the Inter-Agency Consultative Meeting held in December 1980 and the Inter-Agency Task Force at Headquarters, the other agencies had been consulted and had participated in the preparation of the report; their assistance was appreciated. A key element in future country programming would be continuous dialogue between Governments, UNDP and the other organizations of the United Nations system. The usefulness of continuous monitoring and review of the contributions of the United Nations system at the sectoral level could be considerably enhanced by considering technical co-operation requirements in each sector as a whole thereby helping to improve, at the country level, coherence of action and effective integration in accordance with the objectives and priorities of the Government concerned as requested by the General Assembly.

13. Document DP/518 contained specific recommendations on the contents of country programme documents and the periodic country programme review reports, the objective being to ensure that the documentation was adequate, but did not place unnecessary burdens on those responsible for its preparation. In accordance with a previous decision, the 32-page limit had been retained for larger country programmes, but the Administrator was proposing that documents for programmes of up to \$20 million should not exceed 8 pages, and that documents might be even shorter for programmes with very small IPFs; it was hoped that the limitation would also facilitate the Council's deliberations.

14. Section III of the report dealt with the time-frame of country programmes. In recent months, the Administrator had received requests from Governments for

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extensions of their country programmes beyond the approved duration in order to reflect objectives and priorities of new national plans. The necessary recommendations would be submitted to the Council at its next session; meanwhile, he considered it important to reach an understanding on the conditions to be met in cases of programme extension. The matter was before the Council in the addendum to document DP/518.

15. To facilitate the timely approval of new country programmes and documents for the third programming cycle, the Administrator was suggesting that a special meeting of the Council should be convened in February 1983. According to the latest information, 98 country programmes were due for approval in 1982 and 1983, more than 80 of them being scheduled for June 1982. That would constitute a heavy burden on the Council; it was also expected that approval in February 1983 would be more convenient for the Governments concerned. Should the Council agree to the special meeting, Governments would be informed immediately to enable them to plan the preparation of new country programmes accordingly.

16. Finally, in implementation of decision 80/9 on intercountry programming, a new consultation process had been used for programmes submitted to the current session. Details with regard to the regional programmes for the Asia and Pacific region were described in the introduction to document DP/523. The extensive consultations had culminated in a specially convened intergovernmental meeting of development assistance co-ordinators held at New Delhi in February 1981.

17. In Latin America an outline of a regional programme had been prepared following extensive consultations with organizations of the United Nations system. That had been submitted to an intergovernmental meeting convened by the Administrator in co-operation with the Executive Secretary of the Economic Commission for Latin America (ECLA) on 13 May 1981, and the results would be reflected in the draft regional programme to be submitted to the Council in 1982. Similar procedures had been used for the European regional programme, which would also be submitted in June 1982.

18. With regard to the African regional programme, extensive consultations had produced a draft note on strategies and priorities which had been discussed, amended and adopted by the Conference of Ministers of the Economic Commission for Africa (ECA) in April 1980. Following additional consultations with the participation of the Organization of African Unity, ECA and other organizations of the United Nations system, two special meetings had been held in March and April 1981 to prepare the regional programme for submission to the next session of the Council. An informal meeting on the regional programme for the Arab States had been held at Tunis in close co-operation with the Arab Planning Institute in Kuwait. Further consultations at the formal level would be held before the end of the year to define and consolidate the draft regional programme for submission to the Council in 1982.

19. The implementation of decision 80/9 in all regions had made it possible to ensure collective priority-setting by the Governments in the region concerned as requested by the Governing Council.

20. Mr. BROWN (Deputy Administrator), introducing document DP/522 on relevant trends and problems in the country programmes proposed for approval in 1981, said that it was one in a series of analyses of trends and problem-oriented issues in country programmes. As far as possible, information on duration, preparatory work and financial aspects had been included in tables annexed to the report, which also discussed various issues such as major development objectives, sectoral emphases and pre-investment activities, as well as the extent to which global priorities were taken into account in country programmes. Several distinct trends emerged from the 14 programmes. First, the nature of the programming exercise and the allocation of resources indicated a general transition towards continuous programming; secondly, Governments seemed to prefer to programme their resources following the IPF cycle rather than synchronizing programmes to the national plan, where such a plan existed; finally, the proportion of resources allocated to new activities was significantly higher than in past years.

21. Since the sample of country programmes was so small, it was difficult to determine the validity of any of those trends definitively but, by and large, programmes followed the pattern of those submitted during the second cycle. However, the large number of country programmes which would be submitted in 1982 would offer a more valid sample.

22. At previous sessions concern had been voiced at the use of a relatively large proportion of resources for equipment in some country programmes. The Administrator had explained his views on the proposed use of UNDP resources for equipment in his notes on four country programmes. He was satisfied that both the Governments and the resident representatives were fully aware of the Council's concern and considered the proposals of the Governments generally acceptable. Regional directors responsible would provide further explanations when they introduced the proposed programmes later in the session.

23. As a general observation, he added that it was very difficult to determine precisely at the programme formulation stage the proportion of UNDP resources to be devoted to each of the various components. The final decision on project inputs was always made at the time of project formulation. However, he could assure the Council that such decisions would be based on policy directives reflected in the Consensus, the resolution on new dimensions in technical co-operation, and in the specific decisions of the Council on country programming.

24. The PRESIDENT said that, although it had been decided to take up individual country programmes later in the session, he understood that the Assistant Administrator and Regional Director for Latin America would have to be in Geneva at that time to chair a preparatory meeting of the least developed countries. He had therefore been invited to make his statement on the policy aspects of country and intercountry programmes of the Latin American region immediately.

25. Mr. VECEGA (Assistant Administrator, Regional Director for Latin America) said that the unequivocal opinion of the countries of Latin America and the Caribbean was that the UNDP presence in the region was important and its image good.

26. The adoption of the 1970 Consensus had marked a final break with any paternalistic concept of technical co-operation from the United Nations system and

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any possibility of international secretariats, specific groups of countries, or even the international community as a whole, being able to decide the development priorities of individual countries. In June 1980, the Consensus had been strengthened with the reaffirmation of the fundamental principles of country programming and the individual responsibility of Governments for their own development process and priority-setting, while upholding the principles of universal membership and voluntary contributions.

27. The decision to allocate the major portion of financial resources to countries with a relatively lower level of economic development might be seen as detrimental to Latin America and the Caribbean since, overall, the resources allocated to the region would not increase. It was therefore all the more important to ensure the success of the intensive efforts to increase overall resources available to the Programme at the planned rate, if a reduction was to be avoided. The Latin American response to the situation was evidence of its maturity. Not only would voluntary contributions be increased by more than the 14 per cent agreed, but the countries as a whole had decided to step into the breach and, by co-financing or cost-sharing, to ensure the continuation of national programmes at the current level or higher. The 1980 Consensus was seen as the corollary to that of 1970, those countries which were not among the poorest being asked gradually to assume greater responsibility for financing the technical assistance and pre-investment required for their own development.

28. Since taking up the post of Regional Director six months previously, he had had the opportunity to participate in various important regional economic forums such as the Latin American Economic System (SELA), the Inter-American Development Bank, and ECLA, as well as visiting eight countries and holding regular consultations with representatives of almost all of the Governments of the region, and with all the resident representatives.

29. Increased contributions, joint financing and efforts to become a net contributor demonstrated Latin America's confidence in UNDP and its determination to ensure the universality of UNDP and to safeguard the United Nations system. Resources had also been forthcoming from third countries and regional and international institutions. Agreements had been concluded with the World Bank, the Inter-American Development Bank and the Caribbean Development Bank, which made it possible to mobilize additional resources and to match UNDP pre-investment activities in Latin America and the Caribbean more effectively with investment opportunities.

30. Such support placed great responsibility on UNDP in that it required the maintenance of high standards of efficiency and cost-effectiveness, there being a clear link between the two. The Regional Bureau was devoting special attention to the efficiency and viability of projects, programmes and UNDP offices. More cost-effective methods of implementation were being sought, which would make maximum use of the institutions, infrastructure and human resources available in the region, thus allowing substantial progress to be made with relatively small inputs. The absorptive capacity of Latin America and the Caribbean was substantial, as was shown in the fact that the region had absorbed all of the UNDP resources assigned to it.

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31. The Governments of the region regarded UNDP's network of offices as much more than a mechanism for the local administration of UNDP funds. They perceived it as an instrument for progress which helped countries to co-ordinate the assistance available within the United Nations system to promote their own development. UNDP's offices should therefore be evaluated, not in terms of the size of the indicative planning figure, but in terms of the access which they provided to the services offered by the United Nations system, the links which they promoted between Governments and the international community and the management capability which they helped to develop.

32. Efforts were continuing to rationalize and increase the efficiency of field offices and the Regional Bureau itself. The number of internationally recruited staff had been reduced by 35 per cent over the past five years. By and large, management of field offices had been entrusted to local staff without any loss of efficiency. It would, however, be difficult to make further savings without jeopardizing the viability of programmes.

33. Country programming was the keystone of the UNDP system, in that it ensured that developing countries had complete sovereignty over the external inputs which they needed to promote their own development. Work was under way to prepare the country programmes to be submitted to the Council at the 1982 and 1983 sessions. The only country programme for the Latin American region to be submitted at the twenty-eighth session was the third country programme for Cuba.

34. The parameters for the third country programme had been determined by Cuba's 1981-1985 social and economic development plan. As in the previous cycle, priority had been given to strengthening the scientific and technical bases of the Cuban economy in an endeavour to increase productivity. Such a strategy could only achieve tangible results in the medium term, and it was hoped that visible progress would have been made by the end of the third cycle. That was also the reason why the programme provided for the continuation of a number of activities begun under earlier programmes.

35. The programme was designed in such a way as to use the human resources already available within the country. Extensive use would be made of panels of consultants, a method which had enjoyed considerable success during the second cycle, whereby high-level consultants helped to prepare working plans for projects, evaluated progress and advised national project personnel. The experience and skill of those consultants allowed national staff to become familiar with the latest technology and techniques. The method thus promoted a transfer of technology and the development of local knowledge - the very basis of technical co-operation. Such methods could be adopted in other countries of the region. The Cuban programme was also characterized by complementary co-ordination and development, with assistance from other multilateral and bilateral sources. Such assistance would have a multiplier effect, in that similar methods could be applied in other developing countries.

36. The opening of the UNDP office in Barbados demonstrated the emphasis which UNDP placed on the needs of the Caribbean countries. In addition to the assistance it provided to those countries at the national level, UNDP had financed regional projects for their exclusive benefit. Special attention had been paid to the

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countries of the eastern Caribbean under the multi-island programme in an effort to promote joint solution of problems and to overcome the limitations imposed by the small size of individual countries. There was a proposal before the Council for an allocation of resources to continue activities under that programme during the third cycle.

37. The Regional Bureau for Latin America continued to play an active role in the Caribbean Group on Co-operation for Economic Development, in respect of which UNDP had been assigned responsibility for the promotion and co-ordination of activities in such sectors as export promotion, energy, tourism and transportation, all of which were of critical relevance to the needs of the Caribbean. Those promotional and co-ordinating functions related to all the bilateral and multilateral programmes in the subregion, and were carried out in close collaboration with Governments, United Nations agencies, and other international institutions.

38. As requested by the Governing Council and the General Assembly, practical steps were being taken to increase the collective participation of Governments in the preparation of the regional programme. The general priorities for the regional programme for the next cycle had recently been determined, and the programme would soon be submitted to the Council for adoption.

39. The regional programme had encountered certain difficulties, since, owing to a decision taken by the Council in 1980 and a temporary lack of resources, it appeared that the resources available for 1982 would amount to only half of what had been spent in 1980. The regional programme was currently being revised in the light of current needs, and it should be possible to overcome those problems.

40. In recent decades UNDP had, in response to requests from countries, provided institutional support to regional and subregional organs. While such institutions had a role to play, the time had come to disengage so that new activities could be undertaken. Disengagement would be gradual, to allow the institutions concerned to make appropriate adjustments in their sources of financing and their programmes of work.

41. Recent discussion of the role which UNDP might play in promoting technical co-operation among developing countries had raised the question of UNDP's role in Latin America and the Caribbean. That in turn raised the question of the role of the region with regard to development. Its contribution could go far beyond financial inputs; the countries of the region and the regional institutions contained a pool of knowledge and experience which could be of use not only within the region itself but also in Asia and Africa. The United Nations system, and UNDP in particular, could help to exploit that potential. The UNDP offices constituted an essential tool that would enable the United Nations system to co-operate with Governments in promoting technical co-operation among developing countries. It was by such activities that gradual yet decisive change was effected.

42. Mr. WIESEBACH (Assistant Administrator, Director, Bureau for Programme Policy and Evaluation), introducing document DP/515, relating to thematic evaluation, said that the document included details of all the evaluation studies which had been completed, were in progress, or were being planned. Document DP/515/Add.1 contained

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a summary of the evaluation study on export promotion conducted jointly by UNDP and the International Trade Centre.

43. After a preliminary study of UNIDO's technical co-operation activities, the Committee for Programme and Co-ordination (CPC) had decided that it would be desirable to conduct a more intensive review of the UNDP-financed technical co-operation activities of UNIDO in the field of manufactures. It had been agreed that such a study should be carried out jointly by UNDP, the United Nations Secretariat and UNIDO, in such a way as to satisfy the requirements of CPC and to respond to the Governing Council's endorsement of a thematic evaluation in the field of light industries. The initial phase of the study had already begun.

44. Evaluation was only useful to the extent that the lessons learned were applied in future programmes and projects. The major means of feedback of evaluation results was the publication and circulation of reports containing recommendations based on the conclusions of studies, which should be taken into account in the programming, design and implementation of similar projects. In addition, programme advisory notes which summarized the recommendations were being issued for use by field staff. They were similar to the technical advisory notes which had been issued on various subjects.

45. Moreover, material based on thematic evaluation studies was being incorporated in the training courses held for UNDP field and headquarters staff. It would also be desirable to organize workshops for groups of UNDP and specialized agency staff on the results of specific evaluation studies, but limited resources had so far prevented that.

46. The conclusions drawn from evaluation work were applied in formulating recommendations on the identification, design, appraisal and evaluation of individual projects in the normal course of the project cycle. Feedback of the results of individual project evaluations had generally been incorporated in revisions of the project's design. Staffing constraints made it impossible to undertake the desired volume of new thematic or project evaluations while guaranteeing effective feedback of their results to the United Nations system. The present programme of studies should be completed within the next two and a half years. Specific proposals for the continuation of the comprehensive evaluation programme would be submitted to the next session of the Council.

47. Introducing document DP/521, relating to pre-investment activities, he said that UNDP had entered into a co-operative arrangement with FAO in 1979 under which FAO provided expertise in order to make UNDP-assisted projects executed by FAO more attractive to potential sources of finance. Investments had already been forthcoming in the amount of \$38 million for agricultural and rural development in Egypt, and in the amount of approximately \$10.8 million for rice production in the United Republic of Tanzania.

48. UNDP had worked out similar arrangements with WHO, the United Nations Department of Technical Co-operation for Development and UNIDO. The linkage between pre-investment and investment for UNDP-assisted projects should thus improve substantially.

(Mr. Wiesebach)

49. At its twenty-seventh session, the Council had authorized an amount of \$100,000 to enable UNDP to enter into such arrangements and carry out additional work on completed projects. The sum had not proved sufficient for implementation of the co-operative arrangements. Normally all costs required to reorient and amend projects with investment potential should be charged to project budgets. However, there were at present a number of promising projects with investment potential requiring additional work for which there was no money left in project budgets. The investment potential of those projects would be considerably enhanced if additional funds were made available. The Administrator would appreciate the guidance of the Council on that matter.

50. It was expected that in the case of future pre-investment projects the initial project design and corresponding work plan and budget would provide, as an output, the appropriate range of economic, financial, technical and other data required by development and financial institutions to arrive at an investment decision. Such institutions should, as far as possible, and at the request of the Government concerned, be involved in the design and execution of pre-investment projects. The training of resident representatives and deputy resident representatives provided an important means of improving linkage between pre-investment and investment, in that it enabled UNDP field offices to identify potential investors at an early date and to provide advice to Governments. Training would continue beyond 1981, and a sum of \$200,000 had been included in the supplementary budget for that purpose.

51. UNDP had further strengthened its relationship with the World Bank, regional development banks, the International Fund for Agricultural Development and the Arab Bank for Economic Development in Africa. Co-operation between UNDP and the European Economic Community in respect of the African, Caribbean and Pacific countries was being extended to the Maghreb/Mashreq countries. Arrangements had also been made to exchange information on country programmes for certain other countries.

52. It was in the best interests of developing countries that UNDP's grant funds, rather than loan money from development finance institutions, be used for pre-investment activities, particularly at a time when the debt and repayment burden of the developing countries had risen sharply. The Governing Council might wish to invite Governments to pay particular attention to that matter.

53. Mr. KIRDAR (Secretary of the Governing Council), introducing document DP/562, on the organization of the sessions of the Council, said that in line with action taken by the General Assembly and the Economic and Social Council for the streamlining and rationalization of their work, the Governing Council had examined ways of improving the effectiveness of its deliberations, controlling its documentation and streamlining its agenda. At its twenty-seventh session, the Council had, by decision 80/55, requested the Administrator to consider the various comments and suggestions made during discussions on that subject and to present his views and suggestions to the Council at its twenty-eighth session.

54. Document DP/562 highlighted some of the major issues raised during the various sessions of the Council, provided information on the background and remedial action already taken, and suggested new proposals for streamlining and rationalizing the work of the Council.

(Mr. Kirdar)

55. In accordance with General Assembly resolution 2688 (XXV) on the capacity of the United Nations development system, the responsibilities of the Governing Council had been recognized as policy formulation, the determination of programme priorities and the review of implementation in both planning and practice. The Governing Council was also responsible for nine other operational funds or programmes, which carried out activities involving some \$1 billion per annum.

56. The Council had in the past adopted decisions in response to changing needs in development. Recently it had concentrated on the review of programme implementation and the determination of priority programme planning. Since development was not static, the Council might wish to give more careful consideration to policies guiding operational activities carried out by the various funds and programmes, under its supervision.

57. In that connexion, he recalled that in the 1950s and 1960s, the General Assembly and the Economic and Social Council had concentrated mainly on the provision of technical assistance to developing countries and the financing of economic development. A thorough policy consideration of those two areas had resulted in the establishment of mechanisms, such as the regular technical assistance programmes, the Expanded Programme of Technical Assistance and the United Nations Special Fund, designed to create the conditions required for a more equitable international sharing of technical knowledge throughout the world. With the establishment of UNDP, those activities had taken on a more sophisticated, comprehensive and dynamic character. The Governing Council of UNDP had laid down the policies governing such activities by adopting the consensus on the capacity of the United Nations development system, the development co-operation cycles and country programming procedures. Similarly, the Governing Council had adopted the "New Dimensions" resolution which had brought a new impetus to international technical co-operation. A great debt was owed to the vision, devotion and courage of those international policy-makers, who had realized that it was wrong for mankind to be divided into the "haves" and "have nots" and had sought to right that wrong.

58. Over the years UNDP had provided its member countries with constructive opportunities to participate in a unique international partnership for development. It had evolved into a multisectoral and nearly world-wide mechanism for technical co-operation. Tempered by time and experience, endowed with proven capacities and drawing upon wide-ranging technical expertise, it had gained strength and vitality from the collaboration of the rest of the United Nations development system. It had demonstrated what could be done effectively, within the limited financial resources available, through international co-operation and the pooling of human efforts, in the battle against poverty, hunger and disease. No other development assistance organization in the world worked in as many countries, drew on as broad a range of skills, experience and inputs, and had as widespread an operational network in the field.

59. UNDP's goal was to share man's knowledge all over the world for the common good. In practice, however, that goal had not yet been achieved. Despite the noteworthy national and international efforts made over the previous 30 years, economic inequalities still persisted in the world. Indeed, the unprecedented growth in population predicted for the next decade presented UNDP with a new

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(Mr. Kirdar)

challenge. Renewed and enriched commitment was required to deal with all the problems involved.

60. It had been proposed that each year the Governing Council should set aside some time for the consideration of specific policy issues. The Council's attention would be drawn to the available options and the necessary documentation would be put at its disposal. At the current session, the Council would consider the three issues raised in General Assembly resolution 35/81 and detailed in paragraph 12 of document DP/562. As the main intergovernmental organ responsible for operational programmes and funds, the Governing Council could forcefully demonstrate its leadership role in responding promptly and effectively to the requests of the General Assembly emanating from its comprehensive policy reviews of operational activities.

61. The second part of document DP/562 was concerned with issues of a more structural nature, including the length of the session, high-level Council meetings, subject-oriented sessions and the holding of an organizational meeting in order to elect the Bureau. The dates of the 1982 Governing Council session had been adjusted in order to meet the desire expressed by a number of delegations to have an adequate interval between the end of the Council session and the beginning of the session of the Economic and Social Council. The document also contained measures to improve the organization of the work of the session.

62. The third part of the document dealt with the problems of work arising from the volume of documentation. The amount of documentation had been substantially reduced since 1973 and it had been decided to reduce it further by setting a quota of 1,500 pages, of which 300 pages would be policy papers and the remainder documents for information. In view of the cost of producing the country programmes in all working languages, it had been proposed that the country programmes should be reproduced in full only in the original language of submission, with resumés available in the other working languages.

63. The PRESIDENT inquired whether any delegation wished to make a statement in the general debate.

64. Mr. McPHERSON (United States of America) said that his country regarded the annual Governing Council session as an opportunity to reaffirm its support for the development efforts of the United Nations. It also recognized the role and achievements of UNDP.

65. Despite the significant advances made in recent years, it was still essential to move quickly in order to keep pace with increasing demands for food, energy, water and other resources. Population growth rates remained unacceptably high in too many countries and food production per capita was actually declining in many. Lack of access to key resources, particularly energy, continued to impede growth in many countries.

66. Although it was evident that the developing countries themselves bore primary responsibility for working out acceptable solutions to their development problems, the wealthier nations must continue to offer technical capability and resources. UNDP, which would continue to play a key role in that effort, was indeed a unique

(Mr. McPherson, United States)

programme, being the world's leading technical assistance organization, providing assistance to more than 150 nations and territories. It was one of the few development organizations that took a holistic approach to the development process. It identified the most serious obstacles to development and directed technical and financial resources to overcoming them, doing so in full partnership with the developing countries. In that way, UNDP made the point that those countries themselves bore the primary responsibility for fostering their own economic growth. Statistics bore out the success of the partnership: UNDP recipients currently defrayed some 60 per cent of all UNDP-related project costs. The United States fully supported that basic self-help philosophy, which had nurtured its own evolution as a democratic and economically viable nation.

67. He noted that UNDP has also been responsive to the changing needs of its member countries. Its emphasis on agriculture, forestry and fisheries reflected increased world concern with food shortages. Moreover, the Programme's allocation criteria for the third cycle properly addressed the urgent needs of the poorest countries. His country shared those concerns and supported the allocation formula. UNDP also played an important and complementary role with regard to other programmes, both multilateral and bilateral, and operated in areas where no other programmes existed.

68. He recognized UNDP's leadership role in co-ordinating technical assistance in the United Nations system for the poorest countries. It was in a unique position to co-ordinate the efforts of other donor agencies. The Governing Council had demonstrated its special concern for countries most in need. Through its weighting formula and the third cycle allocations decision, some 39 per cent of total UNDP country programme resources would go to countries with per capita GNP below \$250.

69. He also wished to endorse UNDP's emphasis on human and institutional development in recipient countries. The previous three decades had shown that sound institutions and adequate training were essential to equitable development and also that institution-building and training increased the absorptive capacity for foreign assistance and private investment. Those tools would help developing countries to plan and implement their own programmes. He considered the special value of those UNDP approaches to be the support they provided for development assistance efforts by other bilateral and multilateral development institutions.

70. As the Administrator of the USAID programme, he wished to outline some of the key factors in that programme. USAID shared institutional and technological experience and know-how with the countries which it assisted. USAID would pay increased attention to the policy framework within developing countries. Recipient countries needed to develop policies that would stimulate, rather than hinder, the effective use of scarce resources. For example, agricultural policies which kept farm-gate prices too low had tended to discourage food production in many countries. Furthermore, the private sector, both foreign and indigenous, should be encouraged to play a larger role in development. Over the previous 40 years it had been the market economies that had achieved the highest level of economic growth and human welfare. The private sector had played a vital role in that success by stimulating the transfer of technology, training, and activities which created investment and employment opportunities. It was essential to allocate assistance to programmes and projects that yielded the most benefits at the least unit cost. It

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was equally necessary to continue to ask whether the programmes being assisted benefited the poor, who needed them the most. The difficult fiscal situation in the United States and other countries made it all the more important to achieve maximum efficiency in the use of scarce financial resources. Both bilateral and multilateral programmes would face hard choices in the best use of available financial and human resources. Strengthened evaluation would be an essential tool for making those hard choices on a rational basis. He therefore commended UNDP for the steps it had taken to integrate evaluation into the project cycle.

71. It was also important to make the best of UNDP's non-financial resources. UNDP had an extensive field staff with first-hand personal knowledge of each country, its institutions, traditions and economic situation. UNDP was therefore well qualified to carry out pre-investment work, preparing the way for financing decisions by other organizations. The United States supported the Administrator in encouraging the resident representatives to strengthen the emphasis they gave to pre-investment activities. He would, however, take that encouragement one important step further by urging that when pre-investment projects were being considered, special attention should be given to those with a potential for private sector financing.

72. The United States strongly supported the concept of technical co-operation among developing countries and believed that when developing countries helped each other to solve problems, each one accelerated its own progress towards self-reliance. Comparative advantage should also play a key role in those co-operative development efforts. He supported the decision to integrate the theme of TCDC into the Governing Council's regular meetings.

73. His Government had reconfirmed its commitment to accord high priority to assistance in family planning through bilateral and multilateral channels. The Reagan Administration had therefore proposed rates of increase for population programmes in the 1981 budget request which were significantly higher than for most other programmes. He noted the important role played by the United Nations Fund for Population Activities (UNFPA) in stressing the impact of unrestrained population growth on finite global resources and in helping countries to formulate and carry out plans to reduce birth rates. He endorsed UNFPA's leadership in that field and encouraged it to focus its resources on core activities supporting family planning.

74. The United States reaffirmed its support for decision 80/30 which contained the principles of UNDP resource allocations for the third development cycle. Those principles represented a strengthened commitment to meeting the urgent needs of the poorest countries, some 80 per cent of country programme resources being reserved for countries with a per capita GNP of less than \$500. By making that consensus decision, the Council had declared that first priority would go the neediest, regardless of the ultimate size of the overall programme. He noted that there might be a shortfall in overall contributions for the third cycle because of over-optimistic projections. If that proved to be the case, indicative planning figures would have to be adjusted. He felt that the Council had been right to decide in 1980 that any such adjustments would be distributed pro rata among all recipients. The provision for a phased schedule of reimbursement by certain countries contained in decision 80/30 had been a breakthrough in the United Nations system as it encouraged countries which had benefited from international grant assistance to share their gains with more needy countries.

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75. He said that, in planning for the third cycle, it was necessary to be realistic in balancing programme levels against anticipated resources. In a time of economic uncertainty and budgetary austerity, any predictions of sustained real growth in contributions were optimistic. Therefore, the only responsible approach in calculating programme planning figures was to aim for zero deficit. As the Administrator had pointed out, the Council might need to agree on a level for the third cycle field programme below the 80 per cent planning figure in order to operate within available resources. Certain projects might have to be cut back as a result of reduced programme levels. In some cases, he would encourage UNDP to explore co-financing arrangements with other donors. USAID would be interested for example in considering co-financing arrangements for mutually agreeable projects in its priority sectors. He believed that such co-operation could be a promising approach to more efficient use of limited assistance resources.

76. When programme resources were scarce, there was a need for maximum flexibility in those resources which were available. To permit realistic assessment of total programme resources, including administrative requirements, contributions from net donors must be in readily usable currencies. His Government was particularly concerned that UNDP resources should not substitute for national resources which were being used to foster or sustain aggression and/or were aimed at occupation of another Member's territory.

77. Finally, he commended the Administrator and his staff for their emphasis on efficiency in the use of resources. In particular, he noted their efforts to streamline and simplify policies and procedures, to introduce flexibility into the country programming process and to direct UNDP resources to the most needy countries. Those were all indications of a vibrant and committed organization. He reiterated his confidence in the United Nations development system and in UNDP's central role in that system and looked forward to increased collaboration between the United States bilateral programme and UNDP, working together towards equitable development and harmony among the nations of the world.

The meeting rose at 5.15 p.m.