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SUMMARY RECORD OF THE 715th MEETING

Held at Headquarters, New York,
on Friday, 12 June 1981, at 3 p.m.

President: Mr. GADEL HAK (Egypt)

later: Mr. ABDULAH (Trinidad and Tobago)

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The meeting was called to order at 3.10 p.m.

PROGRAMME OF IMPLEMENTATION (continued) (DP/510 and Add.1, DP/511 and Corr.1, DP/512 and Add.1, DP/513, DP/514, DP/515 and Add.1, DP/516, DP/525, DP/558 and Corr.1)

PROGRAMME PLANNING AND PREPARATION FOR THE THIRD PROGRAMMING CYCLE, 1982-1986 (continued) (DP/517, DP/518 and Add.1, DP/519, DP/520, DP/521, DP/564, DP/565)

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS (continued) (DP/522)

FURTHER CONSIDERATION OF THE ORGANIZATION OF THE SESSIONS OF THE COUNCIL (continued) (DP/562)

1. Mr. TAKASU (Japan) emphasized the importance of Governing Council decision 80/30 concerning preparations for the third programming cycle. That decision, which reflected the fact that the Council had begun to pay greater attention to the needs of low income countries and other specially disadvantaged developing countries, was a landmark in the evolution of the concerned efforts undertaken to promote greater self-reliance on the part of developing countries in the pursuit of their economic and social development.
2. Japan had long recognized the catalytic role of UNDP in the technical co-operation activities of the United Nations system and its contributions for the second cycle had been increasing substantially - by more than 23 per cent annually during the past four years. For the financial year 1981, its contribution would be \$45.9 million, apart from its various other contributions, which included \$1 million to the United Nations Capital Development Fund, \$29.5 million to the United Nations Fund for Population Activities and \$2 million for the United Nations Revolving Fund for Natural Resources Exploration. The average annual rate of increase in Japan's contributions for the second cycle as a whole would thus be 20 per cent, well over the 14 per cent target, despite the budgetary constraints imposed by the restructuring of the national budget and efforts to restore the health of the national economy. His country was not yet in a position to indicate precise figures for the third cycle since the budget for the next financial year was currently under discussion. Like many other countries, Japan was experiencing economic difficulties and the 1982 budget would provide for zero growth. Nevertheless, Japan's allocation for official development assistance was one of the very few exceptions and his Government would make every effort to maintain that position during the next five years. His Government hoped, however, that its efforts would be matched by other donors, particularly those whose contributions had been conspicuously small and those in a position to make increased contributions. Corresponding efforts should be made to ensure the best use of the limited resources of UNDP, especially by improving the situation with regard to non-convertible currency and redoubling efforts to contain administrative and agency support costs, because all countries were affected by the world economic crisis.

(Mr. Takasu, Japan)

3. It was clear from decision 80/30 that the 14 per cent target, to which so many speakers had referred, and the IPFs were intended to be used for forward planning. Moreover, in adopting that decision by consensus the major donor countries, including Japan, had expressed the view that the assumption was unrealistic in the light of the world economic situation and trends prevailing at the time and foreseen for the future. In any event, planning, whether in market economy countries or in countries with centrally planned economies, was an exercise aimed at setting targets for income and expenditure on the basis of the best available estimates and at incorporating various competing needs by establishing priorities. Given the unavoidable discrepancy between estimates and realities, adjustments became necessary. The success or failure of planning depended on the ability to keep such discrepancies to a minimum. Accordingly, the Administrator's warning concerning the consequences of a shortfall in resources had been intended as an urgent appeal for efforts to attain the target. Like the United Kingdom delegation, his delegation considered that the Council should express confidence in UNDP and its administration, which had overcome a more serious crisis only a short time earlier.

4. As to the question posed by the Administrator in his note entitled "UNDP: planning for the 1980s" (DP/517) concerning the decision which the Council should take on the level of the field programme, the logical conclusion would be to apply the provisions of paragraph 4 of decision 80/30. However, given the deleterious effect of frequent or sharp changes in planning and programming levels, his delegation, while keenly interested to hear the views of other delegations, was prepared to consider the suggestion made by the Administrator in the last part of paragraph 12 of annex I to document DP/517. In order to enable the Council to take decisions on the size of the field of programme on the basis of the Administrator's scenario and bearing in mind that the constraints would be more severe than those obtaining during the second cycle, his delegation shared the views of those delegations which had referred to the need for greater efforts by all concerned to make more effective use of available resources. He wished to stress in particular the need to augment the limited resources of UNDP with other resources, both bilateral and multilateral, while avoiding duplication. Although that was primarily the concern of recipient Governments, UNDP, whose wide network of field offices would be strengthened with the appointment of additional resident co-ordinators, could greatly assist Governments through its co-ordinating and catalytical roles.

5. It was also essential for UNDP and the executing agencies to make increased efforts to ensure a closer link with pre-investment activities. While the Administrator's report on that matter (DP/521) was encouraging, efforts in that area should not be directed towards the expansion of UNDP's mandate for financing or an increase in its resources, but rather should aim at assisting Governments in planning technical assistance projects in those areas with high potential for attracting funds from other sources, including the private sector. In that connexion, his delegation considered that the establishment of new funds, particularly those with their own administrative machinery, should be discouraged. The activities of existing funds, especially those whose administration had been

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(Mr. Takasu, Japan)

entrusted to UNDP, such as UNFPA or the United Nations Fund for Natural Resources Exploration, should, on the other hand, be promoted.

6. Another point which his delegation wished to emphasize was the setting of priorities. The basic principle governing the technical co-operation activities of the United Nations system was that priorities should be set by recipient Governments since priority areas would differ from country to country. Nevertheless, there might be some merit in reviewing that matter, particularly in view of the possible need for some retrenchment in programmes or the deferral of certain projects. His Government had in recent years given priority in its bilateral technical and economic co-operation activities to the development of human resources, agricultural production and energy, and it noted with satisfaction that many country programmes included priority projects in those areas. It was, however, a matter of concern for his delegation that the "equipment" component in some projects was excessively high, which disproportion was clearly not in keeping with the spirit and aims of UNDP.

7. The containment and reduction of administrative and other support costs was also a matter of concern. His delegation welcomed the measures taken or planned by the Administrator in consultation with the participating agencies; the report on the Inter-Agency Procurement Services Unit (DP/559) was an excellent example of such co-operation. A point to be noted, however, was that although the administrative budget for the 1982-1983 biennium was a zero-growth budget, it had been calculated on the basis of the 1981 budget, which presupposed approval of the supplementary budget request, including the creation of 63 new posts. In the view of his delegation, that matter required careful scrutiny, particularly in view of the fact that the size of programmes for the biennium might have to be reduced.

8. Finally, with regard to country programming and programme implementation, his delegation welcomed the Administrator's efforts to streamline programme formulation, approval and implementation procedures. Government execution of projects was in line with the "new dimensions" concept and should further the self-reliance of developing countries. Some of the proposals in the report on that subject (DP/558), however, eluded his delegation's immediate understanding because of their financial implications and because they reflected drastic policy reversals which, in many instances, did not appear justified. While the proposals for simplifying the format of country programmes did meet the need for speedy processing, they could greatly reduce the Council's role in examining programmes the execution of which was financed by its members. Project evaluation efforts should include evaluations conducted by independent external organizations so that a more objective appraisal could be made. Such an evaluation would be a valuable help to the Council in forming a judgement on UNDP activities and making over-all policy decisions.

9. Active participation by the Council and its members would also be instrumental in promoting among the governments and peoples of participating countries a better understanding of the nature and value of UNDP activities with a view to mobilizing the necessary support for UNDP's activities and resources.

10. Mr. ASRANI (India) expressed the hope that the appeal made by the Administrator in his remarkable opening statement would not have been in vain. Most speakers, including the representatives of the major contributors, had reaffirmed the importance of UNDP and its central role in technical co-operation. It was hard to see how those same countries could then countenance a 12 per cent cut-back in real terms in the Programme's technical co-operation activities as compared with the resources made available during the second cycle. Of course they had economic problems, but so did most countries. The Council could not ignore the Administrator's statement that three decades of international action in favour of economic and social progress would, by 1985, have resulted in an increase of only \$50 per capita in the annual incomes of the poorest countries since 1965, compared with an increase over the same period of \$3,900 per capita for the rich countries, which had already been 30 times better off in 1965. At such a critical juncture in the life of the entire planet, a renewed appeal must be made to the developed countries to make the necessary effort to live up to the expectations set forth in Governing Council decision 80/30.

11. The amount of developed countries' contributions to UNDP was insignificant in the context of their economies, and yet it could generate activities which, with the multiplier effect of technical co-operation, could make a significant contribution to the development of some of the poorest countries. It was true that some countries had expressed reservations about the target of 14 per cent growth in resources, but none had advocated a nominal growth rate of 8 per cent or a 12 per cent reduction in programme delivery in real terms as compared with the second cycle. With an anticipated inflation rate of 12.5 per cent, a nominal growth rate of 14 per cent was hardly unrealistically high. It should be remembered that decision 80/30 had reflected a shift in favour of assistance to countries with a per capita income below \$500, with special provisions for those with a per capita income below \$250. In the process, some developing countries had made considerable sacrifices in order not only to meet the needs of other developing countries but also to meet the desires of the major contributors, in the anticipation that the latter would in turn help UNDP to live up to expectations as regards total resources. It was to be hoped that, since the third cycle covered a five-year period, contributing countries would adopt a more enlightened attitude in the future. It would be dangerous to start a vicious circle whereby a cut-back in programmes led to a cut-back in contributions and vice versa. Regardless of existing problems decision 80/30 must, as the Chairman of the Group of 77 had stated, be supported and any reduction in the third cycle as a whole ruled out.

12. He agreed with the representative of Sweden that the Intergovernmental Study Group on Future Financing of the Programme should be reconvened, and that it would be much more constructive to let it consider the resource situation rather than talk about reducing IPFs for the third cycle before the cycle had even begun. As the representative of Sweden had said, the first step should be to call for restraint in UNDP's administrative spending. It was difficult to justify increasing the number of posts when there was not growth in real terms in programme delivery. Even within a zero-growth budget, there should be a redeployment of staff at Headquarters and in the field offices to reflect the shifting direction of IPF allocations. His delegation also hoped that UNDP would

(Mr. Asrani, India)

play a co-ordinating role in the field offices in order to reduce administrative costs and therefore supported the Administrator's recommendations on government execution of projects (DP/558). The fears expressed by some delegations in that connexion were exaggerated: no government would undertake project execution unless it considered itself capable of doing so. Where government handling of money was concerned, bureaucratic procedures in most developing countries were at least as complicated as in developed countries, and that was why the number of government-executed projects remained so small. If there was any serious desire to increase their number, governments would have to be given an incentive by way of reimbursing their support costs. Such reimbursement could well be below 13 per cent. Even with such incentives, however, the number of government-executed projects was hardly likely to increase significantly but it would set a welcome trend since, in addition to making savings in support costs, that procedure offered advantages in terms of the experience and self-reliance which it could bring about in recipient countries.

13. With regard to the organization of the Council's work, at the twenty-seventh session his delegation had spoken in favour of streamlining the agenda and shortening the annual sessions. A number of delegations were, however, recommending more frequent meetings of the Budgetary and Finance Committee. His delegation was apprehensive that such a measure would gradually lead the Council to take the totally illogical step of turning over its responsibilities to the Budgetary and Finance Committee. It would be preferable to adopt the recommendation made by the Administrator in document DP/562 to the effect that short subject-oriented Council sessions should be held to consider specific matters.

14. His delegation welcomed the importance being attached to pre-investment activities and the steps being taken to improve linkages between pre-investment projects and follow-up investment. The country programme for India already included two such projects and two others were contemplated.

15. He reaffirmed his delegation's support for the central role of UNDP in the United Nations development system. It had the utmost faith in UNDP's implementation capacity, as was indicated by its pledge to contribute for 1981 the equivalent of more than \$8 million. That contribution, made by a country with a per capita income of less than \$200 per annum, was the best tribute which could be paid to the Administrator and his team, who had brought the second programming cycle to a successful conclusion.

16. Mr. HALIM (Malaysia) said that in view of the results already attained by UNDP, every participating country should redouble its efforts to ensure the growth of the Programme and to strengthen the exceptionally important role which it played in the third world's development. His delegation shared the Administrator's concern over the serious situation with regard to resources for the third programming cycle. The problem should be addressed by the Council before the cumulative effects of a reduction in the rate of growth over the following four years diminished the effectiveness of the Programme. His delegation therefore urged all member countries, particularly the industrialized countries, to strive

(Mr. Halim, Malaysia)

to maintain the momentum of the Programme by revising the level of their voluntary contributions. It also urged that such contributions should be made in convertible currencies, in accordance with decision 80/30, paragraph 16 (b).

17. In the light of current uncertainties with regard to the resources available for UNDP's third cycle, his delegation was prepared to accept the UNDP administration's proposal to conduct field operations for the first year of the third cycle (1982) at the level of 80 per cent of the field programme agreed to in decision 80/30. However, it urged the Administrator to undertake further consultations with major donors with a view to achieving the target envisaged in that decision. If that target could not be attained during the third cycle, his delegation would urge that the disbursement of IPF resources should be reduced by a flat, across-the-board percentage as provided for in decision 80/30, paragraph 4 (a).

18. Yet another question to which serious consideration should be given, in view of the current uncertainties, was that of the establishment of additional funds outside the framework of UNDP. Malaysia had consistently recognized UNDP as the central funding and co-ordinating organization for United Nations technical assistance. It therefore considered that the establishment of other funds, rather than attracting additional resources, would merely introduce competition and serve to reduce the share of available resources going to UNDP. With regard to the existing special funds for technical co-operation, his delegation was satisfied with the existing procedure of entrusting their management to UNDP. If the international community deemed it necessary to establish new technical assistance funds within the United Nations system, their management should be entrusted to UNDP so that administrative costs could be minimized. His delegation, as it had stated at the twenty-seventh session, considered it necessary for UNDP and its executing agencies to reduce their administrative overheads and it commended the efforts made by UNDP to that end. It was also encouraging that UNDP field officers were in future to play a more effective role and that they were capable of assisting many developing countries in co-ordinating externally-financed projects. It was to be hoped, however, that such activities, undertaken at the request of Government, should not be taken as factors justifying the expansion of the field offices.

19. All the efforts undertaken to ensure the growth of the Programme should be complemented by efforts to use country IPFs effectively. Malaysia had always regarded UNDP assistance, which complemented all other forms of bilateral assistance, as a catalytic form of assistance for enhancing the capacity of countries for development. UNDP assistance should never be considered as a supplementary source of finance to cover operational costs that should come from the national budget. Neither should it be considered as a way of financing the transfer of capital goods. The two country programmes implemented in Malaysia had proved extremely beneficial in various ways. In its third country programme, Malaysia would continue to make effective use of the assistance provided by UNDP, in accordance with the priorities set by the national five-year development plan. He was certain that other recipient countries would do likewise. Malaysia was pleased with the cost-sharing arrangements which it had recently experienced. It intended to continue using such arrangements in its third country programme.

(Mr. Halim, Malaysia)

20. In conclusion, he reaffirmed his Government's support for the intercountry programme for Asia and the Pacific described in document DP/523. He was gratified by the scope of the consultations which had been held on that subject at the national and subregional levels, and the sectoral approach which had been adopted.

21. Mr. LATOUR (Cuba) observed that the state of the world economy, for which third-world countries bore no responsibility, had the effect of deepening the gulf between developed and developing countries. The blame for the stalemate in international economic negotiations rested with the developed countries, which rejected the aspirations of the developing countries for the recognition of their most basic rights, particularly with regard to the establishment of a new international economic order. The situation had recently become more complicated because the forces of reaction, wishing to return to cold-war policies, had started a frenzied arms race and were using economic blockade as an aggressive weapon and practising a policy of discrimination, even in the case of food aid.

22. To deal with such problems, eminent scientific and political figures had advocated intensive international co-operation in a form conducive to peace and absolute respect for the sovereignty of all nations, whatever their political and social systems. Peace was indispensable for development and those who endangered it hindered the progress of poor countries. His delegation trusted that UNDP, the most important of all programmes of international co-operation, would remain faithful to its principles and continue to strive for true co-operation, which alone could foster a climate of peace.

23. The Administrator had described clearly and objectively the difficulties facing UNDP, and had demonstrated that only significant political decisions could give the necessary momentum to that vehicle for international co-operation. It was to be hoped that his words would be heeded by those in whose power it lay to help to overcome current problems. Moreover, his delegation firmly supported the statement made by Mr. Perez Guerrero on the Group of 77's positions of principle with regard to the main questions considered at the current session. First, the Group of 77 unanimously supported the concepts on which the Programme was based, as defined in the 1970 Consensus, the 1980 Consensus and the "new dimensions" resolution. It was important to note that the Group of 77 had supported decision 80/30, which provided an irreplaceable set of guidelines for countries and for the Programme. As had often been stated, the chief problem was inadequate resources, and it was due to the fact that the 14 per cent annual growth in contributions had not been achieved. It was thus very important, as many delegations had stated, to maintain the strength of the Programme while respecting its universal, voluntary nature. The increasingly common practice of attaching certain conditions to the use of contributions ran counter to those principles and should be rejected. Moreover, it was quite certain that the current economic position of the major donors in no way justified a reduction in their contributions, as had been demonstrated in, for example, the case of the United States. Furthermore, funds contributed to UNDP were returned to donor countries, with interest, apart from the commercial publicity which they gained at the project execution level. It was not irrelevant to point out that if a tiny proportion of armaments expenditure were allocated to development the Programme would not lack funds for its expansion.

(Mr. Latour, Cuba)

24. His delegation approved of the trend towards government execution of projects within the framework of the "new dimensions" adopted by the Programme, on the understanding that each country could make the sovereign decision to assume that responsibility or to have it given to executing agents chosen for that purpose. In the field of data processing, for example, it might be helpful to use the Inter-Organization Board for Information Systems as an executing agency. His delegation reaffirmed its support for the United Nations Fund for Population Activities and considered that its financing and organization should be strengthened, in view of the vital importance which it had for developing countries. It also supported the Interim Fund for Science and Technology for Development and hoped that it would receive the resources necessary for the initial phase. Furthermore, it urged that UNDP assistance to national liberation movements recognized by OAU and to the Palestine Liberation Organization should continue.

25. Turning to the organization of the Council's work, he said that the Council should think seriously before making substantial or procedural changes so that all countries could play an active part. For the time being the best course would be to make no decision but to explore the most appropriate means of improving the Council's work

26. His delegation shared the concern expressed by other delegations about the magnitude of the Programme's administrative costs when set against the funds allocated to programmes and field projects. As the representative of Mexico had suggested, the Council should have confidence in the Administrator's ability to keep those costs within reasonable limits.

27. With regard to the Regional Bureau for Latin America, he said that the Director of the Bureau had succeeded in making it easier for Governments in the region to participate more effectively in regional programmes, and that it should be possible in future to establish links with the African and Asian regions in order to promote economic co-operation among developing countries. One feature of the 1982-1986 programme for Cuba presented by the director was that almost all the projects had been so designed that their results could be applied to other countries in the region and in other regions, as was consistent with the internationalist philosophy embraced by Cuba, which was willing to step up its activities in the sphere of economic and technical co-operation among developing countries.

28. He reiterated his delegation's confidence in UNDP, which was an irreplaceable instrument for international co-operation in technical assistance, and expressed his confidence that existing obstacles to the Programme's progress would eventually be overcome.

29. Mr. ALAINI (Yemen) said that UNDP was facing alarming difficulties, and that unless that situation was dealt with promptly, it would have a serious impact on the future of the Programme and on recipient countries. Even a partial cut-back in the planned programmes of UNDP could result in irreparable damage to the economies of those countries. For that reason his delegation joined the Administrator in his appeal to the international community to pay their contributions and even to increase them so that UNDP could implement its plans for 1982-1983.

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(Mr. Alaini, Yemen)

30. As one of the beneficiaries from UNDP programmes, his country was striving to achieve the objective of self-reliance. In that endeavour UNDP assistance was essential. For its second five-year Development Plan, beginning in 1982, his country had been expecting \$90 million from UNDP for development projects for 1982-1983. His Government had been very disappointed to learn that it would only receive a third of that amount. Nevertheless, it remained hopeful that the rich countries would fulfil their commitments to UNDP so that ongoing assistance programmes would not have to be cut back or future programmes cancelled.

31. Yemen was currently reviewing its first five-year Plan so that the second one could be prepared on a realistic basis. The Government had also reviewed its national accounts under expert supervision, since previous published figures had not been compiled on a scientific basis. As a result, the Government had revised the previously published agricultural and migration statistics. It had consequently concluded that per capita income was less than \$400, whereas the World Bank had assessed it at \$410. The national account documents were about to be distributed to the appropriate agencies. On the basis of the revised date, Yemen would, in its second five-year economic Plan, concentrate on projects relating to agriculture, transport, education and health. The main problems being faced were those of finance and the lack of skilled personnel; Yemen was trying to resolve the first of those problems by acquiring loans from friendly countries and international organizations; as for the second, Yemen was reassessing the technical and professional training of personnel, both locally and externally, in such a way as to meet the requirements of the second Plan.

32. He emphasized the role played by the people of Yemen in the development of their country through co-operative associations which enabled them to invest in projects in such areas as health, education, roads, handicrafts and agricultural co-operatives. Through that unique experience, the people of Yemen, in their fight against poverty, illiteracy and disease, were making a practical effort to realize their aspiration of self-sufficiency. As the Administrator had said, development had become an international undertaking benefiting poor and rich countries alike. Yemen was doing its utmost to take part in that process through its own efforts and was grateful for the assistance that it received, directly or indirectly, from the developed countries.

33. Mr. BOLE (Fiji) said that his delegation shared the concerns expressed by other delegations about financial resources for the third UNDP programming cycle. The Administrator had reported that the target of \$6.7 billion for the third cycle was unlikely to be achieved and that, in all probability, only 77 per cent of that amount would be available; that meant that the annual growth of voluntary contributions would be only 8 per cent, instead of the target of 14 per cent embodied in Council decision 80/30. That was an extremely disquieting prospect since the developing countries had come to regard UNDP as an important source of urgently needed funds and expertise. The indispensable catalytic role played by UNDP in development could not be overemphasized. In Fiji 35 projects in the social and economic sectors had been supported by UNDP funds during the second programming cycle, and a dozen or more of those projects would continue during the third cycle. Given the significance that developing countries attached to the

(Mr. Bole, Fiji)

operational activities of UNDP, his delegation was sure that all countries would make a concerted effort to increase their voluntary contributions. Fiji, which had shortly before increased its modest voluntary contribution, hoped to strengthen its financial support of UNDP in the coming years.

34. Island developing countries faced special problems; in that context he noted the increased regional IPF for Asia and the Pacific region, which could only strengthen the role of economic co-operation among developing countries. The South Pacific region, while small in terms of land area and population, was none the less a complex one, comprising over a dozen independent countries. Their uniqueness stemmed from their small size and isolated position; the sea separating them presented a more difficult obstacle than did land barriers, particularly because of the cost of shipping. Both the small and large island countries had a predominantly rural population - in the case of the most remote islands, the population still lived on a subsistence economy - and exports did not provide a major source of income. His delegation approved the provision of decision 80/30 on allocating large amounts of multilateral aid to the poorest countries and hoped that it would be implemented flexibly. For instance, IPFs which could not be fully utilized might be reallocated to meet urgent needs; as many delegations had stated, intersessional meetings might be useful for that purpose. The small island countries of the South Pacific had economic and social problems which were as varied as and often more acute than those of the larger developing countries because of their limited economic resources, their isolation from world markets, their extremely small home markets, their heavy dependence on a small number of primary products and the soaring inflation of recent years. Moreover, every year many Pacific islands were struck by natural disasters. His delegation hoped that in the determination of IPFs, an effort would be made to optimize development assistance in the Pacific region.

35. While it was obvious that most multilateral aid should go to the countries with the lowest per capita income, the programmes for middle-income countries, particularly island developing countries, should also be increased. However, the criteria being employed in the allocation of aid penalized the development efforts of small island countries like Fiji. The problems of the developing countries in the Pacific region had been recognized by the international community at, for instance, the fourth session of UNCTAD and in many General Assembly resolutions adopted by consensus, and special measures in favour of those countries had been included in the recently adopted International Development Strategy.

36. His delegation was pleased that the Administrator had sent an intercountry programming mission to the South Pacific in November 1980 as part of a regional programming exercise involving the whole of the Asia and Pacific region. It welcomed the proposal to involve developing countries in the identification of priorities for the regional and interregional programmes for the third programming cycle. It also agreed that the responsibility for identifying and formulating country and intercountry programmes should rest largely with recipient countries, utilizing the experience and expertise of UNDP and the specialized agencies. Such an approach was very important for the success of such programmes.

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(Mr. Bole, Fiji)

37. The sum of \$226 million had been allocated for intercountry programming for Asia and the Pacific region for the third programming cycle. Of that amount, \$20 million had been earmarked for 33 regional projects for the Pacific, with \$14.6 million going to ongoing projects and \$5.4 million to new projects. In his delegation's view, an allocation of \$20 million for the Pacific subregion was too low; in fact the proportion of Asian and Pacific regional funds to be allocated to the Pacific in the third programming cycle was smaller in percentage terms than the allocation for the first cycle. The increase in monetary terms was almost negligible, given that the region consisted mainly of developing island countries. Similarly, Fiji's annual allocation had remained the same over the previous 10 years, which meant that it had diminished considerably in real terms, while substantial increases were envisaged for other countries in the region.

38. Another area of concern to his Government was that UNDP regulations made it difficult for the Government to divert funds from technical assistance to development projects. Since the major thrust of Fiji's eighth development programme was on increasing the country's productive capacity in order to make the island economically more self-reliant, it should be possible to divert more funds into production-oriented projects.

39. Finally, in the light of the severe financial shortfall that was being forecast, his delegation agreed with the opinion expressed by a few representatives and observers, including the representative of the World Bank, to the effect that aid should be sought from bilateral sources and that local professionals recruited for executing government-initiated projects might be paid at the rate prevailing in their country.

40. Mr. Abdulah (Trinidad and Tobago) took the Chair.

41. Mr. RUKIRA (Rwanda) said that his Government, in its desire to speed up the development process in the country, had decided to synchronize its five-year development plan with UNDP's third programming cycle, since the resources allocated by the Programme formed a substantial proportion of the official assistance it received. Rwanda had requested UNDP assistance in order to help it overcome the many obstacles facing it, particularly its land-locked situation and its lack of natural resources and the fact that it was experiencing a population explosion, had a limited market and possessed inadequate budgetary resources.

42. In its five-year plan his Government was giving priority to satisfying the basic needs of the population, particularly the poorest strata. The main aims of the plan were self-sufficiency in food, job creation, education, housing and health. The execution of the development programme would cost more than \$US3 billion for the decade 1980-1990. To help it finance the five-year plan, his Government would ask friendly countries and agencies to provide it with assistance in the form of grants and loans on favourable terms.

43. Working on the principle that progress in national development could be made only against a background of regional co-operation, Rwanda had become a member of two regional organizations, the Great Lakes Economic Community (CEPGL) - to which

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(Mr. Rukira, Rwanda)

Burundi and Zaire also belonged and which aimed at carrying out projects of interest to all three countries - and the Organization for the Planning and Development of the Kagera River Basin (OBK), which included Burundi, Rwanda, Tanzania and Uganda and whose aim was to promote co-operation between those countries in such areas as energy, agriculture, industry and infrastructure.

44. With regard to infrastructure, his Government attached special importance to the completion of the railway project which would give the country access to the sea by linking it with the Indian Ocean. UNDP and a number of countries had already announced that they would contribute to the project, which would be carried out as part of the United Nations Transport and Communications Decade in Africa, and he hoped that other sources of finance would also participate.

45. The will of the countries of the region to promote their gradual integration could be seen in their efforts to establish a preferential trade zone which would help to achieve the objectives of the Lagos Plan of Action.

46. Rwanda's IPF would, at its request, be divided among the following priority areas: agriculture, industrialization, education, natural resources, development of the transport and communications infrastructure, and planning assistance, so that there would be a concentration of effort on those key sectors. His Government had observed that technical assistance tended to absorb the bulk of UNDP resources received by countries and had accordingly requested the Programme to consider reducing the size of that component in each project budget with a view to increasing the amount available for investment in the country. In order to increase the effectiveness of UNDP assistance, his Government had requested the Programme to accept the principle of joint management, to decentralize decision-making to the Resident Representative and to study ways whereby the pre-investment level could give place to the investment stage proper.

47. With regard to joint management, his Government wished to be closely associated with the management of the IPF funds and with the decision-making process involving ongoing projects. It also wanted to see very close collaboration between project experts and the relevant national authorities. UNDP should give the developing countries more real responsibility for project execution and management.

48. As for decentralizing decision-making, the Resident Representative should have more room for manoeuvre when it came to sorting out certain problems and promoting certain activities.

49. With regard to the need to move out of the pre-investment phase, his delegation felt that UNDP should strive to help developing countries which lacked a viable industrial infrastructure to set up a network of projects, particularly industrial ones, supported by actual investment funds.

50. He appealed to all countries who wished to see the objectives set forth in decision 80/30, on preparations for the third programming cycle, achieved to increase their annual contributions by a total of 14 per cent over the

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(Mr. Rukira, Rwanda)

period 1982-1986, so that the Programme could make adequate resources available to the developing countries during the forthcoming programming cycle. Unfortunately, the Administrator had not been able to secure from the countries he had consulted a pledge to increase their contributions at that rate.

51. Furthermore, his delegation sincerely hoped that those countries which had had expressed reservations about paragraph 16 (b) and (c) of decision 80/30 would reconsider their position. It was essential that UNDP should have all the necessary means to continue and intensify the development programmes undertaken under national, regional and world IPFs.

52. Turning to the question of special funds, he said that his Government did not favour an increase in their number, since it would not have enough resources to contribute to all of them. In that connexion, he found it especially regrettable that the Special Fund for land-locked countries, which was managed by the Administrator of UNDP, was not yet operational. As the representative of a land-locked developing country, he again appealed urgently to all States member of the Governing Council and to the international community to make generous voluntary contributions to the Fund.

53. Mr. KOROMA (Sierra Leone) recalled that it was against the background of a continuing deterioration in the world economic situation that the Administrator had warned of a possible shortfall of \$1.6 billion for the third programming cycle and had expressed concern at the unpredictable manner in which donors were paying their pledges. It was in order to alleviate that situation that the Group of 77 had proposed that contributions should be made available on a continuous and predictable basis. Sierra Leone agreed with Sweden that a system of three-year pledges should be adopted, with a firm pledge for the first year and an indicative figure for the following two years, subject to parliamentary approval.

54. In view of the anticipated shortfall, the Administrator had proposed that programme implementation should be cut back to 80 per cent, or even 73 per cent, of the programme provided for in Council decision 80/30, despite the fact that it had been adopted by consensus. Every effort must be made to realize 80 per cent of the planned programme as the minimum acceptable. It was hard to believe that the industrialized countries, with a sounder economic base than the developing countries, found it impossible to meet their commitments when the poor countries, which were much more severely affected by the world crisis, were prepared to do so. All States must strive to make UNDP a vehicle for international economic co-operation and technical development. All too many programmes of action adopted at various international conferences to accelerate the economic development of the poor countries, such as the Buenos Aires Programme of Action on TCDC, the Interim Fund for Science and Technology for Development and UNFPA, had remained still-born for lack of resources.

55. With regard to a suggestion that the capital base of the World Bank should be strengthened so that it could take over some of the activities of UNDP, he said that negotiations on the subject could not be undertaken without pre-investment studies. UNDP would therefore have to be strengthened as a pre-investment agency.

(Mr. Koroma, Sierra Leone)

However, giving technical assistance by loans was not a satisfactory solution to the problem of under-development, and reducing UNDP resources would have an adverse effect on the low-income countries, which assigned their most difficult development projects to UNDP. On the other hand, Sierra Leone found merit in promoting multilateral and bilateral co-operation with UNDP, provided that such co-operation did not stand in the way of an increased flow of resources to the Programme.

56. His country attached tremendous importance to TCDC, and he therefore wished to recall the interesting Conference of African Governmental Experts on Technical Co-operation among African Countries which UNDP had organized at Nairobi. The Conference had enabled the African participants to review past experiences, to assess short-comings and encouraging trends and to map out some of the directions and priority areas of action for the coming years. Particular attention had been devoted to three areas: rural development; food production, processing and marketing; and science and technology for development. Sierra Leone endorsed the recommendations of the Conference and welcomed the co-operation thus established between UNDP and Africa.

57. On the subject of co-operation, he invited the Governing Council to consider what action should be taken by UNDP, and indeed by the entire international community, to support the implementation of the Lagos Plan of Action for the Economic Development of Africa. Twenty-one of the least developed countries were in Africa, which had been working hard to draw up a strategy for the economic and social development of the continent. That programme had been incorporated into the new Strategy for the Third United Nations Development Decade adopted by the General Assembly at its thirty-fifth session. That moderate and realistic plan must attract international support, and Sierra Leone, which had great expectations of the United Nations Conference on the Least Developed Countries to be held in Paris in 1981, therefore urged UNDP and UNCTAD to play an active role in the preparations for the Conference and in the follow-up action. It also invited UNDP to inform the Governing Council what actions and decisions were being taken to meet the expectations of the least developed countries for increased assistance.

58. Finally, he emphasized the important and very useful role played by UNDP field offices, which were more than merely administrative offices and represented invaluable development tools available to Governments.

59. Mr. OUMAROU (Niger) said it was vital that the world economic system, which was in the throes of a serious crisis that undermined the development of the poor countries, should be radically restructured. In its resolution 32/197, the General Assembly had already shown its willingness to enhance the effectiveness of the United Nations system as an instrument of international economic co-operation so that the developing countries might achieve self-reliance within a new international economic order.

60. It was therefore all the more disturbing to see that the target of a 14 per cent annual growth rate in voluntary contributions for the third

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(Mr. Oumarou, Niger)

cycle (1982-1986) was far from being achieved. It was also regrettable that very few developed countries had so far made an effort to increase their official development assistance to 0.7 per cent of GNP and that many of them had even reduced the volume of such assistance and of their contributions to UNDP's operational activities. The Niger therefore urged the developed countries to reverse that trend if they wanted UNDP to continue its activities and remain the principal assistance agency in the United Nations development system. UNCTAD, as well as UNDP, was constantly drawing attention to the need to increase the transfer of resources to developing countries so that they could accelerate their rate of development.

61. The industrialized countries stood to gain by promoting development assistance because, by reducing the gap between themselves and the poor countries, they would be helping to ensure world-wide prosperity for the benefit of all. Such assistance must not, however, be tied to certain conditions. Recipient Governments must retain control over the resources they received as external assistance and pursue their national objectives. The collective notion of development must be no more than a reference point, even though national and international perceptions of development must of course be complementary. UNDP provided a good example of that approach.

62. His country had not been spared by the appalling drought which had struck the Sahel between 1968 and 1973, and it therefore attached great importance to the food problem. Food problems could be resolved only by a global approach and by international solidarity. Unfortunately, selfishness still seemed to be rampant, despite genuine efforts such as reorientation of the activities of the major financial institutions towards the agricultural sector, the establishment of the International Fund for Agricultural Development and the holding in 1979 of a World Conference on Agrarian Reform and Rural Development. The right to a full stomach was at least accepted and proclaimed in international forums, but proclaiming altruistic principles was not enough; what was needed was real action.

63. Relying on itself first and foremost, the Niger had therefore decided to give top priority to food security and to develop its rural sector, for instance by increasing the amount of cultivable land, seeking to increase agricultural production, reconstituting livestock herds and combating desertification. The Government had also adopted a policy of developing the co-operative system in rural areas and of improving the water supply for agriculture. Rural development for the sake of food security was a costly undertaking, and the Niger was therefore grateful to the United Nations and UNDP for the contributions it had received in various forms.

64. He also wished to stress the importance of economic and technical co-operation among developing countries. South-South co-operation - an idea which had emerged at the Buenos Aires Conference in 1973 - should help developing countries to take advantage of the complementarity between their economies and to mobilize more resources in order to increase production and employment opportunities by means of trade and joint investment. TCDC would also strengthen the position of the developing countries in connexion with the restructuring of international economic

(Mr. Oumarou, Niger)

relations and enable them to achieve collective self-reliance. However, the developed countries and international agencies must finance and support TCDC. The necessary machinery would also have to be established to permit transfers and trade on equitable and mutually beneficial terms.

65. As a Sahelian country, the Niger particularly supported the action taken by the Executive Director of UNEP to give high priority to combating desertification. That problem must be tackled by means of an integrated approach which took all economic and social factors into account. The Niger also welcomed the activities carried on in that connexion by the United Nations Sudano-Sahelian Office.

66. His country favoured a gradual and substantial reduction in the administrative and operating costs of UNDP and hoped that the provisions of Governing Council decision 80/30 would be applied. That decision envisaged the allocation of 80 per cent of funds available for the IPFs to countries with a per capita GNP of less than \$500 and an annual resource growth of 14 per cent. It was also to be hoped that a satisfactory solution to the problem of contributions in non-convertible currencies could be found since it was regrettable that substantial amounts should remain unused while the Programme was experiencing financial difficulties.

67. his country hoped that the warning sounded by the Administrator of UNDP would be heeded and that the Council would take bold decisions to benefit the developing world.

68. Mr. LEWIN (France) expressed his delegation's gratitude to the Administrator for the manner in which he was discharging his responsibilities and assured him of the confidence and support of the French Government in the difficult times which UNDP was experiencing.

69. His delegation regretted that the documentation provided to members of the Council had not been circulated sufficiently early in all working languages and drew the attention of the Secretariat to that situation, which had an adverse effect on the Council's deliberations.

70. The medium-term planning approach - embodied in country programming - had demonstrated, after two five-year cycles, the important role which it could and should play in co-ordinating and harmonizing the development assistance provided by the United Nations system. Its practicability should not, therefore, be called into question at a time when UNDP was once again facing difficulties. In his delegation's view, as the central agency for financing United Nations technical co-operation, UNDP must steer clear of any political storms that might shake the international community.

71. By virtue of its experience and human resources, UNDP should play a distinctive role system-wide in the provision of technical assistance and ensure the necessary co-ordination in the field, while respecting the specific jurisdictions and roles of the specialized agencies. However, UNDP should strike a balance between the increasingly demanding tasks of co-ordination and management,

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and, in view of the important and difficult role assigned to resident co-ordinators, it was essential that the individuals selected to fill such posts should be well qualified and capable of inducing Governments gradually to assume responsibility for the implementation of projects in their countries with the aim of developing their own management capacities and achieving self-reliance. In performing its promotional and co-ordinating role UNDP should resist the temptation to undertake itself activities that were properly the responsibility of the specialized agencies or to become a purely administrative organ. Moreover, its central role should not lead it to impinge too much on the specialized agencies, whose autonomy must be respected.

72. With regard to UNDP's relationship with recipient countries, his country adhered to the principle according to which development was the responsibility of each individual country, and it viewed UNDP technical co-operation as one element to be incorporated into the development programmes of Governments. France favoured the devolution of responsibilities in project execution to recipient countries, but such an approach must be pragmatic since not all countries were prepared to assume those responsibilities. Practical, appropriate and effective solutions must be found in keeping with the type of project involved, the level of development of the recipient country and its capacity to manage the assistance provided. He hoped that the United Nations Conference on the Least Developed Countries would help to evolve a balanced approach to the problem.

73. Since UNDP assistance at the national level was modest in relation to the total resources provided to the developing countries, his delegation wished to emphasize that the co-ordination of assistance was a matter for which the recipient Governments alone were competent.

74. "Multilateral" assistance and "cost sharing", which his country favoured in principle, were arrangements which should be employed only on a limited basis. However, one third of the activities of UNDP's field offices related to projects financed from bilateral assistance or special purpose funds with an annual value of \$900 million. That trend, which had the effect of placing UNDP's machinery and services at the disposal of a few donor countries, should it continue, would seem to be at variance with the Programme's international character.

75. In that connexion, a tendency could be noted to question UNDP's role as the focal point for all the technical assistance activities of the United Nations system. There had been a marked and disturbing decline in the Programme's share of total resources for technical co-operation activities in recent years, which had fallen from 15 to 9 per cent of all multilateral official assistance, first because the specialized agencies were steadily increasing the volume of technical assistance financed from their own resources and secondly because there was a tendency to establish special funds, which could have the effect of making UNDP's regular programme less attractive. That trend, should it continue, would have an adverse effect on the co-ordination of development activities, which had been made possible by the country programming approach. For that reason his country did not favour the establishment of new special funds. However, if there was a need to

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establish such a fund, it should be placed under UNDP management so as to avoid the proliferation of administrative machinery.

76. His delegation commended the Administrator for the spirit of responsibility he had shown in seeking to make Governments and the Governing Council aware of the difficulties which the Programme was facing on the eve of the third planning cycle and in stating that in no circumstances should a level of UNDP activities be planned which might jeopardize the Programme's financial stability. However, that rule of sound management should not lead to a questioning of decision 80/30, which had marked an important step towards rechannelling the Programme's resources to the low-income countries. The Administrator should for the time being apply the principle of "a flat across the board percentage reduction" for all countries if the level of resources mobilized fell short of the 14 per cent target. However, from the longer-term point of view, his delegation favoured the establishment of a procedure for maintaining the IPFs of the poorest countries, especially the least developed.

77. The outlook for UNDP's income called for greater restraint with regard to administrative costs. The substantial increase in the estimates for the administrative cost was all the more difficult to justify in that they related to a level of operations that was likely to be 20 per cent lower than that of the past year.

78. With regard to measures for increasing the Programme's resources, it was not impossible, in his delegation's view, to reverse the trend of the preceding two years if, on the one hand, the trend in exchange rates, which had a highly negative impact on UNDP's resources, could be changed and if, on the other hand, the international community showed a spirit of solidarity with its poorest members. The new French Government had set the objective of doubling France's official development assistance in the medium-term and intended to ensure that UNDP received its fair share of that assistance during the next few years.

79. The difficulties which UNDP was facing imposed special responsibilities on countries which paid contributions in non-convertible currencies, which represented more than 10 per cent of the programmed resources for ongoing programmes. That practice had been condemned by the majority of members of the Council and it was to be hoped that the Governing Council would be able to take measures to deal with it which were in keeping with subparagraphs (b) and (c) - which remained within square brackets - of paragraph 16 of decision 80/30.

80. UNDP's resources could be substantially increased only if the circle of traditional donors was expanded during the third cycle. His delegation was pleased that, following consultations carried out by the Administrator, a number of countries had reacted favourably. It was to be hoped that the intentions they had expressed would be matched by deeds, particularly as far as the Gulf Arab Foundation was concerned. His delegation regretted that some recipient countries were planning contributions lower than the reasonable targets set in decision 80/30, and considered unfounded the argument put forward by some of them to the effect that their increased contributions towards local costs dispensed

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them from increasing their voluntary contributions to the Programme. In any event, the present gloomy prospects should not give rise to excessive pessimism and the experience of the second cycle gave reason to hope that the difficulties would be overcome. France was prepared, for its part, to participate actively in the collective effort necessary to make the third cycle a success.

81. Mr. KAZIM (Observer for Afghanistan) said that his delegation had noted with satisfaction the expanded service and responsibilities of UNDP in the cause of development during the past year.

82. It was pleased that UNDP had assumed responsibility for the management of the Interim Fund for Science and Technology for Development, the special Energy Account for technical assistance and pre-investment planning in that field, and the Voluntary Fund for the United Nations Decade for Women.

83. The launching of intercountry programmes by UNDP was an important step towards the enhancement of regional and interregional co-operation. His delegation commended the methodology UNDP had adopted in the preparation of the intercountry programme for Asia and the Pacific, which had been entirely conceived and formulated under the principle of expanded government participation. It would also be interested to read the report the Administrator would present at the United Nations Conference on the Least Developed Countries, which would serve as a very good guideline for the work of the Conference.

84. UNDP technical assistance had been very useful to the development of Afghanistan. The present cycle, the cost of which amounted to almost \$35 million, consisted of 31 projects in the sectors of agriculture, industry, transport, education - including professional training - and health planning. UNDP, despite all sorts of pressures from certain circles, had continued to expand its assistance to the Democratic Republic of Afghanistan, thus proving the non-political character of its aid to the developing countries, quite unlike the attitude of certain supposedly international organizations such as the World Bank, the Asian Development Bank or the World Food Programme, which had suspended their aid to Afghanistan, a land-locked country ranking among the least developed. His Government thanked UNDP for having almost doubled its aid in the forthcoming cycle. It would do its best to fulfil its obligations with regard to UNDP programmes and projects.

85. Despite all the financial constraints it was facing, Afghanistan was pledging a contribution of more than \$30,000 to the Programme. In addition, it was assuming the local expenses of the UNDP Office at Kabul, which amounted to 9 million afghanis annually.

86. With regard to the financial situation of UNDP, he emphasized Afghanistan's concern over the reduction of contributions by a considerable number of developed countries and expressed the hope that the members of the Governing Council would take positive action to help strengthen the only organization in the world designed exclusively to provide multilateral technical co-operation in all sectors and to all developing countries.

87. Mr. GALLITZ (Observer for the German Democratic Republic) said that the current session would be of major importance for the third programme cycle of UNDP and also for a substantial part of the third United Nations Development Decade: decisions would have to be made concerning support to various countries and regions, encouragement to national liberation movements, and assistance to the Arab people of Palestine, as well as concerning a large number of fundamental issues. In view of that fact, it was essential to emphasize that detente and disarmament, and therefore the safeguarding of peace, were inseparably connected with economic and social progress in the developing countries and the other countries of the world. It was more urgent than ever to devote the enormous resources currently being wasted in the arms race to the objectives of economic and social progress. The safeguarding of peace and the halting of the arms race, both of them foreign-policy objectives of the highest priority for the German Democratic Republic, were closely linked to the struggle against hunger and poverty in the world. In that regard, the former colonial Powers had a special responsibility for the current complicated economic and social situation in a number of developing countries, which was aggravated by inflation and fluctuations in exchange rates.

88. His delegation wished to underscore the right of developing countries to determine for themselves the order of their social development, to fix independently the priorities of their economic development and, as recipient countries, to decide freely how the financial and material assistance granted by UNDP would be used. The future activities of UNDP must contribute to the development of the economic, industrial, scientific and technical potential of the developing countries; its aid served only to complement the efforts made by the developing countries themselves. To that end, considerable scope should be allowed for action by the resident representatives and co-ordinators in the recipient countries, the possibilities and limits of non-governmental funds co-operating with UNDP should be recognized, and careful consideration should be given to any proposed modification of UNDP financial regulations and rules.

89. His delegation supported the 14 country programmes submitted to the Governing Council for approval; it also supported all measures of assistance to the national liberation movements recognized by OAU and to the PLO, the legitimate representative of the Palestinian people. It reaffirmed its position that UNDP projects should be financed primarily from voluntary contributions by the Governments of donor countries, which would themselves decide the amount and form of the contributions. Attempts by the delegations of certain countries to question the usefulness of the voluntary contributions made by the socialist States were aimed also at distracting attention from the responsibility of those same countries, whose colonialist policies were the cause of the backwardness in certain parts of the world. The voluntary contributions paid by the German Democratic Republic in national currency were in fact readily usable. The problem, therefore, was not to discuss the method of payment of such contributions but rather to consider the use to which they were put in the interest of the developing countries and the liberation movements supported by UNDP. The assistance provided by the German Democratic Republic was largely bilateral, but progress had also been made with regard to multilateral

(Mr. Gallitz)

co-operation under UNDP auspices. The annual contributions in national currency for the years 1979 and 1980 had been fully utilized.

90. The Government of the German Democratic Republic was ready to contribute actively to realizing the noble aims of the Programme, but in order to do so, it must be allowed to make its voluntary contributions in whatever form it deemed appropriate.

91. Mr. SKLYAROV (Union of Soviet Socialist Republics) said that through its activities, UNDP was contributing to the solution of development problems and the restructuring of international economic relations on a just and democratic basis.

92. His delegation felt that it was important to continue to improve the planning methods and approaches used in the operational activities of UNDP and to increase the effectiveness and quality of its services. In that connexion, it should be noted that the implementation of country programmes and regional programmes was defective in a number of ways, chief among them the uneven and inadequate utilization of funds allocated under the system of indicative planning figures and the constant increase in general expenses. Moreover, the content of UNDP projects did not correspond to the main directions of economic development, and insufficient attention was being given to meeting the needs of the developing countries by creating the conditions for promoting industrial development, a decisive factor in any independent national economy. Pilot projects should also be devised for many sectors of the economy, as well as co-operative activities to strengthen and mobilize local financial and material resources.

93. The Governments of the developing countries must play a preponderant role in setting priorities when the country programmes were established. It was therefore important that the missions sent by UNDP to the developing countries or the specialized agencies responsible for working out the details of the sectoral programmes should respect the priorities within each sector decided upon by the countries themselves in their national economic development plans.

94. One of the best ways to increase the effectiveness and authority of UNDP would be to ensure equitable geographical distribution of posts when technical assistance experts were recruited and when appointments to vacant posts in UNDP bodies were made. Measures should also be taken to prevent transnational corporations and other foreign capitalist monopolies from using United Nations technical co-operation as a means of interfering in the economies of the developing countries. Accordingly, it was important to mobilize the resources of the developing countries and to use them as efficiently as possible in connexion with both pre-investment activities and induced investments. In that regard, one could see the start of a dangerous trend towards turning UNDP into a commercial organization and increasing the role played by the World Bank and other Western international financial institutions in its operational activities. It was also apparent that the execution of technical assistance projects was more and more often being entrusted to certain groups of Western countries. That trend must be reversed, and the developing countries' own organizations and companies must be included to a greater extent in the execution of UNDP projects.

(Mr. Sklyarov, USSR)

95. His delegation considered it essential to expand the technical assistance provided to national liberation movements recognized by the Organization of African Unity and to the Palestinian people, in accordance with the relevant resolutions and decisions adopted by the General Assembly and by the Economic and Social Council. Moreover, so long as vestiges of colonialism and racism persisted in southern Africa, the international assistance provided to Botswana, Lesotho, Mozambique and Zambia could not be used effectively enough to enable those countries to overcome their economic difficulties. Responsibility for the damage inflicted on the national economies of those countries lay entirely with South Africa and its imperialist allies.

96. His delegation was opposed to the proposal for a "more equitable distribution" of the expenditures related to the financing of UNDP activities, a proposal based on the alleged equal responsibility of all States for the economic difficulties of the developing countries. It was also opposed to the establishment of a fixed scale of assessments, to any change in the present system of pledging voluntary contributions and to the full reimbursement by some countries of funds they had received from UNDP, because that system would radically alter the nature of UNDP's activities.

97. The Soviet Union wished to reaffirm that it did not set any conditions on the payment of its voluntary contributions to UNDP; they were used to finance the direct technical assistance activities of Soviet bodies in the developing countries concerned, as could be seen from the thousands of industrial and other projects executed in dozens of States and financed on the basis of the Soviet rouble.

98. It was necessary to eliminate the existing obstacles to the effective use of non-convertible currencies in assistance to the developing countries. Among the main causes of the difficulties encountered by UNDP were the depreciation of its funds as a result of inflation, the fact that its operational activities were not programmed on a solid financial basis, the high volume of expenditures committed to the financing of the services of experts recruited at the international level and the constant increase in general costs.

99. His delegation, like many others, felt concerned about the existing threats to a number of independent States that needed the international community's assistance to make up for the economic lag resulting from their colonial past and from the machinations of neo-colonialist forces, which were not only hindering the proper performance of UNDP by threatening its very foundations. His delegation wished to call those dangerous trends once again to the attention of all members of the Governing Council, who represented both donor and recipient countries. In that connexion, he felt compelled to make some comments about the attacks directed against the Soviet Union by the representative of the United Kingdom at the preceding meeting. He had been surprised by the off-hand manner in which the representative of the United Kingdom had talked about the fundamental principles of universality and voluntarism on which UNDP was founded. With ill-placed irony, that representative had expressed the hope that the Soviet Union would start to prove, by paying its contributions, that it was truly

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concerned about the fate of the developing countries. Was the representative of the United Kingdom totally ignorant on that subject or had his statement been motivated by other considerations? British capital, both during the period of "imperial grandeur" and today, had always exploited the natural resources of the developing countries, and the "public assistance" provided by the United Kingdom to newly independent States was small compensation for the plundering of their resources. By the same token, that country's contribution to UNDP represented only an infinitesimal part of the exorbitant profits realized in many developing countries and repatriated by British monopolies.

100. The Soviet Union did not have the same wealth of experience as the United Kingdom in relations with the peoples of the developing countries, but wherever it had established and developed ties of mutual co-operation with them, it had helped them to construct factories, wells, dams, electric power plants and the like. All those projects, without exception, were the property of the peoples of the countries in which they had been built, not of foreign capital; moreover, unlike the United Kingdom, the Soviet Union never repatriated any profits in the context of such co-operation. For that reason, its ability to contribute to multilateral funds in convertible currencies was limited. The situation was entirely different in the case of countries, such as the United Kingdom, which paid their UNDP contributions in the currency in which they repatriated the profits they had realized in the developing countries.

101. The representative of the United Kingdom had also accused the Soviet Union of setting certain conditions on the payment of its contributions. That was a malicious distortion of the facts. On the contrary, the Soviet Union had in fact always insisted that the universal and voluntary nature of UNDP should be maintained.

102. According to the representative of the United Kingdom, UNDP resources could be broken down into two categories: on the one hand, contributions in "good currency" and, on the other hand, those paid in "worthless currencies". That was an insult to all those countries which, like the Soviet Union, paid their contributions in their own national currencies. UNDP had been established to help bring peoples closer together, to improve their mutual relations and to develop co-operation between States having different social and economic systems, through the adoption of specific constructive measures directed towards development on a fair and non-discriminatory basis. It was precisely that type of disinterested co-operation which the Soviet Union was seeking to promote.

103. However, international economic relations, particularly in the context of UNDP, could be strengthened only by taking specific steps in the field of political and military detente. In that regard, the proposals put forward by the Communist Party of the Soviet Union at its Twenty-sixth Congress would help to slow the arms race, to reduce military budgets and to use part of the resources thus released for development and for aid to developing countries

104. Mr. NANJIRA (Observer for Kenya) said that the financial constraints encountered by UNDP could impede its activities during the 1980s. Since UNDP's

(Mr. Nanjira)

main objective was to help the developing countries achieve self-reliance through technical co-operation, adequate resources must be made available to them. The Members of the United Nations had committed themselves to that goal in adopting General Assembly resolution 35/81 on the comprehensive policy review of operational activities for development. It was now their duty to translate that commitment into action.

105. At its twenty-seventh session, the UNDP Governing Council had taken a number of important decisions aimed at improving the functioning of UNDP, in particular decision 80/30 on preparations for the third programming cycle, 1982-1986. In that decision, the Council had emphasized the need to allocate the largest part of the resources for international technical co-operation to the low-income and most disadvantaged developing countries. The target set had been to achieve an average annual growth of voluntary contributions amounting to at least 14 per cent on a cumulative basis - in other words, to obtain contributions of \$6.55 billion for the period 1982 to 1986 and \$6.7 billion in total resources. However, the outcome of the Third Pledging Conference held at New York on 6 November 1980 showed that the attainment of that target was most uncertain.

106. With regard to programmes and activities, his delegation welcomed the excellent work accomplished. The field of activities of UNDP had widened considerably over the past 10 years. If still greater efficiency was to be achieved, not only would the Programme's financial and human resources have to be strengthened, but it would also have to be restructured, at least at the level of the Governing Council, so as to make it more effective. His delegation fully supported the Administrator's recommendations in his report on the rationalization of the work of the Governing Council (DP/562), which were in line with decisions already taken by the General Assembly in resolutions 3362 (S-VII) and 32/197 on the restructuring of the economic and social sectors of the United Nations system. The report contained extremely useful suggestions on measures to be taken to improve the functioning of the Governing Council. His delegation supported, in particular, the recommendations in paragraphs 11, 12, 14 to 25, 27, 28 and 65. With regard to the dates of the Council sessions (para. 34), it would perhaps be useful to have the opinion of the Secretariat Department of Conference Services and of the Committee on Conferences. With regard to organizational matters, a flexible approach should be adopted with respect to the drawing up of lists of speakers and time-limits on statements. His delegation fully supported the proposals relating to the control and limitation of documentation.

107. In conclusion, the Kenyan Government welcomed the assistance given to it by UNDP, and trusted that the Programme would intensify its development activities in Kenya. His delegation reserved the right to speak at a later stage on the question of country and intercountry programming.

108. Mr. GIAMA (Somalia) said that UNDP was the main vehicle for aid to developing countries, especially the least developed and most seriously affected countries. Any shortfall in UNDP resources was certain to have incalculable consequences for those countries which depended heavily on those resources. That was why the Governing Council had adopted, at its twenty-seventh session,

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decision 80/30 by which it had established the annual rate of growth for voluntary contributions at 14 per cent, so that UNDP might continue to play an effective role in promoting social and economic development in developing countries. It now seemed that total contributions for 1981 could fall below the 1979 level, which would necessitate the curtailment or even cancellation of several country programmes currently being implemented. His delegation was convinced that donor countries, despite the difficulties which they themselves faced, were in a position to avoid such a disastrous outcome and to honour the commitment made in Governing Council decision 80/30.

109. With regard to the problem of the accumulation of funds in non-convertible currencies, according to the Administrator the contributions which were not readily usable totalled more than \$41 million. If used properly, such a sum could help UNDP to overcome some of its financial constraints. It was thus imperative for donor countries which had so far used that method of payment to make every endeavour to give part of their contributions in convertible currencies. Moreover, it was not acceptable for donor countries to require that their contributions be tied to utilization in their own countries. Multilateral aid should be flexible, in order to meet the obligations and requirements of the institution to which the management of such contributions was entrusted. Finally, the proliferation of special funds relating to particular development sectors ran counter to the rational use of the scarce resources made available to UNDP in order to enhance the social and economic development prospects of third world countries. In fact, a large part of those resources was spent on administrative machinery which UNDP itself could provide. Special funds undoubtedly provided an effective means of helping developing countries in particular areas of co-operation, but there should be no further proliferation.

110. UNDP activities, both in social and economic development and in emergency relief, were likely to be curtailed during the next programming cycle through lack of resources. UNDP offices had already been informed that only 80 per cent of the "illustrative" IPF would be used. The Administrator of UNDP had stated that the total amount of the voluntary contributions likely to be available in 1981 was still not known, even though almost half of the year had already elapsed. The situation was still more alarming for the least developed and most seriously affected countries. For example, the illustrative IPF for Somalia would not even cover ongoing projects, and the situation was likely to be still more serious in 1982 if no remedial measures were taken in good time.

111. His delegation fully supported UNDP pre-investment activities in developing countries. The lack of investment proposals relating to viable projects prepared on the basis of serious studies often constituted a bottle-neck.

112. The United Nations Conference on the Least Developed Countries was due to be held in 1981. As things stood, there was a strong likelihood that aid projects, and training and equipment programmes, all essential to the development efforts of the least developed countries, would have to be cancelled. Urgent action was thus necessary. His delegation trusted that the major donor countries would do their utmost to save those programmes.

113. Mr. SAGHIYYAH (Observer for Lebanon) said that his country wished to resume its proper role in the Middle East and the world. The United Nations and its specialized agencies had understood the difficulties confronting Lebanon and had taken measures to alleviate them. The humanitarian assistance provided following the Secretary-General's appeals had allowed the immediate needs of the population to be met. The General Assembly, for its part, in resolution 33/146 adopted in 1978 and in later resolutions had attempted to co-ordinate international aid for reconstruction and development. A large number of projects had been prepared, most of them related to long-term investment: environment, infrastructure, education - including vocational training - economic and social planning, agriculture and industry. The total amount of resources necessary for the next five-year cycle had been estimated at some \$22 million, namely \$12 million more than the IPF anticipated for Lebanon. The additional amount requested, though substantial, was negligible compared to the political and moral effect which those projects would have on the country. A favourable response to the request for aid would help to bolster the confidence of the Lebanese in themselves, in their country and in the international community.

114. The Lebanese crisis was a by-product of the Middle East conflict, in which the United Nations had been involved since 1947. The extensive damage suffered by Lebanon was largely a result of that conflict. The cost of the war was immense: more than 60,000 people killed and 200,000 wounded, and a third of the population (almost 1 million people) displaced. For 1975-1976 alone, material losses had amounted to between \$US7 billion and \$US10 billion, and the gross national product had declined by between \$4 billion and \$6 billion over the past six years. In southern Lebanon, more than 15,000 houses had been partially or entirely destroyed. There had been a massive exodus of technicians, skilled labour and professionals. In 1974, Lebanon had had a budget surplus; it currently faced a deficit of several billion. The depreciation in the value of the Lebanese pound had exacerbated inflation. The destruction of business and the concomitant forced unemployment had adversely affected productivity, investment and the morale of the population. Finally, no figure could adequately reflect the hardship and tragedies suffered by every level of society.

115. It was to be hoped that the Governing Council would understand the problems confronting Lebanon and that, in view of the particular circumstances of the country, it would sympathetically consider the request that its IPF be increased to \$US22 million.

116. Mr. NTAMBI (Uganda) said that the Administrator's statement had contained a lucid and frank assessment of the history of UNDP to date, the problems it currently faced and the difficult task awaiting it in the years ahead. Since its inception UNDP had been assigned the vital role of promoting and accelerating the economic and social development of developing countries. Unfortunately, UNDP did not possess all the resources necessary to accomplish that important mission: that fact might seriously compromise its future operations, as the Administrator had indicated in his introductory statement and in document DP/517 entitled "UNDP: planning for the 1980s".

(Mr. Ntambi, Uganda)

117. In decision 80/30 adopted the previous year by consensus, the Governing Council had stressed the need for an urgent increase in the resources made available to UNDP. Similarly, in resolution 35/81, paragraph 5, the General Assembly had strongly urged all donor countries to increase rapidly and substantially their contributions on an increasingly predictable, continuous and assured basis. Despite those high-level decisions, the developed countries had not transferred enough resources to the developing countries to initiate the necessary development impetus.

118. For instance, the target of a 14 per cent annual growth rate in voluntary contributions had not been achieved. The main reason advanced for that situation, namely global inflation, was not economically convincing. First of all, it could be seen that the world economic situation had a far more negative impact on the developing countries than on the developed countries. Secondly, the 14 per cent target did not take into account fluctuations in the various national currencies in which pledges were made. Everyone knew that in an inflationary situation the purchasing power of such currencies dropped. It was hardly surprising therefore that UNDP and recipient countries were finding it difficult to implement projects when the resources for such projects were declining in real value.

119. By its decision 80/30, the Governing Council had for the first time provided for special IPF allocations for the least developed countries. As paragraph 4 of that decision indicated, however, those allocations would not be applied fully if the amount of resources mobilized fell short of the target. His delegation hoped that donor countries would take that situation into account in arriving at the final figure for their voluntary contributions.

120. The Administrator had on several occasions drawn the attention of the Governing Council to the situation with regard to non-convertible currencies. While his delegation commended the efforts made by the Administrator to find a workable solution to that problem, it believed that all donor countries should ensure that in future their contributions could be drawn on for development purposes without undue hindrance.

121. His delegation noted with satisfaction the recommendations contained in document DP/558 with regard to the execution and management of projects by Governments of developing countries. Since in most of those countries governments were the single largest employers, no significant progress could be expected until those governments established indigenous development capabilities, even at the cost of a few mistakes.

122. UNDP's financial rules and regulations should also be reviewed in order to ensure that developing countries shared equitably in the execution of UNDP projects, taking into account in particular the provisions of General Assembly resolutions 2688 (XXV) on the capacity of the United Nations development system and 3405 (XXX) on new dimensions in technical co-operation.

123. At the third session of the High-Level Committee on the Review of Technical Co-operation among Developing Countries, which had just ended, the various delegations had reiterated their support for technical and economic co-operation

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among developing countries and had commended UNDP for its contribution in that field. The Committee had recalled that, whereas development was the sole responsibility of individual States, the international community had a responsibility to respond positively to the expressed development needs of the developing countries. In the case of Africa, the many needs identified by the Lagos Plan of Action made it difficult to assign priorities. None the less, urgent efforts must be made in such areas as agriculture, transport and communications, science and technology, research and development.

124. With regard to the least developed countries, it must be acknowledged that while much had been said about them not much had been done for them. For instance, the two special funds established for the least developed countries and the land-locked developing countries had not attracted much attention from donors. The time had come to take stock of the effectiveness of decisions taken in that area. In that connexion, he was pleased that the Governing Council would be submitting concrete proposals to the United Nations Conference on the Least Developed Countries which was to take place in September 1981.

125. Development was first and foremost the responsibility of the country concerned. That principle, which had been repeatedly reaffirmed in international fora, was strongly underscored in the General Assembly resolution on the Charter of Economic Rights and Duties of States and in the International Development Strategy. Aid agencies must in no way attempt directly or indirectly to influence the policies of sovereign States. It was for States to determine their socio-economic and political priorities and to decide in what areas they needed assistance.

126. His delegation noted with appreciation the support rendered by UNDP to the national liberation movements recognized by OAU and to the Palestine Liberation Organization. It also wished to express its satisfaction to the Administrator and his staff for their efforts in implementing UNDP projects, and to all those donor countries and organizations that had made those projects possible. The time had now come to intensify such development efforts.

127. Mr. SIMBANANIYE (Observer for Burundi) expressed concern at the continuing trend towards a reduction in the over-all volume of official development assistance and at the lack of interest in the cause of development shown by a number of developed countries. While there were objective reasons for the decrease in real terms in official assistance, namely the economic crisis which was affecting North and South alike, there was also a lack of political will and a certain reluctance on the part of some developed States to see the establishment of the new international economic order. It should also be noted that the world crisis had not prevented a phenomenal expansion of military budgets which was adversely affecting the economies of both developed and developing countries.

128. There was no need to recall that Member States had made a number of commitments under the International Development Strategy, particularly with regard to full employment (which was in theory to be achieved by the year 2000), school enrolment, level of health, and the provision of safe water and sanitary

(Mr. Simbananiye)

facilities. The international community had also emphasized the need urgently to implement the Lima Declaration and Plan of Action on Industrial Development and Co-operation and had taken steps to establish an effective system of world food security. Those decisions called for the mobilization of considerable financial resources as a vital counterpart to the efforts made by the developing countries themselves. It was to that end that the General Assembly had urged all the developed countries rapidly and substantially to increase their official development assistance with a view to reaching and where possible surpassing the agreed international target of 0.7 per cent of gross national product. If the objectives of the International Development Strategy were to be achieved, technical co-operation would also have to be given due emphasis in the development process. UNDP played a leading role in that area and must therefore have sufficient resources to carry out its task.

129. Decision 80/30 on preparations for the third programming cycle, 1982-1986, had been welcomed by the developing countries in that it had been decided that countries with a per capita GNP of \$500 or less would receive 80 per cent of the total amount available for country IPFs. That decision had been based on the assumption of a 14 per cent growth rate in voluntary contributions for the third programming cycle, 1982-1986, and of total resources for the period amounting to some \$6.7 billion. Following consultations with Governments, however, the Administrator had estimated that approximately \$5.1 billion would be available, representing an average annual growth rate of 8 per cent. His delegation believed that it would be tragic to go back on decision 80/30; as the Administrator had indicated in paragraph 19 of his report (DP/519), there should be a firm expression by the Council that resource mobilization should be maintained at the level of \$6.7 billion.

130. Any revision of the targets set in decision 80/30 would affect the least developed countries first and foremost and might undermine the spirit of solidarity shown by certain donor countries which had pledged to meet the 14 per cent growth rate target. It could also threaten the key role played by UNDP in implementing technical co-operation programmes. The Administrator and staff of UNDP, who had made an inestimable contribution, must be afforded the means to respond to the tremendous needs of the developing countries.

The meeting rose at 8.05 p.m.