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SUMMARY RECORD OF THE 716th MEETING

Held at Headquarters, New York,
on Monday, 15 June 1981, at 10 a.m.

President: Mr. ABDULAH (Trinidad and Tobago)

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The meeting was called to order at 10.15 a.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)

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

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

1. Mr. KHANE (Executive Director, United Nations Industrial Development Organization) said that UNIDO and UNDP continued to enjoy an excellent relationship which was essential to an effective partnership. He did, however, feel obliged to report to the Governing Council some of the problems which he was sure UNIDO shared with UNDP, since they were the direct result of the financial difficulties currently encountered by the United Nations system.
2. He fully shared the UNDP Administrator's concern about resources for the third programming cycle and echoed his plea for the international community to come to the rescue. Inadequate development of the major part of the world was clearly the cause of many of the problems confronting the world economy and it should have become obvious to all that it was in the interest of the more affluent members of the world community themselves to accelerate the development process in the developing world.
3. He also endorsed the approach of the Administrator as regards programming in the third cycle, and welcomed his intention to involve the executing agencies in closer participation. UNIDO was already responding positively and vigorously to the Administrator's move and the series of programming missions it had launched demonstrated its firm resolve to co-operate with UNDP.
4. The experience of the first and second programming cycles appeared to indicate that the demand for technical co-operation activities in the industry sector would continue to grow during the third cycle. Therefore, the common concern should be to find ways and means to respond efficiently to the expressed needs of the developing countries. Notwithstanding the promise of a larger amount of UNDP finance for technical co-operation in the industry sector, UNIDO, like other organizations in the United Nations system, faced difficulties as a result of severe budgetary stringency. In the immediate future, a zero growth regular budget and a reduced level of support-cost reimbursement would severely limit the resources available to UNIDO; the figure of \$76 million achieved in 1980, barely represented in real terms the 1979 figure of \$70 million. Thus, there should be greater

(Mr. Khane, UNIDO)

coherence in the management of the United Nations technical co-operation activities; generous donations should not remain idle because the necessary budgetary resources were denied to the executing agencies. As far as UNIDO was concerned, any lack of coherence would amount to depriving the developing countries of much-needed assistance in their industrialization efforts. It would also make it increasingly difficult to adopt an integrated approach to the development of developing countries. A lack of impetus in the industrial sector would only contribute to a further distortion and therefore a weakening of the economies of the third-world countries.

5. UNIDO fully shared the view that development co-operation activities should be focused on and situated in the developing countries themselves to the greatest possible extent. Therefore, he generally supported the Administrator's proposals to continue the process of decentralization initiated on the basis of the consensus approved by the Governing Council in 1970. At the same time, it was important that the developing countries should be given full opportunity to draw on the specialized knowledge and accumulated experience of the United Nations organizations. Headquarters involvement in detailed project design, particularly in the case of large-scale, complex or sophisticated industrial projects, might be of critical importance. He was confident that UNDP field offices would ensure that agency headquarters would continue to be appropriately involved, even with the increasingly decentralized pattern of operations.

6. Two aspects of the UNIDO technical assistance programme were of particular relevance. First, UNIDO had succeeded in substantially raising productivity as a result of the reorganization of its secretariat in 1976 and as a result of a continuous review of its activities. Because of the position of the United States dollar against the Austrian schilling, however, the results of that effort were not fully reflected in the support cost. Secondly, since UNIDO was one of the few United Nations organizations where the value of UNDP financing of technical assistance was almost double the regular budget allocation for the organization, the new procedures connected with exchange fluctuations would have a considerable financial impact on the over-all operation of UNIDO. Therefore, UNIDO required special consideration from UNDP.

7. He was disturbed at the apparent trend to freeze the Industrial Development Field Adviser programme at the present level of Senior Development Field Advisers, which was only slightly more than half the number recommended for 1977 by the Industrial Development Board in its decision III (VII) adopted in 1973. The Board was convinced of the importance of the programme and of the need to provide Industrial Development Field Adviser services to developing countries, in particular to the least developed of them. He recalled that the Governing Council had in the past clearly indicated the value it attached to a broad and efficient Industrial Development Field Adviser programme and he felt certain that every effort would be made to ensure adequate coverage by Senior Industrial Development Field Advisers, in line with the repeated request of the Industrial Development Board.

8. The Special Industrial Services programme was designed to provide swift

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and effective assistance, bearing in mind the complex and dynamic nature of the industrial sector. While the number of requests from developing countries under that programme had expanded, its annual allocation had remained stagnant and inflation had reduced its real value from 1,400 man-months in 1972 to about 600 man-months in 1981. The General Assembly in resolution 33/78 had recommended that UNDP should make appropriate increase in the annual volume of financial resources under that programme. The Industrial Development Board had subsequently invited the UNDP Governing Council to consider measures at least to double the annual level of resources of the programme during the third country programming cycle, starting in 1982 (DP/560/Add.1). The additional funds made available by the Administrator were by no means commensurate with requirements and, in real terms, the resources stood at less than half the 1972 level. He was hopeful that the Council's consideration of those measures would be fruitful, bearing in mind the very clear merits of that programme for developing countries.

9. Considering the similarity of views of the two organizations in such areas as evaluation and pre-investment, the outlook for the UNDP/UNIDO relationship was bright. He had recently signed a formal agreement on which co-operation between UNIDO and UNDP in pre-investment activities would be based. However, future joint endeavours on behalf of developing countries would depend on the availability of adequate resources for UNIDO's back-stopping activities.

10. The recent opening of India's first sponge iron plant illustrated the importance of technical co-operation in the UNDP programme; the plant was one of the largest projects ever financed by UNDP, which had contributed some \$5 million, while the Indian Government had made up the balance of \$20 million. A number of features of the project had far-reaching implications for the third world's industrialization process. They included the utilization of local raw materials as well as the environmental advantages of the plant.

11. In conclusion, he stressed the intersectoral nature of industrial development and expressed confidence that, with the will and determination of all partners, success could be achieved in the development process.

12. Mr. MORSE (Administrator) said that the statements made in the general debate had given him good reason to be optimistic about the level of support for UNDP about the cause in which every one present was enlisted and about the future of UNDP and its critical contribution to that cause. He was particularly grateful to the Chairman of the Group of 77, who had emphasized the full support of the developing countries for UNDP, for decision 80/30 and for the necessity of achieving the goals embodied in that decision so as not to narrow UNDP's scope or inhibit its activities. He was equally grateful to the Director-General for Development and International Economic Co-operation for his appeal for increased resources to the Programme on a predictable, continuous and assured basis, as urged by the General Assembly, and for his confidence that the Programme would maintain its dynamism and continue to strengthen its contribution to international development.

(Mr. Morse)

13. He was grateful for the vigorous support pronounced by so many delegations of both donor and recipient countries for the central and co-ordinating role which UNDP should play within the United Nations development system. The Council's reaffirmation of the basic principles and the essential character of the Programme was of enormous significance in the light of the coming third development co-operation cycle. Given the role which UNDP resident representatives would play as resident co-ordinators designated by the Secretary-General, he assured the Council that UNDP would pursue with all vigour the implementation of the General Assembly restructuring resolution, which called for greater cohesion and better integration of the United Nations system's operational activities in support of national development objectives. The success of efforts to meet those responsibilities would, however, depend on the extent to which Governments consistently expressed the same policy regarding UNDP's central and co-ordinating role in all other relevant intergovernmental bodies, recognizing that that co-ordination was first and foremost the responsibility of Governments.

14. He had taken careful note of the remarks by many delegations which, in endorsing the concept of UNDP's central role as the principal source of technical co-operation in the United Nations system, had also expressed concern about the establishment of other, separately administered global special-purpose funds. The several special-purpose funds currently under the umbrella of UNDP provided the Programme with an opportunity to strengthen its support to developing countries, either in specific sectoral areas, or in special ways, and he had noted the statements of representatives who had expressed their conviction that newly-created global special-purpose funds should be placed within the UNDP framework.

15. Many delegations had also expressed support for proposals for greater progress in achieving the objectives of the "new dimensions" decision of the Council. In particular, government execution had been singled out for special attention by representatives of both developing and developed countries. Some of the implications of that issue had been discussed in the Budgetary and Finance Committee and would be dealt with in plenary during the current session. A matter of equal importance was the increased use of national management capability in implementing UNDP-supported technical co-operation. He was confident that the session would make significant progress in furthering self-reliance as the basic objective of the Programme's activities.

16. He appreciated the endorsement given by a number of delegations to the proposals for improved programming through continuous country programming during the third cycle, and the general support for UNDP efforts to improve project design and standardize procedures of the funds administered by the Programme or by the Administrator. He had noted the suggestions that UNDP should play an important role both at the forthcoming United Nations Conference on the Least Developed Countries and in carrying out the decisions of that Conference. In reply to the representative of Sierra Leone, he reiterated the willingness expressed in DP/554 to put UNDP's experience and the services of its extensive field network at the disposal of the least developed countries. He looked forward to the further views of the Council on the role which UNDP might play in that process.

(Mr. Morse)

17. He noted the comments made by the representatives of Canada and the Federal Republic of Germany on the desirability of formulating clearer sectoral priorities and those made by the Netherlands representative on the need to articulate UNDP assistance at the national level in the context of over-all global priorities identified by the international community in conferences held under United Nations auspices. While agreeing that those were important considerations, he reminded the Council that sectoral priorities for country and regional programmes were the prerogative of Governments to determine. He recalled that, in his annual report for 1980, he noted that programming by developing country Governments tended to follow closely on needs expressed at the global level. Nevertheless, UNDP had a responsibility to advise on priorities, based on country or regional needs, always bearing in mind the over-all concerns enunciated by global intergovernmental fora. The guidance of the Council on the over-all objectives which Governments believed should characterize the Programme in that respect was always welcomed and would be particularly appropriate in the discussion of both individual country programmes and intercountry and global programmes.

18. He noted that delegations had generally welcomed the efforts of UNDP to continue and strengthen thematic evaluation and evaluation of individual programmes, so that the lessons of experience could be applied to improve not only UNDP project design but also the efficiency, effectiveness and impact of technical co-operation throughout the United Nations development system.

19. The continued collaboration of UNDP's agency partners in evaluation work was vitally important. Not only were they the main repositories of technical knowledge and experience, but they also played a crucial role in the application of the results. Therefore, all thematic evaluation work was carried out in close collaboration with the agencies which, wherever possible, were requested to take the leading role in conducting it.

20. The importance of effective feedback of the results of evaluation had been especially stressed by the representative of the Federal Republic of Germany. He recognized that more must be done on follow-up, particularly through workshops and training programmes. Work was currently being done on the subject, with particular stress on project design, and he would be examining carefully how more could be done with the limited staff resources available. In that endeavour, UNDP would work closely with the agencies, and would take account of the need to involve government personnel in the application of the results of UNDP evaluation work which was particularly relevant in the context of increased government execution. He noted that some delegations, in particular those of Argentina and Brazil, had questioned the utility of thematic evaluations.

21. Turning to UNDP pre-investment activities, he was pleased to note the support expressed for the measures being taken to intensify those activities, as set forth in document DP/521. He also noted the comments made by the representatives of the United States and Japan to the effect that special attention should be given to those projects with potential for private sector financing. While recognizing that sovereign Governments were solely responsible for deciding the pre-investment content and direction of their country programmes, a number of delegations also

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urged that UNDP-supported pre-investment projects should be designed and managed in such a way as to help recipient Governments in their quest for additional capital investment.

22. He noted with pleasure the support expressed for the co-operative pre-investment programmes undertaken with a number of agencies and the considerable support for continuing the training programme of resident representatives with the Economic Development Institute of the World Bank. He agreed with the suggestion of the United Kingdom delegation that the effectiveness of that training programme should be constantly kept in mind and that it should be properly evaluated at an appropriate time. Two representatives had also noted the need for additional funds to strengthen co-operative arrangements with the agencies. He recalled that the representative of FAO had emphasized the importance of those co-operative arrangements.

23. He expressed his appreciation for the support given by a number of delegations for the proposals in document DP/562 concerning the rationalization and streamlining of the work of the Council. Some additional proposals of interest had also been put forward in that regard and he hoped that the Council would later pronounce itself on those initiatives when the agenda item was taken up in detail. He duly noted and acknowledged the suggestion by the representative of Canada that the Budgetary and Finance Committee should meet quarterly to oversee the Programme's activities which fell within the Committee's competence and needs.

24. Turning to the commanding issue of the session, the uncertainty of UNDP's financial resources, he said that it was ironic that UNDP should be facing such a problem on the eve of a cycle that could well make a difference for the developing countries during the entire Third Development Decade and beyond and at a time when the UNDP network had become better able to design projects in a more appropriate and effective way, to work more flexibly, to redesign and adapt to changing circumstances.

25. When the Council had adopted decision 80/30, he had been heartened by the long-range implications of the decision. The assumption, for forward-planning purposes, of an over-all third cycle target growth rate of at least 14 per cent per annum in resources over the second cycle target was a reasonable, responsible target if the United Nations development system was to continue to be of significant help to developing countries in achieving their development goals.

26. He welcomed France's intention to double its official development assistance commitments in the near future. The fact that UNDP could expect a proper share of that increase should have an exemplary impact on the resource situation and, it was hoped, on other donors. He also thanked the Government of Japan for its voluntary contribution to UNDP of almost \$46 million for 1981, which was in addition to pledges of \$2 million for the United Nations Revolving Fund for Natural Resources Exploration and \$1 million for the United Nations Capital Development Fund. Japan had recently doubled its official development assistance figure and intended to double it yet again by 1985.

(Mr. Morse)

27. Italy had made dramatic increases in official development assistance in recent years; it had substantially increased its contribution to UNDP and was the most generous donor to the Interim Fund for Science and Technology for Development. Many developing countries too had made significant efforts to increase their contributions to UNDP. In the past week, the delegations of Argentina and Mexico had announced increased support for the Programme.

28. Nevertheless, little had been said during the general debate to enable any upward revision of the estimate of funds likely to be available for the third programming cycle. All delegations had acknowledged that the very low level indicated for the cycle would have extremely negative effects on the objectives and activities of virtually all developing countries. Several delegations, including some traditional major donors, had, however, advocated caution in interpreting his tentative estimate of resources likely to be available for the third cycle. It was heartening to note that many delegations had indicated that that might turn out to be a conservative estimate. He realized that many donors were not in a position to indicate the precise magnitude of their future contributions to the Programme, that any long-term projections were tentative and that assumptions underlying the projections might be too low. He sincerely hoped that the level of resource growth for the third cycle would be considerably higher than that indicated in document DP/519. He hoped too that donor Governments would reconsider their degree of support for UNDP. He remained convinced that the 14 per cent growth target was reasonable. He would do everything in his power to see that the target was respected and that resources came from every Government in a position to support UNDP's efforts, whatever its previous support for the Programme.

29. The representative of the United Kingdom had stated that, despite ominous signs in 1976, UNDP had essentially delivered what it had undertaken to deliver in the second cycle and that there must be confidence that comparable success would mark UNDP efforts in the third cycle. However, all the uncertainty surrounding the resource picture underlined the absolute necessity of providing UNDP with a predictable, continuous and assured basis of financial support. Nothing less would effectively serve the developing countries which needed the Programme's support. Anything less would continue to complicate the management problems of an organization which was not even certain about the level of resources that would be available to it in its current fiscal year.

30. He was encouraged to note that several delegations had indicated their willingness to reconsider their previous positions regarding multiyear pledging for UNDP. He was very pleased with the prospect of a reconvening of the Intergovernmental Study Group on Future Financing of the Programme. That was an extremely important step in working towards the goal of achieving more predictable and assured financing on a long-term basis. Long-term planning of UNDP activities demanded progress on that aspect of resource mobilization. In that respect, he referred the Council to the Belgian suggestion that multiyear pledging for UNDP might be associated with long-established procedures followed by the International Development Association.

(Mr. Morse)

31. He continued to hope that countries would make every effort to contribute to UNDP in currencies which could be readily used by the Programme in delivering technical assistance to developing countries. He looked forward to further efforts at the current session in search of a satisfactory solution. The problems involved in utilizing non-convertible currencies in UNDP were vastly different from those faced by its partner agencies and other United Nations organizations in the execution of their programmes. The Consensus of 1970 respected the sovereign right of developing countries over project priorities and activities and over the charging of expenditures to their IPFs. It was thus not within the power of UNDP to determine what inputs were preferred or where they came from.

32. He understood that the Council would wish to maintain the illustrative third cycle IPFs established in decision 80/30. Should resources fall short of the target set in that decision, it appeared to be the Council's view that, in accordance with paragraph 4, there should be an across-the-board reduction of the illustrative IPFs, as well as of the other elements of main field programme expenditures.

33. If the level of contributions to the Programme continued to be uncertain and if the recent pattern of delayed payments of voluntary contributions persisted or increased, the level ordained by the Council for the Operational Reserve over the third cycle might still prove inadequate, in the event of major cash shortfalls. In 1982, UNDP might either have to increase the Operational Reserve beyond the level approved in decision 80/50, or, if that proved unfeasible, request stand-by borrowing authority to see the Programme through unexpected cash shortfalls. He understood it to be the general position of the Council that UNDP should maintain the illustrative IPFs embodied in decision 80/30, but that, in view of the prevailing resource uncertainties, the Programme should be administered within the limits of the resources actually available. While it was clear that the Council wanted UNDP to deliver third cycle IPFs without in any way jeopardizing the financial integrity of the Programme, many developing countries had pointed to the extremely severe problems they would face, should the available resources compel delivery at less than the illustrative amounts determined in decision 80/30. He awaited the Council's clear guidance on programming both for the third cycle as a whole and for 1982.

34. He was increasingly confident that the Council realized the much larger service base with which UNDP's administrative costs might appropriately be compared. The question was whether it was right to judge such costs solely in relation to UNDP's IPF-based functions and delivery expenditures. He was gratified by the numerous statements that had acknowledged the total importance of the UNDP field network. In the assessment of what might be possible regarding the administrative costs of that network, it must be borne in mind that UNDP was about to assume even greater responsibilities in the cause of development on behalf of the United Nations development system as a whole. At the same time, it was clear that every avenue must be explored in order to effect economies in administrative costs. That was particularly true at a time of resource constraints. He reaffirmed his commitment to the highest possible degree of cost-effectiveness.

(Mr. Morse)

35. It was beyond the capacity of UNDP to control some of the costs charged to it, for example, those resulting from the very nature of the structure and procedures which the States Members of the United Nations had ordained and those which flowed directly from decisions of the Governing Council. UNDP would explore every possible innovation with a view to economizing beyond the levels required by financial rules and procedures. He would present to the Council at its twenty-ninth session the fullest range of new approaches to the administrative costs of the UNDP network in the field and at headquarters. UNDP would begin at once the search for new ways to sustain its work with quality and efficiency, but more economically.

36. Considerable support had been expressed for the removal or relaxation of limits on cost-sharing. Several delegations had supported the idea of increased cost-sharing as a further means of financing technical assistance activities. The cost-sharing mechanism enabled many countries, usually utilizing their own resources, to obtain technical assistance to which they might not otherwise have had access. More than three quarters of the cost-sharing during 1981 had been undertaken by the developing countries themselves. He was convinced that the liberalization of cost-sharing procedures would not jeopardize the uniquely multilateral character of UNDP.

37. Some delegations had expressed an interest in the joint financing of UNDP projects with their own bilateral programmes. UNDP had growing experience in that type of financing and was ready to do more in that area. He noted, however, the expressed need for caution and the fact that such co-financing might entail additional administrative costs for UNDP.

38. It was not beyond the capacity of the international community - even amid current economic difficulties - to marshal the necessary political will with regard to the illustrative IPFs envisaged for the third cycle in decision 80/30. The figure of \$6.7 billion was a modest one, given the massive needs of the developing countries. The question was whether the Programme could plan on an extra tenth of a cent per capita each day from those whose capacity far exceeded such trivial amounts. With the effective help of Governments there would be no shortfall in the third cycle.

39. The PRESIDENT said that there had apparently been a broad endorsement of decision 80/30 as the basis for future UNDP operations. It might be appropriate to explore the various proposals made with a view to enabling the Council to provide further guidance to the Administrator for future activities. With a view to facilitating consultation among delegations, he proposed the establishment of a small working group under the chairmanship of the third Vice-President, Mr. Fonseka of Sri Lanka. He proposed that the working group should consist of the following members of the respective regional groups: the Gambia, the Niger, Sierra Leone and Somalia; Bangladesh, India, Kuwait and Pakistan; Argentina, Brazil, Cuba and Mexico; Canada, Denmark, France, the Netherlands, the United Kingdom and the United States; Poland, Romania and the Union of Soviet Socialist Republics. He further proposed that Venezuela, as current Chairman of the Group of 77, should participate in the work of the working group. He hoped that other members of the Council would participate in the work of the group, which was open-ended.

(The President)

40. If he heard no objections, he would take it that the Council agreed to that proposal.

41. It was so decided.

OTHER FUNDS AND PROGRAMMES (continued)

(a) UNITED NATIONS FUND FOR POPULATION ACTIVITIES (continued) (DP/527, DP/528, DP/529, DP/530; DP/FPA/12 and Add.1-17)

42. The PRESIDENT said that item 7 (a) (United Nations Fund for Population Activities) comprised several subitems, three of which would be taken up directly by the Council, the others being dealt with by the Budgetary and Finance Committee. While the Council should ideally take up subitems (i), (ii) and (iii) separately in order to facilitate a structured debate, delegations could make a comprehensive statement on all the subitems.

43. Mr. HAGGAG (Egypt) said that the magnitude of the population projects submitted to the Council confirmed the interest in population activities that had been generated in the developing countries. Despite different approaches, most of those countries recognized the importance of defining population policies. In view of their increased demand for assistance in that area, all Governments should increase their contributions to UNFPA in order to maintain the momentum gained. A recent conference of parliamentarians held in Colombo had requested an increase in the flow of aid for population activities of up to \$1 billion by 1984. The Governing Council of UNDP should approve the administrative budget submitted by the Executive Director of UNFPA, including the reclassification proposal.

44. Egypt welcomed any assistance in the population field, whether multilateral or bilateral. It was gratified by the results it had achieved to date in, inter alia, making population issues more fully understood by the public at large. It had a very good working relationship with UNFPA, which had helped it to achieve some of the objectives of the national population programme. The Government was earmarking \$35 million as a contribution towards the implementation of the programme, which had been devised with the co-operation of UNFPA. The UNFPA mission to Egypt in 1980 had been able to assess requirements for the 1981-1984 programme.

45. Miss MUNCK (Sweden) said that documents DP/527 and DP/528 on UNFPA activities during 1980 had a new format; while her delegation appreciated the improvements made, it wished to suggest further improvements. Document DP/528 contained an itemized list of allocations made in 1980. Some of the items referred to projects begun 10 years previously, and her delegation asked why some of them had lagged so far behind. Furthermore in order to provide a clear picture of the funding situation for each project, the document should include not only the allocation for the year in question but also the total commitment for the project, funds already spent and the project's time-frame. Only with that information could the Council understand the project's implementation and the financial commitments already made

(Miss Munck, Sweden)

for years to come, so that it could see whether there was room for new programmes and projects. The document should also indicate clearly which countries were in the priority group.

46. In 1981, there was an additional problem of reducing and/or rephasing programmes and projects due to a shortfall of funds. However, the Council lacked information on the implications of that problem. What aspects of programmes had been cut, if any? What amounts had been rephased? And in what time perspective? There were both policy and financial elements in the above-mentioned decisions. Furthermore, without a clear picture of the total financial situation, including the operational reserve and commitments for years to come, it would be difficult to make any new commitments.

47. With respect to activities during 1980, her delegation congratulated UNFPA on its high rate of implementation. The distribution of the allocations had changed during 1980, however, particularly with respect to priority countries and regional, interregional and global activities. The amount allocated for those two sectors was the same: \$43 million, even though one was considered most important and the other least important. According to a Council decision taken in 1977, UNFPA was to have mobilized two thirds of total programme resources at the country level for priority countries by 1980. However, it was still far from that target. The reasons given included resource constraints, ongoing activities in non-priority countries and difficulties in starting up new programmes. With a view to making the annual report more problem-oriented, the problems encountered should be described more thoroughly.

48. There had been no new programmes or projects in two of the priority countries since 1973 and 1975. There was a UNFPA co-ordinator in approximately half the priority countries, but there were also co-ordinators in 12 countries outside the priority group, with programmes ranging from \$1 million to \$12 million. Even more surprisingly, in eight countries with small programmes, the cost of the co-ordinator accounted for between 20 and 100 per cent of programme costs. That was an unsatisfactory situation. UNFPA co-ordinators should be stationed where there were large programmes, and large programmes should be located where there was a need for them.

49. One vital aspect of the success of family planning programmes was the availability of inexpensive and appropriate contraceptives. In that connexion, she wished to stress the need for support for research in human reproduction and for building self-reliance in the recipient countries. The surveys being launched in some Asian countries aimed at determining contraceptive needs ought to provide a good basis for future action programmes. Referring to the innovative community-based approaches to family planning mentioned in document DP/527, paragraph 21, she said that, since family planning was the largest component in UNFPA programmes and there was a growing recognition of the importance of involving the local community, further information on the contents of those programmes and the problems they encountered would have been interesting. Information on the implementation of the two largest programmes ever supported by UNFPA, on which the Council had taken a decision last year, would also have been of great interest.

(Miss Munck, Sweden)

50. Her delegation welcomed the aim of the interregional and global programmes to strengthen the country component and disseminate the results to the countries concerned. In that connexion, she noted that most regional programmes in Latin America and the Caribbean had been made into country projects due to a lack of funds at the intercountry level, and that had led to some delays. Nevertheless, her delegation still favoured that trend, since the very fact that Governments took over responsibility would lead to their involvement and hopefully to better use of any results.

51. Referring to the conference of UNFPA executing agencies and organizations in May 1980, she requested information on the priorities and procedures for intercountry activities which were to have been developed as a follow-up to that important meeting. With respect to the meeting of UNFPA co-ordinators in October 1980, her delegation would like to hear a report at the Council's next session on action taken by UNFPA to implement the recommendations emerging from that meeting. The idea of holding a World Population Conference in 1984 was attractive and merited further consideration, but her delegation held the view that United Nations conferences should be financed from the regular budget, but not from voluntary contributions.

52. Mr. BENEDICK (United States of America) said that the world's population was growing by approximately 70 to 80 million annually with, the rates increasing each year. That situation was expected to continue for the coming decades, which meant that the populations of most of the developing countries would at least double within the next generation. And yet, after all the efforts over the past 15 years to make people, institutions and Governments aware of the phenomenon, the managers of international programmes in that critical field unfortunately had to face the prospects of cutbacks, stretch-outs and phase-outs.

53. Scepticism had recently been voiced regarding the need for action to deal with population questions. Yet population growth was the fundamental underlying issue facing the current generation. Although a 2 or 3 per cent rate of population increase might not seem very substantial, its effects built up little by little and increasingly complicated the solutions being sought to nearly every other economic and social problem. Symptoms of the population crisis were malnutrition, unemployment, the landless poor moving into already overcrowded cities, uprooting and migration and impaired health in mothers and children. Those who were closest to the realities of the developing countries and many far-sighted political leaders of the countries themselves had raised their voices in unmistakable warnings of the consequences of delay in reducing fertility.

54. It was encouraging to note that the International Development Strategy for the Third Development Decade explicitly recommended that countries integrate population policies into their economic and social development programmes and called on the international community to increase its support for those measures, and that the Economic and Social Council had recently adopted a resolution calling for specific activities to implement the World Population Plan of Action. His Government strongly supported each of those important statements of international consensus. All countries of the world community must commit the resources necessary to give meaning to that consensus.

(Mr. Benedick, United States)

55. The United States gave highest priority to population problems in its foreign policy and development assistance programmes, based on its concern for the quality of life and human dignity, and his Government had pledged to continue its leadership in international population assistance. Even during a period of budgetary stringency, when many worthy domestic programmes were being cut, the Administration's request for total international population assistance for 1982 amounted to about a quarter of a billion dollars - one third more than the current level. The United States had played an important role in the establishment of UNFPA, and its contributions so that institution represented the largest single item in its annual population aid budget.

56. The financial situation had serious implications for the many countries which relied on UNFPA, and reflected the Fund's success, since the volume of requests for assistance had been so great that there had not been sufficient contributions to answer them. The United States Government urged all Governments to increase the amount of resources devoted to population activities. It reaffirmed its strong support for UNFPA and its outstanding and innovative management, and believed that that unique and important institution had a critical role to play. It recommended that donor agencies, including UNFPA and other international institutions, intensify their efforts to co-ordinate programmes among themselves so that available funds could be spent as efficiently as possible. It was more than ever important for UNFPA to concentrate on programmes and policies aimed at the central issue of fertility reduction. Finally, he drew attention to a particularly critical area which was often overlooked: research on methods of fertility regulation. The deficiencies of existing contraceptive methods from the standpoint of safety, acceptability and effectiveness led to high discontinuance rates among users, which substantially negated efforts to promote family planning. The plea made by Indian Prime Minister Indira Gandhi for a new, dynamic and better co-ordinated programme of research on contraception should not go unheeded. For those reasons, the Council might wish to request UNFPA to examine existing international research efforts in order to determine whether there were ways of intensifying the search for better contraceptive methods. Greater international priority for product-oriented research sensitive to considerations of human dignity and to the social, cultural and physiological variations of different peoples could yield enormous benefits.

57. UNFPA and other international institutions, bilateral donors, private organizations and the countries concerned were all engaged in an historic common effort to address the problem of excessive population growth. The world community was striving for solutions which would enable mankind to avoid breakdowns in the fabric of society and the family. The current generation bore a heavy responsibility for generations still to come, and time was clearly running out.

58. Mr. WINDSOR (United Kingdom) welcomed the improvement in the clarity of the UNFPA annual report (DP/527) and the introduction of a "highlights" section. That section would be even more valuable if it contained comparable figures for previous years in all cases. It was especially gratifying to note that implementation rates had increased from 84 per cent in 1979 to 92 per cent in 1980. However, since reasonable constraints had become an important new factor, it was essential that

(Mr. Windsor, United Kingdom)

the Council should utilize available resources to the fullest. Although his delegation was glad that the priority countries had continued to receive attention, it was dissatisfied that the amount of resources allocated to projects and programmes in those countries had fallen from 55.6 per cent in 1979 to 42.2 per cent in 1980.. He was pleased to note that there had been an increase in requests for assistance in family planning, but was disappointed that the proportion spent in that sector had fallen from 43.6 per cent in 1979 to 41.7 per cent in 1980.

59. Concerning the increase in intercountry programme allocations from 30.9 per cent to 31.8 per cent, he said that, while his delegation was aware of the difficulties in adjusting short-term sectoral allocations to a drop in income, it urged the Executive Director to reverse that trend as soon as possible so as to reach the Council's target of 25 per cent by 1982. He welcomed the increased assistance being given to the African region, and congratulated the Executive Director on his success in recruiting 22 new contributor countries in 1980. Despite its economic difficulties, his country had been able to make a moderate additional contribution recently, as a token of the importance which it continued to attach to UNFPA.

60. In 1980, several major donors had made it clear that they saw a bleak period ahead in respect of additional resources for UNFPA, and there was no indication that better times were just around the corner. UNFPA should not overextend itself and find itself in a cash crisis with too few resources to meet its many existing commitments, let alone the new ones which the Council was being asked to approve. The work plan for 1982-1985 proposed in document DP/529 was based on an unrealistic assessment of increments likely to accrue to UNFPA. It was deficient in many respects; for example, in table 8, the total planned expenditures for programmes previously approved by the Council for the work plan period 1982-1985 were not broken down year by year. The same was true with regard to submissions of projects for approval by the Council at the current session. Nor did the document indicate the extent to which those commitments were covered by existing resources. The Executive Director had indicated that no projects could be accepted for countries which were only now requesting them. If that was true, it was an unsatisfactory situation, especially since the figures in table 8 indicated that the sum of no less than \$533 million had not yet been committed. His delegation regarded the Executive Director's income estimates as optimistic, however, and realized that some funds had to be set aside for administrative costs. Nevertheless, and even allowing for those adjustments, there should still be a great deal of flexibility - sufficient at any rate to allow for any really deserving cases which might arise.

61. Information seemed to be lacking in the document about the amounts or the ratio of sources to total expenditure planned for priority countries. It seemed odd that the document omitted so vital a piece of information, after the Council had clearly indicated its wishes in that regard. The Council should not be expected to approve a work plan without some indications of the situation with respect to priority countries. A further omission was any indication of whether the 25 per cent target for intercountry programmes would be reached and maintained.

62. His country supported UNFPA, and his criticisms were made with the best of intentions - to receive assurances that UNFPA would adjust to a difficult period and emerge from it stronger than ever.

The meeting rose at 12.20 p.m.