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SUMMARY RECORD OF THE 720th MEETING

Held at Headquarters, New York,
on Wednesday, 17 June 1981, at 10 a.m.

President: Mr. ABDULAH (Trinidad and Tobago)

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The meeting was called to order at 10.20 a.m.

OTHER FUNDS AND PROGRAMMES (continued)

- (b) UNITED NATIONS VOLUNTEERS (continued) (DP/535)
- (c) UNITED NATIONS CAPITAL DEVELOPMENT FUND (continued) (DP/536 and Corr.1; DP/INF/34)
- (e) UNITED NATIONS INTERIM FUND FOR SCIENCE AND TECHNOLOGY FOR DEVELOPMENT (continued) (DP/539)

1. Mr. MORSE (Administrator) said that the Interim Fund for Science and Technology for Development had been set up as a provisional measure, pending the establishment of the Financing System for Science and Technology for Development, the main objectives of which would be to strengthen the endogenous scientific and technological capacities of the developing countries and to promote international co-operation in the field of science and technology for development. As the Administrator of UNDP, he had responsibility for the administration and operations of the Interim Fund, under the policy guidance of the General Assembly and the Intergovernmental Committee on Science and Technology for Development and under the operational management of the Governing Council of UNDP.

2. The Interim Fund had carried out its mission in an outstanding manner. UNDP and the other interested United Nations agencies and organizations had fully discharged their respective responsibilities. The response of the developing countries themselves had been most encouraging. In transmitting more than 850 project proposals to the Interim Fund, they had demonstrated their willingness to undertake the necessary preparatory work in formulating and refining the proposals to meet the special requirements for Interim Fund financing. Almost all the projects received clearly fell within the framework established by the Vienna Programme of Action on Science and Technology for Development and adhered to the guidelines set by the General Assembly and the Intergovernmental Committee on Science and Technology. Many of the projects approved had involved innovations and risks not always found in more traditional technical co-operation programmes.

3. Once received, the project proposals, or in some cases project concepts, underwent a systematic appraisal by the Interim Fund and by UNDP regional and technical bureaux. The specialized agencies, the Centre for Science and Technology for Development and other components of the United Nations system were also involved when the need arose. However, the objectives and priorities of the submitting Government provided the principal focus of the appraisal process, which often required extensive discussions in which the UNDP field offices played an important part. A special effort had been made to assist the poorest and most disadvantaged countries in the identification and formulation of projects.

(Mr. Morse)

4. Under that system of appraisal, 43 projects had been approved, with a total value of approximately \$28 million. A further 13 projects had been fully appraised and awaited his final decision in accordance with agreed procedures. When those 13 projects were approved, a total of 56 projects would have been approved with a total value of approximately \$33 million as the contribution of the Interim Fund alone. The total value of the projects approved, including contributions from other sources, in particular the developing countries themselves, was substantially greater.
5. The General Assembly had established the Interim Fund as a separate component of the United Nations system, assigning responsibility for its over-all administration to the Administrator of UNDP. The Fund had benefited significantly from the assistance of UNDP, the specialized agencies and other concerned United Nations organizations. It had also enjoyed close co-operation with the Centre for Science and Technology for Development. The Fund used many of the facilities of UNDP and drew on the expertise of UNDP regional and other bureaux in the appraisal of projects. The Director-General for Development and International Economic Co-operation and the Executive Director of the Centre for Science and Technology for Development had been extremely helpful in facilitating the work of the Interim Fund. Arrangements had been made for a close and continuous working relationship between the Centre and the Interim Fund. The Fund already maintained such a relationship with all the specialized agencies and other United Nations bodies concerned with science and technology. Those bodies also participated, where requested by Governments, in the identification and formulation of projects and in their execution, where required. In all cases, they had contributed their expert technical views during the process of project appraisal.
6. The interest and support of the Governments of the developing countries had been far greater than had been reflected by the level of contributions to date. Those countries were increasingly identifying the effective utilization and integration of science and technology as a key element in their plans for economic and social development and their successful participation in the world economy.
7. The Interim Fund had never been viewed as an end in itself, but rather as a vehicle for innovation and for systematic preparations for the Financing System for Science and Technology for Development, to be established in 1982. The Fund had clearly proved to be an effective catalyst for increased efforts by the developing countries themselves and had carried out its functions within the very strict constraints on administrative and overhead costs. The support provided by UNDP had contributed to the Fund's excellent cost-effective record.
8. The Fund's resource situation remained, however, most unsatisfactory. The resources pledged by Governments for 1980 and 1981 amounted to approximately \$40 million, which was far short of the target of \$250 million. The Fund was already coming to the end of the resources currently available. As a result, many projects and activities which had been properly defined and appraised and which could be of enormous value to the developing countries might not in fact be carried out. Against the small amount of \$40 million in pledges, the actual funds received to

(Mr. Morse)

date totalled only about \$8 million. There were measures under way to ensure that the Fund could continue a consistent rate of approvals during the remainder of 1981.

9. A number of developing countries had undertaken an intergovernmental initiative which, although designed not to generate additional resources for the Fund, but rather to heighten interest among Governments in a position to support the longer-range financial mechanism, might well have a positive effect on the willingness of Governments to make contributions even in the short term.

10. The Interim Fund had begun negotiations with a number of intergovernmental funds and banks with a view to arranging the co-financing of projects. That might prove to be an important way of generating additional resources. The Interim Fund was also preparing a pipeline of projects which would be fully developed, appraised and approved subject to the availability of finance. It was expected that that group of projects, with a value of about \$30 million, would be prepared by the end of August 1981. Consultations would be held with potential donors with a view to seeking additional support.

11. A number of countries had indicated that they did intend to contribute to the Fund; it would be of the greatest value if they could make their contributions at the earliest opportunity. Some 80 Governments had already contributed. They ranged from the Government of Italy, the largest contributor, to the Governments of a large number of poor countries, which had made an effort to contribute as a demonstration of international solidarity.

12. The intergovernmental group of experts studying the relevant arrangements for the operation of the Financing System was currently holding its final session. It was expected to transmit its report to the Intergovernmental Committee on Science and Technology for Development in August 1981, at which time the Committee was expected to make its recommendations regarding the Financing System and the transitional steps from the interim to the long-term financing arrangements. After consultation with the Director-General for Development and International Economic Co-operation, he would request the authorization of the Governing Council to enter into transitional arrangements regarding the operation of the Interim Fund, should he be requested to do so by a relevant intergovernmental body.

13. Mr. NABULSI (Executive Co-ordinator, United Nations Volunteers) said that, over the past 10 years, the UNV programme had added a totally new dimension to international volunteerism. It had demonstrated beyond doubt that the spirit of volunteerism was not the preserve of any region or culture, but that it extended to all members of the international community, whatever their age, sex, culture, colour or creed. That was the single most important achievement of the UNV programme during its first decade.

14. In the early days, UNV had relied heavily on bilateral volunteer organizations for the recruitment of volunteers. In 1971, United Nations volunteers had been recruited from 13 industrialized countries and from only 6 developing countries. In 1980, on the other hand, the volunteers had come from 58 developing countries

(Mr. Nabulsi)

and 21 industrialized countries. The fact that three quarters of the volunteers were nationals of developing countries underscored the importance of the UNV programme as a concrete example of technical co-operation among developing countries. Some 100 men and women from Africa south of the Sahara were currently contributing their talents and skills to the development efforts of countries all over the globe. Women were playing a highly important role in the programme. With more than 20 per cent of its ranks filled by women, half of them from developing countries, the UNV programme was definitely not a male preserve, but an example worth emulating by the United Nations system as a whole. More than 50 per cent of the Professional staff at UNV headquarters were women.

15. The UNV programme, as distinct from many of the traditional volunteer organizations, was not primarily focusing on youth, at least not in the narrow sense of the word "youth". The programme's role was to mobilize talents and skills on a universal basis in response to concrete development needs without distinction as to age, colour or creed. All the same, the UNV programme was indeed a youthful and dynamic force in international development co-operation. The programme was inspired neither by missionary zeal nor by pre-conceived notions of what was good or bad for the countries it served. On the contrary, it was designed to satisfy needs and priorities as they were perceived by the developing countries themselves. In the UNV programme, volunteerism contributed in an effective manner to the requirements of external development co-operation in poor countries. The programme did not represent a set of specific interests or priorities established by the donors; instead, it was an instrument of international development co-operation guided solely by the principles and goals laid down by the United Nations and determined by the needs of sovereign Governments. By the same token, United Nations volunteers were not asked to embrace any particular cause other than that of international co-operation pursuant to the Charter of the United Nations. Motivation for UNV service was an individual concern. The overriding objective was to ensure that requests from developing countries for UNV assistance were given a prompt and effective response through the assignment of suitably qualified and experienced development workers. For that purpose, the internal organization and administrative rules of the UNV programme, as well as its procedures for recruitment, monitoring and supervisions, were under constant review. Earlier in 1981, the administration had reviewed the whole structure of monthly living allowances with a view to bringing them into line with generally accepted conditions.

16. Under an agreement recently concluded with the Government of China, United Nations volunteers would be assigned to China to support its development effort, while Chinese nationals would be assigned as United Nations volunteers to other developing countries. The UNV programme had thus taken another very important step towards complete universality. Even more recently, the first volunteer for China had been accepted; he was expected to report for duty within six weeks. The Government of Cuba was interested in co-operating with the UNV programme and would soon be engaged in consultations regarding the details of such co-operation.

(Mr. Nabulsi)

17. The recipients of UNV assistance had long since demonstrated their acceptance of the programme by agreeing to shoulder all in-country costs for UNV assignments as a charge against their respective IPFs. UNV had fully complied with the Governing Council decision to phase out at the end of 1981 the financing from the Special Voluntary Fund of in-country costs in the least developed countries. Nevertheless, the situation of the Fund was most critical and was bound to have extremely negative effects on the viability of the UNV programme as a whole, unless the Governing Council found an immediate and adequate solution. The level of contributions to the Fund had fallen far short of expectations, and it would be unrealistic to expect total contributions, including the UNDP contribution, to exceed \$1.2 million for 1981. In the absence of long-term commitments by any of the donors to the Fund, contributions for the coming years were not expected to reach more than \$1 million a year. The dramatic increase in the recruitment of volunteers from developing countries had put the Fund under severe financial strain. The total resources available in the Special Voluntary Fund would barely suffice to honour existing commitments towards volunteers already in the field and other financial commitments. Unless additional resources were made available for the financing of the external costs of volunteers from developing countries, it would be impossible to maintain the UNV programme at its current level, let alone expand it. The Fund would need to double its current income and then add some 10 per cent a year, even if a modest growth target of only 100 additional volunteers a year was set for the programme. With the current low level of income, the Fund could not sustain, on a continuing basis, a programme of more than 500 volunteers. The Governing Council should give urgent consideration to measures necessary to restore the financial viability of the programme.

18. The Special Voluntary Fund was also the main source of financing for UNV activities in support of the domestic development services and the youth programmes undertaken pursuant to General Assembly resolutions 31/131 and 31/166. It was expected that UNV co-operation with domestic development service organizations and youth organizations in Africa would be initiated in the course of 1981 and would be translated into operational activities to be started in 1982 and continued over the next several years. As to the ongoing activities, a review meeting with the Governments participating in the Asian domestic development service project was planned for later in 1981 with a view to assessing the work done so far and charting future action. A programming workshop was being convened in the South Pacific towards the end of 1981. In Latin America, the regional project supporting the participation of youth in development activities would be subject to a review by participating Governments, UNDP and UNV early in 1982. UNV was also paying increasing attention to its participation in the International Youth Year and intended to intensify its efforts in support of the Year. It would be working in partnership with other United Nations organizations to help young people to claim their rightful place and provide the full benefit of their contribution to development.

19. UNV was proud to play an increasing role as an instrument of technical co-operation among developing countries. At the same time, it was concerned over the fact that the industrialized countries were falling behind the developing

(Mr. Nabulsi)

countries as a source of recruitment for the programme. It had appointed Lord Caradon to undertake consultations with the Governments of the industrialized countries and the national organizations in those countries co-operating with UNV, with a view to examining possible ways of increasing the recruitment of United Nations volunteers from such countries; he had already visited Belgium, France, the Federal Republic of Germany and the Netherlands, and had had discussions in the United Kingdom with organizations co-operating with UNV.

20. In his preliminary report, Lord Caradon had confirmed that the flow of United Nations volunteers from the industrialized countries was still inadequate and that the existing imbalance between the number from the developing countries and the number from the industrialized countries demanded the urgent attention of Governments and co-operating organizations in the industrialized world. Lord Caradon had concluded that a major obstacle lay in the fact that the industrialized countries had had, for many years, their own volunteer organizations, supported by Governments and non-governmental organizations, which were maintaining their activities on a bilateral basis. It was not surprising that the industrialized countries continued to give their principal support to their own volunteer programmes and, in many cases, regarded recruitment for UNV as a matter of low priority. Lord Caradon had been assured that there would be a genuine effort both to assist UNV in its recruitment and to regard such recruitment as a separate but equal responsibility; he had proposed the setting of targets for UNV recruitment in individual industrialized countries, as well as better publicity for the programme and closer liaison between national organizations and UNV. The latter would spare no effort to support its co-operating organizations in industrialized countries with a view to achieving the objectives.

21. He expected to be able to report more fully to the Governing Council at its twenty-ninth session on the outcome of consultations with other Governments and organizations in the industrialized countries. Consultations with the socialist countries of Eastern Europe had recently been initiated. A former Assistant Administrator of UNDP, Mr. Makiedo, had offered his services as a consultant free of charge; he had already visited Bulgaria, Czechoslovakia, Poland, Romania and Yugoslavia. The authorities in Bulgaria, Czechoslovakia and Romania had mentioned the possibility of participating in the programme, subject to the authorization of their respective Governments. The Yugoslav authorities had confirmed that their country intended to join the UNV programme as soon as the necessary formalities were completed; they would inform the Administrator of UNDP accordingly. The Polish authorities had expressed a readiness to participate in the UNV programme; the details of their participation would be elaborated later.

22. The UNV programme had broken through the barrier of 1,000 volunteers in the field and, with the necessary financial resources, would continue a rapid and satisfactory growth.

23. The United Nations Postal Administration would be issuing a postage stamp to commemorate the tenth anniversary of UNV. Similarly, a silver medal was being struck to mark the anniversary. In co-operation with the Department of Public

(Mr. Nabulsi)

Information, UNV would be producing a film featuring its activities throughout the world. That film, like all UNV publications, was designed to mobilize the participation of both donors and recipients in the UNV programme. Also in 1981, UNV would bestow the honour of "Volunteer of the Year" on a volunteer whose service and contribution has been exceptional.

24. He was grateful to the Governing Council and to the Administrator for their understanding of the staffing requirements of UNV. The latter fully understood that, faced with the obligation to adhere to the principle of a zero growth budget, the Administrator could not accord special treatment to UNV. It did hope, however, that the Council would again encourage the Administrator to seek ways of satisfying the programme's most acute staffing needs.

25. Mr. GIOVANNINI (Switzerland) said that his country attached great importance to the United Nations Volunteers programme and would continue to support it in the future. It had especially appreciated its efforts to reach the target of 1,000 volunteers while maintaining programme quality. His delegation welcomed the programme's growing universality and the fact that it was an instrument of co-operation among developing countries. Its primary objective should be to assist developing countries, especially the least developed among them, in overcoming their lack of skilled personnel, and it should facilitate the recruitment of volunteers with appropriate qualifications for that purpose. Specifically, it must be possible to recruit staff from industrialized countries if doing so would meet the needs of the recipient countries. The efforts that had been made along those lines were welcome and should be continued.

26. Priority should be given to the least developed countries, and it was to be hoped that, as in past years, the number of volunteers in those countries would be increased in the future. The programme's rapid expansion should not lead to the mobilization of volunteers in countries or sectors which did not need assistance and took advantage of it purely for financial reasons. It was also to be hoped that the programme would expand its structure, not only at its headquarters but also in the field. The team leaders should not concern themselves solely with administrative support, but should also strive for effective assignments and be involved in their evaluation.

27. It might be useful to review the repatriation grant system, which should take account of the fact that volunteers increasingly faced the threat of at least temporary unemployment on return to their countries. Document DP/535, paragraph 27 (g) and (i), contained good ideas but they were not in line with the primary objective of providing the best possible services to recipient countries. It would be useful in the future if the report would dwell less on the programme's general principles and provide more specific examples of its activities.

28. Mr. SCHMID (Austria) said that his country had been a regular contributor to the United Nations Volunteers programme, and its interest in and commitment to it would continue in future. UNV allowed professionally skilled young people to make a positive contribution to development. With respect to its role as a vehicle for

(Mr. Schmid, Austria)

TCDC, document DP/535 showed that the participation of volunteers from developing countries had sharply increased in recent years, and that was a welcome development. The increasing number of developing countries and specialized agencies using volunteers in their projects demonstrated the programme's success. It was regrettable, however, that the relative share of least developed countries in the total number of field volunteers had declined, and it was to be hoped that it would rise in future. It was also unfortunate that the expansion of the field programme had been accompanied by increased administrative costs at headquarters. His delegation wished to warn against the dangers of over-organization, and to stress that the fullest integration of the programme into the UNDP administrative structure was a pre-condition for his country's continued support. Attempts to upgrade UNV and make it into a separate entity should be resisted.

29. His delegation generally agreed with the suggestions in paragraph 27 of document DP/535, but felt that the use of volunteers should not be restricted to the sectors mentioned in paragraph 27 (e). His delegation endorsed paragraph 27 (i) dealing with the increased participation of women. In its view, the idea of assigning volunteers from developing countries to industrialized countries should not be pursued. It would have welcomed greater stress on contacts with national development services. In future, his country would continue its active participation in the programme through regular contributions and by placing its recruitment services fully at the disposal of UNV.

30. Mr. PREUSS (Federal Republic of Germany) said that document DP/535 indicated that the number of field volunteers had again increased considerably in 1980. His delegation welcomed that development, but felt that the expansion must be accompanied by qualitative improvements. His delegation was concerned about the difficulties connected with recruitment and assignment procedures, and feared that the rapid increase in the number of volunteers and the fact that their services were inexpensive could lead them to be used to fill the posts of experts. Such a development would not be in the programme's interest.

31. Referring to the three main areas of expansion mentioned in paragraph 10, he said that the main stress should remain on the operational activities of volunteers in the field. The document could have included more details and a description of results achieved so far by the system-wide global evaluation mentioned in paragraph 16 (1). In connexion with the proposals for additional staff, his delegation had noted with surprise and concern that some posts had been filled without prior approval by the Council.

32. His Government pledged DM 250,000, the equivalent of \$105,000, for the Special Voluntary Fund in 1981, and hoped that UNV activities would increasingly be integrated into IPF-financed country projects.

33. Mr. CZARKOWSKI (Poland) said that his delegation had noted positive trends in the programme's activities, including the increased participation of developing countries and growing requests from African developing countries. It was also possible that the programme's activities could be linked with the objectives of the

(Mr. Czarkowski, Poland)

International Youth Year. In May, his Government had received a United Nations Volunteers mission and had had extremely useful discussions of possible co-operation with the programme. Currently, practical steps for initial co-operation were being considered.

34. Mr. GLAZER (United States of America) said that the major objectives of the United Nations Volunteers programme included contributions to development efforts by the provisions of qualified young professionals willing to work for modest remuneration, the promotion of operational activities to increase youth's effective participation in development, assistance to and co-operation with domestic development service organizations, and the provision of an opportunity for young professionals, particularly from developing countries, to gain experience in development programmes. It should also be kept in mind that a volunteer gave his services without regard for financial benefit and in order to contribute to the development of the recipient country. The rapid expansion of volunteers in the field and the achievement, two years ahead of time, of the goal of 1,000 were commendable. The efforts to develop a wider recruitment base in developed countries were also commendable; his Government had long felt that the programme's recruitment policy should be more dynamic in the industrialized countries. It was to be hoped that there would be more action on that front, and his delegation welcomed the opportunity to co-operate with agencies from other industrialized countries towards that end. His country pledged \$350,000 to the Special Volunteer Fund for 1981.

35. He commended the programme's progressive policies in recruiting women volunteers and noted the high percentage of women currently in the field. His delegation also welcomed the programme's flexibility in being able to respond to special group requests for assistance, such as those from the Central African Republic for 20 teachers and from Somalia for 25 volunteers to help with refugee assistance. He welcomed the programme's expanding sphere of activities, particularly its work with youth programmes, in domestic development services and in refugee assistance. Its refugee assistance activities in South-East Asia and Africa were especially useful, and his country was glad to be able to participate in those programmes.

36. His Government had proposed the earlier targets of 500 and 1,000 volunteers in the field and proposed a new target of 2,500 volunteers by the end of 1985. That would mean an average increase of about 330 volunteers a year, which was slightly higher than the current rate of increase. With the support of a growing number of donors, that target could be reached without losing the programme's high standards of professionalism and dedication to development. The target date was linked with the International Youth Year, in the preparation for which UNV had a special role to play. His delegation also advocated the programme's greater involvement in the International Drinking Water Supply and Sanitation Decade and the implementation of TCDC projects. Its performance to date indicated that it could participate productively in such projects. His Government was pleased with the programme's work, strongly supported it, and looked forward to further successful co-operation in the years ahead.

37. Mr. CHEN Xingnong (China) noted that the programme's work had expanded very rapidly and that the services it provided were extremely popular. Document DP/535 indicated that those services covered over 50 fields of activity, involved young people, adults and retirees and were aimed primarily at meeting the needs of the recipient countries. The programme displayed great flexibility in using the expertise of its participants, and his delegation hoped that in future it would continue to make bold innovations. He endorsed the Executive Co-ordinator's comments on the consolidation and upgrading of the programme, and hoped that it would obtain increased funding in the future.
38. In March, a United Nations Volunteers programme delegation had travelled to China, where his Government had said that it would welcome assistance in the teaching of foreign languages and other intermediate technical matters, and that it hoped to send intermediate technicians to developing countries through the programme. A project document had been signed, and his delegation was convinced that co-operation with the programme would be fruitful.
39. The United Nations Capital Development Fund (UNCDF) was the only multilateral agency in the United Nations system providing capital assistance to least developed countries. Despite the inadequacy of funding and the limited scope of operations, it had provided useful assistance to least developed countries for the past five years, and its activities had been popular. In line with resolution 3122 (XXVIII), it should increase its assistance to least developed countries through rural development and small-scale projects. The six criteria for project selection were feasible, but should be substantiated in practice. The main problems - the need to increase funds, improve project quality, prevent the over-diversified use of funds and improve co-ordination with UNDP technical assistance - should be solved. His delegation favoured retaining the partial funding system, which allowed for the full use of accumulated funds and the expansion of UNCDF activities. Commitments greatly exceeding available funds should be avoided, however. His delegation hoped that in future greater use would be made of the ability of least developed countries to implement projects so that they could increase their self-reliance. His Government had always supported the Fund's activities and hoped to strengthen its co-operation with it.
40. Mrs. ELALI (Observer for the Syrian Arab Republic) said that her delegation welcomed the dynamic growth in the technical co-operation programme, which offered an opportunity for qualified and mature professional technicians to perceive the needs of the developing world, and for the reciprocal sharing of technical skills. Particularly satisfactory was the fact that rapid growth had been achieved with only very limited additions to the staff of UNV headquarters. Having now reached a level of 1,000 volunteers in the field, UNV should continue to be strengthened, in terms of both staff and financial resources.
41. Her country had benefited from the programme through the participation of volunteers in six development projects, on which they had worked hand in hand with national staff. Under the five-year plan for 1981-1985, the main purpose of UNV was to train middle-level technical and operational staff and to promote the transfer of technical expertise. UNV assistance in her country's development projects had been significant and successful.

(Mrs. Elali, Observer, Syrian Arab Republic)

42. Her delegation hoped that the Council would heed the UNV Co-ordinator's plea for increased contributions to the Special Voluntary Fund. The continuing financial viability of the UNV programme was among the highest priorities of the agenda.

43. Mr. LIMA (Brazil) stressed the importance of the work of UNV. The few small problems affecting some of the activities in which his country was involved could be overcome easily; a closer working relationship with UNV staff would produce more effective results.

44. Mr. FARASHUDDIN (Bangladesh) said that UNV's progress in 1980, especially in attaining the target of 1,000 volunteers two years in advance, had been remarkable.

45. His country had recently started to take advantage of the services of United Nations volunteers, in the Ministry of Youth Affairs, in the Resident Representative's office and in a few sectoral ministries. It had also contributed a few volunteers to the system.

46. UNV was an excellent framework for providing technical expertise at little or no cost to the recipient country. It would be very regrettable if it were to suffer from lack of resources, and his delegation hoped that its work would sustain the progress that it had achieved.

47. Mr. ALAKWAA (Yemen) said that his country, as one of the beneficiaries of the programme, which provided middle-level and operational experts of high quality on a cost-effective basis, wished to congratulate UNV warmly on its tenth anniversary. UNV contributed especially to remedying one of the most acute problems affecting developing countries, by providing middle-level expertise and guidance in all sectors of economic and social development. Eighty-nine United Nations volunteers were currently working in his country in a wide range of sectors. From the first, their level of competence and dedication had been highly satisfactory; their contribution to national development had been very positive, and his country hoped for an increased assignment of volunteers in the future. The programme was to be congratulated on its success in enabling qualified and dedicated professionals from both the developing and the developed countries to work and learn together in the cause of international development co-operation.

48. His delegation hoped that the Council would heed the UNV Co-ordinator's plea for increased contributions to the Special Voluntary Fund. The continuing financial viability of the UNV programme was among the highest priorities on the agenda.

49. Mrs. VERVALCKE (Belgium) said that she wished to join in the congratulations to UNV on the positive results achieved, notably the attainment of the target of 1,000 volunteers, which had exceeded most expectations.

(Mrs. Vervalcke, Belgium)

50. The quality of the service, however, was equally as important as its size. The breakdown in annex II of document DP/535 showed that doctors and teachers headed the list of volunteers in terms of numbers. Her delegation would like to see emphasis laid on sectors of world-wide priority, such as water supply and the role of women in development.
51. From the point of view of finance, her country had always been willing to play its part, but it had been difficult at first, since there was no State volunteer system, and it had been necessary to convince non-governmental organizations, very active in her country, that they could contribute effectively to UNV without losing their own identities. Her country had from the first been ready to contribute to the Special Voluntary Fund; the report showed that currently it contributed approximately 10 per cent of the volunteers and of available funds, and it hoped at the least to be able to maintain that contribution.
52. Mr. NABULSI (Executive Co-ordinator, United Nations Volunteers) said that he was grateful for delegations' congratulations and expressions of support.
53. He reassured the representative of Switzerland that UNV would continue to give increasing priority to the least developed countries. It was true that, owing to a lack of resources, activities in those countries had increased only in absolute and not in relative terms, but future programming would allow volunteers in least developed countries to be paid and financed from the recipient country's IPF instead of from the Special Voluntary Fund.
54. The Austrian delegation need not fear any intention of approving global projects in industrialized countries. However, if a deserving request for assistance were to be received, it was to be hoped that no one would deny the principle of universality.
55. He sympathized with the concerns expressed by the delegation of the Federal Republic of Germany that the demand from developing countries for highly-qualified volunteers was increasing. The UNV mandate, however, demanded the provision of technically-qualified personnel able to transfer technology and expertise effectively. A minimum of two years' relevant experience was considered necessary for that; many developing countries could draw on their own young and less experienced personnel, but lacked middle-level expertise.
56. He particularly appreciated the continuing support expressed by the United States delegation, and above all the promised increase in its contribution.
57. Mr. THYNESS (Assistant Administrator), referring to the warning from the delegation of Austria against an excessive growth in administration, said that the professional staff at UNV headquarters had remained unchanged since 1976; the ratio of volunteers in the field to professional staff had then been 19:1, whereas it currently stood at 66:1. The quality of the programme might be endangered if sufficient staff were not available. Given the programme's wide-ranging responsibilities and its very broad geographical basis, staffing levels at headquarters were very low.

(Mr. Thyness)

58. He accepted the criticism by the Federal Republic of Germany of the authorization given for advance recruitment in the current year. That had been a regrettable misinterpretation of the concern expressed by the Governing Council in 1980 regarding the relationship between quality and growth, which had been taken to imply that, if the target of 1,000 volunteers were exceeded, additional staff might be recruited.

59. Mr. KRSTAJIC (Observer for Yugoslavia) said that his delegation was pleased to note that the United Nations Capital Development Fund had expanded the scope of its activities over the past five years, and significantly increased its programme delivery. His country, which had from the first received particular attention from UNCDF, had become the eighth largest contributor, as shown in document DP/511 (table 12).

60. Whilst the Fund, with its rather modest resources, could not replace private firms in providing capital equipment, nor even alleviate prevailing market conditions, it could provide assistance, in that crucial area, for those countries and sectors which were most in need. His delegation consequently believed that the Fund's capital assistance, by virtue of its unique character, was of great importance, and that it should be maintained and should play an increasing part in the Fund's future activities. It strongly supported the orientation of the programme, as set forth in document DP/536, towards meeting the priority requirements of the least developed countries, together with the criteria to be used in selecting projects. However, greater emphasis should be given in the future to economic rather than social infrastructures, and within that area industrial infrastructure and industrial development as a whole should be given more attention. Ways should be found to render the Fund's involvement in the development of small-scale industries more efficient. Closer co-operation with developing countries in the area of TCDC components, as well as with other United Nations institutions with other similar interests, including UNIDO, should be explored further. Close co-operative and organizational links with UNDP, in addition, should help to ensure complementarity between the respective technical co-operation activities of UNDP and UNCDF.

61. The many countries involved in UNCDF activities must maintain their efforts and his country, for its part, would continue to give its strong support.

62. Mr. BARK (Netherlands) said that his country was one of the major donors to the United Nations Capital Development Fund. It continued to endorse the General Assembly's decision to focus assistance primarily on the least developed countries, and welcomed the way in which that decision was being implemented. It also welcomed the initiatives outlined in paragraph 16 of document DP/536, which aimed at a continuing dialogue with beneficiary Governments concerning their development priorities and their project proposals; those consultations, especially in the light of the clear picture of development priorities for the least developed countries which should emerge from the forthcoming United Nations Conference on the Least Developed Countries, would assist UNCDF in implementing the new action programme to be formulated at that Conference.

(Mr. Bark, Netherlands)

63. He agreed that government execution of projects (DP/536, para. 21) was an important vehicle for strengthening the programming and implementation capacity of LDCs; however, it should not be seen as an objective in itself, but should be applied whenever it could be expected to result in efficient project implementation.

64. His delegation welcomed the improvement in the efficiency of the Fund's operations reflected in table 1 (DP/536, para. 25), which might have a positive effect on efforts to raise additional contributions. In that context, whilst he supported the principle that the Fund should finance administrative costs from its own resources, it should first be given time to confirm that positive trend before it was burdened with the additional expenditure.

65. His delegation strongly supported the Fund's basic policy of selecting projects which provided for maximum participation from the beneficiary groups.

66. At the Conference on the Least Developed Countries, serious consideration should be given to allocating to UNCDF the specific role in implementing the new action programme, of bridging the gap between the activities of UNDP and the International Bank for Reconstruction and Development.

67. Mr. FARASHUDDIN (Bangladesh) said that he considered UNCDF to be an excellent arrangement for meeting the supplementary capital needs of small projects benefiting the poorest section of the least developed world. His delegation had been heartened by the remarkable progress made by the Fund in 1980, as reflected in the statement made by the Executive Secretary at the Council's 717th meeting. He was particularly struck by the notable increase in the disbursement level and by the increasing number of projects which were becoming operational in the year of their approval.

68. His delegation was convinced that one reason for the success of UNCDF in 1980 was the reforms which had been introduced at various stages of planning and operation. He was gratified that the Fund had taken positive action on suggestions made by the delegation of Bangladesh at the twenty-seventh session concerning greater involvement of the recipient Governments and the UNDP resident representatives in the identification and appraisal of projects funded by UNCDF, streamlining of the approval procedure, and simplification of the project document format. Increased Government responsibility in identifying, appraising and implementing UNCDF projects would accelerate the Fund's progress. The arrangement for a basic agreement would substantially reduce the time taken by the Governments concerned. The increased association of nationals in the appraisal process and of Governments and beneficiaries in the execution of projects were also steps in the right direction. He commended UNCDF on all those improvements.

69. He was impressed by the success of the Fund's efforts in 1980 to keep administrative costs low. It should, however, be remembered that the Fund benefited from a hidden subsidy in the shape of the guidance and facilities it received from the UNDP offices. His delegation supported the proposal that the Fund should pay for its own administrative expenses.

(Mr. Farashuddin, Bangladesh)

70. He welcomed the decision of UNCDF to take part in the United Nations Conference on the Least Developed Countries, to be held at Paris in September 1981.

71. He hoped that the Fund would continue to receive the guidance of the Governing Council and the Administrator of UNDP and that, under the leadership of its Executive Secretary, it would not only achieve the targets set for 1981 and subsequent years but would try to surpass them.

72. Mr. GIOVANNINI (Switzerland) said that UNCDF was extremely well suited to meeting the needs of the least developed countries since it could work on small projects, on financial terms which were within the reach of those countries. Switzerland particularly admired its simple and realistic way of operating.

73. His delegation supported the basic principles for selecting projects set forth in paragraph 13 of document DP/536. He wholly endorsed the principle that the beneficiary groups should participate actively in project implementation, with maximum use of local resources. In that connexion, the support of local financial organizations was of particular importance.

74. The links between UNCDF and UNDP regional representatives should be strengthened. Except in special cases, the UNDP offices should provide all necessary support in the development, implementation and follow-up of Fund projects. That would help to limit the number of UNCDF missions in the field, which should be sent only when major problems arose. The flexibility and suitability of UNCDF assistance owed much to the UNDP network and the local knowledge of resident representatives.

75. He agreed that UNCDF should be responsible for its administrative expenses and that it should have an adequate staff of its own. In view of the importance of limiting over-all UNDP administrative expenses, he felt that, if additional staff were made available to UNCDF, UNDP staffing levels should be reduced accordingly since the latter organization would find its workload lessened.

76. Mr. BLAIN (Gambia) said that the record achievement of 168 project commitments by the Fund since its establishment testified to the Fund's success in gradually but progressively expanding the scope of its activities and improving the rate of its programme delivery.

77. It was gratifying that the criteria established by the Fund for project evaluation and approval fitted in with the development objectives of the developing countries, particularly those of the least developed countries. The support of programmes and projects designed to alleviate the problems of the vulnerable groups in the least developed countries should continue to feature prominently in the Fund's activities. He was equally satisfied with the flexible mechanism which allowed the Fund to provide capital resources for viable and technically sound projects, using local inputs, while project execution remained the primary responsibility of recipient countries. He supported the signing of a single umbrella agreement between Governments and the Fund in order to eliminate red tape

(Mr. Blain, Gambia)

and other encumbrances in the recipient countries, thereby accelerating the rate and level of programme delivery. Serious consideration should also be given to raising the present ceiling from \$2 million to \$3 million per project as that would allow the Fund greater flexibility in the size of projects it could support.

78. He was equally impressed with the Fund's efforts to obtain additional resources and to mobilize those resources to improve programme delivery. The Fund should not only continue its collaboration with UNDP in the execution of technical co-operation projects in the field but should also rapidly intensify co-funding activities of that kind with national development banks and other international financial institutions and agencies.

79. His delegation had supported the General Assembly decision not to approve proposed reimbursements to UNDP of the administrative costs of UNCDF from the Fund's accrued earnings, because that would have depleted valuable and scarce resources. Now that the Fund was firmly established, its administrative costs should be met from its healthy operational reserve.

80. It was reassuring that, in the face of the inherent structural weaknesses of the least developed countries, the main thrust of the Fund's activities was towards strengthening sectoral infrastructures in those countries. His delegation supported the continuation of the partial funding system, which improved the Fund's ability to expand activities and improve programme delivery.

81. He was gratified by the keen interest shown by UNCDF in the forthcoming United Nations Conference on the Least Developed Countries. He not only looked forward to the Fund's full and effective participation in the Paris Conference but also expected that a comprehensive programme proposal to be undertaken by UNCDF in the least developed countries, pursuant to the Conference's decisions and recommendations relating to the activities of UNCDF, would be submitted to the Council at its twenty-ninth session.

82. Donor countries should provide the Fund with the volume of resources that would enable it to sustain higher levels of capital development assistance to the poorest countries of the world. That should not prove a difficult task.

83. Mr. GLAZER (United States of America) said that his delegation was most gratified by the Fund's work in helping the least developed countries through self-help projects requiring limited capital and incorporating appropriate technologies.

84. He noted with approval that, in undertaking the internal management review referred to in paragraph 107 of document DP/536, the Administrator was alert to the need for increased administrative and substantive involvement in field activities. That was important for the Fund's work and for maintaining high project standards. He applauded the efforts to expand the project evaluation system to incorporate elements for evaluation into project design.

(Mr. Glazer, United States)

85. While encouraged by the impact of the partial funding experiment, he recalled that the Council had requested the Administrator to submit a report on that subject at the present session. He did, however, consider that there was ample reason to extend the experiment for a further year, with the proviso that a report should be submitted at the 1982 session of the Council.

86. His delegation supported the Administrator's recommendation that the Council again request the Economic and Social Council and the General Assembly that the Fund be authorized to reimburse UNDP for direct administrative expenses from the Fund's accrued interest on foreign exchange earnings until the Fund could assume responsibility for the payment of its own administrative costs.

87. He welcomed the increase in project approvals between 1979 and 1980 and noted with approval the doubling of project expenditure. He hoped that the latest estimates for project expenditure in 1981 would continue to show percentage increases.

88. He noted that, while the Fund's expenditure had increased by 122 per cent between 1979 and 1980, administrative costs had risen 130 per cent over the same period. While acknowledging that projects incorporating appropriate technology might involve more administrative costs than capital-intensive projects, he stressed the need to use staff resources in the most efficient way and encouraged the Fund to economize as far as possible without jeopardizing projects.

89. Mr. MAGDI (Executive Secretary, United Nations Capital Development Fund) said that he was grateful for the expressions of support addressed to the Fund. He hoped that the Fund would receive additional support, both financial and in the form of guidance, to keep it on the right track. The relationship between the Fund and the Council would remain as it always had been: UNCDF would continue to submit comprehensive reports to the Council describing its activities, the problems being faced and being dealt with and the possible solutions to those problems, in order to give the Council an appreciation of the Fund's activities and to benefit from the Council's guidance and support.

90. With regard to the policy of the Fund, the Administrator's report contained policy items which would guide programme trends in the future until, under the direction of the Council, it was decided to move into other areas. He assured members of the Council that there would be no change in the Fund's policies without the Council being fully aware of it. Although the Fund was mandated to work with all developing countries, it had been primarily active in the least developed countries and in those other countries to which the General Assembly had requested it to give similar consideration.

91. The missions, referred to by the representative of Switzerland, were intended to ensure a close and continuing dialogue with beneficiary Governments and to make the Fund more responsive to the preoccupations of the countries receiving UNCDF assistance. That was particularly important at the crucial stage of project identification, when it was essential that UNCDF representatives, rather than

(Mr. Magdi)

outside consultants, explain to the Governments concerned the Fund's operational policies and modalities of its assistance. He acknowledged the important role of UNDP resident representatives in that continuing dialogue with beneficiary Governments and said that their role would continue to be strengthened. The Fund counted on UNDP resident representatives to provide administrative and other supporting services in so far as it was possible. There were, however, occasions where monitoring of UNCDF projects, which were usually located in remote areas, put additional pressure on the resident representatives which they were not always equipped to handle. It was therefore necessary for the Fund to be in a position to ensure timely and effective monitoring of project implementation by means of staff missions to the field. In all cases, those missions were carried out in the most economic and effective way, in view of the need to use the limited staff available as efficiently as possible.

92. He noted the comments made by the representative of Yugoslavia concerning the desirability of exchanging expertise between developing countries. That was one of the Fund's major concerns for the future. He was sure that there was sufficient experience in appropriate technologies in developing countries and methods were being examined to put such expertise at the disposal of other similar countries.

93. He noted the remarks of the representative of the Netherlands regarding government execution of UNCDF-financed projects, and fully agreed with the view that government execution should not be an objective per se which should be pursued regardless of cost.

94. As was pointed out in the Administrator's annual report on UNCDF, government execution of UNCDF-financed projects was used as a means of strengthening national capabilities and self-reliance, and implementation services were provided only when national capabilities needed to be reinforced. In this connexion, however, it should be noted that the question of cost arose in providing implementation services through agencies of the United Nations system. Some agencies were co-operating in that regard by being flexible as to overhead costs, in recognition of the need to ensure that the financial assistance provided by UNCDF to LDCs should be used to the maximum for programme activities.

95. He also pointed out that it was important to remember the nature of UNCDF projects. The Fund's main concern was to provide capital assistance; its involvement did not end when disbursement had taken place. The Fund was concerned to ensure that projects financed by UNCDF were implemented in such a way as to achieve the development objectives originally agreed with the beneficiary Government. In that connexion, the Fund continued to monitor projects for at least two years after completion of disbursement.

96. Turning to the partial funding system, he said that the results achieved through that system and the expectations for the future had been highlighted in document DP/INF/34 submitted to the Council. The system was an important tool for the management of the Fund and could help it to improve its programme delivery rate, the quality of its programme and its responsiveness to country needs.

(Mr. Magdi)

97. While agreeing that administrative costs had risen simultaneously in 1980 with the doubling of project expenditure, it was important to note that project disbursement had doubled in the same year and that the scope of the Fund's operations had been expanded. Furthermore, he emphasized that the Fund was moving from a very low base with regard to staff resources, so that even the modest increase that occurred in 1980 expressed in percentage terms, as had been said by the representative of the United States, appeared disproportionate. When UNCDF had moved from a full funding system to a partial funding system, the Council had asked the Administrator to inject a degree of flexibility into the Fund to adapt its administrative capacity to that policy change. The Fund had attempted to fulfil that responsibility in the most economical way. He assured the Council that the Fund would continue to exercise caution in managing its resources.

98. In conclusion, he expressed the hope that he could count on the support of all at a time when the question of the least developed countries was considered so important and that UNCDF would retain the momentum it had gathered with the guidance and support of the Council.

The meeting rose at 1.15 p.m.