GOVERNING COUNCIL
Twenty-eighth session
SUMMARY RECORD OF THE 734th MEETING
Held at Headquarters, New York,
on Saturday, 27 June 1981, at 11 a.m.

President: Mr. ABDULAH (Trinidad and Tobago)

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Statement by the Administrator
The meeting was called to order at 11.15 a.m.

PROGRAMME OF IMPLEMENTATION (continued)

(a) ANNUAL REPORT OF THE ADMINISTRATOR (continued) (DP/L.370)

1. Mr. FARASHUDDIN (Bangladesh) read out the draft decision contained in document DP/L.370, submitted by his delegation, and expressed the hope that the Council would adopt it by consensus.

2. Mrs. BALLESTER (Cuba) and Mr. SEALY (Trinidad and Tobago) said that their delegations wished to become sponsors of the draft decision.

3. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to adopt the draft decision in document DP/L.370.

4. It was so decided.

(f) ACTION TAKEN IN RESPONSE TO GOVERNING COUNCIL DECISION 79/48 (continued) (DP/558 and Corr.1; DP/L.360, DP/L.364 and Corr.1)

5. Mr. GADEL HAK (Egypt) introduced draft decision DP/L.360, on government execution and management; project design, monitoring and evaluation; and UNDP-financed experts. The Working Group of which he was Chairman had reached a consensus on that text.

6. The PRESIDENT said that, if he heard no objection, he would take it that the Governing Council wished to adopt draft decision DP/L.360.

7. It was so decided.

8. Mr. WINDSOR (United Kingdom) said, with regard to the conclusion of paragraph 1 (b) of the decision just adopted, concerning the manner in which additional costs to recipient Governments might be met, that the Administrator should consider all sources within the Programme from which such costs could be met.

9. Mr. LIPTAU (Federal Republic of Germany) said that it was his delegation's understanding that consideration of the manner in which such costs might be met would involve exploring alternatives to meeting such expenses through the payment of support costs.

10. Mr. BALASUBRAMANIAM (Sri Lanka) introduced draft decision DP/L.364 concerning the improvement of the methods and procedures for the recruitment of project professional staff and consultants, and pointed out that the corrigendum to paragraph 3 (b) of that decision, contained in document DP/L.364/Corr.1, had been adopted by consensus.
11. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to adopt the draft decision in documents DP/L.364 and Corr.1.

12. It was so decided.

13. Mr. WIESEBA~CH (Assistant Administrator and Director for Programme Policy and Evaluation), replying to a question raised by the representative of New Zealand in connexion with document DP/558, said that the statement contained in the 1981 JIU report to the effect that not many individual project evaluations had been conducted and that, in 1979, UNDP had reported that only one third of those requested had been carried out could cause misunderstanding. Actually, more than 100 large-scale projects had been subjected to in-depth evaluation each year since 1976. However, the procedures in force were too ambitious in view of staff shortages and were thus unrealistic. Accordingly, document DP/558 proposed new procedures which could be better monitored and properly implemented with the available staff. As to tripartite monitoring reviews, current procedures called for an examination of the extent to which project objectives were being achieved and, in practice, that aspect should be given more attention than administrative aspects and input deliveries.

14. Referring to comments made by the representative of Norway, he explained that, in his opinion, consultations with Governments for the purpose of establishing the procedures and criteria for project monitoring and evaluation would be extremely time-consuming. However, any points which Governments might wish to raise regarding the provisions for monitoring and evaluation of individual projects could be discussed at the time of project formulation and design and could be included in the project document.

15. Referring to the suggestion put forward by the representative of Argentina that Governments should decide on the use of IPFs, he pointed out that paragraph 41 of document DP/558, in which it was proposed that a small amount of the IPF should be set aside to finance unforeseen project evaluations, also stated that such a provision would be subject to government concurrence.

16. The PRESIDENT said that, if he heard no objection, he would take it that the Council took note of the Report of the Administration contained in documents DP/558 and Corr.1.

17. It was so decided.

(e) EVALUATION (continued) DP/515 and Add.1

18. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to take note of the report of the Administrator on thematic evaluations contained in document DP/515, and the summary of the evaluation study contained in document DP/515/Add.1

19. It was so decided.
(d) ACTION TAKEN IN RESPONSE TO DECISIONS ADOPTED BY THE COUNCIL AT ITS TWENTY-SEVENTH SESSION (continued) (DP/516)

20. The PRESIDENT drew the Council's attention to the draft decision in paragraph 19 of document DP/516. It had been recommended that, in the light of the statement by the Director-General for Development and International Economic Co-operation, a second operative paragraph might be inserted, reading as follows:

"Notes with appreciation the progress achieved in the designation of Resident Co-ordinators as further evidence of the implementation of General Assembly resolutions relating to the restructuring of the economic and social sectors of the United Nations system."

21. He said that, if he heard no objection, he would take it that the Council wished to adopt the draft decision contained in paragraph 19 of document DP/516, as just orally amended.

22. It was so decided.

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

(a) REPORT BY THE ADMINISTRATOR (continued) (DP/518; DP/L.365)

23. Mr. BALASUBRAMANIAM (Sri Lanka) introduced draft decision DP/L.365, observing that operative paragraph 9 had now, like the rest of the decision, been agreed by consensus in the Working Group.

24. Mr. TAKASU (Japan) said that, while his delegation had joined in the consensus, it was concerned that the new format for submitting country programme documents and the various proposals for reducing administrative costs might reduce the flow of information to the Council, thereby undermining its functions. That would certainly have an unfavourable effect on country support for UNDP programmes. His delegation reserved the right to raise the point again after it had had an opportunity to examine the documents under the new format.

25. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to adopt draft decision DP/L.365.

26. It was so decided.

(b) CONSIDERATION OF MATTERS ARISING FROM DECISION 80/30 ON PREPARATION FOR THE THIRD PROGRAMMING CYCLE (continued) (DP/519; DP/L.358, DP/L.361)

27. Mr. BALASUBRAMANIAM (Sri Lanka) introduced draft decision DP/L.358 on the establishment of a UNDP study programme, which had been agreed upon by consensus, and draft decision DP/L.361, on which consensus had not been reached with regard to operative paragraphs 8 (b) and (c).
28. **Mr. FESENKO** (Union of Soviet Socialist Republics), supported by Mrs. **BALLESTER** (Cuba), Mr. **GUBESI** (Observer for Hungary) and Mr. **SMYK** (Poland), said that the authority and future of UNDP depended on consistent respect in all aspects of its activities, for the universality and voluntary character of the Programme. That included the sovereign right of donors to make contributions in their national currencies. The proposed request that donors should contribute in convertible currencies was thus not in keeping with the principles underlying UNDP, with the interests of equitable international co-operation or with the provisions of the 1970 consensus. He therefore objected to the inclusion of paragraph 8, on which consensus had not been reached, in draft decision DP/L.361.

29. **Mr. SIOSTRONEK** (Observer for Czechoslovakia) said that he fully supported the statement by the representative of the Soviet Union. His Government had already in 1978 taken steps to do away with any impediments to the convertibility of its national currency, and as a result its own contributions had, indeed, been fully utilized.

30. **Mr. BAKALOV** (Bulgaria) observed that some delegations were trying to change the voluntary and universal character of UNDP by raising the so-called problem of currency convertibility. Working together with UNDP, Bulgaria had found ways of utilizing almost completely its own contributions to the Programme and was looking into every possibility for utilizing the remaining sums.

31. **Mr. GALLITZ** (Observer for the German Democratic Republic) said that he also supported the statement by the Soviet Union. His delegation regarded the voluntary and universal nature of UNDP as fundamental. The Governing Council should be discussing not the form of payment of contributions but the full and effective utilization of UNDP resources in the interests of the developing countries and the liberation movements. Efforts to politicize the question of the form of contributions were not in the interest of the Programme.

32. **Mr. POPESCU** (Romania) said that operative paragraphs 8 (b) and (c) of draft decision DP/L.361 were not in the spirit of the principle of universality and voluntary contributions to UNDP. His delegation would therefore like to see the two paragraphs deleted.

33. The **PRESIDENT** said that, if he heard no objection, he would take it that the Council wished to adopt draft decisions DP/L.358 and DP/L.361.

34. **It was so decided.**

(c) **ASSISTANCE TO SPECIFIC COUNTRIES (continued) (DP/L.368)**

35. **Mr. AL-EBRAHIM** (Kuwait) pointed out that the degree of United Nations involvement in Lebanon at the present time was perhaps unparalleled anywhere else in the world. That assistance was very valuable, not only *per se*, but particularly because the reconstruction efforts which were continuing despite the violence were one of the major means available to the Government to demonstrate its sovereignty and its determination that Lebanon should survive as a united and free State. Aid was worth more at the present time than it would be at a later stage, even if more
was provided at that later stage. The vital contribution that UNDP was making to Lebanon would no doubt underscore the need for all nations to contribute more to the Programme because of its ability to play a constructive role even under the worst conditions. After reading out the text of decision DP/L.368 which the Council had adopted at its previous meeting, he expressed the hope that the Administrator would prepare a report concerning assistance to Lebanon for submission to the Council at its twenty-ninth session.

(d) REPORT ON PRE-INVESTMENT ACTIVITIES (continued) (DP/L.345/Rev.2)

36. The PRESIDENT drew attention to the revised draft decision in document DP/L.345/Rev.2 and said that, if he heard no objection, he would take it that the Council wished to adopt that draft decision.

37. It was so decided.

OTHER MATTERS (continued)

(a) MATTERS ARISING OUT OF ACTION TAKEN BY OTHER ORGS OF THE UNITED NATIONS SYSTEM (continued) (DP/560, DP.554; DP/L.372)

38. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to adopt draft decision DP/L.372.

39. It was so decided.

40. Mr. CHRISTENSEN (Sweden) said that his delegation had joined in the consensus on the draft decision but felt that it would have been appropriate for the Council to express the hope that UNDP could play a direct role in the implementation of the substantial new programme of action to be adopted at the United Nations Conference on the Least Developed Countries. He had noted with concern that some delegations had not been willing to recommend that the attention of Governments participating in the Conference be drawn to the Special Measures Fund and UNCDF. As a major contributor to those funds, his delegation assumed that they enjoyed the support of the least developed countries, and he hoped that in future support would be shown for them. UNDP facilities should be used fully in the follow-up to the Conference.

41. Ms. POULSEN (Denmark) said that her delegation had joined in the consensus but was concerned that the Council had not more clearly recommended that the Conference use UNDP's experience in implementing the programme of action to be adopted. Her delegation especially regretted the fact that some delegations could not accept any reference to the Special Measures Fund or UNCDF, which were especially geared towards meeting the needs of the least developed countries. UNDP was well placed and should play an important role in the follow-up of the Conference.

42. Ms. SCHELTEMA (Netherlands) said that her delegation wished to associate itself with the previous speakers. It regretted the fact that it had not been
possible to formulate as a recommendation to the Conference the Council's opinion that UNDP and UNCDF should play a major role in the follow-up to that Conference. International organizations were deeply involved in the development process of the least developed countries, and channels for the provision of assistance such as UNDP and UNCDF should be fully utilized. Their contribution to the implementation of the programme of action must be strengthened, and adequate co-ordination within the United Nations system must be ensured.

43. Mr. FARASHUDDIN (Bangladesh) said that, having joined in the consensus, his delegation saw a possible role for UNDP in the implementation of the programme of action. Paragraph 2, however, should not be interpreted as a prejudgement of the outcome of the Conference. The Conference should determine the details of implementation, and UNDP should take action in line with those decisions. Given UNDP's progressive role in the provision of assistance to developing countries, his delegation had no doubt that the Conference would assign it appropriate responsibilities in implementation and follow-up. The decision just adopted was aimed at enabling UNDP to participate fully in the Conference and to be prepared to undertake its implementation assignments, without prejudging the Conference's results. He recalled that a separate decision in document DP/L.350 had been adopted by consensus. That decision specifically acknowledged UNCDF's role in providing capital assistance to the least developed countries and expressed the hope that it would play a direct part in implementing the Conference's decisions.

44. Mr. TORAASEN (Norway) said that, as a major contributor to UNDP and the other funds mentioned, his delegation wished to associate itself with the statements made by the representative of Sweden, Denmark and the Netherlands.

45. Mr. RAMOS (Observer for Cape Verde) said that his delegation wished to associate itself with the statement made by the representative of Bangladesh. UNDP would play an important role in implementing any decisions taken at the Conference. The decision just adopted went further than was desirable, however, since the outcome of the Conference was not known and it would not be advisable to prejudge its results.

46. Mr. AFANASIEV (Director, Division for Programme Support and Co-ordination), introducing the second report on relations between UNDP and external institutions (DP/561), recalled that, at the next session of the Council, UNDP would be presenting a comprehensive report on the Guidelines Concerning Relations between UNDP and External Institutions, which would analyse the additional inputs obtained through that activity and the modalities by which such activities could best be carried out.

47. Activities by co-operating organizations working with UNDP had continued to increase. While there had been no massive new input from outside organizations, a modest and steady level of advisory services had been fostered by the application of the Guidelines. As of the present time, the number of co-operating organizations whose participation had been confirmed had risen to 13 with the
addition of two new organizations - Technoserve in the United States and the Technical Office for International Studies and Co-operation in France. He mentioned two particularly successful activities - the participation by the Young Presidents Organization in a global seminar attended by directors of national management training institutions and the co-operation between the Philips Company of the Netherlands, UNIDO and UNDP under the auspices of the Industry Council for Development, in sponsoring a workshop on the selection of technology for developing country conditions. The workshop had produced a handbook which would be of use throughout the world. Although the results achieved so far were rather modest, the experiment was worth continuing as it had contributed valuable though limited additional resources.

48. The Guidelines were not meant to be used to accord any specific status to external institutions. UNDP was not planning to finance programmes of the co-operating organizations from its administrative budget or from any other funds administered by it but would channel additional resources to the developing countries, mainly in the form of outside expertise. No external institution would be accorded the status of co-operating organization until the administration was satisfied that the requirements of the Guidelines had been fully met. In certain cases, the reliability of the information submitted by an organization was checked with the Government concerned.

49. So far only one developing country institution had expressed interest and readiness to co-operate with the United Nations in development activities. UNDP would continue its efforts, within the framework of technical co-operation among developing countries and through other available channels of communication, to locate other institutions in the developing countries. It hoped to have more encouraging results to report at the next session.

50. Mr. CHRISTENSEN (Sweden), speaking on behalf of the delegation of Denmark, Finland, Norway and Sweden, recalled that the Council had adopted the Guidelines for a trial period of three years during which time it was to follow developments closely through the annual reports submitted to it. The impression which his delegation had obtained from the present report was the same as it had obtained from the earlier report: many institutions had been in contact with or had been contacted by UNDP but so far not much had come of those contacts. Given the considerable political importance of the item, it was essential to prove, during the experimental period, that other organizations aside from the Industry Council for Development could co-operate with UNDP in a substantial way. Accordingly, the forthcoming and final year of the experimental period seemed crucial.

51. It was important that UNDP should maintain equal and balanced relations with all external institutions interested in collaborating with it. In no way could he accept a situation in which any organization became so involved in UNDP's daily work as to be able to draw on its administrative services. He urged the Administrator to make a special effort to conclude the trial period in accordance with the Council's original intention. He was convinced that, if well implemented, the Guidelines could make a positive contribution to UNDP in mobilizing expertise, knowledge and ideas in the service of the developing countries.
52. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to take note of the report by the Administrator (DP/561) and the relevant statement of introduction.

53. **It was so decided.**

(c) **FURTHER CONSIDERATION OF THE ORGANIZATION OF THE SESSION OF THE COUNCIL (continued) (DP/L.373)**

54. The PRESIDENT said that, since the recommendations in document DP/L.373 seemed to represent the consensus of the Working Group, if he heard no objection, he would take it that the Council wished to adopt the draft decision contained in that document.

55. **It was so decided.**

56. The PRESIDENT drew the Council's attention to paragraphs 1 (c) and 4 (b) of document DP/L.373, to paragraph 2 (d) of document DP/L.361 as well as to paragraph 12 and paragraphs 14 to 25 of document DP/562. In view of General Assembly resolution 35/81, he suggested that the Council might wish to endorse the policy issue set forth in paragraph 12 (a) of document DP/562, on the understanding that the Administrator would prepare the relevant documentation for discussion at the Council's twenty-ninth session.

57. **It was so decided.**

58. The PRESIDENT, referring to paragraph 4 (b) of document DP/L.373, invited the Council to consider the suggestion contained in paragraph 59 of document DP/562 and said that, if he heard no objection, he would take it that the Council wished to endorse that suggestion.

59. **It was so decided.**

60. The PRESIDENT drew attention to the proposed revisions of the rules of procedure of the Governing Council contained in document DP/L.357 and said that, if he heard no objection, he would take it that the Council wished to adopt the proposal contained therein.

61. **It was so decided.**

**COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS (continued)**

(d) **GLOBAL AND INTERREGIONAL PROGRAMMES (continued) (DP/524)**

62. Mr. MORSE (Administrator), replying to questions raised at previous meetings in connexion with paragraph 72 of document DP/524, reiterated his belief that services to the developing countries in the field of debt management were readily available from other sources, including UNDP itself through national IPFs. Accordingly, the Administration had withdrawn its support for the proposal contained in paragraph 72 because, in his opinion, failure to do so would have been detrimental to his accountability to the Council.
63. However, the Council was empowered, under the consensus, to recommend and approve any proposal for intercountry projects, although a consensus on that issue did not seem likely. Accordingly, in order to help the Council to attain consensus and in view of the very profound interest in debt management expressed by a large number of the developing countries, he supported the suggestion made by the delegation of India that further discussions should be held between UNCTAD, the World Bank and IMF to determine whether fully adequate and appropriate services in debt management were available to those developing countries needing such services and that he should undertake consultations with the interested parties and report on the outcome of all those efforts to the next regular session of the Council in June 1982.

64. Mr. GADEL HAK (Egypt), thanked the Administrator for leaving the door open for further discussion on the question of debt management and stressed the great importance of that subject for the developing countries. Accordingly, he requested that the Administrator should continue consultations with the other organizations concerned and should report to the thirty-sixth session of the General Assembly as well as to the next session of the Governing Council.

65. Mr. TUAN (Liberia) supported the comments made by the representative of Egypt. He expressed the hope that, in view of the serious threat which debt management represented to the development of the developing countries, the relevant activity would not be dropped so that, as a last resort, the developing countries would have the option of using UNDP assistance.

66. Mrs. ANTONINI (Venezuela), speaking on behalf of the Group of 77, expressed the hope that the consultations undertaken by the Administrator would be fruitful and that his report to the next session of the Council would be positive. The activity described in paragraph 72 should be retained.

67. Mr. TAHINDRO (Observer for Madagascar) said that his delegation took note of the Administrator's statement concerning consultations and understood that the activity would be retained pending the results of those consultations.

68. Mr. MOUNOUNT (Niger) said that, for his delegation, the question of debt management was crucial, but that problem could at least hamper the development efforts of all developing countries. Since no consensus had been reached, and in the light of the Administrator's clarifications, he supported the comments made by the observer for Madagascar and by the representatives of Venezuela and Gabon and suggested that the final decision could be left to the Administrator. In the meantime, paragraph 72 should be placed between square brackets.

69. Mr. AMOKO (Uganda) said that he was glad that the Administrator's consultations were to be continued. It was his understanding that the Council would take note of paragraph 72, along with the rest of the document. He supported the Egyptian proposal that, after consultations with the interested parties, the Administrator should report on the matter at the next sessions of the General Assembly and the Council.
70. **Mr. Ramos** (Observer for Cape Verde) said that his delegation supported the proposal that, while negotiations continued among UNCTAD, UNDP, IMF and other international monetary institutions, paragraph 72 should be retained. He also supported the Egyptian proposal concerning a report by the Administrator to the next sessions of the General Assembly and the Council.

71. **Mr. Al-Ebrahim** (Kuwait) endorsed the proposal by the representative of the Niger that the paragraph should be left in brackets. All comments made during the discussion should be duly noted and the matter should be taken up at the Council's next session.

72. **Mr. Khan** (Pakistan) stressed the importance of the subject for developing countries and said that the door should be left open for further negotiations. He hoped that there would be sufficient time to allow the Administrator to carry out comprehensive negotiations and report on the matter at the next session of the General Assembly, as the representative of Egypt had proposed.

73. **Mr. Bayona** (Observer for Peru) said that his delegation agreed with the Egyptian delegation that the results of the Administrator's consultations should be reported at the next session of the General Assembly. He believed that, since there was no consensus, the paragraph should remain in the document.

74. **Mr. Mayira** (Rwanda) said that the problem of external debt was extremely important and placed a heavy burden on the budgets of developing countries. Consequently, paragraph 72 should be retained, pending the results of the Administrator's consultations.

75. **Mr. Morse** (Administrator) said that he sensed general support for his plans. In reply to the question raised by the representative of Gabon, he said that there were no precedents applying to the current situation. Since no consensus had been reached on the paragraph, the proposal by the representative of the Niger to include it in brackets was an ideal solution, and that procedure did have precedents. With regard to the Egyptian proposal, he said that it was within his competence to report only to the Council, and the Council could then determine what would be done with his report. He wished to assure delegations that he attached great importance to the problem of debt management and would make conscientious efforts during the negotiations to arrive at a suitable solution. Services in debt management were available to all developing countries if they chose to use their IPFs for that purpose.

**OTHER FUNDS AND PROGRAMMES (continued)**

(j) INFORMATION ON AGENCY REGULAR AND EXTRA-BUDGETARY TECHNICAL CO-OPERATION EXPENDITURES IN 1980 FINANCED FROM SOURCES OTHER THAN UNDP (continued) (DP/545; DP/L.371)

76. **Mr. Wiesebach** (Assistant Administrator and Director for Programme Policy and Evaluation), introducing document DP/545, said that for many years the Administrator had furnished the Council with information on the regular and extra-budgetary technical co-operation programmes of the specialized agencies...
and IAEA. The document before the Council was the latest in that series, and it contained a description and a brief analysis of data on the technical co-operation expenditures of the United Nations system in 1980, focusing on those financed from sources other than UNDP. It included data on expenditures by two non-technical co-operation bodies in the United Nations system - UNICEF and WFP - as well as country-by-country data on extra-budgetary contributions to agencies for technical co-operation purposes. The data indicated that non-UNDP technical co-operation expenditures, excluding those of the World Bank, had been close to $570 million in 1980, compared with $670 million from UNDP's central resources. The data were detailed, wide-ranging and covered the expenditures of as many organizations as possible. The growing size and complexity of the United Nations development system made it increasingly difficult to assemble and check data for such documents; new ways of doing so must be sought in order to facilitate the work of compiling them. Work was currently being done on the possible use of a common data base for producing statistics, and the Administrator would inform the Council of future developments.

77. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to adopt draft decision DP/L.371.

78. It was so decided.

STATEMENT BY THE ADMINISTRATOR

79. Mr. MORSE (Administrator) said that he and the entire staff of UNDP were grateful for the many expressions of support, encouragement and confidence which they had received. He noted that many delegations had again expressed the conviction that UNDP's role as a central funding and co-ordinating body, at the country level, should be strengthened. In that connexion, he referred to document DP/545 which indicated that, for 1980, UNDP's share of total technical co-operation expenditures within the United Nations system, exclusive of World Bank funding, had amounted to almost 55 per cent of total financing, representing a slight gain over the 1979 figures. He was sure that progress would continue to be made in that regard.

80. He had been enormously impressed by the many developing country delegations, in particular, which had made emphatic reference to the indispensability of technical co-operation to their country's development needs and which had attested to the essential support provided by technical co-operation and human resources development in their own development plans. In return, he assured them that UNDP, at Headquarters and in the field, would strive for greater restraint and economy and even more efficiency so as to contain overhead costs without, however, sacrificing quality. The next regular session of the Council would have before it the result of the exhaustive and critical study on that issue, including all those options and new approaches to the problem which he had promised.

81. Finally, he expressed his determination to ensure that an average annual increase in resources of at least 14 per cent was obtained for the next cycle.

The meeting rose at 1.25 p.m.