GOVERNING COUNCIL

Thirtieth session

SUMMARY RECORD OF THE 11th MEETING

Held at Headquarters, New York, on Tuesday, 7 June 1983, at 10.30 a.m.

President: Mr. SLIM (Tunisia)

CONTENTS

Adoption of the agenda and other organizational matters (continued)

Policy review: measures to mobilize increased resources for UNDP on an increasingly predictable, continuous and assured basis

This record is subject to correction.

Corrections should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent within one week of the date of this document to the Chief, Official Records Editing Section, Department of Conference Services, room A-3550, 866 United Nations Plaza.

Any corrections to the records of the meetings of this session will be consolidated in a single corrigendum, to be issued shortly after the end of the session.
The meeting was called to order at 10.55 a.m.

ADOPTION OF THE AGENDA AND OTHER ORGANIZATIONAL MATTERS (continued)

1. The President suggested that the Council should transmit to the Budgetary and Finance Committee, in addition to the documents covered by the decision taken at the preceding meeting, the note by the Administrator on UNDP support to the Technical Advisory Committee of the Consultative Group on International Agricultural Research (DP/1983/39).

2. It was so decided.

POLICY REVIEW: MEASURES TO MOBILIZE INCREASED RESOURCES FOR UNDP ON AN INCREASING PREDICTABLE, CONTINUOUS AND ASSURED BASIS (DP/1983/5, DP/1983/69; DP/1983/ICW/6, 7, 8 and Corr.1, 11-13)

General debate

3. Mr. Albornoz (Ecuador) said that at a time of world economic crisis, with its particularly severe impact on the developing countries, UNDP constituted not only the highest achievement of international co-operation but also the only positive response so far to the challenge of remediying traditional injustices and accelerating progress towards an era of global development in which every country, large or small, rich or poor, would have a contribution to make and benefits to derive. The first step which the more advanced countries should take in order to demonstrate their political will to enter into global negotiations aimed at alleviating tensions and closing the growing gap between rich and poor countries would be to give meaningful support to UNDP. Conversely, if such will was lacking, that would be reflected in limited support for UNDP.

4. There were some indications of support for the only viable solution to the UNDP crisis, which would involve resolute co-operation among all countries and utilization of the full capacity of the systems for providing such co-operation, such as UNDP, at the vital level of pre-investment and transfer of technology. Development was important not only economically but also politically, and support should therefore be given to a proven system of co-operation the underlying principle of which was responsibility for helping the weaker countries to help themselves. There was a need to promote world development by liberalizing international trade, eliminating discriminatory trade barriers and enabling the poorer countries to fulfil their commitments through a more realistic long-term approach to terms of credit. The industrialized countries were coming to realize that the growth of their exports in the past decade had depended on growth in the developing countries and that the austerity and reductions in imports which they urged on the latter resulted in high levels of unemployment in the rich countries. Western leaders were therefore saying that the objective of international co-operation continued to be to reactivate economic growth in the context of a positive North-South dialogue. It was to be hoped that their words would be matched by deeds and that contributions to UNDP would be increased at an annual
rate of at least 14 per cent, as recommended by the General Assembly. If contributions had increased at that rate over the past decade, UNDP would now have at its disposal sufficient resources to meet the minimum needs of the developing world.

5. The lack of vision and the failure to give UNDP resources commensurate with its task were also felt by the third world countries in terms of the restriction of credit, the decline in real commodity prices and world-wide inflation, which undermined the value of their currencies and created serious social tensions. Such concerns, and suggestions for possible solutions, were being expressed in other international forums - for instance, at the sixth session of UNCTAD, the recent meetings in Buenos Aires and New Delhi, and the meeting of Latin American countries held in Quito on 16 May on the initiative of the President of Ecuador at which the countries of the region had pursued their search for a common solution to the crisis through sweeping structural change, greater regional integration and diversification of markets, and co-operation in the areas of food, energy, transport and finance. In all those areas, UNDP could, if it had sufficient resources at its disposal, provide assistance which would enable countries to tackle and solve the problems facing them.

6. UNDP was the keystone of the effort to combat poverty, ignorance and sickness, which must be overcome before other actions to promote global development and world economic growth could succeed. The report of the Administrator (DP/1983/6) detailed the financial problems of the Programme and the situation which had forced it to reduce programming for the third cycle to 55 per cent of the indicative planning figures, and decried the unwillingness of the well-to-do countries to increase their co-operation. However, the report also contained encouraging notes. It reflected the growing significance of and need for the services provided by UNDP, whose very purpose constituted a response to the concern expressed recently by Western leaders with respect to the importance of technology and the promotion of growth, employment and trade. Similar sentiments had been expressed by the non-aligned countries in their recent New Delhi Declaration. UNDP could serve those objectives if it was given resources commensurate with the needs of the developing countries. There were some positive signs, such as the increased contributions pledged by the United States in 1982 and by Canada, Norway and Sweden more recently. His delegation agreed with the Administrator that the Programme's long-term needs for funds must be met and that that should be the direct responsibility of the Governing Council, whose Bureau stood ready to support the Administrator's efforts to that end.

7. His delegation appreciated the establishment in December 1982 of a working group to ensure direct co-operation between UNDP and the World Bank and the reference in the Administrator's report to the joint UNDP/agencies task force.

8. The growth of UNDP was not by itself the solution to world economic growth, but it was a prerequisite for activating the entire system. UNDP promoted coherence and co-ordination, while at the same time it served as a focal point for other multilateral or bilateral inputs, both public and private, with the aim of
increasing the effectiveness of projects identified by UNDP. It also served to co-ordinate the activities of the specialized agencies and other executing agencies, including the regional development banks and the World Bank.

9. Adopting such a realistic approach, it should be possible to mobilize the additional resources needed by UNDP on an increasingly predictable, continuous and assured basis. The developing countries must remain steadfast in their commitment to the principles reaffirmed in the New Delhi consensus, particularly the principle of country programming by Governments, the voluntary nature of the Programme and the pluralistic quality of UNDP co-operation, which ruled out any outside economic or political interference in the domestic affairs of recipient countries. In that connection, his delegation noted with satisfaction that an increasing number of projects were being executed by recipient Governments themselves, using nationals of the country concerned.

10. At the regional and international levels, TCDC and ECDC were significant trends reflecting the growing degree of responsibility for self-reliant development and solidarity between poor countries, such co-operation was not, however, a substitute for the North-South co-operation which should characterize UNDP's efforts to eliminate the disturbing technological disparities between nations.

11. His delegation favoured any measure to maintain the real value of contributions and to meet the targets originally set for third cycle indicative planning figures. It urged countries in a position to do so to give relative indications, when announcing their annual pledges, of their possible contributions for subsequent years. The authority of the Governing Council should be strengthened with respect to the consideration and approval of country programmes proposed by Governments, and that function should not be delegated to any other body, since the members of the Council were elected by sovereign countries on the nomination of the regional groups, which provided a sound legal basis for the Council's sensitive work. At the same time, his delegation supported any initiative to strengthen the authority of the Administrator for the preparation of projects, programmes and documentation, in consultation with the Government concerned and in accordance with legislative mandates. An example of compliance with those requirements was document DP/1983/60 on relevant trends and problems in the country programmes proposed for approval in June 1983. It was the Administrator, as an international civil servant, to whom such authority had been delegated and in whom trust had been placed by countries.

12. With regard to evaluation activities, the Administrator, within the existing staffing and financial resources, was in a position to respond to requests for information from the Governing Council.

13. His delegation supported the measures taken by the Administrator to promote greater understanding of UNDP's role and activities. The issue of nearly 600 documents providing information on the progress of projects was helpful to prospective donor countries, to developing countries themselves and to world public opinion.
14. Another encouraging development was the increasing use of cost-sharing arrangements, especially in Latin America, for the implementation of projects which could not be financed from the meagre indicative planning figures. It was also encouraging that developing countries were continuing to increase their voluntary contributions by more than the proposed rate of 14 per cent each year and that some of them had become net contributors. Many other countries voluntarily contributed 8 per cent of project support costs and also contributed to the upkeep of UNDP local offices. It had rightly been said that UNDP funds were increasingly becoming seed money which, in some cases, was multiplied tenfold in the field. That illustrated the value and necessity of the system and, conversely, the inadequacy of existing funding.

15. He noted with satisfaction the activities of the United Nations Revolving Fund for Natural Resources Exploration and the United Nations Fund for Population Activities. UNFPA was co-operating with other operational programmes and with UNDRO under the effective and essential co-ordination of the UNDP resident representatives, in responding to the natural disasters which in recent months had stricken so many developing countries, including his own. Natural disasters exacerbated the already difficult situations faced by developing countries as a result of declining trade, sharp decreases in commodity prices, the reduction in ODA flows and heavy debt servicing. Without the co-ordination provided by resident representatives and their familiarity with local conditions, both the emergency and longer-term plans of the Governments concerned would certainly fail.

16. Mr. SCHMID (Austria) said that, at its preceding session, the Governing Council had decided to submit UNDP to something which, in the life of an individual, would be described as a thorough medical check-up. The results were before the Council in the form of the report of the Intersessional Committee of the Whole (DP/1983/5). It was for the Council to prescribe the appropriate medication to revitalize UNDP. It was his delegation's conviction that, without a healthy and properly functioning system of multilateral technical assistance, the economies of the developing countries would have little chance of progressing to the level which elementary justice demanded and which the world economy as a whole so desperately needed.

17. He refused to label the temporary resource constraints which UNDP was experiencing as a crisis of the system. Nevertheless, the difficulties were real and profound. To surmount them was not only in the interest of the recipient countries but constituted an important element in the reconstruction of the world economy. His delegation had been impressed by the candour and forcefulness of the Administrator's opening statement, in which he had resisted the temptation to paint an entirely black picture of the situation.

18. As for the causes of the Programme's financial impasse, he recalled that, when the Governing Council had decided in June 1980 to base forward planning of programme delivery on an exponential growth of resources at the annual rate of 14 per cent, it had taken into account the historical growth rate of UNDP's voluntary contributions during most of the 1970s, a time of inflationary
(Mr. Schmid, Austria)

expectations and falling exchange rates for the United States dollar. While insisting that it might not be realistic to count on an across-the-board growth of contributions at that rate, many of the major contributors had accepted the target on the tacit, or in some cases the explicit, understanding that they themselves would not reach it but that the emergence of new and generous donors would make up for the shortfall. Subsequent developments with regard to inflation, exchange rates, world economic output, unemployment and trade had proved those assumptions to be disastrously wrong. Monetary and fiscal restrictions adopted by the major industrialized countries had made even modest increases in ODA anathema to many Ministries of Finance. At the same time, the GNP of oil-exporting countries had fallen precipitously owing to steadily weakening prices and declining quantities of exports, turning their previous hesitation to channel ODA funds through the United Nations system into a genuine inability to do so.

19. The crisis of expectations had been compounded by an unprecedented depreciation of virtually all currencies against the United States dollar. Some two thirds of UNDP's total outlays were made in dollars, while almost three quarters of its pledges were received in other currencies. Thus, increased national pledges had been offset by currency fluctuations, further eroding the rate of increase in resources.

20. In addition, there had been a cost explosion in the provision of experts to developing countries, one of the major items in the operational budget. The great cost of such experts - $100,000 a year in some cases - raised the question of whether other means could not be found to achieve the same end, thus effecting very substantial savings.

21. However, UNDP's difficulties were not due exclusively to the above considerations. There was growing disenchantment in important sectors of public opinion in donor countries with the effectiveness of aid administered through the United Nations system. The impression had grown that the United Nations system as a whole was inefficient and increasingly politicized. There was growing dissatisfaction with the effectiveness of monitoring and evaluation in many United Nations agencies. In the absence of hard facts, such judgements tended to be based on anecdotal evidence.

22. Any explanation of UNDP's resource constraints was of only secondary importance to developing countries, which expected practical solutions to their great needs - needs that were especially pressing at a time when concessional lending institutions which provided capital assistance to developing countries were being forced by the present strain in world financial markets to channel their funds into debt relief.

23. A significant improvement in the short-term and medium-term outlook was possible only if a concerted effort was undertaken by the international community as a whole. Traditional donors would have to continue to increase their contributions to the Programme, even if that necessitated a reallocation of assistance resources. Austria had increased its budgetary appropriation for UNDP.
by 20 per cent in 1982 and, depending on the performance of the dollar in the next few months, its 14 per cent increase in dollar terms for 1983 might entail an appropriation of the same magnitude. Those developing countries, in particular oil-exporting countries, which were in a position to do so should assume a greater responsibility for providing funds; such efforts would be fully in keeping with the importance developing countries attached to TCDC. It was disappointing that many OPEC countries had chosen to channel their assistance primarily through organizations other than UNDP.

24. Council decision 80/30 provided for the redistribution of UNDP resources in favour of the neediest members of the international community. If the goals set out in paragraph 6 of that decision concerning the reimbursement of UNDP services by developing countries above a certain national income level were fully met, the Programme would be in a position to reduce net expenditure while at the same time preserving the principle of universality, to which his delegation attached the utmost importance.

25. Expenditure on administration and programme delivery had to be kept under continuing review. His delegation appreciated the efforts made by the Administrator to trim administrative costs to the bare minimum. At the same time, efforts should be undertaken to reduce the extravagantly high costs of experts, perhaps by the increased use of United Nations volunteers.

26. Any attempt to mount a one-time rescue operation for UNDP would have to be a co-ordinated effort, supported by the overwhelming majority of the donor community. It was regrettable that the Intersessional Committee of the Whole had been unable to mobilize sufficient support for such an operation. He noted that the Intersessional Committee had appealed to Governments to consider transferring to UNDP, at the end of their respective fiscal years, undisbursed resources from other programmes. In Austria and many other countries, it was not legally possible to make transfers between multilateral and bilateral assistance accounts; bilateral funds could be channelled through UNDP only by means of funds in trust. Austria believed that it was advantageous for both donors and recipients that such funds should be administered through UNDP. In that regard, UNDP should be commended for the arrangements it had made with a major donor in order to make its non-convertible contributions more readily usable.

27. In order for the Programme to have the necessary impact and credibility, it must be capable of meeting the technical co-operation needs of developing countries, and for that purpose it required a sustained and growing flow of resources. The present financing mechanism had served UNDP well and was in keeping with the Programme's voluntary nature. Although proposals to replace that mechanism by a replenishment system might seem attractive at first sight, it was doubtful whether such a system would result in a permanent increase in resources. The Intersessional Committee's proposal that donor countries should voluntarily undertake to maintain the real value of their pledges was in accordance with the basic principles laid down in the consensus. His delegation also welcomed the conclusions in the Committee's report on burden sharing, and it could see the value of a multi-year approach to financial planning and pledging.
28. Experience had shown that there was a link between the degree of active involvement of States in a programme and the financial resources they made available to it. There was growing concern among some donor countries that the Governing Council was not adequately structured to enable it to assess country programmes submitted by recipient countries. Many donor countries felt somewhat removed from the programming, implementation and evaluation processes—a situation which might lead to a problem of identification with UNDP's activities. Greater involvement of the Council in project and programme matters was necessary not only to enhance the effectiveness of UNDP but also to secure increased and more assured funds for the Programme. An improved monitoring system which objectively demonstrated UNDP's effectiveness seemed the best solution. At the same time the flow of information on the effectiveness of multilateral technical assistance in general, and UNDP assistance in particular, must be enhanced, and Austria supported the Administrator's proposals to that end.

29. His delegation was convinced that the fundamental problems of developing countries required a multisectoral approach based on a long-term planning horizon. That would be possible only with a strong central funding agency, acting as an unbiased arbiter in dealing with conflicting sectoral claims and responding to the whole range of sectoral needs of a developing country as reflected in its country programme. The only organization capable of such an approach was UNDP. His Government unconditionally supported UNDP as the central funding and co-ordinating agency for the technical assistance efforts of the United Nations system as a whole, as established in the 1970 consensus.

30. Mr. WABUGE (Observer for Kenya) said that the administrator and his staff had discharged their duties with great dedication. His government particularly appreciated the role played by the UNDP Resident Representative in Kenya and the contributions made by donor countries to Kenya's development.

31. It was essential for the Council to review the implementation of country and inter-country programmes and projects, including technical co-operation among developing countries, energy resources, science and technology for development and aid to drought-affected countries. Human, financial and material resources were needed in those areas. Kenya was concerned over the decline in the funding available for UNDP programmes, and called upon the developed countries and others able to do so to increase their contributions to the Programme, so as to place its resources on a predictable, continuous and assured basis. The considerations raised in document DP/1983/5 should be given careful attention.

32. His Government welcomed the efforts made by UNDP and by the Department of Technical Co-operation for Development to promote technical co-operation among developing countries. It was to be hoped that the conclusions and recommendations of the Intersessional Committee of the Whole would be translated into effective action. That would require increased financial and human resources at all levels in UNDP. His delegation called upon the heads of all the relevant United Nations organs to maintain the question of TCDC on their list of priorities.
33. In the 20 years since Kenya had achieved independence, UNDP had provided technical assistance to support government programmes for economic and social development, in co-operation with executing agencies of the United Nations system. Emphasis had been placed on national self-reliance and the use of national resources, a trend which would continue. UNDP was arranging for United Nations volunteers to fill manpower gaps in Kenya. The Programme had played an important role in the preparation of the country's plans in key areas, such as agriculture, industry and energy. Approximately half of the UNDP resources spent in Kenya had been devoted to agricultural planning and research. The country had great agricultural potential, which had not so far been realized owing to inadequate distribution and storage facilities.

34. With regard to industry, UNDP had co-operated with a number of institutions in Kenya and had, for example, produced an employment-skills model. The Programme had been involved in the efforts to extend industrialization throughout the country and to increase African participation in the process. The main difficulty was lack of money. Assistance had also been received in civil administration, and in the exploitation of indigenous energy sources. In particular, UNDP had been involved in the operation of a geothermal power station and in the identification of possible new sites for such stations. There were also projects on prospecting for mineral resources.

35. The World Food Programme had provided food aid, particularly following the drought in 1979 and 1980, and had assisted in irrigation projects. UNFPA was active in Kenya, where it had been involved in the collection of data for the 1979 census and in population planning.

36. Kenya was a country rich in natural resources, but lacking human and financial resources to exploit them effectively. His delegation therefore appealed to donor countries, and to UNDP and other funding organizations of the United Nations system to provide more funds and expertise to enable the country to further its development efforts.

37. Mr. ZRELEC (Yugoslavia) said that the continuing bleak outlook of the world economic crisis and the lack of progress in restructuring international economic relations had generated many constraints, the impact of which was being felt in the implementation of the third UNDP cycle. Several recent important gatherings, and in particular the seventh summit meeting of non-aligned countries, had urged world-wide action to resolve the accumulated problems of developing countries. The issues of international trade and development under consideration at the sixth session of UNCTAD were closely linked to the issues before the Governing Council. Although the prospects were not as gloomy as they had been in 1982, uncertainty as to the future still persisted and gave rise to grave concern, especially on the part of those recipient countries where UNDP technical assistance was increasingly needed.
38. His delegation was disappointed at the unfavourable trends which still prevailed in overall UNDP funding. The shortfall in UNDP expenditure for technical assistance of almost $200 million as against the target in 1982, and the decline of $90 million as compared with the previous year, severely threatened UNDP's overall effectiveness and responsiveness to the fulfilment of the tasks entrusted to it. The further reduction of the programming levels to only 55 per cent of the illustrative IPFs, introduced after the disappointing results of the Pledging Conference in November 1982, would be particularly critical for the less developed recipient countries. His delegation supported the initiatives undertaken by the Administrator aimed at reversing the resources outlook and achieving the required level of predictability in resource mobilization.

39. The critical situation of the short-term financing of UNDP had not only provoked a sizeable decline in UNDP's operational activities but also threatened UNDP's leading position in multilateral technical assistance. Although some donors, such as the Nordic countries, were continuing to make substantial contributions to UNDP, other major donors had not followed suit, with the result that the bulk of technical assistance flows had shifted towards bilateral sources and some other multilateral institutions. His delegation appreciated the efforts made by the Administrator to improve the short-term financing situation and particularly welcomed the willingness of some donors to pledge additional resources for UNDP, which, if matched by others, might make the financial outlook somewhat more promising.

40. The recommendations made by the Intersessional Committee of the Whole were acceptable, provided that the appropriate modalities were worked out in accordance with the principles of the voluntarism and universality of UNDP. His delegation supported the initiative to establish a small central evaluation unit in UNDP but stressed the importance of identifying a precise and feasible mandate and terms of reference for the functioning of such a unit. To that end, closer co-operation with field offices and executing agencies, as well as with the Governments concerned, were of primary importance.

41. His delegation commended the efforts made by the Administrator to introduce some cost-reducing measures. It appreciated the measures set forth in paragraphs 11 to 15 of document DP/1983/6/Add.1, which were designed to increase the cost effectiveness of the programme; it also welcomed the scheduled reductions in UNDP staffing at headquarters and in the field offices. However, those reductions should not be followed by further unjustified cuts which might undermine confidence in UNDP's operational activities.

42. It was encouraging that in 1982 developing countries had continued to provide a third or more of total programme inputs; that trend should be further developed. The use of national expertise from developing countries should also be further enhanced and promoted to the fullest extent possible, resulting in better utilization of available human resources in developing countries.
43. Yugoslavia had always supported UNDP's central funding and co-ordinating role for technical co-operation activities within the United Nations development system. It had been a net contributor to UNDP for the past seven years; its pledge for 1983 had been somewhat reduced because of the current economic situation and adverse foreign exchange rate fluctuations, but it intended to continue to support UNDP within its possibilities. It would also continue to participate in and support the activities of virtually all the major global and special-purpose funds, bearing in mind their specific development objectives and complementary functions.

44. Yugoslavia strongly supported TCDC activities, which it believed should benefit more from UNDP and the United Nations development system as a whole.

45. Lastly, his delegation strongly supported UNDP's efforts to provide technical assistance to the Palestinian people and to the national liberation movements recognized by the Organization of African Unity and would like that assistance to be further enhanced in the future.

46. Mr. STAEHELIN (Switzerland) said that the crisis in UNDP resources was partly a consequence of the economic and budgetary problems being experienced by many countries, but was also due to the increasing tendency to strengthen bilateral assistance and other forms of multi- and bilateral assistance to the detriment of multinational co-operation proper. That trend had led many specialized agencies to strengthen their co-operation services at headquarters and in the field and had produced a situation where some of the agencies had virtually the same structure and services as UNDP. Costly duplication of work was almost inevitable and was hard to justify in the current economic and budgetary circumstances. While there were considerable merits in the co-operation between UNDP and the specialized agencies, the tasks and responsibilities of each body must be defined so as to ensure an optimum cost-benefit ratio. In view of the extremely urgent assistance needs of the poorest countries and the limited resources that the international community would be able to provide over the next few years, the United Nations system in general, and UNDP in particular, should make every effort to ensure the best possible utilization of the resources available.

47. UNDP should encourage all countries which were capable of becoming major contributors to make progress in that respect; it should urge the major donors to maintain or further increase their contributions and should encourage all beneficiary countries in a position to do so to become net contributors to the programme, or at least to assume responsibility for an increasing proportion of project costs. His delegation would be interested to know what follow-up action had been taken on the important decisions on the subject adopted by the Council in 1980.

48. It was regrettable that the joint special action taken by the major contributors to UNDP had not attained the desired result in respect of short-term resources, although three countries, Norway, Canada and Sweden, had made an additional effort to benefit UNDP in 1983. He was pleased to announce that his Government had decided to make a special contribution of 5 million Swiss francs, or...
approximately $2.5 million; in view of the particularly serious consequences for
the least developed countries of the cuts in various UNDP programmes, that
contribution would be paid into the Special Measures Fund for the Least Developed
Countries.

49. The approach finally selected by the Intersessional Committee for the
longer-term financing of UNDP was the best possible compromise and was an important
step in the right direction. Prior consultations before pledging conferences were
particularly important; the purpose of the exercise should, of course, be to
increase resources. It was difficult to see how, without a minimum degree of
predictability, continuity and assurance, UNDP's credibility could be maintained.

50. His delegation believed that the Governing Council should play a much more
active role in the programming, follow-up and evaluation of operational
activities. It was not a matter of calling in question the consensus on the right
of countries to establish their own programme priorities; the purpose of the
proposed Programme Committee was to enable the Council and its member countries to
be better assured of the efficiency and efficacy of UNDP assistance. That
requirement was quite as important to beneficiary countries as it was to donor
countries. In order to be able to continue its support for UNDP, his Government
would have to be able to demonstrate to the Swiss parliament and public that that
form of multilateral assistance was effective. The Programme Committee, in
addition to considering and approving country programmes once every five years,
should be kept more regularly informed about the implementation and evaluation of
programmes. At certain intervals, it could also review technical co-operation in
specific sectors, or in particular regions or group of countries, and it could also
take up specific problems.

51. His delegation welcomed the decision to set up a central evaluation unit,
which it believed was an essential management tool for improving programme
performance.

52. His delegation was by no means convinced that the use of UNDP services by
bilateral assistance agencies was desirable for UNDP. There was a significant risk
that the principle of the multilateral nature of UNDP would be progressively
eroded. All activities in that respect should remain for the time being limited
and experimental, and the Council should request the Administrator to submit a
detailed report to it each year on those bilateral projects and programmes.

53. In the light of the tremendous assistance needs of the poorest countries, the
results of the work of the Intersessional Committee might appear, and indeed were,
modest. At the same time, they were a kind of absolute minimum without which UNDP
might lose even more of its credibility. It was therefore all the more crucial for
the Council to approve all the recommendations submitted to it by the Committee.

54. Mr. KERCKHOFF (Federal Republic of Germany) said that, in view of the tight
resource situation of UNDP, his delegation appreciated the efforts made by the
Administrator to cut administrative expenditure and welcomed the positive trends in
cost-sharing, particularly by developing countries, and the likely increase in contributions referred to by the Administrator in his report. The difficult resource situation of UNDP and other bilateral and multilateral development programmes stemmed primarily from the very tight budgetary situation in many industrial countries. Even so, it was envisaged that in 1983 the growth of the aid budget of the Federal Republic of Germany was again going to be higher than the average increase of the overall budget and that the contribution to UNDP in national currency would be increased. The Federal Republic had been one of the major contributors to UNDP since its inception, and its contributions had steadily increased over the years. Its contributions in 1982 and 1983 had been of the order of $46.4 million and $47.5 million respectively. It was prepared to agree to the relevant conclusions adopted by the Intersessional Committee.

55. His Government was concerned about the lack of progress made on the question of contributions in non-convertible currencies, particularly since over 80 per cent of the experts engaged by UNDP were being paid in currencies other than their national currencies. It also felt that trust fund arrangements, despite their positive effects on resource mobilization, could erode the character of UNDP.

56. His delegation looked forward with interest but some scepticism to the informal consultations proposed by the Intersessional Committee. It was only sensible to strive for a higher degree of conformity between the resources expected and the actual programme as well as an increase in the number of significant contributors to UNDP. However, it would be rather dangerous if that led to an infringement on the principle of voluntarism, for example by using those consultations as an instrument to promote cost-sharing. UNDP rested on three essential elements, voluntarism, universality and sovereignty, and a change in one of these elements might affect the whole system and possibly the willingness for co-operation of some of its members.

57. His delegation welcomed the Intersessional Committee's recommendation on a more effective organization of the work of the Council, giving higher priority to programme and project matters than before, and supported the idea of setting up a Programme Committee. It believed that country programmes should not only reflect the sectoral classification of projects but should also list individual projects and their costs. In accordance with the guiding principles of country programming, as laid down in the consensus, the Programme Committee should concentrate its deliberations on essential projects and programmes and their implementation and evaluation. That approach would facilitate co-operation between UNDP projects and bilateral projects.

58. His delegation supported the establishment of a central evaluation unit in UNDP; evaluation served the interests of all concerned and provided a basis for improved information of those on whose support UNDP was depending. It welcomed the Administrator's report on project results and programme accomplishments (DP/1983/6/Add.2) as a move in the right direction. In recent years the Federal Republic of Germany had intensified co-operation with various multilateral
organizations in the field of evaluation, and it was currently planning to have multilateral evaluation experts participate in the evaluation of bilateral projects. The paper on evaluation submitted to the Council (DP/1983/16) contained a report on the joint evaluation by UNDP/WHO and his Government on human resource development for primary health care, and his Government was prepared to continue co-operation with UNDP on those lines.

59. His delegation welcomed the report of the Administrator (DP/1983/6) and regarded it as an important contribution to reviving the discussion on the meaning and the direction of technical co-operation and development. It shared the Administrator's view about the significance of human resources and their development for the economic and social progress of countries; it also believed, however, that the transfer of know-how alone could not guarantee progress and that too technocratic an understanding of technical assistance was one of the reasons for unrealistically high expectations in the field of development policy. It agreed with the Administrator that the need for technical co-operation, as compared with financial aid, differed from country to country and was in some cases out of balance, and it was in favour of measures to rectify that ratio where necessary. That applied to bilateral aid; his Government had recently changed the ratio from 1:4.3 to 1:2.7. It also applied to the World Bank Group and the regional banks, thereby substantially increasing the technical assistance component in their lending programme. In the case of the United Nations and the specialized agencies, and institutions such as UNDP and UNHCR, his delegation had observed a growth in operational activities with an increasingly significant technical assistance component, rendering the distinction between technical co-operation and humanitarian assistance more and more obsolete and in need of being reviewed. Lastly, it applied to the increase in special-purpose contributions to the specialized agencies.

60. Those developments did impair the central funding role of UNDP, but it was not necessarily justified to infer that the role of UNDP as a catalyst and co-ordinator would substantially decline. UNDP could advise a country in the preparation of a country programme involving all United Nations technical co-operation inputs. The use of UNDP resources available to a given country could surely be planned, complementary to those of the World Bank and other multilateral institutions. Ways and means could be found within country programming to take into account even funds-in-trust arrangements between individual donors and specialized agencies. His delegation was not fully convinced by the Administrator's reference to the need for a strong central funding mechanism as a pre-condition for safeguarding the central co-ordinating role of UNDP. However, it agreed that it was a matter to which developing countries themselves held the key.

61. The newly-elected Federal Government attached great importance to population policy and would continue to substantially support the activities of UNFPA since it believed that that form of co-operation in population development was particularly suitable and effective. It was to be hoped that more countries would be prepared to assist UNFPA in that way.

The meeting rose at 1.05 p.m.