GOVERNING COUNCIL

Thirtieth session

SUMMARY RECORD OF THE 16th MEETING

Held at Headquarters, New York
on Thursday, 9 June 1983 at 3 p.m.

President: Mr. SLIM (Tunisia)

later: Mr. SZEREMETA (Poland)

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The meeting was called to order at 3.15 p.m.

POLICY REVIEW: MEASURES TO MOBILIZE INCREASED RESOURCES FOR UNDP ON AN INCREASINGLY PREDICTABLE, CONTINUOUS AND ASSURED BASIS (continued) (DP/1983/5 and 69; DP/1983/ICW/6, 7, 8 and Corr.1, 11, 12 and 13)

General debate (continued)

1. Mr. LIGNON (Food and Agriculture Organization of the United Nations) said that despite the reduction of the UNDP-funded field programme executed by FAO as a result of the serious resource situation facing UNDP, his organization continued to be responsible for about 20 per cent of the total UNDP programme, and despite the recent diversification of the funding sources of FAO's field activities, UNDP remained its principal partner in technical co-operation.

2. With regard to the agricultural situation, the overall performance in respect of production of cereals and basic food-stuffs in 1982 had been positive. However, although the global situation might thus seem reassuring, there were several disquieting elements with long-term implications for world food security. First, there was the uneven character of production trends in various parts of the world and limited production in the least developed countries. At the end of 1982, in addition to the overall drop in grain production, FAO's early warning system had identified 24 developing countries which had been suffering from abnormal food shortages as against 19 the year before. By mid-April 1983 that figure had increased to 27. The annual cereal imports of the developing countries as a whole had now reached about 100 million tons. Unless agricultural production was speeded up substantially and there was a sharp rise in the net export earnings of developing countries, many would be forced or were already being forced to use resources intended for development programmes to secure their food requirements. The situation in Africa was particularly precarious and FAO had recently made a special and urgent appeal to a number of donor countries to provide assistance bilaterally and multilaterally. The volume of assistance to agriculture was still 40 per cent short of the internationally agreed estimate of annual requirements of $8,300 million (at 1975 prices) for the period 1975-1980.

3. FAO fully shared the concern of UNDP and the Administrator with respect to the present difficulties and uncertainties regarding current and future resources. It hoped that donors would again, by tangible means, express their confidence in, and support for, UNDP as the main funding mechanism for technical assistance in the United Nations system. It was also concerned about the operation of a funding mechanism, such as that of UNDP, where the actual resource income was determined through annual pledges while the forward planning of resource usage was taking place with a five-year horizon. It noted with great misgiving the Administrator's forward planning based on availability of only 55 per cent of the illustrative third cycle indicative planning figures. With such low figures for the resource availability, what UNDP and its partners would actually deliver to the developing countries, in real terms, would be much less than the most pessimistic previous forecasts.
4. Since 1981, there had been a steady decline in delivery by FAO under its UNDP programme. Such reductions in so short a time would have serious consequences for the developing countries and the planning and implementation capacities of the executing agency. Reduction in delivery had been accompanied by a drop in the total FAO/UNDP long-term expert force for the same period. That relatively sudden resource crisis had also led to many project revisions and other corrective actions in field projects and consequently to greatly increased support costs.

5. FAO regretted that the objective of achieving a substantially improved mechanism for resource mobilization or markedly increased contributions to safeguard the programme in the short term was still elusive. In view of the current difficulties and constraints, FAO understood and sympathized with some of the ideas put forward by the Administrator, which were aimed at increasing the total amount of resources that might be made available, in other words at ensuring that the funds in question would really be additional. Some of those ideas had given cause for concern, but FAO was confident that any difficulties could be resolved after deeper reflection and further consultation with UNDP. FAO's own programme of technical assistance, financed from its regular budget, had been of great help in alleviating some of the effects of the current UNDP resource constraints. A particularly fruitful area of co-operation between FAO and UNDP was the joint understanding under which FAO's small investment centre monitored a number of UNDP-funded pre-investment projects with a view to identifying concrete investment opportunities and ensuring their early realization. The Administrator had stated that UNDP was also interested in strengthening its co-operation with the World Bank. All agencies were interested in strengthening such co-operation in order to set up a technical assistance programme, and that possibility was being studied in the Committee for Programme and Co-ordination. Consultations in that regard had already begun and he hoped that the UNDP/World Bank consultations would be successful.

6. In the current circumstances, it was particularly important to give careful consideration to the question of priorities. Recognition of the importance of agriculture was not always reflected in sustained allocation of resources in individual country programmes. FAO was fully aware of the diversity and importance of the many economic and social sectors within the developing countries. However, the United Nations system must demonstrate its readiness to respond to the priority accorded by the international community to the problem of feeding the world.

7. The question of evaluating field projects and programmes was also important and FAO fully agreed that there was a need for a proper evaluation of the efficiency and impact of the system's field activities. Whatever arrangements were agreed upon for UNDP, evaluation of field projects must be seen as a joint effort between all three parties concerned: UNDP, the executing agency and the host Government.

8. With regard to the idea mentioned in document DP/1983/5, paragraph 68, that UNDP should provide management and other support services on behalf of individual donor Governments' bilateral programmes, he noted that in any such undertakings the Administrator intended to involve the United Nations system agency concerned, each
according to its area of responsibility. It was assumed that in the further
consideration of that matter and in the arrangements eventually agreed on, due
account would be taken of the need to preserve the essentially multilateral
character of field operations executed through the United Nations system. Proper
safeguards should also be observed so that that kind of service remained purely
auxiliary to the core programme of the system.

9. FAO had on many occasions expressed concern regarding the gradual expansion of
UNDP direct execution. FAO, like other agencies, felt that the authors of the
Consensus had not intended that UNDP itself should become one of the largest
executing agencies in the system. The assumption had been that the accumulated
technical knowledge and operational experience already existing in the agencies
must be utilized. UNDP itself had a central role in fund raising, relations with
donors, servicing at the country level, policy infusion and policy co-ordination.
FAO was concerned about possible duplication of activities and capacities as well
as excessive reliance on implementation methods, such as subcontracting, which did
not always meet certain basic criteria for development co-operation.

10. He wished to reiterate FAO's support for, and commitment to, the approaches
generally referred to as new dimensions in technical co-operation activities,
whereby the resources and capacities of the developing countries themselves were
increasingly being utilized in FAO project execution. Further progress in that
important field was being vigorously pursued and FAO was endeavouring to ensure
that TCDC and ECDC permeated its technical and economic programmes and that
appropriate arrangements were being laid down between two or more countries
whenever suggested by new projects coming up for execution.

11. Mr. MOSELEY (Barbados) said that in view of the current difficulties facing
UNDP, it was worthwhile recalling yet again the invaluable service rendered by UNDP
to the development efforts of the developing countries. Its country programmes,
elaborated within the context of the developing countries' national development
plans, had a unique role to play, a role which was currently, paradoxically,
requiring those countries to make a sudden and painful adjustment to those plans.
His delegation therefore noted with cautious optimism that the Chairman of the
Intersessional Committee of the Whole had characterized the results of that
Committee's work as modest but significant. His delegation was inclined to share
that view.

12. While his delegation welcomed the initiatives recommended by the
Intersessional Committee, it still believed that the three basic principles of the
1970 Consensus must be preserved, namely, the universality of the Programme, its
voluntary nature and respect for the sovereignty of States in determining their own
priorities. Whatever the progress made in devising new modalities and mechanisms
for ensuring the resource base of the Programme, account still had to be taken of
UNDP's central co-ordinating role within the United Nations system for technical
co-operation activities. The apparent diversion of assistance from UNDP to other
channels had led to the stagnation, if not the decline, of the Programme. His
delegation hoped, but was not convinced, that the work of the Intersessional
Committee would lead to the solution of that central problem.
13. The initiatives of the Intersessional Committee would serve little purpose if ways and means of mobilizing resources on a predictable, continuous and assured basis were found but at the same time there was a failure to ensure the mobilization of increased resources to meet the urgent needs of developing countries, particularly the least developed among them. There were some conclusions of the Intersessional Committee which, if implemented, would affect the functioning of the Governing Council itself. He was referring specifically to the idea of establishing further subsidiary bodies and informal forums for the consideration of matters which constituted the essence of the work of the Governing Council. While those ideas might seem to permit more in depth and free discussion of issues, the conclusions arrived at through such discussions might lead to an erosion of the capacity of the Governing Council itself to examine fully and freely all aspects of the issues relating to the Programme. Council members would therefore have to exercise great vigilance to ensure that the Council was not reduced to granting rubber-stamp approval to decisions reached elsewhere.

14. His delegation wished to pay a special tribute to those Governments that had found it possible to make extraordinary contributions for 1982 and 1983, and to those that had substantially increased their contributions, particularly the 21 countries that had exceeded the 14 per cent target in their pledges for 1983. He hoped that the downward trend in the Programme's financing represented the bottom of the curve and that UNDP would receive adequate support so that it could resume its rightful place in the development effort.

15. His delegation recognized the efforts made by the Administrator to improve UNDP's evaluation machinery. Closer attention to evaluation was imperative in order to ensure optimum utilization of available resources. He also wished to commend UNDP for its efforts to improve efficiency, cut costs and effect savings.

16. Mr. JOSEPH (Australia) said that the one enduring problem within the Governing Council was the inadequacy of resources. In that connection, the deliberations of the Intersessional Committee of the Whole had been productive and some useful suggestions had been made. The Intersessional Committee had failed to achieve the radical breakthroughs that some had seemed to expect of it because 1982, a year of heavy recession, had hardly been a propitious time for dramatic advances and mobilization of new resources. Canada, some of the Nordic countries, Switzerland, Italy and the United States had all provided substantial additional support. Australia's 1982 contribution was, in national currency terms, a shade less than a 50 per cent increase over the 1981 contribution and had gone much further than a one shot effort.

17. Australia had a new Government that was currently grappling with the problem of unprecedented deficits in the public accounts. It was too soon to forecast the precise shape of the development assistance budget. Nevertheless, the budget for the financial year 1983-1984 was currently in preparation and the Government would be giving due weight to UNDP's needs. Australia was unique among donors with respect to its geography and the demands made on it to maintain substantial aid programmes. Despite its ODA commitments in Asia and the South Pacific, Australia would give priority to UNDP's central account and would, as a minimum, attempt to
maintain for 1983 the value of its pledge in national currency. Australia was also prepared to make some forward pledging arrangements and had no difficulty with the type of indicative planning contemplated in the recommendations of the Intersessional Committee. It could therefore agree to an indicative pledge for three years to UNDP to seek to maintain Australian support at least at the previous year's level. It would also be prepared to consider other arrangements generally agreed on within the donor community. It likewise agreed with the Intersessional Committee's proposal for informal consultations prior to the establishment of target levels in advance of each programme cycle.

18. No conceivable planning device, however, would suffice to correct the present shortfalls in the current programming cycle. The Administrator's main programme Record catalogued the unfortunate effects of keeping to 55 per cent of IPFs when that cut was imposed across the board on recipient countries. While his delegation could see the equity in an across-the-board arrangement, it did have some perhaps unforeseen distorting effects. Australia was particularly concerned about the position of the small island States in the South Pacific where IPFs at the start of the cycle were already distressingly low, in most cases under $1 million each for five years. Indeed, one must question the capacity for making any substantial cut in already small programmes. If the present position was sustained, it could destroy the validity of the United Nations presence in those small, newly independent States and could undermine its credibility in the region as a whole.

19. The question was what should be done. At a meeting on Council resolutions earlier in 1983, the Philippines had recommended a limited reduction to 80 per cent of the earlier IPF, or a benchmark of $5 million, at which point the IPF would not be reduced below 55 per cent. That proposal had been supported by Fiji. It had been left to the Administrator to look into ways of supplementing the 55 per cent ceiling and his delegation would appreciate hearing more on that subject. Australia was sympathetic to some upward adjustment of IPFs where meaningful programmes would otherwise cease to exist. That would not cost much money and it would be easy enough to develop some relevant criteria. The projection of the 55 per cent ceiling had been valid at the time; however, since then UNDP had received new contributions and it might now be possible to revise that figure. His delegation believed that the principle of equity would be protected by such an arrangement because it would allow each country to have some sort of a UNDP programme and not just a figure which remained indicative and unimplementable.

20. The need to strike the correct balance in multilateral aid between capital and technical assistance had implications for the funding of UNDP compared with some other multilateral institutions. Australia, like other countries, deplored the erosion of UNDP's central funding role in the United Nations system in recent years and believed that it was high time for delegations of both developed and developing countries to stand firm against further proliferation of dubious sectoral funding mechanisms. Such proliferation was a reversal of genuine multilateralism, added nothing to the total resources available and increased administrative costs.

21. Australia also applauded the proposal for improved monitoring and evaluation and warmly welcomed the management innovations and operational streamlining which had already been implemented by the Administrator or for which he was now seeking...
Governing Council authorization. With respect to resource targets, Australia believed that a rate should be set based on sound projections of what was really likely to be forthcoming from the largest donor countries. That was not to suggest that those countries alone had responsibilities. There were others which had the necessary capacity and which, with an appropriate dose of political will, could be expected to do more.

22. His delegation was appalled to see that the problem of non-convertible currencies still remained. Ten years before, it had seemed that a solution might be in sight whereby the contributing countries concerned would gradually phase into a situation where they would thenceforth make all their pledges in convertible currencies. If the delegations concerned needed help from the Council in developing an argument to put to their home authorities with a view to rectifying the existing anomaly, then the Council should try to provide that help. The sums involved did not seem all that large, something of the order of $35 million, which was not much more than two years of his own country's contributions to UNDP. If the concept of universality was not to have a hollow ring, then membership of an organization should be based on a common measure of contribution.

23. Mr. Szeremeta (Poland) took the Chair.

24. Mr. OZA (India) said that while his delegation continued to believe that lack of political will was the central factor in the financial crisis it was also true that UNDP was suffering from a crisis of confidence. The latter was reflected in the growing demand on the part of major donor countries for more rigorous evaluation of UNDP programmes. While his delegation did not necessarily endorse the measures proposed in that connection it fully shared the concerns of the major donor countries and agreed that the UNDP Administration and the Governing Council should be more responsive to those concerns. In its view the UNDP Administration and the Governing Council had sufficient authority to take the corrective measures needed to help restore confidence.

25. At the same time, UNDP had failed to come up to expectations in other areas. For example, it seemed to be moving away from its role as central co-ordinating mechanism for technical assistance in the United Nations system. In fact, that role should be reaffirmed. In addition, UNDP had not been sufficiently sensitive to the changing demands of technical assistance and had failed to adapt to changing situations. Added to that was the fact that, since the formalities remained very complex, little progress had been made in the area of government execution. UNDP should do far more to educate the recipient countries in the modalities of government execution and should make appropriate procedural changes. To the extent that Governing Council decisions were required in that context he appealed to the Council to consider that aspect positively.

26. UNDP had taken a rather narrow view of its role in the promotion of technical co-operation among developing countries and in its interpretation of the role assigned to it by the Buenos Aires Plan of Action. At the recent meeting of the High-level Committee on Technical Co-operation among Developing Countries UNDP had been urged to play a more action-oriented and operational role than it had thus...
far. It had been suggested that TCDC should permeate all UNDP programmes. If that were to be done the Administration should at the very least present a draft resolution recommending a 15 per cent price preference for goods and services obtained from developing countries in UNDP's existing procurement procedures. In that connection, his delegation was concerned at the proposed move to take the Information Referral System (INRES) out of the administrative budget of UNDP. That action was not only procedurally improper but also suspect. If the Administration continued on its current path the role of UNDP would shortly become irrelevant in the field of TCDC as it was fast becoming irrelevant in that of technical assistance. Accordingly, the Council should adopt all the decisions proposed by the High-level Committee.

27. Turning to the report of the Intersessional Committee of the Whole (DP/1983/5), he said that his delegation generally endorsed its conclusions and recommendations on the short-term and long-term financial problems of UNDP, on the understanding that the main thrust of the appeal and the measures suggested were directed at major donors, for, given the 45 per cent reduction in the level of IPFs, the proportion of contributions of recipient countries to their share of IPFs had risen considerably and increased cost-sharing arrangements had also had the effect of increasing their contributions indirectly.

28. With regard to the recommendation contained in paragraph 49 of the report, while fully endorsing the need for closer scrutiny by the Governing Council of programme planning and implementation, his delegation had reservations concerning the prudence of setting up yet another committee for that purpose. It might be better for the Governing Council to devote two to three days of its annual sessions to the subject.

29. As for the proposal concerning evaluation, while his delegation did not disagree with the need for evaluation it did have reservations concerning the establishment of a central evaluation unit since that would merely raise costs. Instead, evaluation in the field, with the active involvement of the recipient Governments and the regional bureaux at Headquarters, should be strengthened. The Selected Projects Implementation Review Exercise (SPIRE) conducted by the Asia Bureau could be used as a model. Of course, if most major donors felt strongly about the need for a unit his delegation would go along with the recommendation and would simply urge that the costs be kept down. Despite prior assurances from the Administrator that there would be no extra cost on that account, his delegation had noticed with some concern that a provision of US$ 600,000 had already been proposed in the next budget.

30. UNDP should not engage in any large-scale public relations exercise but should concentrate instead on effective and efficient programme delivery. With regard to the suggestions concerning additional and alternative ways of financing development assistance, his delegation felt strongly that they represented a digression from UNDP's central funding and co-ordinating role, which was already being seriously eroded and it therefore urged caution.
31. Lastly, he pointed out that, since it was easier to cut down programmes than to build them up once they had been scaled down, the Administration should not be unduly conservative in its planning of future programmes.

32. Mr. RACZ (Observer for Hungary) said that his Government greatly appreciated the work carried out in the framework of UNDP activities and the efforts to reduce administrative costs. It generally endorsed the recruitment policy and the measures taken to reduce personnel costs. However, further improvement could be achieved by more systematic feedback and by further rationalizing the work of the Administration and of the resident co-ordinators.

33. Concerning the short-term aspects of resource mobilization, he said that the proliferation of funds within the United Nations system was to be regretted for, given the limited resources available, such proliferation went against the true interests of the developing countries. Non-payment or late payment of pledges also contributed to the short-term financing problem. The voluntary nature of contributions should be preserved. Concerning the so-called problem of contributions in non-convertible currencies, experience had shown that if well-intentioned co-operation replaced political considerations and manoeuvrings, non-convertible currencies could be fully utilized.

34. It would be difficult for Hungary to endorse any solution to the problem of long-term financing that violated the two very important principles of the voluntariness and universality of the programme. The cause of technical co-operation would not be promoted by introducing assessed contributions, whether direct or indirect, in the form of some kind of replenishment arrangements. However, support for the principle of voluntary contributions should not be understood as implying reluctance to make significant contributions. His Government was prepared to give positive consideration to the recommendation in paragraph 34 of the report of the Intersessional Committee of the Whole (E/1983/5) that Governments should make every effort to maintain the real value of their contributions from year to year.

35. His delegation had noted a number of useful ideas concerning possibilities for further increasing efficiency and effectiveness. It attached particular importance to ensuring that UNDP activities contributed to national development objectives. Accordingly, it fully endorsed the concept that country programmes should be based on national development plans and that the recipient countries should have primary responsibility for the elaboration of such programmes. UNDP could contribute effectively to the implementation of the overall international development strategies if there was close collaboration in the project formulation process between the resident representatives and the competent organs of the recipient countries.

36. The ideas set forth regarding ways of achieving better understanding of the role, activities and resource needs of UNDP deserved serious attention. His delegation had always believed that those United Nations activities which served the main purpose of the Organization should be publicized. It would give due consideration and support to the ideas put forward in that respect.
37. His delegation firmly supported those who favoured safeguarding the existing authority and responsibilities of the Council as opposed to creating new, more limited bodies and it saw no urgent need to establish new organs. However, it could agree to the establishment of a programme committee, provided that that committee was a committee of the whole and that the authority of the Governing Council for programme matters was not questioned.

38. His delegation fully supported the activities of UNDP involving gradually increasing co-operation with the liberation movements recognized by the Organization of African Unity and its assistance to the Palestinian people.

39. Finally, he expressed concern at the increasing involvement of UNDP in the development and implementation of bilateral programmes and projects. Such activities should be strictly limited. Similarly, he urged caution regarding efforts to increase the authority of the resident representatives.

40. Mr. LINDORES (Canada) said that he hoped that consultations on the handling of the decision on the report of the Intersessional Committee could proceed at an appropriate time, bearing in mind both the need for appropriate consideration of the report and the fact that several senior representatives were present that week but might not be present later.

41. The major task facing the Council was to consolidate the results of the efforts to strengthen the long-term resource base of UNDP. First, however, he wished to examine the concept of the role of UNDP, the essential functions that arose out of that role and how the recommendations of the Intersessional Committee of the Whole could further strengthen the capacity of the Programme to fulfil its mandate.

42. While there continued to be broad agreement that UNDP should be the central point for funding and co-ordination of operational activities for development within the United Nations system, the reality was that UNDP accounted for less than one third of total technical co-operation expenditures in the United Nations system. Moreover, although there was a system of resident co-ordinators there was little evidence as yet that they commanded the full support of all elements of the system. The reason for the failure to realize the stated goal was that Governments' actions often belied their words. Consolidation of UNDP's central role depended on three key elements: an effective country programming system, an efficient system of governance and co-ordination rather than competition within the United Nations system.

43. It had been difficult in the past to believe that Governments were fully committed to a coherent system of country programming when they continued to pursue the establishment of separate funding mechanisms to meet almost every stated need. Persistent advocacy of separate mechanisms to implement programmes in areas which fell naturally within the mandate of UNDP threatened the Council's attempt to strengthen the Programme. In addition, various parts of the United Nations system had also worked against the concept of country programming as an expression of the priorities of recipient Governments. Continued demand by the specialized agencies...
for increased funding of technical co-operation necessarily distorted the overall process by transferring responsibility for the determination of priorities from the developing countries, through UNDP's country programming system, to the donors, through the allocation of their resources.

44. Secondly, regarding governance, his Government had been consistently disappointed at the inability of member Governments, including his own, to utilize existing procedures or to create new mechanisms which would allow for penetration of the layers separating donor Governments from the programmes themselves. His Government had repeatedly called for the Council to examine its working methods to determine their effectiveness. Recently, it had proposed the concept of an executive board for UNDP. In that connection he pointed out that if the delegation which had spoken on that question at the previous meeting had been referring to the Canadian initiative, it had misrepresented that initiative since the basic objectives had not been adequately reflected. The various proposals made reflected an increasing sense of isolation from the ultimate product of UNDP, namely, the delivery of field projects. Closer identification of member Governments with the Programme could only deepen their understanding of it. Such understanding and knowledge was vital if delegations were to argue convincingly in their capitals for long-term support for the Programme. Of course, that closer relationship would almost certainly lead to the questioning of various policies or practices. However, Governments had that right. His Government was not challenging the traditional multilateral process of shared decision-making but exercising its legitimate role within that process.

45. Finally, he pointed out that the many resolutions adopted on the subject of co-ordination had not always been followed by the requisite action. For example, he had found that while those major provisions of General Assembly resolution 32/197 that fell within the mandate of the central agencies of the United Nations system had to a large extent been implemented, certain key provisions which depended for their implementation on the will of those parts of the system which did not come directly under the authority of the General Assembly were the subject of wrangling or were being deliberately ignored. Requests for greater conformity of procedures and integration of field operations fell into that category.

46. Thus UNDP had not been able to fully exercise its leadership role so far. However, its ability to do so in the field of technical co-operation would depend to a great extent on its ability to mobilize resources. That brought him to the recommendations of the report of the Intersessional Committee of the Whole. In that connection he pointed out that the Council had the right to reopen the debate on the substance of the report but that that would not be necessary, given the compromises which had already been made. If certain issues were reopened then his delegation would no doubt wish to pursue its own thinking on a number of elements involved.

47. Canada has been disappointed at the inability of Governments to contribute to a joint effort to inject supplementary funding into the Programme. It had nevertheless announced - and had already paid in full - a supplementary
contribution of 7 million Canadian dollars (approximately $US 5.75 million) over and above its regular contribution. In that connection it had been pleased to hear the announcements made earlier in the week by the delegations of Switzerland and Italy.

48. It shared the concerns expressed by the representative of the United Kingdom at the 13th meeting in his reference to the limited group of traditional donors who had consistently contributed 90 per cent of the Programme's core funding and continued to believe that there was room for growth in the contributions of others.

49. The proposals before the Council were a step forward towards long-term financing of UNDP.

50. During the meetings of the Intersessional Committee, his delegation had maintained that the Programme should adopt a firmer system of replenishment. However, the proposal currently before the Governing Council was an acceptable compromise: if carefully implemented, it would increase the Programme's stability and steady its growth rate.

51. His delegation strongly supported the Intersessional Committee's recommendation that a programme committee should be established. If the new committee was as successful in its work as the Budgetary and Finance Committee was, then it would surely increase the Governing Council's effectiveness. His delegation also welcomed the Administrator's intention to establish an independent evaluation unit.

52. With regard to the provision of UNDP services to assist donor Governments in the planning and execution of bilateral assistance projects, it was unlikely that the Canadian Government would make use of such services in the near future. In principle, however, his delegation favoured the provision by the Programme of certain services on a fee-for-service basis, provided that that did not interfere with the primary duties of UNDP resident co-ordinators.

53. His delegation viewed the recommendations of the Intersessional Committee as merely another stage in the Governing Council's ongoing efforts to meet development needs as effectively as possible in a changing world situation. The true success of UNDP activities during the past year might well be the new attitudes of Governments towards the Programme and the lasting benefits which the Programme might derive from those new attitudes. The Governing Council must take care, however, not to lose sight of its substantive goals in the midst of such change.

54. Mr. SALAMI (Observer for Benin) expressed his country's gratitude to the United Nations system, UNDP and the Programme Administrator in particular for the support which they had provided to third world countries in their struggle against underdevelopment in general and for the economic and social development of Benin in particular. During the current world economic recession, which affected the poor countries of the world most seriously, UNDP had been working to sensitize the industrialized countries to the plight of developing countries and to the interdependence of the economies of countries in the northern and southern parts of the globe. Among the steps taken to rescue the economies of the poorer countries...
were the two-phase Comprehensive New Programme of Action for the Least Developed Countries spelled out in resolution 122 (V) of the United Nations Conference on Trade and Development; the meeting held at The Hague in May 1981, pursuant to General Assembly resolution 35/205; and the United Nations Conference on the Least Developed Countries, held in Paris in September 1981, which had adopted the Substantial New Programme of Action for the 1980s for the least developed countries. UNDP had played an important role in each of those activities.

55. His delegation wished to draw attention to the problems of revitalizing UNDP so that it might achieve its development objectives in third world countries more effectively. Consequently, he wished to identify a number of UNDP activities that had been carried out in Benin as a means of illustrating the importance of the Programme's efforts.

56. In the area of central planning, UNDP had provided technical support and had assisted the country in establishing a statistical data base and formulating its second development plan. Those efforts had been of special importance, since a weak managerial structure was a major problem facing most poor countries. As a result of UNDP assistance, there were currently a number of organizations in Benin, including a national statistical institute, that were effectively carrying out development planning.

57. UNDP had also assisted the country in the organization of a round-table discussion with donors, in keeping with the spirit of the United Nations Conference on the Least Developed Countries. Finally, UNDP had been active in carrying out pre-investment studies. Since the scarcity of profitable projects in developing countries was often cited by donors as a reason for limiting their contributions for development, it was important to note that Benin was currently able to provide potential donors with valuable information regarding potential investment projects, thanks to UNDP assistance. Pre-investment studies had been carried out primarily in the agricultural sector, focusing on integrated rural development projects that had aroused the interest of international financial institutions such as the World Bank. A number of projects had also been implemented in the context of the International Drinking Water Supply and Sanitation Decade. Benin had also received assistance from UNDP for conducting a natural-resources inventory and expanding the port of Cotonou, for the management of public enterprises and for activities carried out jointly with the United Nations Capital Development Fund.

58. The Governing Council's decision to limit assistance to 50 per cent of country IPFs would therefore have serious repercussions for developing countries, many of which would be forced to bring ongoing projects to a halt. He therefore wished to thank those countries that had made an extra effort to support the Programme during 1983 and called upon all other donor countries to help the Programme achieve its objectives for 1983. He expressed satisfaction at the establishment of the Intersessional Committee of the Whole, which constituted the first step towards improving the Programme's future; he also commended the Committee for its work on the problem of resource mobilization, stressing the need for further measures of a practical nature.
59. Mrs. VERVALCKE (Belgium) said that the Programme Administrator's introductory statement gave reason to hope that the Programme's financial situation might improve in the future. However, concerted support for the Programme by member States was necessary, since the recent decrease in allocations for development assistance made the Programme less effective as a co-ordinator. The Governing Council must therefore increase its efforts to rectify that situation.

60. The current world economic situation, while of major importance, was not the only factor responsible for the decrease in contributions to UNDP. During its meetings, the Intersessional Committee of the Whole had discussed such additional problems as a lack of flexibility in the operations of the Programme and its executing agencies, an insufficient appreciation of Programme results and doubts as to the cost-effectiveness of UNDP programmes. Her delegation endorsed the Committee's conclusions with regard to longer-term financing of UNDP by member States, but had reservations concerning Secretariat proposals to channel funds through UNDP for the execution of programmes of an essentially bilateral nature, since the Governing Council would have little control over them. Her delegation also considered the information provided in document DP/1983/69 to be largely inadequate.

61. With respect to the substantive work of UNDP, her delegation favoured the establishment of a Programme Committee that would increase delegation involvement in Programme activities. The Committee might wish to consider specific topics, such as project execution. Such discussions would benefit from the participation of the executing agencies involved and would foster greater awareness of the results of technical co-operation, which were often difficult to measure.

62. She welcomed the addendum to the report of the Administrator concerning project and programme results and encouraged the Administrator to extend that information to all projects completed during a given year. She also expressed satisfaction at the Administrator's plan to prepare quarterly progress reports for UNDP projects which would in time include evaluation information. The Administrator's report on evaluation asked indirectly whether thematic evaluations should be continued; her delegation believed that they should, since when objectively prepared they constituted a useful tool for national development co-operation agencies as well as for UNDP officials. Her delegation also felt that tripartite evaluations were of considerable value.

63. With regard to programme cost-effectiveness, she expressed concern that financing arrangements of an increasingly ad hoc nature threatened to undo the integrated and co-ordinated approach recommended by UNDP, thereby undermining the Programme's very foundations. It was imperative that the relationship between administrative costs and project expenditures should be tightened and that the rate of support costs should be decreased. Both UNDP and its executing agencies would be required to make compromises in that respect.

64. Belgium was currently reviewing its budgetary commitments for development for the next few years, and it was to be hoped that that exercise would enable the country to comply with the recommendation made to the Governing Council by the Intersessional Committee of the Whole. In that connection, she drew attention to a
recent pledge by the Belgian Minister for Foreign Affairs that, despite current financial difficulties, Belgium would continue its co-operation efforts. The Belgian Parliament was currently considering a proposal to earmark some 10 billion Belgian francs for food-supply and integrated rural development projects.

65. **Mr. DE ROJAS** (Venezuela) said that the situation regarding the volume of contributions to UNDP gave cause for alarm, and the warnings given and appeals made over the past three years to the international community had not had the desired effect. The issue of multilateral development assistance must be seen in the general context of North-South relations, and the crisis that UNDP was undergoing was but one further example of the major developed countries' unwillingness to fulfil their commitments and obligations.

66. The developing countries had been unable to participate to the desired extent in the three sessions of the Intersessional Committee of the Whole, owing chiefly to difficulties arising from the need to attend so many meetings. Furthermore, although four donor countries had announced that they would raise their contributions, the effort to obtain resources in the short term had been a failure. He noted that at the current meeting representatives of major donor countries had stated that they would not even be in a position to maintain their current contribution levels, in real terms. With a view to mobilizing resources in the longer term, the Intersessional Committee of the Whole was recommending the establishment of a system of informal consultations between the Administrator and Governments, prior to the Governing Council's annual sessions. The aim was to make a "realistic" assessment of the volume of contributions likely to be received in the course of a given year, so that the Council could set itself an equally "realistic" target in planning programmes and activities. That was a defeatist approach which could lead to further reductions.

67. It would be unwise to establish a Programme Committee. The Governing Council itself was the Programme Committee, and it was the responsibility of member States to see that it fulfilled that function effectively. The suggestion put forward in that connection at the current meeting by the representative of India should be given further consideration.

68. His Government supported the suggestions concerning evaluation put forward by the Administrator and endorsed by the Intersessional Committee of the Whole. It was also willing to provide any donor country with the necessary information on its projects, preferably in the field.

69. Venezuela, which was both a recipient country and a net contributor to the Programme, was satisfied with UNDP on the whole. The Latin American countries attached particular importance to UNDP because of the high-cost-sharing element of many of the region's country programmes, and they should not be penalized for making use of that system.

70. His delegation was concerned to note that the Intersessional Committee of the Whole was suggesting that it might be possible to channel bilateral assistance through the offices of the UNDP resident representatives. It was not clear how the
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costs to be paid by the countries concerned were to be calculated. In any event, the costs to be paid by the donor countries in question should be no lower than the 14 per cent of administrative costs currently paid by countries using the cost-sharing system.

71. In making reductions in the resources available for the regional programme for Latin America, UNDP should take account of the wishes expressed and priorities set by the Governments of the region, both at the meeting of experts held in May 1982 and at the special meeting of the Governing Council in February 1983.

72. Mr. BONNESERRE (Argentina) said that UNDP should continue to be the central body through which assistance was channelled to the United Nations system. In the recent years of economic recession the significance of technical and economic co-operation had become better understood. If UNDP was to live up to the developing countries' expectations, it would have to have a volume of resources that was at least three times greater than that currently available to it. In real terms, the volume of resources available to UNDP in 1983 would be considerably lower than that pledged 10 years earlier. The donor countries must fulfil their undertaking to raise their contributions by 14 per cent per year.

73. Technical assistance must not be made subject to any further direct or indirect restrictions, and his delegation wished to reaffirm the fundamental principles of country programming, the responsibility of Governments in setting their own priorities and the universality of UNDP. The tendency of some donor Governments to make their assistance subject to conditions was destroying the foundations of UNDP and multilateral assistance. Twenty-one Governments had undertaken to raise their contributions for 1983 by approximately 14 per cent, and it should be noted that 17 of the countries that had actually done so were recipient countries. That undertaking should be fulfilled by all countries, particularly the donor countries, which benefited indirectly from UNDP activities in many ways. The countries in question should demonstrate their support for UNDP in accordance with Governing Council decision 80/30. The Latin American Governments were giving the Programme effective financial support and had called on the funds and programmes of other regional, subregional and interregional institutions in order to mobilize resources. The primary responsibility for the functioning of the institutions in question lay with the countries that had established them, but the United Nations must also take the necessary action to ensure that they functioned effectively at relatively low cost.

74. Although UNDP was to be commended for the overall reduction in expenditure that had been achieved, a further effort must be made to reduce the Programme's administrative costs without affecting field activities. Submission of the revised budget estimates for the biennium 1982-1983 and budget estimates for the biennium 1984-1985 (DP/1983/44) in one document made it possible to gain a clearer picture of the situation. The budget estimates for the biennium 1984-1985 represented an increase of $54 million over the revised estimates for the biennium 1982-1983. While his delegation took note of the statement made in paragraph 2 of document DP/1983/44, it wished to request the Administrator to take further action to make funds available for operational activities.

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75. With regard to the report of the Intersessional Committee of the Whole (DP/1983/5), his delegation did not consider it desirable to modify the existing machinery of UNDP. Although the Intersessional Committee had been unable to reach agreement on additional short-term financing, his delegation wished to express its gratitude to the Governments that had responded to the appeal for additional contributions. At the same time, he wished to point out that the number of donor countries that had contributed additional resources did not represent a significant proportion of the total number of industrialized countries. Furthermore, with regard to longer-term financing, the recommendations set forth in paragraph 34 of the report contained elements that might not be in keeping with a number of basic principles, particularly the principles of the universality and voluntariness of the Programme. He also noted that a number of donor countries had shown a tendency in the Intersessional Committee to propose new approaches that would ultimately make assistance subject to restrictions.

76. With regard to the statement made in paragraph 49 of document DP/1983/5, the establishment of committees would not have a beneficial impact on the Governing Council's work. Furthermore, his delegation was not in favour of the arrangements for the evaluation of the results and of the effectiveness of the Programme considered in the Intersessional Committee of the Whole, particularly since the current tripartite evaluation system was satisfactory. His delegation opposed the establishment of any further bodies or committees, even if financed from savings made elsewhere. Any savings made should be used for field activities. His delegation rejected any changes that ran counter to the Consensus and reduced the Governing Council's powers.

77. The Programme's humanistic philosophy must be maintained, the concept of interdependence must be taken into account and UNDP must be considered in the context of the world economic crisis.

The meeting rose at 6.20 p.m.