GOVERNING COUNCIL

Thirtieth session

SUMMARY RECORD OF THE 18th MEETING

Held at Headquarters, New York
on Friday, 10 June 1983, at 3 p.m.

President: Mr. ZREMETA (Poland)

later: Mr. SLIM (Tunisia)

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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. CHOWDHURY** (Observer for Bangladesh) said that questions relating to resource mobilization had always been accorded a very high priority in sessions of the Governing Council and the current session was no exception. The Governing Council therefore had a heavy responsibility in that respect, particularly in view of the outcome of the three sessions of the Intersessional Committee of the Whole. Since the previous session, the global economic situation had not improved and the resource situation of UNDP continued to be very critical. His delegation fully agreed that the development of the developing countries and their ultimate self-reliance was primarily the responsibility of those countries themselves. However, external support towards that end was also of crucial importance and technical assistance was a vital agent of growth since it promoted human resources development.

2. At a time of resource constraints, the main objective of programmes should be to provide maximum benefits for the maximum number of people in areas where needs were the greatest. Per capita income and population size were an important basis for any rethinking on reallocation of resources, as was preservation of the universal character of UNDP programmes. Those considerations required a reaffirmation of the role of UNDP and its method of operations, which heavily relied on field level co-ordination and decentralized decision making. In that regard, the basic principles of the 1970 Consensus should be maintained.

3. His delegation appreciated UNDP's support for the implementation of the Substantial New Programme of Action for the 1980s for the Least Developed Countries. However, it regretted that pledges to the UNDP Special Measures Fund for Least Developed Countries and the United Nations Capital Development Fund had declined sharply compared to contributions for 1982. That situation should not be allowed to continue because those funds played a very useful role in meeting the needs of the LDCs. In addition, his delegation strongly supported the efforts of UNDP in providing technical assistance to the Palestinian people and to the national liberation movements recognized by the Organization of African Unity.

4. His delegation wished to draw the attention of the Governing Council to the third session of the High-level Committee on the Review of Technical Co-operation among Developing Countries that had just been concluded. That Committee had taken a number of important decisions to promote and enhance technical co-operation among developing countries through a better response from the United Nations development system. His delegation strongly supported those decisions.
5. His delegation also wished to express its satisfaction at the activities of the United Nations Fund for Population Activities and its appreciation of the United Nations Volunteers programme and the United Nations Capital Development Fund. In conclusion, his delegation believed that the international community should acknowledge its responsibility for the situation in the developing countries in general, and, in particular, in the least developed countries, in order to achieve something concrete and tangible in that regard. The catalytic role played by UNDP in the development process was difficult if not impossible to replace and delegations should therefore reiterate their confidence in UNDP and help to strengthen its effectiveness.

6. Mrs. Dorset (Trinidad and Tobago) said that in the current period of faltering in the development process developing countries had been forced to tackle the challenges posed by low prices and commodity markets, high and volatile interest rates, high levels of unemployment, a drop in global output and trade and a reduction in the flows of official development assistance. If present trends were not reversed, it was possible that UNDP programme delivery for the 1982-1986 cycle would be less than that of the first cycle in real terms. The effect of the across the board reduction in illustrative indicative planning figures would not be uniform in all developing countries. For a country like Trinidad and Tobago with an already small IPF, the impact of that reduction would tend to be more wide-ranging and disruptive. Technical assistance and co-operation not only enabled countries to use their resources more efficiently in pursuit of development but also enhanced their ability to carry out development activities on their own.

7. The report on the work of the Intersessional Committee of the Whole (DP/1983/5) contained a series of important conclusions and recommendations which the Governing Council must decide on at the current session. Her delegation agreed with the Administrator that those conclusions and recommendations needed to be considered within the context of the broader issues confronting the development process generally. Regarding the argument that the Council was unable to deal effectively with programme issues because of the formal nature of its proceedings, she observed that the Council could convene in informal sessions for the purpose of performing the functions which were being suggested for a Programme Committee. With respect to the timing and frequency of meetings, her delegation could not envisage anything but additional burdens on already small delegations, most of which were from developing countries. Informal sessions would enable the Governing Council to make a close re-examination of the programmes and avoid the cost of convening a Programme Committee simultaneously with the Budgetary and Finance Committee.

8. Her delegation was unequivocal in its support for evaluation and feedback. The Administrator had stated that he would take steps to establish a small central evaluation unit and that that unit would initially be financed out of savings in the current budget. The question of financing for future years could not be ignored and the role of Member States in the process of evaluation must be preserved. It was therefore necessary to examine closely the existing mechanisms within the system, namely, the tripartite review and the appointment of independent
consultants to review projects - both mechanisms which involved the participation of recipient Governments. UNDP must continue to respond to the development priorities and objectives of developing countries and no action should be taken which would deny the validity and continuing relevance of the 1970 Consensus.

9. Her delegation noted that steps had been taken to strengthen UNDP's collaboration with the World Bank. It recognized that co-ordination of technical assistance operations was absolutely necessary. However, she wished to emphasize that co-operation with the World Bank or any other institution must be without prejudice to the separate identity and democratic control of UNDP.

10. In the field of public relations, UNDP's profile had been described as low. That applied more to developed than to developing countries. Her delegation could support measures to promote better understanding of the role and activities of UNDP as long as those measures did not duplicate the functions of other United Nations agencies and departments, especially the Department of Public Information. She did not agree that it was difficult to advertise UNDP. The developing countries had no problem in that regard. What was necessary was for the constituents of decision-makers in major donor countries to be made aware of the undeniable link between economic growth in developing countries and that of the developed countries. Moreover, more information should be given through the information media of the efforts of developing countries themselves towards their own advancement so that the latter would not be seen as mere mendicants. In any event, her delegation would encourage the Governing Council to guard against a somewhat naive notion that a public relations thrust would necessarily bring about the much-hoped-for flow of resources from the major donors. UNDP, it should be recalled, was the product of the international community of developed and developing countries alike. That joint undertaking had worked extremely well and had been in the vanguard of the movement against dependence and underdevelopment.

11. In the Latin American and Caribbean region, UNDP's presence had been catalytic in nature and had provided the technical and managerial infrastructure upon which countries could build. The contributions of several countries in the region, including Trinidad and Tobago, through matching funds, support costs and cost-sharing arrangements had been in excess of the allocated IPFs and thus demonstrated solid support by the countries of the region for technical assistance and co-operation within a multilateral framework.

12. Mr. MAUDAVE (Observer for Mauritius) said that basically, the current session of the Governing Council was concerned with the problem of resources and how to ensure that UNDP would continue to function as efficiently as possible in circumstances which differed so markedly from those of the 1970 Consensus. From the various assessments that had been made at the session, it seemed that there was a credibility gap and that what was lacking was the political will of a number of States to give back to the Programme the pre-eminence it had once enjoyed.

13. To the average man or woman, the United Nations seemed very abstract, very far away, very laborious and certainly very expensive. However, that average person in
the developing world, in his or her own immediate surroundings, was acquainted with
the UNICEF ambulance, the UNDP rural energy project and the foreign expert. At a
more sophisticated level, the relationship between ministry officials and the UNDP
Resident Representative and his staff was close and satisfactory. Projects were
concrete, tangible and beneficial operations. Accordingly, the credibility gap or
crisis of confidence was not in the field of action but rather in the minds of some
politicians or financiers who sought quick gains.

14. His delegation wished to express its deep appreciation for the co-operation
from the UNDP Office for Projects Execution. In the Indian Ocean region,
multilateral institutions had helped to achieve progress which would not have been
possible without their assistance. Multilateral aid was an important adjunct to
bilateral assistance. If those sources of aid could complement each other
harmoniously and effectively, and provided UNDP's central role was maintained, then
his delegation had no reservations about "multi-bi" arrangements. There were,
unfortunately, some signs that multilateral co-operation might be in danger because
some industrialized countries were increasingly focusing on their own problems.
His delegation, however, remained optimistic about recovery while admitting that it
would take time to correct the effects of the imbalances of so many years of
inflation in the Western world and to resolve some of the political difficulties
resulting from the economic problems. His delegation readily agreed that at a time
when money was scarce and faith flagging, bilateral and multilateral institutions
should be complementary and coherent and not mutually exclusive. He was convinced
that, however complex the interactions of so many components might be, it was even
more necessary today to ensure the orderly process of aid dispensation through
concerted action. UNDP could approach the problems of co-ordination, co-operation,
planning and evaluation with the confidence gained from experience.

15. It was frustrating for developing nations to hear that country programmes that
had been adopted so recently had had to be reduced to 55 per cent of IPFs. It had
also been said that if only an insignificant percentage of total world expenditure
on armaments could be diverted to development aid, international organizations and
the specialized agencies would have no financial constraints for decades to come.
It was estimated that in any given week about 100,000 men, women and children died
of hunger and poverty in the third world. He doubted that quoting those figures
could have any significant impact when Governments were faced with the problems of
equal opportunities for all in terms of health, food and energy. Pragmatism showed
that long-term political and economic considerations were based on a national
self-interest. However, there was growing interdependence between nations, which
inevitably meant that the northern or industrialized nations could not reap any
long-term benefits from the deepening impoverishment of the southern or developing
nations. It was only if the southern half of the globe developed economically that
the exporting countries of the industrial north could solve their current
problems. That was what was meant by "enlightened self-interest", and for that
reason foreign aid must continue, using the many multilateral agencies among which
UNDP played such a pivotal role. To that end, what was urgently required was a
wider dissemination of information through the media and educational institutions
in the developed countries.
16. His delegation wished to commend the Administrator on his vigilant and vigorous control of administrative costs and to recommend that more consideration be given to the procurement of goods and services from the developing States sufficiently advanced to provide them. It also fully endorsed the suggestions of the Intersessional Committee concerning a Programme Committee and a central evaluation unit. His delegation did not share the view that those bodies might duplicate the responsibilities of the Governing Council. If they were kept lean and efficient, costs would not be high and the duplication of activities could be avoided. Evaluation should combine the joint efforts of all interested parties, namely, UNDP, the executing agency and the recipient or host Government. Finally, his delegation joined the representative of Australia in pleading the cause of island developing countries that had been severely hit by the curtailment of their IPFs.

17. Mr. Slim (Tunisia) took the chair.

18. Mr. SHAH NAWAZ (Pakistan) said that the Administrator's statement to the Governing Council, while realistic, provided a ray of hope. Nevertheless, the financial difficulties which had beset UNDP for several years had not yet ended. He commended the Administrator for his efforts to increase Programme resources, but expressed regret that those efforts had not achieved commensurate results for reasons beyond the Administrator's control. Moreover, despite efforts over the years to make UNDP more responsive to development needs and more adaptable to changing circumstances, recent trends appeared to run in the opposite direction. All participants in the Programme shared responsibility for that situation and must thus act jointly to put UNDP on a solid foundation from which to carry out its functions. To that end, the major donor countries must make a stronger commitment, while UNDP must work to improve the quality and efficiency of programme delivery. Recipient countries must also review their own approach to technical assistance, in order to maximize the benefits of such assistance.

19. Pakistan maintained a firm belief in the vital role of UNDP in providing technical assistance to developing countries. His delegation had therefore been seeking a number of improvements in some of the Programme's areas of operations. The principal problem facing UNDP was the reduction in levels of available programme resources, which introduced a degree of uncertainty into the planning and management of UNDP-assisted projects in developing countries. That situation might be improved by a more efficient and imaginative use of available resources, which would enhance the public and government perception of UNDP activities, thereby strengthening confidence in the Programme and attracting increased contributions. His delegation believed that recipient countries should be encouraged to utilize a larger portion of their IPFs for institution-building rather than for the provision of short-term expert assistance. Such action would promote indigenous capabilities and would make it possible to free UNDP resources for other sectors in the future. He urged the Administrator to enter into consultations with recipient countries to consider the fixing of a minimum desirable percentage for such assistance within a country's IPF allocation.
20. He reiterated the call for a broader and more dynamic interpretation by UNDP of its responsibilities under the Buenos Aires Plan of Action. He also endorsed the recommendations of the High-Level Committee on the Review of Technical Co-operation among Developing Countries with regard to the direction UNDP should take in the area of TCDC. In that context, he urged the Administrator to give priority to the utilization of expertise from developing countries for the implementation of UNDP programmes. The Information Referral System (INRES) could play an important role in that area, although his delegation did not agree that INRES should be financed from special programme resources instead of from the administrative budget. He also called for a careful examination of the results of the meeting of national focal points for technical assistance held recently at Tunis to consider future efforts to strengthen TCDC and to achieve a more effective utilization of Programme resources.

21. His delegation believed that UNDP must give urgent consideration to procedural changes that would give developing countries a greater role in the procurement of equipment and the execution of projects. In addition, available expertise in developing countries should be co-ordinated so that it could be tapped for the carrying out of feasibility and other studies in developing countries. His delegation would be happy to engage in consultations to develop the foregoing proposals further.

22. The recommendations of the Intersessional Committee of the Whole contained in document DP/1983/5 were of far-reaching importance. It was clear that those recommendations constituted a package whose individual components could not be modified without affecting its other elements. Thus, despite reservations with regard to certain recommendations, his delegation endorsed the package as a whole and felt that endorsement by the Governing Council would generate a positive response from the major donor countries to the appeals for increased contributions to the Programme.

23. His delegation had difficulty with the establishment of a Programme Committee and a central evaluation unit. While the need for a more efficient, effective and logical examination of programmes and an improved evaluation system for UNDP activities were important, failure to carry out those functions efficiently in the past did not necessarily reflect an inadequacy of existing mechanisms. Rather, it reflected a lack of attention to those issues on the part of Member States and UNDP itself, a problem that would not be rectified by the establishment of new mechanisms.

24. Mr. ADJALI (Observer for Algeria) said that the financial difficulties that UNDP was experiencing were beginning to have a direct and major impact on the recipient countries' development effort. That situation had been engendered by an unjust international economic order.

25. His delegation supported all the efforts made by the Administrator and the members of the Governing Council to find a lasting solution to the problem of short-term and longer-term financing for the Programme. His country had raised its annual contribution by 14 per cent and made a cost-sharing contribution for the period 1983-1986 that represented three times the value of its IPF.
26. His delegation remained convinced that the type of assistance provided by UNDP could be beneficial to all the parties concerned. However, there was much room for improvement. For example, there were the problems of the payments made by the recipient countries to the specialized agencies, the ridiculously high salaries received by experts, the lack of information and the late distribution of documentation. The efforts being made to remedy that situation must be continued and co-ordinated. Furthermore, UNDP offices should not merely provide liaison between the specialized agencies of the United Nations system and the recipient countries.

27. With regard to the report of the Intersessional Committee of the Whole (DP/1983/5), his delegation was not in favour of the establishment of a Programme Committee, since it believed that the streamlining of the Governing Council’s work that was under way would make it easier to achieve programme goals. It also opposed the establishment of a central evaluation unit, since it believed that evaluation should take place at the country level. The establishment of any evaluation unit that was not the sole responsibility of the Administrator was particularly undesirable. In any event, his delegation did not believe that programming, programme evaluation and the level of contributions were closely interlinked. It continued to subscribe to the principles set forth in the 1970 Consensus, particularly the principle of the sovereignty of the recipient countries in making programming decisions. His Government had decided to review, in co-operation with UNDP, the assistance it had received from the Programme over the past 20 years. It would be desirable to evaluate regional and subregional programming as well. His Government wished to reactivate, outside the context of UNDP, a number of projects that might be of interest to the North African countries, but it had been unable to do so, since it had no such UNDP evaluations at its disposal.

28. Mrs. BALLESTER (Observer for Cuba) said that the current international economic crisis was occurring at a time of rapid population growth, and the underdeveloped countries would represent an increasing proportion of the total population of the world. It was the international community’s duty to meet the needs of both the current and the future population of the world.

29. UNDP provided effective machinery for developing vertical and horizontal co-operation and could therefore give an impetus to the process of global integration in the field of co-operation. However, the Programme would need a great volume of resources in order to face that challenge. The resources required did in fact exist, but they were unfortunately not being used for the welfare of mankind. It could be seen from data available from Western sources and the organizations of the United Nations system that the equivalent of two and one half times the total volume of the voluntary contributions received by UNDP in 1982 was being devoted to military expenditure every single day. While growth in the contributions to UNDP was falling off, military expenditure was rising at a rate comparable only with the speed at which the developing countries’ debt-servicing costs were rising. If peace was to be achieved in the world, some countries, particularly those responsible for the underdeveloped state of the third world, would have to change their attitude towards the underdeveloped countries.
30. UNDP could play a major role in that connection, but in order to do so it would have to have the necessary financial resources and the recipient countries' views would have to be taken into account. The Governing Council should carry out its functions, particularly the analysis and adoption of country programmes, in accordance with the basic principles set forth in the 1970 Consensus, the 1975 new dimensions and Council decision 80/30. Her delegation was not in favour of the establishment of a Programme Committee, particularly since it had already proved extremely difficult for the developing countries to participate in the work of the Intersessional Committee of the Whole.

31. The real value of contributions to UNDP should at least be maintained, and the volume of future contributions must be predictable. Furthermore, any action taken in that connection must be in keeping with the 1970 Consensus, and voluntary and universal nature of the Programme must be preserved. It should also be borne in mind that the countries that were responsible for the current state of under-development of the third world had a moral obligation to promote development.

32. With regard to the establishment of an independent evaluation unit, her delegation was in favour of continuous evaluation carried out by Governments in respect of their own projects. Furthermore, the current tripartite evaluation system was satisfactory. She wished to suggest that the donor countries might consider the possibility of making direct requests to the recipient Governments for the information they required, as well as the possibility of carrying out evaluations in the field.

33. Her delegation believed that the proposed use of UNDP field offices for bilateral programmes might have an adverse effect on the Programme's multilateral character. In any event, the views of the recipient countries concerned should be taken into account. Moreover, although a policy of austerity was necessary, extreme measures should be avoided in the interest of programme effectiveness. The Administrator should be given a free hand in that connection.

34. With regard to the non-use of a number of national currencies, she suggested that the Administrator should look into the steps taken by those organizations of the United Nations system which had put such currencies to good use. Since Cuba was one of the countries whose currency had been accumulating, her delegation wished to suggest that the sums in question should be used on projects in the poorest countries or for financing activities relating to technical co-operation among developing countries. It also wished to express its gratitude to those countries that, despite their own economic difficulties, had made an effort to raise their contributions to UNDP. A number of the countries in question had considerably exceeded the goal of contributing 0.7 per cent of their GNP to official development assistance.

35. Her Government was concerned at the disproportionate reductions proposed in the resources allocated to certain regional institutions, including the Latin American Economic System (SELA). In view of the current economic crisis in Latin America it was essential to study without delay proposals for the development of...
regional co-operation and integration. In the past SELA had received valuable support from UNDP in fulfilling its role. Furthermore, her delegation wished to express its support for the decisions recently adopted at the third high-level meeting on the review of technical co-operation among developing countries.

36. Mr. GHOSH (International Labour Organisation) said that the Administrator's appeal for increased ODA to developing countries was of critical importance, since it was necessary to reverse the downward trend in the supply of development capital in third-world countries, facilitate structural adjustments and expand global economic markets. However, efforts to increase financial support for UNDP must not weaken the system's role or the fundamental principles upon which multilateral technical co-operation was established, since it was the multilateral nature of that assistance that constituted its greatest attraction to the international community. He therefore urged the Governing Council to deal cautiously with some of the proposals before it, such as those contained in documents DP/1982/35 and DP/1983/ICW/13. At the same time, the Intersessional Committee was to be commended for viewing the issues under consideration within a broad context.

37. He believed that the existing United Nations institutions for mobilizing and providing technical assistance possessed a wealth of knowledge and expertise in their individual areas of operation; thus, while those institutions might be improved, there was no need to establish new ones. While acknowledging the important role played by UNDP in co-ordinating the efforts of the various agencies within the United Nations system, ILO feared that a departure from the established principles of division of functions and of partnership in the form of an expanded executive role for UNDP might reduce the Programme's efficiency and detract from its essential role as co-ordinator. The Administrator and Governing Council should thus consider such an expanded role and the related subject of subcontracting as carefully as possible in the light of the forthcoming independent studies.

38. With regard to funding, he stressed the importance of establishing a minimal level or threshold of general-purpose contributions from individual donors, although the diversity of needs, conditions and policy consideration affecting the attitudes of both donor and recipient countries towards operational activities meant that some flexibility was required in the matter.

39. He had been gratified by the Administrator's expression of appreciation of the work of the Inter-Agency Task Force, but urged that that body's potential should be fully exploited, and offered the full co-operation of ILO in that respect. He welcomed the increasing collaboration between UNDP and the World Bank and expressed the hope that such increased collaboration would draw upon the expertise available within the United Nations system. He wished to point out that although increased resource mobilization must be accompanied by a more effective utilization of resources, there was no direct link between an increase in resources and reforms of the system. Moreover, preoccupation with the mobilization of resources should not divert attention from the equally important qualitative aspects of development. The temptation to set aside programmes for the development of social and human resources in the face of financial difficulties could have serious implications not only for human welfare but for economic growth.
40. Popular support for and participation in development activities was of importance to ILO; in that context UNDP and ILO had recently renewed their agreement to work together to involve employers' and workers' organizations in the joint activities of the two organizations at the country level. In view of the importance of dialogue at the country level between donors and recipients, he urged that the functions of the Resident Co-ordinator should be better delineated.

41. Mr. BROWN (Deputy Administrator) thanked the Governments of Switzerland, Italy, Canada, Denmark and Norway for their special contributions and that of the United States for increasing its 1983 contribution. He also thanked the many developing countries which had increased their contributions by 14 per cent or more and observed that many of them had increased their cost-sharing allocations. Negotiations were currently under way on the possibility of increasing contributions to local office costs. He hoped that others would be encouraged by that show of confidence in UNDP to join in the short-term funding effort. However, notwithstanding the generosity displayed by certain Member States, UNDP's projected expenditure rate of 55 per cent must continue because the value of pledges in national currency continued to be eroded by the fluctuating exchange rates and because the projections for contributions in the period 1984-1986 assumed an increase of 7.5 per cent per annum over those of 1983. So far no assurances had been received that those assumed increases would materialize.

42. It was evident from the debate that differences of views persisted over certain key policy issues. Although everyone agreed on the need to adjust to changing circumstances, some Governments were reluctant to alter established procedures. He assured Member States in that regard that the key principles of operational activities which had guided UNDP since its foundation would be preserved.

43. Turning to the report of the Intersessional Committee of the Whole, he said that it was clear from the Administrator's statement that UNDP supported the Committee's recommendations. It would not be appropriate to comment on them at the present juncture but he would provide some factual information. Regarding the cost involved in establishing a Programme Committee, he said that the cost to UNDP was estimated at between $7,500 and $24,000 annually. There would be no additional conference servicing costs charged to the regular budget of the United Nations. A document outlining the financial implications would be circulated shortly. The fears of small delegations regarding their ability to participate in overlapping meetings would be unfounded provided that meetings of the Programme Committee were never scheduled as additional to those of other bodies.

44. As to the concern expressed about the cost to UNDP of the proposed central evaluation unit, he pointed out that the provision of $2 million in the programme and support budget derived from savings effected in the 1982-1983 budget. The $600,000 provision in the next budget would not result in an increase in the budget but would be covered by realigning other programmes. The broad support for UNDP management and support services for bilateral aid activities had been greatly appreciated and the comments made by the agencies, particularly by ILO, had been
duly noted. The revised proposals contained in document DP/1983/ICW/13 paid due regard to the co-operation which was required between UNDP and the agencies. The cost of providing those services had been discussed in the Budgetary and Finance Committee, and the Council had been informed that if the Administrator's guidelines were adopted such management services would not involve any financial implications for UNDP. Proper safeguards would be instituted to ensure that the services did not divert UNDP from its main mandate.

45. He had noted the concern expressed by the representatives of India and Pakistan concerning the atmosphere of uncertainty about future planning resulting from the reductions in programming levels. The Administrator himself had frequently expressed distress at the impact of such reductions. In reply to the question put by the representative of the Federal Republic of Germany as to whether there was any justification for inferring that UNDP's role as catalyst co-ordinator was becoming impossible or that it would have to be substantially reduced, he referred to the observations made by the representative of the Netherlands and others regarding the need for UNDP to have a reasonable volume of resources if it was to exercise its co-ordinating role. The Administrator had taken note of the request made by the representative of Austria for a study on trends in the disbursement of funds and diversification of technical co-operation and their implications for the concept of a central funding mechanism and would report later on the feasibility of such a study.

46. With regard to steps to increase efficiency and economy, he said that the Programme would pursue its present course; whenever there was an opportunity to increase efficiency and economy that would be done. The issue of the continuing increase in the cost of experts - about which several delegations had expressed concern - would be taken up with UNDP's partner agencies.

47. Replying to the representative of India, he said that there was a requirement that whenever the equipment component of a project exceeded $200,000 or 50 per cent of the project, a special internal evaluation procedure must be put into effect. However, that did not prejudge the size of the equipment component; UNDP was guided by the views which the Council had expressed in that regard. Regarding that same representative's suggestion for a 15-per-cent preference price for equipment purchased in developing countries, he said that the issue of preference arrangements was being discussed but had not yet been concluded. Contact had been made with the International Trade Centre at Geneva to evaluate and catalogue the capacity of institutions in the developing countries to provide goods and services which the United Nations could procure. That would help procurement agents to know what was available in the developing countries and thus meet to some extent the concern of the representative of India.

48. The latter had also expressed concern that UNDP's efforts in regard to government execution and technical co-operation among developing countries were too passive. Decisions taken by the Governing Council at its latest session would allow for greater flexibility and would enable the Administrator to assist the Governments of the developing countries to carry out the necessary administrative
and accounting tasks. He would refrain from commenting on the question of technical co-operation among developing countries since the Council would shortly be discussing the relevant recommendations of the Budgetary and Finance Committee and of the High-Level Committee on Technical Co-operation among Developing Countries.

49. Concerning the questions raised by the representative of Australia and Japan with regard to the impact on small countries of reduced programme levels, it had been calculated that the cost of exempting countries with IPFs of $5 million from the reduction to 55 per cent would be $24 million for the present cycle. An additional $6 million would be needed to cover those countries whose IPFs would fall below $5 million once the reduction was instituted. Another calculation had been made on the basis of a cut-off point of $1 million; the cost of preserving the higher rate of expenditure in that case would be $5 million. The Administrator had recommended that those and all other issues regarding IPF adjustments should be dealt with in the context of the review of IPFs scheduled for 1984. Meanwhile, in an effort to give some temporary relief to small countries, a greater proportion of IPFs was being spent in 1982, 1983 and 1984, in the hope that something would be done to aid those countries in 1985 and 1986. Of course, if nothing was done it would mean that there would have to be even more drastic reductions in the last two years of the cycle.

50. A number of delegations had mentioned the need for thorough discussion of the recommendations of the UNDP/UNIDO report on manufactures; the administrator's comments on the report would be available early the following week and delegations would have an opportunity to ask questions about it at an informal meeting.

51. Concerning the suggestion by the representative of Denmark that UNDP should publish an annual report similar to that of the World Bank to provide more timely information concerning programmes, projects and operations, he said that to do so would use up UNDP's entire printing budget. However, the information would be provided in a more humble format: a quarterly report on projects, the first of which was to appear the following week. He was grateful for the support which had been expressed for the proposal in General Assembly resolution 37/226 that collaboration between UNDP and the World Bank should be increased. The Administrator would continue his dialogue with the Bank and would take into account the various concerns expressed by delegations and agencies.

52. The representative of Egypt had asked why the agencies were not used in the execution of projects for the Palestinian people. UNDP acted in conformity with resolutions adopted by the Governing Council and the General Assembly calling on UNDP to mount its assistance efforts in agreement with all the parties directly concerned. He drew attention to General Assembly resolution 36/70, paragraph 4, which requested the United Nations Development Programme to undertake direct execution of the projects in the occupied Palestinian territories.

53. He expressed embarrassment at the lateness of the documentation. Informal consultations would be held the following week to see what could be done to improve the situation in the future.
54. Finally, he noted with satisfaction the news that the Belgian parliament was giving consideration to a fund to promote food production and integrated rural development in the developing countries and that the Government of Japan planned to double its ODA in the period 1981-1986.

55. Mr. SEIF EL-NASR (Observer for Egypt) and Mr. KAABACHI (Tunisia) asked why projects had not been carried out in Gaza and the other occupied Arab territories and why use was made of officials and personnel from institutions other than UNDP.

56. Mr. BROWN (Deputy Administrator) said that that question would be answered when the substantive agenda item to which it related was taken up.

57. Mr. QUINLAN (Australia) requested that the text of the Deputy Administrator's replies should be made available to delegations informally the following week.

58. The PRESIDENT said that that would be done.

The meeting rose at 5.40 p.m.