GOVERNING COUNCIL

Thirtieth session

SUMMARY RECORD OF THE 23rd MEETING

Held at Headquarters, New York,
on Wednesday, 15 June 1983 at 10.30 a.m.

President: Mr. SLIM (Tunisia)

later: Mr. SZEREMETA (Poland)

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Any corrections to the records of the meetings of this session will be consolidated in a single corrigendum, to be issued shortly after the end of the session.
The meeting was called to order at 10.40 a.m.

PROGRAMME PLANNING: THE THIRD PROGRAMMING CYCLE, 1982-1986 (continued)

(b) COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS

1. Mr. BROWN (Deputy Administrator) said that a number of delegations had inquired about the application of the 55 per cent expenditure level to small countries, especially small island developing countries, whose IPFs were small to begin with. With regard to the question asked by the representative of the Philippines, he said that special consideration had been given to island developing countries when the IPFs were originally calculated. Under the arrangements approved by the Governing Council for the third cycle, the basic country IPF, in relation to the total resources available for country IPFs, was the product of the influences of its population and per capita GNP compared with the aggregate of such products for all countries, subject to the application of three sets of supplementary criteria: (a) least developed countries, newly-independent countries, land-locked countries, island developing countries and countries suffering from acute ecological and geographical difficulties; (b) the magnitude and other aspects of the country's internal development effort and its endeavour to promote equity and social justice within the country; (c) the external economic position of a country. The overall relative importance of supplementary criteria to basic criteria had been set in the ratio of 1:9. All of the items in group (a) and both group (b) and group (c) had been accorded equal weight, except for the criterion of least developed country status, which had been given a three-fold weight. The "floor" concept by which a country received an illustrative IPF in the third cycle which was not less than its IPF in the second cycle had also been extended to island developing countries.

2. The representative of Australia had asked about the financial implications of retaining the expenditure level of 80 per cent, instead of reducing it to 55 per cent, in the case of island developing countries. The extra cost to UNDP in the case of countries with illustrative IPFs of $1 million, $1.5 million and $2 million would be $2 million, $4 million and $7.3 million, respectively.

3. The representative of the United Kingdom had drawn attention to the fact that the documentation before the Council did not include information on progress towards achieving "net contributor" status in accordance with Council decision 80/30. The ultimate decisions on increases in voluntary contributions leading to "net contributor" status were, of course, taken by the Governments themselves. With regard to increased contributions to the local costs of field offices, UNDP had taken steps to carry out Council decision 82/18. It had advised all host Governments, through the Resident Representatives, of the expected amounts of their contributions to local costs as from 1 January 1984, and the Resident Representatives were conducting intensive negotiations with Governments on the subject. He urged the representatives of host Governments to facilitate those negotiations.
4. With regard to the issues raised by the representative of Turkey, he said that UNDP strictly observed all General Assembly resolutions on Cyprus. The Resident Representative had had consultations with the Government and with representatives of the Turkish community, and had reported that an understanding had been reached with the Government whereby an equitable share of the IPF would be made available for the Turkish community. UNDP headquarters would closely monitor project implementation in order to ensure that the understanding reached with the host Government was respected. The Administrator was gratified by the spirit of co-operation shown by the Government of Cyprus, and the Council could expect that the benefits of UNDP assistance would accrue on an equitable basis to both communities.

5. Mr. KENNEALLY (Australia) said that it was the responsibility of the Governing Council to try to provide some sort of relief when programme continuity was seriously threatened. The Administration of UNDP must be given extra flexibility in cases in which it was not practicable to wait until the end of the planning cycle to consider relief measures. His country, therefore, supported the adoption of a base of $1.5 million for the third-cycle illustrative IPFs of the small island countries, at an estimated cost of $4 million to UNDP, in order partially to restore their IPFs. His delegation was prepared to support the adoption of a base of $2 million if the Council felt that that was feasible and desirable and if additional resources were available.

6. Mr. PHEDONOS-VADET (Observer for Cyprus) said that he strongly objected to the allegation made by the representative of Turkey at the previous meeting that the status of the Government of Cyprus was illegal. The Government of Cyprus was an international legal entity recognized by the United Nations and all international organizations and movements. The representative of Turkey had also stated that there were two separate administrations in Cyprus with absolute jurisdiction over the Turkish Cypriot and Greek Cypriot parts of the island. He had, however, neglected to explain that the so-called "Turkish Cypriot administration" was merely a puppet régime set up after the Turkish invasion of Cyprus and the forced expulsion of the indigenous population from a large part of the country, and that that "administration" governed only a zone under illegal Turkish military occupation. The rest of the island was governed by a legally elected President.

7. The Constitution of Cyprus set forth the same rights and obligations for the Turkish and Greek communities of the island. The dismemberment of the country, the forcible expulsion of population, the usurpation of the victims' homes and lands, the massive importation of Anatolian settlers and the establishment of a so-called "Turkish Cypriot administration" could not be recognized as Turkish rights.

8. The representative of Turkey had disingenuously proposed a new mechanism whereby a separate UNDP project could be approved for "North Cyprus". That representative had stated that the Greek Cypriots had achieved significant economic development as a result of foreign aid at the expense of the Turkish Cypriots, whose rights they had usurped. There were historical reasons for the economic disparity that had existed between the two communities until 1974. In that year, as a result of Turkish aggression against Cyprus, the economic situation of the
Greek Cypriots had suddenly changed from relative wealth to absolute misery. The foreign aid provided to Cyprus by friendly countries and organizations had been used prudently to shelter those who had become homeless because of Turkish aggression and for various other projects. The victims of Turkish aggression had not deprived the Turkish Cypriots of their share of foreign aid. It was obvious that the economic stagnation of the Turkish Cypriot community was due to the policies dictated by the Turkish Government. Greek Cypriots could not be held responsible for the economic disparity between the two communities when it was common knowledge that Turkey had arbitrarily imposed the highly-inflated Turkish lira as the sole legal currency in the occupied part of Cyprus.

9. After attacking Cyprus militarily, Turkey was attempting to relegate the Government of Cyprus to the status of a communal administration. It was trying to wage economic warfare by suggesting that the Republic of Cyprus should be classified ineligible for UNDP assistance. As for the allegation that the Greek Cypriots had little economic incentive to come to terms with the Turkish Cypriots, the fact was that the Greek Cypriots supported the renewal of the intercommunal talks while the Turkish Cypriot leaders had publicly refused to engage in negotiations. The Government of Cyprus wished to achieve a peaceful solution to the dispute and would spare no effort to that end. Nevertheless, the people of Cyprus and all those who believed in justice and democracy would never endorse Turkish expansionism and the dismemberment of the Republic of Cyprus.

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

11. Mr. RALLIS (Observer for Greece) said that there was no factual basis for the representative of Turkey's claim that the Government of Cyprus, which was recognized as the sole representative of the Republic of Cyprus by the United Nations, was equal under law to an illegal administering Power which represented only 18 per cent of the population of Cyprus and was supported by the Turkish occupying army. It was unthinkable that members of the Council should ever accept a formulation which would indirectly recognize the status of the so-called "Turkish Cypriot administration". General Assembly resolution 37/253, which had been adopted by an overwhelming majority of States Members of the United Nations, affirmed the right of the Republic of Cyprus and its people to full and effective sovereignty and control over the entire territory of Cyprus. Assistance given to Cyprus had to be provided through the legal Government, not an illegal administration.

12. Mr. GÖKÇE (Turkey) thanked the Deputy Administrator for his clear answers to questions about UNDP assistance to Cyprus, which was to be provided on the basis of an understanding reached with the Cypriot authorities. Unfortunately, the statement made by the Observer for Cyprus appeared to contradict the information provided by the Deputy Administrator. In responding to the remarks made by the Observer for Cyprus, he wished to stress that he was addressing the UNDP country programme for Cyprus and not the question of Cyprus, which was more appropriately dealt with by other United Nations bodies.
13. His delegation reiterated that the northern and southern parts of Cyprus were currently governed by separate administrations, following sustained efforts by the Greek Cypriots to hellenize the country and annihilate the Turkish community. The existing situation had arisen solely because of the need to protect the Turkish Cypriots until a peaceful solution was found to the question of Cyprus. Since 1963 foreign assistance to Cyprus had been usurped by the Greek community in the south, the region of the country which had experienced the most development. Moreover, the northern portion of Cyprus was adversely affected by the trade embargo which the Greek Cypriot administration had maintained for 20 years. It was not his intention to prevent a consensus within UNDP with regard to country programmes; however, he had to draw the attention of the Governing Council to the actual situation in Cyprus so that, in approving the country programme, it would have no illusions as to how that assistance would be utilized.

14. Mr. PHEDONOS-VADET (Observer for Cyprus), speaking in exercise of the right of reply, said that the representative of Turkey's allegation that two separate administrations existed within Cyprus should be construed by members of the Council in the light of General Assembly resolution 37/253, which reasserted the status of Cyprus as an independent and sovereign republic. He asked whether the representative of Turkey questioned the legality of that resolution. The allegation that Greek Cypriots wished to hellenize Cyprus was unfounded; they already comprised 80 per cent of the island's population. There was no foundation for the allegation that Greek Cypriots were endeavouring to annihilate Turkish Cypriots and that the Turkish army had had to intervene in order to safeguard them; the troubles between the two groups had in fact been instigated by the Ankara Government, whose acknowledged policy was the division of the island.

15. Mr. CÖKÇE (Turkey), speaking in exercise of the right of reply, said that he was sorry that the Observer for Cyprus considered his statements to be untrue. From his own experience in Cyprus, he could assert that the Greek Cypriots were actively depriving the Turkish community of their human rights. The relevant reports of the United Nations Peace-keeping Force in Cyprus and of the Secretary-General also provided sufficient proof of the untruth of the statements made by the Observer for Cyprus.

16. The PRESIDENT invited the Observer for Cyprus, if he wished to speak once more in exercise of the right of reply, to do so at the end of the following meeting.

17. Mr. CERMAR (Austria) said that no information had been provided concerning the future of the joint UNCTAD/UNDP project on the Generalized System of Preferences. His delegation had always supported that project, considering it to be a particularly important means of furthering development, and hoped that it would be continued.

18. Mr. McBARNETTE (Trinidad and Tobago) said that his delegation supported the suggestion made by the representative of Australia that small island developing countries should be guaranteed a minimum level of resources to carry out their development activities. The Caribbean region contained a great number of small island countries, and he urged the Governing Council to give serious consideration to increasing the amount of resources available to those countries.
19. Mr. Slim (Tunisia) resumed the Chair.

20. The President invited the Governing Council to consider the draft omnibus decision on country and intercountry programmes and projects (DP/1983/CRP.4).

21. Sections I, II, III, IV and VI of the draft decision were adopted.

22. Mr. Kenneally (Australia) proposed that the following phrase should be added at the end of section V, paragraph 1: "this action notwithstanding, requests the Administrator to apply 80 per cent of the respective illustrative indicative planning figures to island developing countries with illustrative indicative planning figures of $1.5 million or less and a 'floor' of $1.2 million (80 per cent of $1.5 million) to other island developing countries with illustrative indicative planning figures of over $1.5 million;".

23. Mr. Fernández (Philippines) supported that proposal.

24. Mr. Hare (Canada) said that his delegation supported the intent of the proposed amendment. He suggested, however, that the words "on the basis of additionality of resources" should be added after the word "Administrator" in the Australian amendment.

25. After a brief discussion, in which Mr. Kenneally (Australia), Mr. Fernández (Philippines), Mr. Blain (Observer for the Gambia), Mr. Mondal (Observer for Bangladesh) and Mr. Hare (Canada), participated, Mr. Brown (Deputy Administrator) suggested that the problem might be solved by rewording the beginning of the Australian amendment as follows: "this action notwithstanding, requests the Administrator, subject to his determination that the necessary resources are available, to apply ...".

26. Mr. Kenneally (Australia) said that he accepted the modification proposed by the Deputy Administrator.

27. Mr. Tettamanti (Argentina) said that, while his delegation supported the intent of the Australian amendment, it had reservations regarding the creation of special categories of countries. He proposed, therefore, that the reference to "island developing countries" should be deleted and that the amendment should apply simply to countries with IPFs of $US 1.5 million or less.

28. Ms. Archbold (United Kingdom) said that she shared the view of the representative of Argentina regarding the creation of special categories among recipients of UNDP assistance. The IPFs of individual countries were set only after careful consideration, and the decision to reduce IPFs had also been carefully weighed. Any amendment to that decision would therefore be premature. There were many possible criteria for exempting certain groups of countries from the IPP reductions and the financial implications of such criteria would vary. She therefore suggested that the Council refer the whole matter to the Budgetary and Finance Committee for more detailed consideration.
29. **Mr. HOHWU-CHRISTENSEN** (Sweden) endorsed the proposal by the United Kingdom, for the reasons given by that delegation and because his own country had fundamental problems with the creation of different categories of countries.

30. **Mr. NEUBAUER** (Federal Republic of Germany) associated himself with the comments made by the United Kingdom and Sweden.

31. **Mr. LIMA** (Brazil) endorsed the suggestions made by Argentina and the United Kingdom.

32. **Mr. VERCELES** (Philippines) observed that the Australian amendment did not create a new category of countries and that the sole reason for singling out small island developing countries was that their IPFs were very low: it so happened that the countries with a $US 1.5 million cut-off were island developing countries. He saw no reason to refer the matter to the Budgetary and Finance Committee: members of the Council were also members of that Committee, the proposed action involved an amount of the order of only $US 4 million and it was high time that a decision was taken.

33. **Mr. McBARNETTE** (Trinidad and Tobago) endorsed fully the statement by the representative of the Philippines. The Australian amendment did not create a separate category of countries, and there was no doubt that island developing countries with small IPFs would be seriously affected by the 45 per cent cut in IPFs. The suggestions made by Argentina and the United Kingdom simply clouded the issue. The Deputy Administrator's estimate of the impact of the proposal had been very precise, and the matter could be decided upon without further debate.

34. **Mr. KENNEALLY** (Australia), responding to the comments made by the United Kingdom and Sweden, observed that issues of concern to the Council were first raised in the Council's policy debate and then in the debate on country programmes. The matter under discussion was a policy issue, the financial implications of which had been made clear by the Deputy Administrator. It therefore had to be settled by the Council. With regard to the assertion that the proposal created a new category of countries, his delegation had sought precisely to avoid such an outcome, and the Administrator was well aware that the island developing countries were resource-poor countries with geographical disabilities. He therefore maintained his delegation's amendment.

35. **Mr. JENNINGS** (United States of America) endorsed the statement by the United Kingdom. Before taking a decision, the Council should first consider the impact of the proposed action on UNDP's programme expenditures as a whole and on other IPFs.

36. **Mr. CHRISTIANSEN** (Denmark) said that, as a matter of principle, the Australian amendment should first be considered in the Budgetary and Finance Committee since it had financial implications.

37. **Mr. JITOKO** (Fiji) disagreed with the suggestion that the question should be referred to the Budgetary and Finance Committee. It was for the Council to take a decision. His delegation endorsed the comments made by the representative of the Philippines regarding the creation of new categories of countries.
38. Mr. BARMA (Chad) observed that the Australian amendment did not create a special category of countries but did give certain privileges to island developing countries. A group of countries far larger than just island developing countries, namely the least developed countries as a whole, was affected by the cut-backs and the proposal might justifiably be applied to that larger group.

39. Mr. VERCELES (Philippines) observed that the Council had to act on the draft omnibus decision. He therefore proposed that the Administrator should provide the Council with a statement of the financial implications of the Australian amendment. Once that statement was available, the Council would have the authority to adopt the amendment without referring it to the Budgetary and Finance Committee.

40. The PRESIDENT observed that the Council had every right to settle such a simple matter itself, without referring it to the Budgetary and Finance Committee. The explanation given by the Deputy Administrator had been perfectly adequate to guide the Council. He therefore proposed that the Council should defer its consideration of section V of the omnibus decision until the following meeting and that, in the meantime, members should conduct informal consultations and consult the Deputy Administrator on the subject.

41. It was so decided.

(a) REVISED ILLUSTRATIVE INDICATIVE PLANNING FIGURES FOR CERTAIN COUNTRIES
(DP/1983/10, 17, 28, 30, 51)

42. Mr. BROWN (Deputy Administrator) observed with regard to document DP/1983/10, on assistance to Anguilla that, owing to the separation of Anguilla from St. Kitts-Nevis, the Administrator was proposing the establishment of a separate illustrative IPF for 1982-1986 for Anguilla of SUS 800,000.

43. With regard to document DP/1983/17, on an illustrative indicative planning figure for Lebanon, he said that an interim illustrative IPF for Lebanon had been recommended in Council decision 81/16 at a time when official figures for that country's 1978 GNP and population had not been available. The World Bank was co-operating with UNDP in obtaining those figures, but they were still unavailable. The Administrator was therefore recommending that the interim illustrative IPF should be maintained until such time as the final GNP and population figures became available. If the final figures showed that a larger IPF was in order, the Council would have to approve the additional amount.

44. With regard to document DP/1983/28, on revised illustrative 1982-1986 indicative planning figures for Equatorial Guinea, Sierra Leone and Togo, he said that the General Assembly had decided in resolution 37/133, to include those countries, together with Djibouti and Sao Tome and Principe, in the list of least developed countries, thereby entitling them inter alia to an increased IPF. Since the latter two countries had already been granted the benefits of least developed status, their illustrative IPFs remained unchanged by the General Assembly's decision. The illustrative IPFs for Equatorial Guinea, Sierra Leone and Togo would have to be increased by the amounts indicated in paragraph 4.
45. With regard to the request of the Government of Liberia to be accorded treatment as if it had been included in the list of least developed countries (DP/1983/30), the Committee for Development Planning (CDP) had reconsidered Liberia's request at its nineteenth session and had decided that Liberia did not meet all the criteria for least developed status. The CDP decision was not binding on the Council, however, and it was for the Council to decide whether or not to treat Liberia as if it were a least developed country. As indicated in paragraph 3, the Council had taken that action in the case of a number of other countries.

46. The proposal in document DP/1983/51, on an independence bonus for St. Kitts-Nevis, was a counterpart to the proposal for assistance to Anguilla. St. Kitts-Nevis would become independent in September 1983, and it was the Council's practice to grant countries an independence bonus of SUS 500,000 plus 15 per cent of the IPF when they became independent. For St. Kitts-Nevis the amount of the independence bonus would be SUS 695,000.

47. The PRESIDENT invited the Council to adopt the recommendation in paragraph 3 of document DP/1983/17.

48. It was so decided.

49. The PRESIDENT invited the Council to approve the revised illustrative IPFs given in paragraph 4 of document DP/1983/28.

50. It was so decided.

51. Mr. POTVIN (Canada) said that his delegation was reluctant to agree to the Council's decision to treat Liberia as if it were a least developed country without first being apprised of the details of the decision taken by the CDP at its nineteenth session. He believed, moreover, that the Council should not be bound by precedents. There should be clearer criteria for the adoption of such decisions and the CDP should be responsible for such matters.

52. Mr. TUAN (Observer for Liberia) expressed sincere thanks to the Administrator and Deputy Administrator for the assistance rendered to his country by UNDP and to all those Governments that had given his country support and assistance. He also invited all Governments and international agencies to participate in the forthcoming pledging conference for Liberia.

53. At the previous meeting, the representative of the Federal Republic of Germany had expressed concern at Liberia's third country programme and had questioned the justification for holding a special pledging conference for Liberia. Such a pledging conference was absolutely justified and accorded with his country's wishes...
(Mr. Tuan, Observer, Liberia)

in the face of serious economic problems. The same representative had also asked why Liberia wished to be treated as if it were a least developed country. Other countries had been accorded such treatment in the past, however, and while Liberia had never before sought special treatment from the United Nations it was being forced by circumstances to do so. The same representative had questioned UNDP assistance to the University of Liberia. That University was the only institute of higher education owned by the Liberian people and it faced tremendous problems and required massive assistance. The representative in question had also said that resources had been misallocated under Liberia's country programme. That was not the case: the resources available had all been allocated to projects which benefitted the Liberian people but they had simply been insufficient.

54. With regard to Liberia's request to be treated as a least developed country, he urged members to review Liberia's economic situation and to accord it such treatment until it had weathered the current crisis.

55. Ms. ARCHBOLD (United Kingdom) said that, while her delegation sympathized deeply with the problems faced by Liberia and other poor countries, it believed that the Council should exercise caution in adding more countries to the list of those already accorded special status. In the past, treatment as a least developed country had been accorded specifically to countries which were in the process of applying for least developed status. In the case under discussion, however, the CDP had already considered and rejected Liberia's application. The Council could not continue to make exceptions or it would not know where to stop. After all, the economic difficulties invoked by Liberia were not confined to countries which had applied for least developed status.

The meeting rose at 1.15 p.m.