GOVERNING COUNCIL

Special meeting

SUMMARY RECORD OF THE 5th MEETING

Held at Headquarters, New York,
on Wednesday, 16 February 1983, at 3 p.m.

President: Mr. SLIM (Tunisia)

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

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS (continued)

(c) IMPLEMENTATION OF SELECTED COUNTRY PROGRAMMES (continued)

(d) CONSIDERATION AND APPROVAL OF COUNTRY PROGRAMMES (INCLUDING REQUESTS FOR EXTENSIONS) (continued)

Arab States

1. Mr. ELFAKI (Observer for the Sudan) said that the visit of the UNDP Administrator to the Sudan in 1982 had been most useful, and that his Government had drafted its second country programme in close co-operation with the UNDP staff in the country. The Sudan was emphasizing the completion of projects concerned with the country's physical infrastructure. The priorities within his Government's overall development objectives for the 1980s were to achieve: a more rapid rate of economic growth and a higher per capita income; equitable distribution of the fruits of development through balanced investment; transformation of the economic structure through the development of the modern sector; more rapid improvement of the infrastructure; greater mobilization of national resources as a step towards self-reliance; and restoration of the balance of trade and improvement of the external payments position.

2. The Sudan was seeking to develop the infrastructure primarily in the fields of agriculture, industry and vocational and specialized training. The highest priority was attached to agriculture, followed by closely related and agro-based industries and the rapid development of the human resources needed to operate them. UNDP assistance was most needed to create a labour force that would meet the country's requirements.

3. Although the Sudan country programme concentrated on the completion of ongoing projects, the country's development demanded many new projects based on both bilateral and multilateral assistance. The requests for technical assistance being submitted to UNDP were, however, based on a clear awareness that the illustrative indicative planning figure had been severely reduced to a total of less than $40 million, owing to over expenditure by the Sudan in the previous two programming cycles and to the general 80 per cent programming limit. The adverse affects were great and worrisome. The momentum which the programme had attained in the second cycle had had to be very seriously curtailed from the outset of the third cycle, with a 40 per cent reduction and zero real growth projected to the end of the third cycle. Moreover, the unprecedented decrease in UNDP resources had prompted the Administrator to reduce programme deliveries to about 55 per cent of the original indicative planning figures, a reduction that came at a time when the developing countries could least afford it. In the case of the Sudan, that would mean a decrease of nearly $15 million in the amount originally envisaged, and that was most alarming. Indeed in a statement at the twenty-ninth session of the UNDP Governing Council, the Administrator had referred to the plight of the Sudan to epitomize the impact of the indicative planning figure reductions on UNDP programming and UNDP credibility.

...
4. He hoped that the Sudan, given its particular difficulties, would receive special consideration from UNDP to enable it to complete all ongoing projects. He also appealed to all donor countries to extend real assistance.

5. The Sudan supported, as short-term solutions to the problem, the proposals for emergency use of operational resources for 1982-1983 programme requirements, and for a one-time special drive to raise the $250 million needed to safeguard the programmes planned for the future. His country looked forward with hope to the forthcoming meeting of the major donors and contributors to devise immediate action to rescue the Programme; and it welcomed the encouraging announcement by Canada that it was increasing its UNDP contribution.

6. Miss AL AWADI (Observer for Kuwait) said that her Government's Ministry of Planning had elaborated the country programme with the assistance of UNDP, taking into account the Government's overall development strategy. That programme was entirely financed by Kuwait and stressed training assistance in agriculture, industry, transportation and communications, health, education, employment and environmental protection. UNDP assistance was being sought for several ongoing projects, primarily to train national experts so that Kuwait could achieve self-sufficiency. Experience had shown the immense value of the United Nations experts who had come to Kuwait for that purpose.

7. Kuwait noted that in one of the Arab States, Yemen, a recent earthquake had destroyed whole villages, killed thousands and rendered many more thousands homeless. Kuwait hoped that special aid would be given to Yemen from the Special Fund.

8. Mr. ADALI (Observer for Algeria) expressed gratitude to Canada for its announcement of a contribution to assist the Arab States.

9. The country programme for Algeria had been drawn up in close co-operation between the government authorities, the UNDP staff in Algeria and the agencies concerned. Algeria had been one of the first to adopt a system of programming that related the objectives of the national development plan to UNDP programming. The 1983-1986 country programme had also been formulated with a view to long-term national objectives for the 1980s and 1990s.

10. In its programming the Algerian Government had actively sought to implement United Nations recommendations by developing projects related to the International Year of Disabled Persons, the International Drinking Water Supply and Sanitation Decade, the Transport and Communications Decade in Africa, and in areas dealing with population, the integration of women, and the elderly. With regard to technical co-operation among developing countries, Algeria, with UNDP assistance, was offering training opportunities to third-world countries in the fields of meteorology and telecommunications.

11. The country programme had given priority to fields in which multilateral assistance would have the greatest impact and involved the transfer and acquisition of know-how, namely, training, agriculture, community and social services and scientific and technological research. In the field of training, the need for...
trained personnel who could in turn train others, at all levels and in all sectors, was the most serious concern for the future, and more than 43 per cent of the programmed resources, or $15 million, had been allocated for the purpose. More than 37 per cent of programmed resources had been allocated to the priority sector of agriculture, where Algeria's physical characteristic and economic conditions made it necessary to maximize the production potential. The mobilization and rational use of water resources were of overriding importance for any medium- and long-term development when it came to agriculture or industrialization or the improvement of the living conditions of the population as a whole. As part of the priority given to community and social services, Algeria had designated the 1980s as the Social Decade, and in that context it was emphasizing improvement of housing, water supply, sanitation and health. 10.6 per cent of programmed resources had been allocated to that sector, in which the Government was spending $5.3 billion annually. In scientific and technological research, UNDP assistance was being requested in such fields as agronomy, oceanography, solar energy and telecommunications. 8.1 per cent of programmed resources had been allocated to that sector.

12. The illustrative indicative planning figure for Algeria had been set at $20 million, or at the same level as in the 1974-1976 cycle, which was decidedly insufficient for the development effort the country was undertaking. The limited resources available for programming and Algeria's interest in taking over a greater share of the programming had led it to employ cost-sharing more extensively.

13. The principal problem before the Governing Council was that of financing. The repeated appeals by the UNDP Administrator for increased contributions to alleviate UNDP's financial crisis must be heeded. The Programme must be assured of a predictable and continuous flow of resources over a period of time. Current procedures were more like annual salvage operations than real programming. Algeria itself had increased its contribution by 14 per cent because it was still of the opinion that UNDP was the chief instrument for multilateral co-operation in development assistance. It was regrettable that some of the traditional donor countries had not made the kind of contributions recommended by the Governing Council. Whatever their economic difficulties, they could in no way be compared with those of the developing countries. Algeria supported the short-term measures recommended as a solution to the financial problem. The real problem, however, lay in a lack of political will on the part of certain developed countries and their waning commitment to multilateral co-operation.

14. In structural and organizational matters, Algeria favoured any step that would improve efficiency. From that point of view it joined the general opposition to the establishment of an executive committee, and was also sceptical about establishing a programme committee, a bureaucratic measure that would in no way guarantee efficiency. The ongoing rationalization of the work of the Governing Council was in its view all that was needed.
15. His Government had long been concerned about the problem of evaluation, the aim of which was to ensure that projects were fulfilling their objectives. Any evaluation must therefore necessarily be carried out in the field and must be a decentralized operation. Algeria opposed any bureaucratic innovations which would transfer the organizational control of evaluation away from the Administrator. It would, on the other hand, be very much in favour of giving the UNDP resident representatives a greater say in the matter. Algeria intended to set up periodic reviews in addition to evaluations by theme or by project, in conjunction with the UNDP office in Algiers.

16. As to the image of UNDP in Algeria, and no doubt in the other recipient countries, it was excellent. In the developed countries, an effort was needed not so much to improve UNDP's image but to alert public opinion and, in particular, governing circles, to the need for a greater commitment to multilateral assistance through UNDP.

17. Mr. AZAZY (Yemen) said that the Governing Council was meeting at a time when UNDP was in a serious situation with respect to funding and programming. His delegation was concerned about that situation because UNDP played a central role in co-ordinating activities for the economic and social development of developing countries. It was the body that translated into reality the hopes and aspirations of countries that wished to live in peace and prosperity, free from disease and hunger.

18. Development was an international undertaking that needed the political will and moral commitment of all countries, especially the advanced countries, to bring about a rise in living standards and to overcome economic difficulties. In order to plan ahead, UNDP needed increased and predictable funding. His delegation therefore welcomed the consensus on the need for an annual increase of 14 per cent in indicative planning figures (IPFs) to meet immediate growth needs for the third programming cycle, 1982-1986. Such an increase would go a long way towards implementing the goals of the International Development Strategy for the Third United Nations Development Decade. Any reduction in IPFs would shatter the plans of developing countries and would be an abandonment of the principles and moral commitments made by all countries.

19. He wished to thank the Director of the Regional Bureau for Arab States for having broached the subject of the catastrophic earthquake that had hit Yemen and for his co-operation with the Government of Yemen. That earthquake had been followed by several after-shocks causing much damage to buildings, public services and property. Over 11,300 houses had been completely destroyed, 12,314 had been severely damaged and there were over 700,000 homeless people. In addition, 950 public service buildings had been completely demolished and more than 3,000 people had died. In all, 60,000 families had lost all their property, valued in toto at $203 million. Because of that catastrophe, the Government was duty bound to revise its second five-year plan in the light of the urgent requirements for rehabilitation in the affected regions. Accordingly, once the Governing Council had adopted the country programme for Yemen, the Government would have to...
show more flexibility in executing it. Finally, he wished to thank all fraternal peoples and United Nations agencies for the aid they had provided to Yemen and to express again his Government's support for UNDP and the vital role it played in strengthening multilateral co-operation.

20. Mr. KAABACHI (Tunisia) said that the earthquake that had struck Yemen had caused considerable damage by demolishing villages and infrastructure and had resulted in hundreds of victims. It was for that reason that the General Assembly, in resolution 37/166, had requested the appropriate organizations and programmes of the United Nations system to maintain and expand their programmes of assistance to Yemen and to co-operate closely with the Secretary-General in organizing an effective programme of assistance to that country. Accordingly, his delegation was honoured to introduce draft decision DP/1983/L.5, sponsored also by India, Mauritania, and Pakistan, which he hoped would be adopted without objection by the Governing Council in view of its humanitarian nature.

21. Mr. BOHNET (Federal Republic of Germany) noting that the country programmes for the Arab States included programmes for three OPEC countries, said that his delegation supported the latter programmes because they were in line with the principle that developing countries should contribute to the maximum of their capabilities to the cost of UNDP programmes. He was also pleased to note that the country programmes for the Arab States emphasized human resources development, education and the development of skills. With regard to the programme for the Sudan, his delegation appreciated the efforts to ensure complementarity with other programmes and supported the idea that preferential treatment should be given to the southern region of the country. It was difficult to judge the cost-benefit ratio of the projects and, for that reason, his delegation believed that the relevant figures should be provided in the next programme. In short, his delegation supported the programmes for the five Arab States.

22. Miss SHALHOUB (Observer for Jordan) said that the representative of the Federal Republic of Germany had mentioned three OPEC member countries with vast resources. She wished to point out, however, that there were countries such as the Sudan and Yemen, which were not so well endowed or where problems, such as natural disasters, impeded development. Accordingly, her delegation was in favour of additional assistance to the Sudan and Yemen.

23. Mr. ADJALI (Observer for Algeria) said that his delegation wished the Secretariat to correct the following statement concerning Algeria in document DP/1983/2/Add.1, annex IV, page 3: "Major constraints are heavy United Nations bureaucratic process and inadequate government institutions". That statement did not reflect correctly the difficulties faced by Algeria as set forth in document DP/CP/ALG/4, paragraph 8. Secondly, there was a typographical error in the French version of document DP/CP/ALG/4, paragraph 68: the last line should be amended to read "de 150 à 250 litres en 1990" instead of "de 1,501 à 2,501 par jour en 1990".

24. The PRESIDENT said that the Secretariat would correct the errors pointed out by the representative of Algeria.
25. **Mr. KAABACHI** (Tunisia) said that his delegation was pleased to learn from the statement by the Director of the Regional Bureau for Arab States that Kuwait was to fund its UNDP country programme entirely from its own resources. His delegation also supported the country programmes for the other Arab States and, in particular, the suggestion to increase aid to the Sudan and Yemen.

26. **Mr. HARE** (Canada) said that the programmes under consideration were an interesting mixture of the best aspects of UNDP country programming, although there was some room for improvement. His delegation was pleased to note that Algeria, Kuwait and Saudi Arabia were prepared to increase their inputs to their country programmes.

27. Regarding the Sudan, which was seriously affected by the present financial situation, he said that the programme for that country showed the great effort made by the Government and UNDP to ensure the co-ordination of the national development plan with assistance from bilateral and multilateral donors. In addition, adequate justification for the major components of the programme had been demonstrated. However, very few financial data had been given with respect to UNDP inputs and he believed that in future more details could be presented. With respect to the programme for Algeria, his delegation was gratified that the representative of that country had provided additional information which, had it been in the document, would have proved useful. The programme for Yemen appeared to be well co-ordinated with the national plan but, there again, the absence of financial data was regrettable. His delegation fully understood the impact of the effects of the earthquake, which was bound to have a major bearing on the implementation of the programme.

28. **Mr. TAKASU** (Japan) said that the common feature of the five countries whose programmes were under consideration was the importance of training qualified national personnel and developing human resources, a process in which UNDP could play an important role. The five country programmes concerned had been carefully prepared and, in general, his delegation supported them.

29. With respect to the country programme for Algeria, he said that the emphasis on agriculture was appropriate, and he was pleased that greater use was being made of national experts.

30. He respected the involvement of the Government of Kuwait in its country programme and was pleased with the way in which human resources were being developed. Drawing attention to paragraph 14 of the country programme, he said that he was pleased that the results of the project had been so encouraging that investment had been attracted from both the private and public sectors and that he would like to see this happen more often. He would also like further information on the duration of the projects mentioned in paragraphs 24 and 33 of the country programme, since the consultancy services referred to were not a continuation of projects.
31. He was gratified that the scope of activities in the country programme for Saudi Arabia had been expanded. He also supported the emphasis on the development of the institutional capabilities of sectoral agencies and on infrastructure development. Noting that the figure given for linked funds-in-trust was $246.3 million in paragraph 7 of the country programme document (DP/CP/SAU/3) but only $197 million in the financial summary, he asked why funds-in-trust should be reduced by 20 per cent even if they were linked to the country programme.

32. He noted that, despite the difficulties involved, much progress had been made in the Sudan, and that the emphasis had been laid on the important areas of agriculture and specialized training. He was, however, concerned by the situation regarding trained personnel referred to in paragraph 15 of document DP/CP/SUD/NOTE/2 and would like to know how the maintenance and continuation of projects was being ensured by securing local personnel.

33. He was encouraged by the shift of emphasis of the Government of Yemen from infrastructure to the expansion of productive sectors and by the way in which UNDP was responding positively to that shift. He was also encouraged by the efforts to include a project for pre-feasibility and feasibility studies and the fact that the pre-investment content of the country programme had been expanded. There were also many examples of good co-ordination with other sources and of UNDP-assisted projects which had become so attractive that other donors had taken over the activities involved.

34. Mr. GOMPertz (France) said that his delegation fully supported the principle involved in draft decision DP/1983/L.5, given the tragic situation prevailing in Yemen, which was one of the least developed countries. It would, however, be useful to have more detailed information about the measures planned and the total amount of additional resources to be given to Yemen. That information might be provided in the draft decision, in a UNDP document or through informal talks.

35. Mr. ScH MID (Austria) said that his delegation supported all five country programmes under consideration, which had been drawn up in the spirit of resolution 80/30, which had established the principle that countries without severe financial restraints should still receive UNDP technical assistance on the understanding that they financed their country programmes.

36. Confining his comments to those countries towards which Austria had substantial bilateral commitments, he said that the priorities established by the Algerian Government represented a realistic policy mix, and his delegation supported the emphasis on agriculture and industry. With regard to the country programme for the Sudan, he said that the acute crisis affecting that country was reflected in paragraph 12 of document DP/CP/SUD/2. His country had just concluded an agreement on a rural water supply project to be implemented with the assistance of UNICEF in southern Sudan. He welcomed the decision to move activities away from the capital, particularly to the south of the country. He was also well aware of the problems involved in the remote areas of the country, as reflected in DP/CP/SUD/NOTE/2. However, while he appreciated the difficulties involved, he
would have liked to see an estimate of the cost of individual projects and hoped that it would be possible to provide such estimates in the future.

37. In conclusion, he said that his delegation supported draft decision DP/1983/L.5, particularly in view of the impact of the earthquake on the long-term development effort of Yemen.

38. Mr. ALBORNOZ (Ecuador) said that the quality and variety of the country programmes demonstrated the benefits of years of UNDP support. He was very encouraged by the obvious efficiency of the programming of planning bodies and the support activities of the resident representatives, as well as by the policy of increasing the quality of programmes through cost-sharing. The contributions which countries had made to ensure that UNDP could measure up to requirements was an indication of their interest in its activities and provided an example to the developed countries. In that connection, he commended Canada on its decision to increase its contribution. In conclusion, he said that he supported draft decision DP/1983/L.5 concerning assistance to Yemen, since he was well aware of the effect of natural disasters.

39. Mr. ZAANOUNI (Assistant Administrator and Director, Regional Bureau for Arab States) stressed that resources were increased or redeployed according to the requirements of the countries, as defined by the countries themselves. The country programmes were worked out by Governments with the assistance of UNDP and that specialized agencies and were often extremely closely in line with national plans. He reminded delegations that a favourable response on the part of Governments to UNDP encouraged the staff of regional offices. He hoped that efforts could be concentrated to improve direct contacts with Governments to work out clearly defined projects with specific outputs. In conclusion, he assured the Council that continuous project assessment would be stepped up during the course of the year.

40. Mr. BROWN (Deputy Administrator), speaking with respect to draft decision DP/1983/L.5, explained that, by its resolution 80/31, the Council had agreed that emergency assistance should be provided only in the case of natural disasters and that it should be divided into two parts, a grant of up to $30,000 for immediate humanitarian aid and a grant for technical assistance connected with long-term rehabilitation up to a limit of $1 million per disaster and $2 million per annum. Since the gross resources on which those sums had been determined had declined, the Administrator had subsequently issued a directive that the maximum assistance to be provided should be $200,000 per disaster and no more than $400,000 per annum. It had also been provided that it was necessary to have a comprehensive report on the disaster, with which the Disaster Relief Co-ordinator should be associated. In the present case, the resident representative had given a full account of what had been happening in Yemen, and it was therefore possible to report that all the necessary conditions for emergency assistance had been met. A mission had been sent to Yemen, involving the World Bank, the Kuwait Fund, the Arab Fund and ECWA, and would report at the end of February 1983, identifying a programme of technical assistance to which UNDP would be expected to contribute. Furthermore, the General Assembly, in its resolution 37/166, had urged UNDP to provide assistance for the
(Mr. Brown)

rehabilitation and reconstruction of the areas affected by the earthquake. Normally, the Administrator would have used his discretion and provided a grant of up to $200,000. However, since it was clear that more than $200,000 would be required, it had been considered best that the Council should endorse the request from Yemen and authorize the Administrator to go beyond that figure, with the exact amount being determined on the basis of discussions with the resident representative, within the limits of available resources.

41. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to approve the country programmes for Algeria (DP/CP/ALG/4), Kuwait (DP/CP/KUW/3), Saudi Arabia (DP/CP/SAU/3) and the Sudan (DP/CP/SUD/3) for the duration of their programme periods and within the limits of their illustrative indicative planning figures for the period 1983-1986, taking into account the balance of over-expenditure and under-expenditure of their 1977-1981 indicative planning figures.

42. It was so decided.

43. The PRESIDENT said that, if he heard no objection, he would take it that the Council also wished to approve the country programme for Yemen (DP/CP/YEM/3), which exceeded the cost-sharing level established by the Council in its decision 82/5, and the financing arrangements proposed for it.

44. It was so decided.

45. The PRESIDENT said that he would hold consultations on the draft decision sponsored by the delegations of India, Mauritania, Pakistan and Tunisia (DP/1983/L.5) so that a draft decision could be submitted to the Council on Friday of the current week.

46. Mr. ADJALI (Observer for Algeria) said that, since his country had been struck several years earlier by a natural disaster similar to the one referred to in draft decision DP/1983/L.5, his delegation was well aware of the level of financial resources required for rehabilitation and reconstruction in such cases.

47. Mr. GINANI (Observer for the Libyan Arab Jamahiriya) expressed support for draft decision DP/1983/L.5.

48. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to authorize the Administrator to proceed with appraisal and approval action on requests for UNDP assistance for projects falling within the outlines of each country programme, in accordance with the Council's decision that expenditure should be kept in reasonable conformity with the relevant illustrative indicative planning figures (E/5543/Rev.1, para. 31) increased as appropriate by government cost-sharing contributions, and always subject to the overriding requirement of keeping expenditure within the limits of the financial resources available at any given time so as to preserve the Programme's financial integrity.
49. Furthermore, if he heard no objection, he would also take it that the Governing Council wished to request the Administrator, in implementing all the programmes and projects in question, to take into account the views expressed during their consideration by the representatives of Governments.

50. It was so decided.

The meeting rose at 5.45 p.m.