GOVERNING COUNCIL

Special meeting

SUMMARY RECORD OF THE 7th MEETING

Held at Headquarters, New York, on Thursday, 17 February 1983, at 3 p.m.

President: Mr. SCHMID (Austria)

later: Mr. SLIM (Tunisia)

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The meeting was called to order at 3.20 p.m.

COUNTRY AND INTERCOUNTRY PROGRAMMES AND PROJECTS (continued)

(c) IMPLEMENTATION OF SELECTED COUNTRY PROGRAMMES

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

(e) CONSIDERATION OF REGIONAL PROGRAMME

Europe

1. The PRESIDENT drew attention to the country programme for Greece (DP/CP/GRE/3).

2. Mr. PRINS (Chief, Unit for Europe) said that the third country programme for Greece, which was the only one for a European country before the Council, had many of the characteristics of the eight European country programmes approved by the Council in May 1982: the UNDP share of total project costs was very small; consultancy services tended to be for the short term; most projects were managed by national officers; and IPF funds were spread over a variety of sectoral activities in which a small input could have an effective impact on the Government's goals. As in the case of Portugal, a major feature of smaller project activities in Greece would be the use of high-level expertise with the aim of solving problems arising from the country's membership in the European Economic Community.

3. Agriculture was the sector most heavily represented, unlike the case of some other European country programmes, but the major agricultural activity under the programme was forestry development and reforestation, which bordered on the natural-resources sector. Taken together, the forestry project and the natural-resources projects in the areas of geology and mineral exploration and energy represented one third of the programme. The education sector was greatly reduced as a result of the completion, early in the current cycle, of a major effort in the field of higher technical education.

4. In the second programming cycle the breakdown of the use of IPF funds by component reflected some 47 per cent in the case of consultants' services, 35 per cent in the case of training and 13 per cent in the case of equipment, and it was expected that programming would follow that pattern in the third cycle.

5. The sectoral distribution and the allocations for new projects shown in the annex to document DP/CP/GRE/3 might be modified to some extent as a result of the current programming limitations, and the Government of Greece was therefore considering what changes should be made in order to bring programming to the level established for the time being.

6. Mr. BOHNET (Federal Republic of Germany), supported by Mr. HARE (Canada), said that the country programme before the Council was in keeping with Greece's
development needs and objectives. However, he would like to have further information regarding cost sharing in connection with paragraph 4 (e) of document DP/CP/GRE/3.

7. Mr. PRINS (Chief, Unit for Europe) said that the Government of Greece intended, in so far as possible, to compensate for the reduction in the volume of UNDP resources originally anticipated. Moreover, in accordance with Council decision 80/30, paragraph 6 (e) (iii), by 1985 Greece would be reimbursing the UNDP-financed programme to the extent of 100 per cent, as a result of an increase in its annual regular contribution.

8. Ms. ARCHBOLD (United Kingdom) said that it would be useful if in future, to the extent possible, information on cost sharing and the progress made by the relevant countries towards becoming net contributors, in accordance with Council decision 80/30, paragraph 6 (e) (iii), could be provided in documents concerning individual country programmes or general trends in the mobilization of resources. If such information was not available in the current documentation on Latin America, it would be helpful if the Secretariat could provide it orally at the current meeting.

9. The PRESIDENT said that appropriate action would be taken by the Secretariat. It would perhaps be preferable to include the requested information in the documentation on general trends in the mobilization of resources.

10. If there was no objection, he would take it that the Council wished to approve the proposed country programme for Greece (DP/CP/GRE/3) for the duration of its programme period and within the limits of its illustrative indicative planning figure for the period 1982-1986, taking into account the balance of over-expenditure and under-expenditure of its 1977-1981 indicative planning figure.

11. It was so decided.

12. The PRESIDENT said that if there was 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 the third country programme for Greece, in accordance with its decision that expenditure should be kept in reasonable conformity with the relevant illustrative indicative planning figure (E/5543/Rev.1, para. 31) increased as appropriate by governmental 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.

13. Furthermore, if there was no objection, he would take it that the Council wished to request the Administrator, in implementing the programme in question, to take into account the views expressed during its consideration by the representatives of Governments.

14. It was so decided.
Latin America

15. The President drew attention to the third country programme for Uruguay (DP/CP/URU/3) and the Regional Programme for Latin America and the Caribbean (DP/RLA/2).

16. Mr. Slim (Tunisia) took the Chair.

17. Mr. VEPEGA (Director, Regional Bureau for Latin America) said that even though Latin America and the Caribbean were experiencing their worst recession in 50 years, the region still had an enormous capacity to absorb assistance from the international community, and in 1982 all the resources available for technical assistance and pre-investment projects had been used. The Latin American and Caribbean countries had been increasing their cost-sharing contributions, which in 1982 had reached the record level of $29 million, or 90 per cent more than in 1981. According to the most recent estimates, in 1983 their cost-sharing contributions would amount to approximately $30 million. It was therefore to be hoped that it would be possible not only to avoid programme reductions but also to attain the goal of doubling the volume of programme activities by the end of the current cycle. The countries of the region had been endeavouring to increase their voluntary contributions in order to bear a greater proportion of local administrative costs and step up their activities relating to technical co-operation among developing countries.

18. The third country programme for Uruguay (DP/CP/URU/3) was based on the economic and social policy established by the Government of Uruguay in 1981. In the fields of industry and agriculture, projects were focused on improving production techniques through the introduction of new technology and on supporting production and marketing with a view to increasing the volume of Uruguayan exports. With regard to social aspects, emphasis was placed on public-health infrastructure, the promotion of employment, rational use of human resources and support for applied research. The Government of Uruguay was also stressing the importance of environmental conservation.

19. In so far as possible, the Government would use short-term consultants and Uruguayan experts and would itself assume responsibility for project implementation. It also planned to pursue and develop its horizontal co-operation activities. By drawing on its own resources and, to a limited extent, on its IPD funds, Uruguay had contributed to development activities in Morocco, to the training of technical experts in Tunisia and Kenya in the fields of livestock production and the leather industry, respectively, and to many such activities in Latin America.

20. The Government of Uruguay was making a cost-sharing contribution of $2.3 million, $1.3 million of which had been allocated to the programme in general and the remainder earmarked for specific projects. The cost-sharing contribution to which Uruguay had already committed itself, despite its extraordinarily difficult economic situation, would expand the UNDP programme for Uruguay by over 40 per cent.
21. Consultations with a view to preparing the Regional Programme for Latin America and the Caribbean (DP/RLA/2) had been completed in 1982. In that connection, attention should be drawn to: the systematic evaluation of the programme for the second cycle (1977-1981), which had led to the completion of a number of ongoing projects; the special joint meeting of UNDP and the Economic Commission for Latin America (ECLA), held at Montevideo, Uruguay, in May 1981; and the meeting of senior governmental experts held at New York in May 1982, at which a number of basic criteria, set forth in detail in paragraph 8 of document DP/RLA/2, had been defined.

22. The regional programme before the Council devoted particular attention to the needs of those countries of the region which were relatively less developed economically, and a major proportion of resources would therefore be channelled to the two subregions most urgently requiring assistance, namely, Central America and the Caribbean. The programme reflected the importance attached by the Latin American and Caribbean countries to strengthening technical and economic co-operation among developing countries, and it would support subregional and regional integration machinery. Co-operation with the Governments of the region would be continued through both bilateral and multilateral channels, such as the Caribbean Group for Co-operation in Economic Development, of which UNDP was a sponsoring agency. Such activities would not be possible without the regional programme. Guidelines had been prepared for the management of regional projects, and it was hoped that they would facilitate the attainment of the goals of the programme, which were set forth in paragraph 97 of document DP/RLA/2.

23. The programme, which would facilitate cost sharing and could be self-generating and serve as a vehicle for testing new concepts and technology, was an adequate response to the pressing needs of Latin America and the Caribbean. It had been prepared on the assumption that the volume of resources available would represent 80 per cent of the IPF; it had therefore been possible to include only 48 per cent of the project proposals received, and at lower contribution levels than anticipated. Subsequently, however, the Administrator had announced that expenditure levels should not exceed 55 per cent of the regional IPF. Nevertheless, even with a low volume of resources, the programme would be viable, could be useful to the region and, above all, could help to mobilize the supplementary resources required for its implementation. If it proved impossible to mobilize those supplementary resources, the necessary adjustments would have to be made, and it would have to be decided whether it was feasible to pursue a regional technical assistance programme with such a low level of financing.

24. Since he was about the leave his post as Regional Director, he wished to make some general comments on the programme in Latin America. Two years earlier there had been predictions that retrenchments might make the 1982-1986 cycle the last significant programme of activities conducted by UNDP in the region. Instead, the prospects were now promising, for the countries of the region - even those with the lowest incomes, such as Haiti and Honduras - had, when faced with reductions in UNDP funds, responded by maintaining and increasing programme activities through cost sharing.
25. That response unquestionably confirmed the quality and appropriateness of the technical co-operation options offered by UNDP. In many areas the country programmes were the chief frame of reference for any kind of technical co-operation and pre-investment. There was a considerable amount of technical co-operation among developing countries, and 10 countries had prepared specific projects to promote horizontal co-operation. The Regional Bureau was in the vanguard of the latest project design, assessment and follow-up, and UNDP and the specialized agencies worked in unison throughout the area. In keeping with the new dimensions for technical co-operation, there had been greater reliance on the manpower, technical capacity and appropriate technologies available in the region. More and more agreements on co-ordination and co-operation were being concluded with regional and subregional institutions; an example was the arrangement with multilateral financing agencies that they would reimburse the costs of feasibility and pre-feasibility studies for their investment projects that had been covered from IPF funds. Equipment requirements had been streamlined, and their cost had in most cases been assumed by the countries themselves or by supplementary bilateral sources. The field offices had been transformed into veritable service centres for technical co-operation. Important changes had been made in the administrative management of the regional programme without affecting the basic structure of 24 offices responsible for programmes in 37 countries and territories. Staff had been reduced to approved levels, although the reductions had been made with great sacrifice and left no margin for emergencies or for some field activities such as evaluation. The machinery had been set in motion for Governments to assume the financing of activities that could not be covered by the regular UNDP budget. None of those accomplishments would have been possible without the whole-hearted technical support and imaginative thinking of the participating specialized agencies.

26. The original objective, to establish a technical co-operation programme that furthered the basic development goals of the Latin American and Caribbean countries and helped mobilize the needed resources, still held good against all challenges. Innumerable activities that would benefit the international community as a whole could be organized in Latin America and the Caribbean.

27. His successor as Regional Director would continue to uphold the basic principles of universality, voluntary participation and national programming that were the essence of the regional programme. He himself appreciated the collaboration of all those with whom he had worked. If UNDP had flourished in the midst of crisis, it was because it answered the genuine and sovereign need of international collaboration.

28. Mr. ALBONNOZ (Ecuador), speaking on behalf of the Latin American Group of States, paid tribute to the long service rendered to UNDP by the Regional Director for Latin America and the Caribbean. During his tenure, UNDP had become an important force in the region, and, following its guidelines, the countries of the region themselves had learned a systematic and disciplined approach to the programming and execution of projects. The figures given by the Regional Director showed that the UNDP dollar went a long way, particularly in the technical fields.
When faced with inevitable reductions in UNDP resources, the Latin American countries had, of their own accord, agreed to reduce their share of technical assistance to 20 per cent, so that their less-favoured brothers could benefit from the remaining 80 per cent. In compensation, and in order to meet their own needs for technical co-operation, the Latin American countries had turned to the cost-sharing system, which had advanced so impressively that an annual figure of $40 million now seemed within reach, with a total of $200 million for the five-year period. Adding to that the $300 million expected from the Arab countries, UNDP seemed well on the way to doubling its funds by the end of the five-year period. There could be no better example of self-reliance, which was what UNDP sought ultimately to foster.

29. Many Latin American countries had spoken of the large percentages they had allocated to technical co-operation among developing countries, which provided another route for international solidarity and augmenting returns. The many projects, in Latin America and elsewhere, which had none the less had to be held in abeyance for lack of funds provided the best incentive to the major donor countries to increase their contributions by the targeted 14 per cent. The Latin American countries for their part had all pledged themselves to achieve that target and in some cases even to go beyond it.

30. The country programme for Uruguay was a carefully thought-out effort to reconcile available funds and national development objectives. Particularly innovative were the projects for utilizing marine resources, which involved new ways of co-operating with executing agencies such as FAO. In primary education, environmental sanitation and certain other fields, Uruguay had advanced beyond the point of needing UNDP assistance, and its programme therefore focused on key aspects of production and economic stimulation. In Latin America the expertise of Uruguayan economists was held in the highest regard, a fact which made Uruguay's country programming a model for the other Latin American countries. Ecuador was confident that Uruguay's country programme would be unanimously approved.

31. Mr. DE LA TORRE (Argentina) said that one of the salient issues in the regional programme for Latin America (DP/RLA/2) was the question of available resources. The availability of only 80 per cent of the approved indicative planning figure for Latin America and the Caribbean, covering only 48 per cent of planned programmes, with the actual percentage even lower, called into question the feasibility of the regional programme. Nevertheless, there was room for optimism, given the reaction of the Latin American countries themselves to that bleak situation. It was encouraging that six of the 21 countries that had increased their contributions by 14 per cent were in Latin America, and the trend towards cost sharing in the region, where it had increased by 90 per cent over 1981, was notable. The regional programme should therefore serve as a catalyst for financing from other sources.

32. Argentina had been a participant in the meeting of Latin American governmental experts held at Headquarters in May 1982 to define the basic criteria applied in the regional programme. His country attached particular importance to support for
advanced technologies, horizontal co-operation and economic integration, transfer of technology and know-how both within and without the region, and the establishment of machinery to ensure governmental participation in programme design, assessment and follow-up.

33. The Regional Director had rightly stressed the need for technical co-operation among developing countries and the UNDP field offices in Latin America and the Caribbean should indeed become veritable service centres to that end. UNDP’s role should be much broader than that of a financial institution: it should become a vital instrument in the transfer of technology and know-how in the service of the development of the countries of the region. He reaffirmed Argentina's support for unassailable principles of the voluntary participation in the Programme and universality of access to it, as well as for maintaining resources at least at the 1976-1981 level, with a 14 per cent increase in individual contributions.

34. Mrs. DORSET (Trinidad and Tobago) said that her country supported the concept of regional programming. The Latin American and Caribbean performance during the second cycle testified to the vibrant commitment of the countries of the region, which ranked among the less disadvantaged of the developing countries. Trinidad and Tobago was confident that Latin America would continue to meet the challenges before it.

35. The special needs of the different parts of the Latin American and Caribbean region must, however, be recognized, and the regional programme therefore rightly considered various subregions. The section on the English-speaking Caribbean countries (CARICOM) was of particular interest to her country. The priorities there were health, agriculture, industry, improvement and training of human resources, communications and transport, science and technology and the development of intra-regional trade. The CARICOM countries had special characteristics. They were all small, island developing countries, many of them newly independent. They therefore required special assistance, and it had been encouraging to hear the Regional Director say that that was the intention regarding both the Caribbean and the Central American subregions.

36. Trinidad and Tobago was not taking a parochial view, for it believed that Latin America and the Caribbean must be seen as a whole; at the same time, however, the resources available to the region must be channelled according to need. The region had amply proven its cohesiveness and had not failed UNDP in alarming times.

The meeting rose at 4.30 p.m.