



**Governing Council
of the
United Nations
Development Programme**

Distr.
GENERAL

DP/1986/11

24 March 1986

ORIGINAL: ENGLISH

Thirty-third session
2-27 June 1986, Geneva
Item 4 (a) of the provisional agenda

P O L I C Y

ANNUAL REPORT
OF THE ADMINISTRATOR
FOR 1985

INTRODUCTION BY THE ADMINISTRATOR

/...

INTRODUCTION

1. For the United Nations Development Programme (UNDP), a number of events in the year 1985 stood out as milestones in the institution's transition to a new and exacting phase of operations.
2. In June, in a notable exercise of leadership and mutual understanding, the Programme's Governing Council acted to reach consensus on the target for annual resource growth that will serve as the basis of Programme plans for the period 1987-1991. By decision 85/16, Council members agreed to average yearly increases in voluntary contributions of 8 per cent in United States dollar terms for planning purposes, starting with a base of \$700 million for 1986. The Council also adopted revised distribution criteria under which 80 per cent of resources earmarked for country programmes will flow to low-income nations.
3. In October, within three months of the Council's landmark decisions, senior field, headquarters and United Nations agency staff assembled in Copenhagen for the second Global Meeting of UNDP Resident Representatives to be convened under my administration. Candid discussions, centred on a topical agenda, distinguished the Copenhagen proceedings. Working groups considered new trends in country programming, practices in country-level co-ordination, improvements in programme and project quality including monitoring and evaluation, methods for efficient programme delivery and UNDP's evolving financial structures. On this practical foundation, UNDP's management is now developing revised strategies for enhancing and diversifying the Programme's operational capacity.
4. In November, at the 1985 Joint Pledging Conference for Operational Activities of the United Nations System, Governments stood by their new commitments to UNDP. Aided by the adjusted position of the United States dollar, recorded and estimated core pledges for 1986 actually surpassed the \$700 million base figure set by the Governing Council and are expected to exceed \$745 million. The estimated total, which is the highest in the Programme's history, will represent a 10.6 per cent increase over the level for 1985 in dollar terms.

I. DEVELOPMENT: A WORKABLE PROPOSITION

5. These encouraging signs came in a year which featured several reappraisals of the first generation of development assistance. In the Programme itself, the advent of the thirty-fifth anniversary of UNDP and its predecessor organizations drew attention to the past. Here too, trends discerned were hopeful. For, as individual institutions scanned the record, their findings supported a common conclusion: development works, and international co-operation remains a significant catalyst.
6. As recent estimates by the World Bank and the Organization for Economic Co-operation and Development (OECD) ^{1/} show, the social advances made by developing countries in the aggregate since 1950 now speak for themselves, notwithstanding wide variations in individual economic performance. Over all, average life expectancy in developing countries has gone up from 42 years to 59, while infant mortality (aged 1-4) has dropped from 28 to 12 per 1,000. Literacy rates have climbed on average from 33 to 56 per cent.

Much higher rates have been attained by some very poor countries, underscoring the potential of strong basic educational policies even where material resources are scarce. General economic indicators are equally encouraging. Between 1950 and 1980, the average industrial output of developing countries increased eight times and their production of goods and services grew sixfold. Skills-formation through higher and technical education in these countries advanced by a factor of 15 over the same period while, according to the World Bank's Development Report 2/ for 1985, during the 1970s two thirds of a sample of 44 developing countries actually increased their domestic savings ratios.

7. It is, of course, no easy matter to assess the final influence of individual forms of external assistance on such gains. This is particularly true of "capacity-building" ventures like technical co-operation whose outputs are designed to blend into larger development enterprises where they often relinquish their specific identity. Where UNDP and its predecessors are concerned, it may however justly be claimed that the funds, skills, supplies and services they have dispensed for 35 years have consistently offered developing nations the most broadly based and impartial help available for their own remarkable efforts.

8. In illustration of this point, by 1985 UNDP had, over 35 years:

(a) Received total voluntary contributions in excess of \$8.5 billion from 180 developed and developing countries and self-governing Territories;

(b) Supported the assignment of some 180,000 experts of 164 nationalities to work in nearly every sector in 170 countries and Territories;

(c) Afforded fellowships to over 135,000 people for study in 169 countries and Territories;

(d) Provided for subcontracts valued at over \$885 million for services from 136 countries.

9. These are contributions from an enterprise which has never in its history accounted for more than 3 per cent of world-wide official development assistance flows and which has even more notable, if less quantifiable, achievements to its credit. It was UNDP, after all, which conceived the broad multi-sectoral approach to development, which first put the concept to work through integrated country and intercountry programming and built the world's largest development field service network around its practice. And it is this institution which, through its continuous on-scene dialogue with Governments, may claim to have shown others the true meaning of development co-operation. Before UNDP, nothing comparable existed. Today nothing, I maintain, can take its place -- except a more strongly supported, more confident, more efficient and more effective UNDP itself.

10. It does not surprise me, therefore, that many achievements of developing countries are now felt to offer testimony to the possibilities of development which rings above the dissonance of the debt- and drought-induced crises in the last five years. For UNDP, one of their closest companions in development, the evidence has been coming in each day, every day for 35 years.

11. To be certain, recent set-backs qualify the record. The severe declines experienced by countries in sub-Saharan Africa carry complex lessons in sustainability, particularly for agricultural policies, administration and institution-building. Vulnerable too, as is well known, have been the achievements of many Latin American nations whose process of adjustment to painful debt-related reversals now entails more diversified and evenly based policies for domestic development. Moreover, in the poverty belts of the latter region and Asia, deteriorating conditions among the landless and the unemployed indicate that progress has been partial even for some of development's best performers.

12. Yet with all such qualifications, the essential message requires no amendment. To cite the Chairman of the Development Assistance Committee (DAC) of OECD:

"Development has been greatly accelerated in a variety of countries in all regions of the world, sustained over at least a generation. This was the optimistic thesis on which large-scale international co-operation was launched. The thesis has been confirmed." 3/

II. EXTENDING THE FIGHT AGAINST POVERTY

13. Development works, yes, but not always and not for all. Recent events -- markedly in sub-Saharan Africa -- have put poverty high on the agenda for action, bringing its origins in the external economic environment, structural imbalances, flawed strategies and fragile ecologies to the fore. In other regions, the disproportionate impact of recession and adjustment on disadvantaged segments of society shows that, notwithstanding progress in many countries, the poorest of the poor today are not less vulnerable to reversals in national fortunes.

14. With the sustained support of Governments, UNDP can play its part in helping to counter these adverse trends. As I have previously noted, in the fourth development co-operation cycle, 80 per cent of country indicative planning figure (IPF) resources will go to low-income countries. Forty-one per cent of all distributed country IPFs will be apportioned between the 36 countries designated by the General Assembly as least developed. In other economically more advanced developing countries, specific poverty alleviation measures like urban renewal programmes and rural employment-creation schemes command an increasing share of country programme resources. For UNDP, the fight against poverty is going forward, but on which fronts can the Programme have most impact?

15. The answer will clearly help shape UNDP's role in coming years; and while I have no definitive response to give, let me identify three crucial areas of engagement, in all of which there remain further questions of national will and priority.

Growth for equity's sake

16. The first and most traditional of these fronts is also the most fundamental. The alleviation of poverty, I remain convinced, begins with support for broad-based economic development. I do not assume that a rising tide necessarily lifts all ships, but I know that a receding one puts any such prospect beyond hope.

17. Output lost by developing countries through world recession must be restored and sustained. Nations attempting to diversify narrow economic bases must receive full support. In all regions, UNDP technical assistance must therefore continue to play its classic role in laying the foundation for and complementing capital investments in direct production and in economic and social infrastructure. The restoration, maintenance and diversification of national productivity are major challenges not least of all because, in nearly all societies, declining national income affects the poorest most.

18. Fast-changing national policies mean that traditional support can always be improved through a continuous and closer alignment of the country programme framework with national investment plans; and UNDP is making efforts to achieve this more dynamic relationship in dialogue with Governments through its intensified role in the country programming exercise.

19. At the request of several countries embarking on difficult adjustment programmes, UNDP assistance, in some cases, now goes beyond its traditional IPF focus to cover aid for the formulation and implementation of debt and general management strategies in the public and production sectors. The limited financing available for growth-oriented development in most countries makes it particularly important to identify and support efficient investments for scarce capital. Often, the rehabilitation of existing investments and their careful maintenance provide the swiftest route to restored productivity. Helping Governments to weigh such options, to assess the external and domestic resource implications of selected strategies and then achieve the requisite balance in implementation are vital tasks for UNDP which are now being addressed, particularly in collaboration with the World Bank.

20. The plight of vulnerable groups under many adjustment programmes, however, reveals the incompleteness of their design. For UNDP, and the Governments it serves, a considerable challenge is posed by the need to preserve and extend basic social services while promoting economic reactivation. By supporting Governments in their efforts to build up their development planning and implementation capabilities, UNDP continues to contribute to the creation of new capacities in the selection and management of economic and social priorities, capacities which are essential for the successful accomplishment of adjustment.

Transforming the periphery

21. A second response to acute poverty is indicated by UNDP's recent activities in support of the least developed countries which are described in UNDP's report on the Implementation of the Substantial New Programme of Action for Least Developed Countries in the 1980s (SNPA). ^{4/}

22. The severity of the multiple and interconnected adversities facing this group of nations demands concerted and mutually reinforcing responses. Deteriorating terms of trade have pushed up their import bills well beyond their export earnings, exacerbating already critical balance-of-payments difficulties. Their scarce foreign exchange reserves are consumed by current account deficits and the mounting costs of service. In this environment, maintaining present investments becomes steadily more difficult and prospects of new financing grow correspondingly remote. Meanwhile, over-burdened human and institutional resources constrain the type of planning and implementation capabilities needed to combat the effects of these trends.

23. Many African least developed countries now see improved long-range planning and management as prerequisites in their arduous journey from crisis through recovery to sustainable development. For other countries of this group as well, macro-economic strategies are basic requirements, linked in most cases to attracting additional resources for national investment, most crucially in greater and more diversified agricultural output.

24. The briefest consideration of agricultural activities indicates the importance of a chain of subsidiary factors which contribute to productivity in this sector. The chain stretches from the quality of local agro-data, including climatological and ecological information, to assessments of soil, seed, fertilizer and irrigation potentials and new farming choices. It covers land-use patterns, soil stabilization and forestry management schemes. It continues through production into the state of basic farm-to-market infrastructure and maintenance operations and on to agricultural incentive and investment policies. The final link is a particular country's earning prospects in the international market place.

25. The diversification of subsistence agriculture, a central need in least developed countries, therefore calls for particularly well integrated national economic strategies. In these countries, over and beyond supporting basic sectoral programmes, IPF and other UNDP-administered resources like those of the United Nations Capital Development Fund (UNCDF) and the Special Measures Fund for Least Developed Countries (SMF/LDC) now increasingly help reinforce the core institutional capacities and capabilities required for multi-sectoral and co-ordinated planning itself.

26. Given the magnitude of needs of the least developed countries, UNDP's contributions can however have far greater impact if they provide a focus for other efforts. As Governments acknowledged at their mid-term review of the SNPA last September, greater flows of concessional assistance are needed to extend action on this crucial front. In this context, UNDP is increasing its support for the revised round-table consultative process through which Governments analyse the substantive implications of the development strategies they wish to pursue, discuss them with their major aid partners and jointly forge viable programmes of development co-operation.

27. Of the 25 countries which have at present opted for this form of macro-dialogue with the donor community, 18 are in Africa. I have therefore established a new unit in the Regional Bureau for Africa to meet the need which exists for thorough and co-ordinated technical preparations for the numerous meetings scheduled in the region. The team of economists being recruited for service in Africa under Governing Council decision 85/12 comes under the new Unit's authority and will strengthen its expertise. Dialogue is, of course, a two-way street; and the acceptance by participants of their respective responsibilities is the minimum requirement for success.

Grass-roots, boot-straps and water

28. Development is, finally, a "boot-strap" affair, an intensely practical and self-determined undertaking which calls on the pride and tests the full capabilities of peoples and nations. Yet, worldwide, entire populations at the village level remain outside national development efforts which are often insufficiently helpful to them -- and to which they can at present add little. A new franchise must be extended for the sake of equity, and because no developing country can afford to overlook such extensive national resources. For many years, UNDP has experimented with various grass-roots development approaches, often finding however, like other development institutions, that outreach efforts encounter a seeming paradox. Among the poorest of the poor, conventional aid is frequently too expensive and can sometimes discourage local self-sufficiency by creating new dependency practices.

29. This outcome is neither inevitable nor reason to consider abandoning outreach efforts themselves. All campaigns to extend development from its established centres to remote areas are likely to be administration-intensive and therefore costly. They cannot for that reason be judged unnecessary unless it is also judged that development itself is unnecessary for the majority of this planet's peoples. It is, of course, the form, not the fact, of assistance which has sometimes been misconceived. Delivery approaches which have injected inappropriate technological and other inputs into rural areas have clearly been insensitive. More relevant and cost-effective alternatives like the Domestic Development Service programmes of the United Nations volunteers (UNV), the Trickle-Up Programme and the global Tree Project to which UNDP contributes, succeed in broadening community participation by encouraging self-management and making better use of local resources and existing decentralized agents like local youth groups, women's associations and other non-governmental organizations (NGOs).

30. UNDP is now acting on a new plan for collaborating with NGOs world-wide which also draws inspiration from the Programme's new operational strategy to advance the activities of women in development. These partnerships can enhance UNDP's own outreach efforts by bringing the commitment, skills and resources of developed country NGOs and the local affinities, experience and knowledge of their developing country counterparts into organized campaigns against poverty. Where host Governments have co-operated in identifying suitable local collaborators and in extending them support, their imaginative response has been received as convincing evidence of their will to bring all available human and natural resources to bear on their development processes.

Such signals have already encouraged a number of donors to discuss co-financing arrangements for projects and programmes involving NGOs, and more can be expected to follow suit if similarly attracted.

31. It is however sometimes argued that, even when successful, local-level approaches are inherently small-scale and therefore of limited impact. Yet surely the truth is that they are only so when their potential is not exploited by larger development efforts. Under the wise and skilful guidance of UNDP's Associate Administrator in his capacity as Chairman of the Steering Committee for Co-operative Action on the International Drinking Water Supply and Sanitation Decade, various approaches have indeed been combined, with striking results.

32. Millions of the world's people live without even minimal comforts, none can live without water. Yet many must either go thirsty or accept impure sources and all their consequences for health. It is therefore heartening to learn that, between 1980 and 1983, multi-level efforts encompassing the World Bank, UNDP, United Nations agencies, regional banks and bilateral donors and extending down to thousands of village action groups made a basic difference to some 345 million people who received their first safe drinking water supplies in these initial years of the Water Decade. Of these, 255 million were rural inhabitants in some 120 developing countries. According to the mid-Decade report of the Secretary-General ^{5/}, in the same period about 140 million rural and urban dwellers also benefited from new sanitation facilities. These gains surpassed all the accomplishments of the 1970s.

33. Evidently, grass-roots and other fundamental initiatives need not be confined to small, highly motivated groups. The Water Decade enjoys the support of some of development's largest institutions, and they, these groups and development itself have been more successful for such combined action. The lesson to me is clear. In development, no genuine intervention is so small that it can be discounted, no programme so lofty or effective that it cannot be enlarged by reaching beyond itself and no effort more worthy of UNDP than that of marshalling all levels of capability and capacity in the fight against poverty.

III. THE HUMAN FACTOR

34. At its broadest, development is the struggle to liberate human creativity as a source of innovation at all levels of economic activity and as a fulfilment of existence itself. UNDP has found that the full release of energies in a country's human resources, reflected in the dynamism of its institutions and managers, in the extent of its scientific know-how and technical culture, in the flexibility, skills and attitudes of its work force and in the resourcefulness of its rural sector transcends these particular expressions of creativity to become a transforming power unequalled in development. Moreover, we have come to see that past development policies have tended to favour the build-up of physical capacities over such decisive human capabilities. More attention must be given to these latter resources as the true agents and sole objects of development.

35. I shall not attempt to summarize the many issues which arise from this conclusion, nor all their implications for UNDP, as these are comprehensively examined in the policy paper 6/ submitted as a discussion text for the Council's high-level debate. Yet even a brief consideration of the divergent needs which exist between and within societies indicates the breadth of challenge this important subject poses.

36. In industrialized societies, most gains in productivity have resulted from the efficient management of technology, labour and capital. Technology, itself the product of accumulated human knowledge, experience and skills, is widely regarded as fully half this dynamic equation. For some developing countries, the challenge to participate more fully in the world economy through this formula is immediate and irresistible. Capital alone is insufficient. Human resources play the indispensable role in completing the process.

37. In countries taking up this challenge, educational policies serve increasingly as instruments of national growth, stressing technical knowledge and practical skills. Vocational training is widely encouraged and reflects production-oriented goals. Yet the accelerated acquisition of production technologies has not always taken place within well defined industrial strategies. Without these, training aimed at "relevance" often becomes merely short-term, quickly falling behind exponential rates of change in industry and leaving enterprises dissatisfied with their expensively acquired yet outmoded work forces. The encouragement of wider problem-solving capabilities beyond skill-formation alone is often judged to be the principal safeguard against this eventuality.

38. In other cases, Governments have attached importance to the establishment of research competence, but the management of applied research has received much less attention. The transfer of science to technology and the adaptation of technology to domestic production have often been slowed by marginal or unrealistic programmes, by indifference to industrial trends and conditions on the shop-floor and by the outflow of qualified research personnel to more stimulating work environments abroad. Governments have come to appreciate that efforts to gear research more closely to production and the market-place require flexible research management methods, vigilant technology forecasting and monitoring capabilities and better professional incentive schemes.

39. Within its limited resources, UNDP has a valid contribution to make to new efforts in these areas. Several developing countries are now restructuring their higher educational, research and technical training systems, perceiving the significance for human resources development of strong reciprocal ties between universities, public and private research and development centres and industry. But human resource development goes beyond skill-formation, training or even the interactive alliance between accumulated human wisdom, new knowledge and more efficient productive capacity. Innovative national policies can stimulate the heightened creative consciousness which can in turn result in the expansion and release of the human energy so vital to economic and social progress through development.

40. Technical assistance can play a catalytic role in developing the plans, policy instruments and institutional capabilities needed to sustain these new linkages; while through mechanisms like technical co-operation among developing countries (TCDC), UNDP can also continue to support the exchange of technical information and experience between countries adopting similar strategies.

41. At more functional levels in these countries, there exist substantial unmet needs for swift and specialized expertise, which are not satisfied by current sources of supply. These needs originate for the most part in the enterprise sector, public, private and parastatal, as well as in scientific and technical establishments. UNDP's new Focal Point for Short-Term Advisory Services (STAS) concentrates on matching requests for such assistance with suitable and cost-effective expertise from the productive, commercial and service sectors of developed and developing countries. The UNDP-supported programme for the Transfer of Knowledge through Expatriate Nationals (TOKTEN) is another mechanism for moving high-quality, problem-solving expertise on demand to deal with immediate and specialized requirements.

42. As I have previously suggested, for another, more numerous group of countries, the transformation of subsistence-level livelihoods through extension programmes and outreach efforts and the pursuit of universal primary education are likely to be overriding human resource concerns in this century. In these predominantly rural settings, aiding the spread of basic knowledge and effective techniques which help improve standards of health and nutrition and which stimulate self-reliant attitudes, more efficient farming and new income-generating activities, is a worthy, arduous and necessary undertaking. Beyond this, the human resource aspects of national planning and institution-building, which I have also mentioned, require UNDP's active study and support.

43. Accomplishing even these basic targets will require imaginative and far-sighted thinking from aid givers and host Governments alike. Human resources development programmes are, by definition, long-term endeavours with extended recurrent cost implications for recipients. Those most in need of these programmes are most likely to find such implications onerous. The external costs of outreach initiatives can be contained, as I have previously indicated, by deploying volunteers, NGOs and the like; but any genuine attempt to widen and sustain local participation would entail more extensive local facilities, organization and administration -- and hence greater outlays. In the spirit of such initiatives, budgets -- international and national -- may be called on to reach further themselves. Human equity is, after all, less costly than the other measures its absence eventually necessitates.

IV. UNDP's OPERATIONAL CAPACITY: CHALLENGES, CONSEQUENCES, CHOICES

44. UNDP's capacities rest upon and reflect those of its field service network. In examining the activities of UNDP country offices, the recent Nordic study ^{7/} has performed an important service by highlighting the scope -- and limits -- of the Programme's most valuable resource. That scope and those limits were the focus of lively debate at the Global Meeting of Resident Representatives at Copenhagen last October when field and headquarters staff joined forces to review the Programme's new challenges.

45. It is acknowledged by Governments that a number of initiatives recently sought from UNDP have operational consequences and corresponding policy choices which ultimately extend beyond the Programme's management influence. I think, in particular, of the requirements for better country-level co-ordination and for enhanced programme and project quality, including delivery. In each case, a conscientious and informed judgement is necessary as to the extent of UNDP's exercisable authority and, therefore, the degree of improvement possible. I stress that, in each of these vital areas, every effort is being made to achieve maximum results, and that to speak of limits is to define the bounds within which required progress can -- and must -- be made.

46. However, my general remark remains a consideration. The challenge to achieve better co-ordination, for instance, has been fully recognized and firmly taken up. In UNDP offices world-wide, there is a determined persistence to attain this objective, for it is there, at the country level, that the issue takes on clear developmental significance. Over the last three years, we at headquarters have been gratified to hear Governments speak up for the role and functions of resident co-ordinators. Yet today, in 1986, we know that this support is in many cases still awaited where it counts most: in practice in the field. Similarly, it is heartening to learn that donors believe in UNDP's central funding and co-ordinating role; but the encouragement of countervailing trends in the United Nations development system continues to work the other way.

47. UNDP must persevere with its current programming initiatives, many of which directly promote more integrated development. Beyond these, the outstanding achievements of country offices in co-ordinating relief measures in Africa, their individual successes at the project level everywhere, notably in forging better links between technical and capital assistance and their facilitation of a wide range of in-country consultations show that their present scope is not negligible. Further scope exists for assisting requesting Governments to develop their own aid co-ordination capacities both directly and through more closely-knit programmes. To this end, UNDP has developed new country programme guidelines which particularly emphasize the benefits of drawing upon and integrating the full range of resources available outside the IPF. On the premise that co-ordination begins at home, these guidelines stress the virtue of involving UNDP-administered special funds at the outset of the country programme exercise.

48. Yet it is not unreasonable to wonder how UNDP's co-ordination practices can improve more significantly while conditions beyond its influence do not, and while, in the average country office, staff limits translate into four core Professionals, including the Resident Representative.

49. The safeguards of programme and project quality are good design, rigorous appraisal, scrupulous monitoring and impartial evaluation. At headquarters, new mechanisms and procedures for strengthening these aspects of programme management have been instituted and are described in my full report on programme and project quality. ^{8/} A separate report recounts progress in the work of UNDP's Central Evaluation Office. ^{9/}

50. Measures outlined in these two documents are critical to the efficiency and impact of Programme operations. Through new mechanisms like the Programme Review Committee and through the strengthening of in-house project appraisal committees, UNDP is supporting country-level efforts to prepare programmes and projects of high substance and cogency. With its recently established Project Development Facility, UNDP will increasingly be able to offer Governments and country offices a quick response to urgent project identification and formulation needs. This capacity is also expected to help in building up high-quality project pipelines, which are factors in the prospects for greater delivery rates in the next two years. Administrative and policy directives have been extensively revised to reflect informed and up-to-date programming principles and include checklists as guides for the preparation of project documents. A more functional management information system is being developed as an aid to timely and responsive decision-making at headquarters.

51. The many factors influencing programme delivery are analyzed in UNDP's annual financial review. ^{10/} Some of these are relevant to my general observations here. With agencies, the joint study of budget methods, begun on my initiative last year, has shown where headway can be made. While acknowledging that the volatility of exchange rates in recent years has often vitiated expenditure forecasts and input costings, UNDP has made it clear it will not accept practices which lock unspent sums in unexamined, wrongly weighted or off-the-shelf budgets. Our redoubled vigilance in budget revision and rephasing exercises is helping to identify such instances in time to exercise more options for reprogramming.

52. To Governments and our field personnel, we have expressed our conviction that, with fourth cycle resource prospects now established, confidence in the Programme must resume and the important task of building new project portfolios must regain momentum. UNDP is determined to overcome the effects of uncertainties in previous years and accelerate the build-up of qualitatively sound proposals to which Governments are fully committed. Beyond the immediate and vital matter of delivery itself, this is an undertaking which after all touches the very reason for UNDP's existence.

53. Yet as I have noted, in all these areas, UNDP operates in a system of tripartite responsibilities. There is an evident and proven correlation between sound design, efficient delivery and good results in project performance; but the technical and institutional aspects of sound design reflect the calibre of agency and government inputs. Furthermore, in actual implementation, the relationship between project inputs is dynamic, requiring unremitting good judgement -- and responsibility -- from all partners. Continuous programming originally evolved to promote surveillance of this relationship and to permit adjustments.

54. Common sense therefore indicates that UNDP's central mechanisms can guide and support, but never replace, the exercise of individual responsibility. This applies to the relationship between headquarters and the field, to that between UNDP and its agency and government partners and to individual personnel. Of these parties, host Governments have the most profound stake in quality for they are its beneficiaries in development. It is important to recall that they are also, in many cases, a major source of total project financing, a fact which in practice provides counterparts with an added incentive to ensure good results. /...

55. On their part, as servants of development, UNDP and its agency partners have professional and moral obligations to the international development community which are however taken up in separate forums. The compact represented by the Consensus of 1970 which has enabled this partnership to produce important results is based on agreed roles, objectives and responsibilities. One of these agreements is that "the role of the organizations of the United Nations system in the implementation of country programmes should be that of partners, under the leadership of UNDP..." ^{11/} The many successes of this compact do not alter the fact that funding and other trends since 1970 have created ambiguities which, in practice, reduce UNDP's control over performance.

56. Whether future years see these trends reversed and hence this compact once more strengthened -- as I believe it should be; whether traditional obligations within the United Nations development system are once again affirmed and honoured -- as I would hope they could be; or whether more explicitly competitive formulae for contracting technical services are devised, the outcome will decisively influence the character of our system. Meanwhile, the immediate performance of its members will not be irrelevant to that outcome.



Bradford Morse
Administrator

Notes

1/ Organization for Economic Co-operation and Development (OECD): Twenty-five years of Development Co-operation, Paris, November 1985.

2/ World Bank World Development Report 1985.

3/ Organization for Economic Co-operation and Development (OECD) op. cit., p. 13.

4/ Implementation of the Substantial New Programme of Action for the Least Developed Countries, report of the Administrator, DP/1986/17.

5/ Progress in the attainment of the goals of the International Drinking Water Supply and Sanitation Decade, report of the Secretary-General, A/40/108-E/1985/49.

6/ Human Resources Development: Issues and Implications, report of the Administrator, DP/1986/10.

7/ Hans Ahlberg, UNDP in action: A study on UNDP field offices in selected countries in Africa and Asia, Ministry for Foreign Affairs, Stockholm, DsUD 1985:1.

8/ Project and programme quality, report of the Administrator, DP/1986/13.

9/ Progress report on evaluation studies, report of the Administrator, DP/1986/20.

10/ Annual financial review, DP/1986/56.

11/ See General Assembly resolution 2688 (XXV) annex, section V, article C.
