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President: Mr. MANGWAZU (Malawi)

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The meeting was called to order at 3.10 p.m.

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1987 (agenda item 3) (continued)
(DP/1988/18 and Add.1, Add.2, Parts I and II, Adds.3-5, Add.6, Parts I and II)

1. Ms. ASTEE (Director-General, United Nations Office at Vienna) said that the difficult period of adjustment which the United Nations was currently undergoing was not simply a question of budget cutting; cost effectiveness could not be attained without simultaneously trying to strengthen programme responses to the requirements of Member States. It was for that reason that, on 1 March 1987, the Secretary-General had combined several of the higher echelon posts in the United Nations, thus effecting considerable savings, and had also heightened the status and role of the United Nations Office at Vienna (UNOV) by making it the nucleus for all activities in the Secretariat relating to social policy and social development.
2. In practical terms, that meant placing the Centre for Social Development and Humanitarian Affairs (CSDHA) under the direct responsibility of herself, as Director-General of UNOV, who had also been made Co-ordinator of all United Nations activities relating to drug control, a subject of critical and escalating importance, and had subsequently been appointed Secretary-General of the Eighth United Nations Congress on the Prevention of Crime and the Treatment of Offenders, to be held in 1990.
3. The International Conference on Drug Abuse and Illicit Trafficking, held at Vienna in June 1987, had imparted new urgency to the fight against the rapidly spreading canker of drug abuse and drug trafficking and bestowed a greatly increased role and responsibility on the United Nations since the drug problem was international in scope, origins and consequences, and in its demands on Governments.
4. A less eye-catching event but one that demonstrated another international consensus among the Member States was the Interregional Consultation on Developmental Social Welfare Policies and Programmes held in September 1987 on the full range of social policies and problems. A pervading theme of that meeting had been the inextricable link between social policy and development in its most essential and only true sense. It had also emphasized the universality of social problems and the urgent need for Governments and the United Nations alike to give sufficient priority to social problems.
5. Against that background of activity, an attempt was being made, on a very small staffing base, to bring about the 15 per cent cut in posts required by the General Assembly. In effect, CSDHA was being asked not simply to do "the same with less" but "more with less". New and pragmatic ways of sustaining vital programmes were being sought: some Governments had come forward with extra-budgetary support in the form of personnel, including Junior Professional Officers, as well as in monetary terms.
6. New ground had been broken in the case of the disabled with the appointment of a Special Representative of the Secretary-General for the promotion of the United Nations Decade of Disabled Persons, funded entirely from non-governmental sources, and by launching a global awareness and fund-raising campaign. Those actions, together with the generous support promised by the Government of Sweden, would inject a new lease of life into the Decade.

7. Efficient and dynamic economies linked in a viable international system were extremely important for human welfare and social progress. Efficient economies were not simply the product of enlightened economic policies but equally of social forces and a society's institutions and values. Despite that awareness, the social dimension had, until recently, received less attention than it deserved at the international level. That was partly because social issues were seen as being sensitive, and there had been a reluctance to air them at intergovernmental gatherings. More recently, however, there had been a profound change in attitude: Member States were increasingly willing, indeed eager, to discuss issues traditionally considered as domestic matters.

8. One major reason for the change lay in the reality of deteriorating social conditions throughout the world. Social problems were being raised in economic debates as the connection between social decline and the poor performance of the global economy became more and more obvious. When social institutions could not respond to changing circumstances, they acted as a brake on economic expansion. Social discrimination and exclusion closed off opportunities and stifled initiatives. Lack of skills kept productivity low. Widening social divisions, and the social violence that often followed, destroyed the basis for economic activity. There were also the corrosive effects and waste of human and other resources of the rising crime wave and of drug abuse and trafficking.

9. While virtually every public utterance on the subject of development stressed the key importance of social aspects, the fact remained that the impact, in the form of the proportion of social concerns in the operational programmes of the United Nations designed to further development, was still not forthcoming. While it was often impossible to separate the social from the economic and many social elements were embedded in economic projects, the economic factor predominated, and considerations of technical efficiency took precedence over social efficiency. Social concerns had also acquired a greater hearing as a result of the stringent policies of economic stabilization introduced into so many developing countries, largely as a result of their inability to meet their external debt obligations.

10. The heavy human cost of adjustment had become a strong argument for a more sensitive development philosophy that put human beings at the centre of the process, as agents of change and as beneficiaries of change. Heartening attempts to offset the untoward social effect of adjustment policies were already being made in some cases while, in others, an effort was being made to build in the social and human factor from the very outset as an integral part of the adjustment programme. The adjustment problem had served as a useful reminder of the importance of social issues, but the approach was essentially a short- to medium-term one: it must not become just another "development fad".

11. The social cost of adjustment might have been great in many countries, not simply because of the impact of adjustment itself but also because the strategies previously in place had not given sufficient weight to social development. If countries were to move from adjustment to renewed development, it was essential that strategies did not fall into the mistakes of the past. A balance between the economic and social was indispensable, though often hard to achieve and define in practice.

12. Social programmes were still not being given their proper place and impetus in operational programmes. There were a number of reasons for that situation. In the first place, it was self-evident that a vastly increased commitment of resources was needed from both the Governments of developing countries and from donor countries and organizations if the social objectives of development were to be attained but the problem was one of methodology as well as of resources. Not all social programmes were of the highest priority and not all were well conceived. New methodologies and approaches were being developed and tried but more work was required. There was a need for a closer study of past cases where a social perspective had been adopted and from which both positive and negative lessons could be drawn.

13. A third reason might lie in the intangible nature of social programmes and the value-laden quality of social objectives. They were harder to grasp and certainly to quantify than building an item of economic infrastructure. One result was the methodological difficulty of integrating social ends into the national development strategies which provided a framework for external co-operation. In most countries, economists continued to be pre-eminent at the national level and technician or specialists at the sectoral level.

14. Fourthly, in terms of development co-operation, many social programmes relied heavily on recurrent, rather than on capital costs - an area that did not appeal overmuch either to ministries of finance or to donors, because of an anachronistic distinction still being made between those two types of cost.

15. Fifthly, in most countries, those underlying difficulties were compounded in the programming process by the relative weakness of social ministries which did not have a very strong voice in the disposition of scarce UNDP resources allocated for country programmes or of other development co-operation resources.

16. Lastly, at the international level, the capacity in the broad social policy field of the United Nations, and particularly of UNOV/CSDHA, was insufficiently known.

17. There was obviously a clear need to come to grips with the problem of identifying both the social needs and the social constraints on development, and integrating social strategies into national strategies and into development co-operation programmes and UNDP country programmes at the planning stage. As its contribution to that process, UNOV had been actively seeking closer substantive links with UNDP. That had culminated in positive conversations during her recent visit to New York for the Economic and Social Council.

18. UNDP had made the constructive suggestion that UNOV/CSDHA could serve as a focal point in assembling and co-ordinating information and analysis on social issues relating to specific countries as background documentation for Donor Round Tables, thus ensuring that social aspects in their broadest sense were given full weight at those meetings. UNOV/CSDHA had agreed to concentrate on one or two pilot exercises with Governments that favoured such an approach in order to build up experience. It was also preparing a Programme Advisory Note for circulation to UNDP President representatives.

19. As for methodology, she had proposed a concrete global project aimed at developing a workable approach to national capacity building for social policy

formulation, planning, co-ordination and evaluation, containing important training needs assessment, and training components. It would substantially enhance the United Nations capacity to identify and formulate effective country projects in the social area.

20. UNOV also intended to give practical support to such important initiatives as the Special Programme of Economic Assistance to Central America and the United Nations Programme of Action for African Economic Recovery and Development, both of which assigned special importance to the social dimension of development.

21. In contrast to the sometimes elusive quality of social development, the all-pervading issue of controlling drug abuse gave ample and clear-cut opportunities for operational activities, limited only by the availability of resources. UNDP was to be applauded for its close collaboration with the United Nations Fund for Drug Abuse Control (UNFDAC), in some cases to the extent of financing projects with its own resources. However, it was also crucial that UNDP should act as follow-up to UNFDAC projects: once the pump had been primed and the crop substitution/income replacement/rural development projects launched and financed by UNFDAC had shown their worth, UNDP could step in and carry on the projects in question as purely developmental activities.

22. Although the practical actions she had mentioned might seem miniscule in relation to the magnitude of the problem, it was only by a multitude of such small beginnings and new approaches that social aims and programmes would be able to achieve their rightful key place in operational programmes such as those of UNDP.

23. Mrs. JASPRILLA (Colombia), having praised UNDP's philosophy of providing co-operation and technology transfer in projects adopted to each country's priorities at a time when the developing world was passing through a crisis that limited its capacity for growth and welfare, said that, despite a slight recovery in the growth of gross national product the Latin American and Caribbean region was still facing problems of high external debt, deterioration in the terms of trade, net outflow of resources, and limitation of markets for its exports and of access to new sources of funding. The economic crisis had helped to increase the spread of poverty in the Region to the point where 40 per cent of the population was affected, and, if there were no change in the international economic order and in the traditional models of development, that proportion would increase.

24. Faced with that situation, the Governments of the Region had begun to explore development models incorporating the objectives of economic growth, equality of possibilities for access by the populations to basic goods, and direct participation by the people in national decision-making. To that end, her Government supported the UNDP regional project for overcoming poverty (RLA/86/004) in which 18 countries were participating and which had its headquarters in Colombia.

25. For its part, her Government had put into operation a new development plan called the Social Economy Plan designed to secure better growth levels and a more equitable distribution of wealth, on the principle of direct democracy. The Plan was based on the assumption that social development would hasten economic growth, which in turn would help to better social

conditions. It had meant a considerable reorientation of national public expenditure and co-operation by UNDP had been of great use in its formulation and execution.

26. Improvement of the administration of justice and protection of human rights were priorities of the Social Economy Plan. UNDP was co-operating in those fields also through projects to support administrative and legal decongestion in criminal justice (COL/88/01) and the human rights tribunal (COL/87/030). Participation of the community was a fundamental condition for the success of the Social Economy Plan and for the advancement of direct democracy in general. A national system of decentralized planning had been set up with the aims of articulating national policies with regional, departmental and municipal policies and of strengthening the managerial capacity of the new municipal authorities. That initiative had also received UNDP support (COL/86/010 and COL/87/010). With those plans and programmes the Government had initiated a process of democratic social development as the foundation for stable and sustained economic growth.

27. The Latin American and Caribbean region was suffering from another evil which endangered the development of its countries and menaced human rights: the drugs traffic. Without international co-operation it would be very difficult to combat the criminal behaviour involved which, by its very nature, went beyond the limits and capacities of the individual nation that could not, single-handed fight an enemy with ramifications in many countries throughout the world. If the consumer countries did not live up to their full responsibility partial successes would disappear and crime would emerge even stronger than before.

28. Her Government was determined to fight that plague, and had begun to study various measures ranging from the control of drugs traffic to control of production and manufacture, including the political, economic and moral aspects of the illegal activities involved. With the assistance of UNDP and UNFDAC, ambitious projects were being carried out, the ongoing collaboration by UNDP and the United Nations system in general being co-ordinated by Mr. Thais, UNDP Resident Representative in Colombia.

29. Although UNDP's budget surplus for 1987-88 was welcome news, annual voluntary contributions were still low and represented an increase of only 5 per cent, rather than the 8 per cent that had been pledged. Consequently, the approximately 10 per cent needed to make up the 15 per cent increase would be achieved by the devaluation of the United States dollar against other currencies, and, if the situation were reversed, and the dollar recovered, UNDP would be faced with another financial crisis. The developed countries needed, therefore, to maintain an adequate rate of growth in their contributions so as to guarantee the necessary funding to complete the programmes in the coming years. Her delegation thus supported the proposal to share out the \$US 656 million in accordance with General Assembly decision 85/16, which expressed the criteria defined by the Fourth Programming Cycle.

30. As problems and emergencies arose, UNDP had been given new tasks which incorporated activities carried out by other agencies of the United Nations system, and new subject-matter had been introduced on the assumption that UNDP's execution would be more efficient. While her delegation considered that such activities were of great importance and deserved full emphasis,

there should be no departure from the philosophy whereby UNDP channelled resources into those programmes which, in the judgement of Governments, stimulated development in accordance with the nature of each country. Consequently, the amount of resources destined for new tasks should not be to the detriment of the basic indicative planning figure (IPF) which was the foundation of the aid furnished by the system.

31. Her Government supported the change in the net contributor status of those countries whose per capita income had fallen as a result of world economic circumstances and the decline in commodity prices, which was the case throughout its Region. Nevertheless, despite that change the participation of Latin America as a recipient of aid in UNDP programmes had fallen drastically to under 10 per cent. The immense effort the Region was making to diversify in the midst of policies of economic adjustment frequently brought social imbalances, political tensions and dangers to the institutional order and it was urgent, therefore, that the trend towards a fall in the amount of UNDP resources allocated to the Region should be reversed.

32. Programmes aimed at fighting extreme poverty, special aid to Central America, diversification of exports, stimulus to science and technology, programmes of technical co-operation and the modernization of the public sector all had her delegation's support. Latin American economies needed modernization and, in that regard, projects that were expanding as a result of institutional support and the capacity for national contribution held out the best perspectives for durability over time and of consolidation as a contribution to the growth of gross national product.

33. Her Government was interested in project quality, in the genuine contribution of projects to development, in adequate groundwork for their exploitation and in their capacity to disseminate technology and knowledge. Projects that were well thought-out, evaluated and produced, undoubtedly rendered service to the prestige of UNDP and the recipient countries. All contributions in that direction received the wholehearted support of her delegation, which welcomed the administration of bilateral assistance by UNDP, concerting its execution with the different bilateral agencies.

34. The challenge for UNDP was to remain valid as an independent and dynamic organization for assistance in the midst of the international crisis of multilateralism and at the same time to be attentive to the change in the economic climate with the aim of showing flexibility in its approach to aid those countries requiring it.

35. Her Government, which had confidence in co-operation to resolve international conflicts peacefully, had been prominent in the union of Latin American and Caribbean countries which pleaded for a just solution to the problem of external debt and for multilateral action to ensure a peaceful framework for development of the Central American Region, an initiative that had been endorsed by the United Nations system. She thus appealed to the Governing Council to approve special assistance to Central America co-ordinated by UNDP, and assured the council that her Government would collaborate with UNDP in every possible way.

36. Mr. ANWAR (Bangladesh) said that, over the past few years, the developing countries, notwithstanding mounting social tensions, had been successful in implementing difficult structural adjustments and policy reforms with a view

to alleviating poverty, resolving debt difficulties and attaining a sustainable growth rate. The success of those efforts was heavily dependent on an increased flow of financial resources; unfortunately, since the debt crisis had emerged, there had been a marked contraction of capital flows so that, each year, a growing number of developing countries were faced with negative net resource flows. The volume of overseas development assistance had remained stagnant in real terms since 1980 and there had been a significant decline in the availability of foreign investment in general, and private investment in particular, although many developing countries had opened their economies, removed barriers inhibiting the growth of foreign investment and enacted laws to promote such investment.

37. The least developed countries were particularly ill-equipped to develop their economies and to ensure adequate living standards for their populations. Most of those countries suffered from some geographical or climatological handicap and/or were prone to drought, desertification, cyclones, floods and earthquakes.

38. Notwithstanding the commitment of the international community reflected in the Substantial New Programme of Action (SNPA), the least developed countries were in many respects worse off than they had been in 1981. The hostile external environment had increasingly marginalized them and had increased their number from 31 in 1980 to 41 in 1987. They were thus looking forward to the United Nations conference on the least developed countries to be held in 1990 in the hope that the international community would renew its commitment and agree on a more effective programme of action for the 1990s.

39. The 1987 report of the World Commission on Environment and Development would help to raise the awareness of decision makers regarding the complex linkages between resources, development and environment. Increasing consumption, poverty and hazardous industrial technology were adversely affecting the natural resource base, leading to environmental degradation. There was a close relationship between poverty and environmental degradation. Unless the basic problems of poverty, lack of food, shelter, clothing and fuel, were remedied, the erosion of environmental quality would be a continuing process. The more fortunate countries had the responsibility to take the lead in introducing new and safer technology as well as to assist the developing countries in their search for environmentally safer industrial growth.

40. UNDP had become the most important source of technical assistance for his country; such assistance had risen from nearly \$19 million in 1980 to \$32 million in 1986 and 1987, indicating the absorptive capacity of the country, its need for assistance and the compatibility between the objectives of the Government and those of UNDP. The bulk of UNDP resources was however utilized for hiring consultants and experts from other countries, mainly the industrialized countries. UNDP had been trying to increase the utilization of local expertise but much remained to be done. One factor discouraging adequate response from local experts was to be found in highly differentiated compensation scales. For consultants with comparable skills and professional experience, remuneration should be comparable. It need not be the same as that for the consultants from developed countries but, if consultants were selected on the basis of international tenders, the compensation should be the same, irrespective of nationality. If technical assistance resources could stimulate demand for local expertise and simultaneously encourage adequate

supply response by offering compensation comparable with international standards, the "brain drain" could be contained and even reversed.

41. Efforts should also be made to improve the quality of expatriate consultants. The current participation of the host country in the selection of consultants was peripheral only; the Government received a short list of eligible consultants from the executing agency which was prepared from rosters maintained by the executing agencies. The system therefore effectively barred open competition. Participation of the recipient Government as a full partner in the selection of consultants could improve the procedures substantially, and UNDP should review the selection procedures in consultation with the executing agencies and host Governments so as to ensure greater transparency, openness and the participation of the beneficiary Governments.

42. Bangladesh placed great emphasis on government execution of projects as there was an identity of interest not only among the different elements of the projects but also with all other related activities. A number of other benefits had also been mentioned in the evaluation report, including procurement of inputs that cost significantly less than those offered by the United Nations system, lower direct cost of government-executed projects and increased purchasing power of IPFs and consequently greater cost-effectiveness of government execution.

43. Bangladesh had the third largest UNDP programme with an allocation of nearly \$130 million during the Fourth Cycle. Over 100 projects were in the course of implementation and the programme implementation rate in 1987 had been more than 85 per cent, one of the highest in the world. Regrettably, however, it had not been possible for UNDP to identify a single project for execution by the Government. For some time past, his Government had been urging corrective action on UNDP and had submitted a modest list of projects which it considered suitable for execution by the Government. It hoped for a speedy and favourable decision.

44. Achievements in TCDC since the adoption of the Buenos Aires Plan of Action had been very modest; commitment to TCDC activities had been less than 4 per cent, and utilization a poor 1.4 per cent of total IPF expenditure. His Government regretted the inability of the Administrator to restore the staffing of the special TCDC unit to the level approved by the Governing Council in 1979; such action was critical to the enhancement of UNDP action and support of TCDC.

45. His delegation welcomed the successful intergovernmental TCDC programming in Turkey, China, Pakistan and other countries which had generated a large number of TCDC projects. His Government had started the consultation process in connection with intergovernmental TCDC programming exercises for Bangladesh.

46. It appeared from the mid-term review of resources (DP/1988/26) that the so-called additional programme resources for the remaining period of the Fourth Cycle were the result of the depreciation of the United States dollar. Those extra resources did not therefore reflect any real addition. The increase in the nominal amount should be adjusted for the decline in the purchasing power of the original IPFs which, according to paragraph 22, had lost as much as 25 per cent of their value in real terms since 1985. His Government considered that the entire amount of \$600 million should be

distributed in accordance with the criteria set forth in decision 85/16 and fully shared the views expressed by the Group of 77 (DP/1988/INF/3).

47. The performance of the Special Measures Fund for the Least Developed Countries had been disappointing and its accumulated balance on 31 December 1987 stood at \$36.9 million. There was a need to simplify its operational procedures and to bring it within the ambit of IPF programming. The proposed integration of the Special Measures Fund into the proposed Management Facility would probably not be in the interests of the beneficiary countries, as the Fund would thereby lose its focus on the special needs of the least developed countries.

48. Notwithstanding the concerns which he had expressed, UNDP had played a significant and catalytic role in his country's development process and there had been many instances of successful co-operation in the recent past in such fields as the agricultural sector review, the review of private investment and the NatCAP exercise.

49. Mr. ARGASLERKSH (Thailand) said he welcomed the efforts of UNDP to build up managerial capabilities, particularly in African countries, through such co-operative endeavours as the round table mechanism and NatCAPs. His delegation hoped that all donor countries would respect the priorities established by NatCAP exercises.

50. The development programmes implemented in Thailand under the country's five economic and social development plans over the previous three decades had increased its level of development. The current Sixth National Economic and Development Plan had the same time-frame as the country's UNDP Fourth Cycle country programme, 1987-1991, and aimed at achieving an average annual economic growth rate of more than 5 per cent as well as the development of human quality to facilitate progress in social development and equity. The country's technical assistance plan provided a framework for channelling technical assistance in the effective support of the Sixth Plan in order to guide technical assistance to priority areas, to identify sectoral technical assistance requirements according to needs, to promote co-ordinated participation among Thai implementing and co-ordinating agencies and donors, to provide donors with a reference guide for the identification of priority areas and to provide guidelines to Thai agencies for the identification and preparation of technical assistance projects.

51. Pursuant to its commitment to the Buenos Aires Plan of Action, his Government had established, in 1979, a TCDC subdivision within the Department of Technical and Economic Co-operation. A sub-committee on TCDC, consisting of representatives from both the public and the private sectors, had been set up in 1981 to serve as the consultative body for policies and guidelines related to TCDC activities. His Government would utilize its IPF resources for the further enhancement of TCDC activities.

52. His delegation welcomed the greater decentralization of management and operational activities and decision-making authority to field representatives and, in particular, the raising of the project approval level for resident representatives from \$400,000 to \$700,000 and the reduction in the average time between submission of project proposals to headquarters and project approval.

53. His delegation welcomed the greater significance attached by UNDP to the mobilization of the private sector as a major catalyst for growth and the special attention paid to women in the development process. The roles of women in social and economic development were tremendous and the establishment of the UNDP Division for Women in Development and of policies and procedures to ensure larger roles for women as participants and beneficiaries of UNDP programmes were therefore very welcome.

54. The programme funded by the United Nations Fund for Drug Abuse Control (UNFDAC), to which reference was made in the Administrator's report (DP/1988/18, para. 35), provided support for the crop-substitution projects that gave the hill tribes in northern Thailand an income from sources other than opium. His delegation also thanked the donor countries which had assisted his Government to eliminate opium production.

55. Mr. KANE (Deputy Director-General, International Labour Organisation) said that, in 1987, the International Labour Conference had conducted its first review in a decade of the role of ILO in technical co-operation and its future perspective. The Conference had adopted a number of conclusions which provided the overall framework and guidelines for the operational activities of the ILO technical co-operation programmes.

56. The Conference had stressed that the sustained progress of the global economy called for balanced economic and social development, requiring a broad-based technical co-operation programme. In that connection it had asked ILO to expand its technical co-operation activities in support of increasing national capabilities for self-reliance. It had also called for greater attention to human resources development, the creation and strengthening of institutions, the transfer of technology and the involvement of social partners in the development process.

57. It had urged ILO to work more closely with other international organizations and with financial institutions in preparing programmes for long-term development and employment creation and in reducing the social costs of structural adjustment. In particular, it had asked ILO to concentrate on result-oriented programmes which responded to basic needs and had recommended the adoption of a target group approach. He believed that such approaches and areas of concentration were fully consistent with the endeavours of the entire United Nations system, particularly UNDP, and afforded still untapped potential for further strengthening collaboration.

58. The Conference had also called for a strengthening of the partnership concept of the 1970 Consensus and the full utilization of the knowledge and expertise of the specialized agencies. It had stressed the unique role that ILO could play in sectoral co-ordination at the country level in the social sectors, particularly in human-resources development. The Conference had also recognized that such work should be done in the overall framework of United Nations system activities and, in the final analysis, of national plans and priorities.

59. General Assembly resolution 42/196 emphasized the primary responsibility of the developing countries for determining and co-ordinating the assistance they received. The basic role of the United Nations system was to transfer and adapt knowledge, technology and experience not otherwise available to a potential recipient country; resources should, to the greatest possible

extent, be placed at the disposal of the recipient countries. In that connection, he wondered whether the proposals contained in the mid-term review of resources (DP/1988/26) met those objectives.

60. A basic tenet of United Nations system operational activities was that all technical co-operation projects were essentially government projects for which the Governments had overall responsibility and hence accountability. It was with some misgivings, therefore, that his organization had noted that the document on agency accountability (DP/1988/19/Add.4) did not treat the issue of accountability in a holistic manner and focused all its attention on the responsibilities and accountability of one partner in a tripartite relationship. It proceeded, moreover, on generalized and unsubstantiated premises about agency performance even while conceding that it was extremely difficult to establish an agency's responsibility for shortcomings or delays in project implementation.

61. With regard to the Administrator's assessment in the mid-term review of resources that only upon authorization of additional programme allocations could the Administrator establish a strategy for a higher level of delivery, it should be pointed out that many countries, especially the least developed ones, suffered from weak infrastructures and increasingly acute domestic budget constraints with consequent limitations on their absorptive capacities. More attention should be devoted to such constraints. In that connection, recent inter-agency discussions in the Consultative Committee on Substantive Questions (Operational Activities) had adopted concrete proposals for a more flexible approach to local and recurrent cost financing.

62. It was essential that the Governing Council should realize that the remuneration levels for experts and consultants were no longer competitive. Pending the formulation of longer-term arrangements, the Council should approve the requests of the individual agencies and of the ACC currently before it, bearing in mind the fact that it was simply being requested to maintain, as far as possible, the real value of reimbursement rates already agreed upon.

63. His organization commended the UNDP evaluation report on the experience of government execution (DP/1988/19/Add.2), but noted its ambivalent position as to whether the modality of government execution enhanced self-reliance or made projects more sustainable than might otherwise be the case. He had further noted the conclusion that in many cases government execution was being replaced by UNDP execution.

64. From experience gained to date, his organization believed that there was a need for a more selective use of the government execution modality, for more careful and systematic assessments of the capacities of the intended government executing agency and for utilization, in accordance with existing policy provisions and the report's recommendation, of the expertise of United Nations technical agencies at various stages of the project cycle. He would also suggest that resort to government execution should not be undertaken for purely cost considerations, the more so in view of the questionable assumption that it was a less expensive modality. Those concerns might best be addressed by treating all projects in a phased manner, beginning with agency execution and, gradually moving into government execution in their final phases.

65. Mr. WINTERBEECK (Belgium) said that his delegation welcomed UNDP's timely proposal to establish a special facility to provide technical assistance and managers in order to ensure the success of structural adjustment programmes. That initiative would strengthen UNDP's key role in international technical assistance, provided that it was designed primarily to strengthen the capacity of Governments to define their needs, to negotiate on a better footing with the World Bank and the International Monetary Fund and to guarantee the efficient management of their adjustment programmes. Under no circumstances should the new facility impose a further conditionality over and above those already imposed by the World Bank and the IMF. On the contrary, it should provide a means of redirecting those conditionalities so that they better respected local priorities and limited the social costs of structural adjustments.

66. Secondly, other UNDP activities, particularly NaTCAPs and country programmes, should be integrated into the new approaches to structural adjustment; thirdly, the new facility should mobilize local management capacity rather than make systematic use of outside expertise; and fourthly, UNDP activities should be rationalized so that the new initiative was not simply added to ongoing activities but would serve to bring about a coherent reorientation of them all.

67. If, in view of its increasing role in structural adjustment, UNDP had to strengthen its resources for economic analysis both at headquarters and in the field, there should be a corresponding reordering in other sectors to avoid duplication and increased expenditure on management. It was to be hoped that, over the years, UNDP had acquired competence in certain new areas of development, so that the Administrator had adequate resources and flexibility to embark on innovative activities which could not be integrated into country programmes immediately, because the need for them was not perceived by Governments. He trusted however that, in the medium term, the initiatives proposed by the Administrator would bring about a better integration of the activities financed by the Special Programme Resources and by the indicative planning figures (IPF) at world, regional and national levels. Furthermore, with regard to the allocation of UNDP's additional financial resources, his delegation did not wish to reopen the discussion on the delicate compromise embodied in Council decision 1985/16.

68. The Council had to examine the functioning of the tripartite system established by the 1970 Consensus. In practice, that system had departed from the original division of responsibility. UNDP was no longer the central financing organ and it had created its own implementing machinery, the Office for Project Services (OPS). The proportion of projects implemented by Governments and by the OPS was increasing, because the associated administrative charges were less heavy and the quality of projects was on the whole comparable with that of agency-implemented projects. Furthermore, Government implementation favoured the transfer of management skills, which was one of the objectives of all technical co-operation. The question of agency responsibility had been discussed at length by the Working Group. It seemed reasonable that the responsibility of each of the three parties concerned should be clearly defined and that satisfactory implementation of projects should be guaranteed.

69. The automatic reimbursement to the agencies of a fixed percentage, representing their support costs, whatever the quality of their contribution, did not seem designed to encourage improvement in the technical support to projects. The functioning of the tripartite system should be reordered to provide a competitive system of project implementation which cost less, thus benefiting the recipient countries.

70. His Government had long favoured development policies which took account of the potential of individual initiative and local enterprise and it therefore encouraged UNDP activities in the private sector, provided that they were in keeping with the wishes of the Governments concerned. He hoped that UNDP would devote more effort to the financing of concrete projects. The Council should be kept informed of the practical results, in terms of securing investments, of the contact seminars for representatives of the private sector which had so far been organized. It was also important clearly to define the mandate of UNDP in relation to that of UNIDO and other financing institutions, such as the International Finance Corporation.

71. His Government unreservedly supported UNDP efforts to reduce the social cost of structural adjustment. UNDP should co-ordinate its efforts with those of the other United Nations agencies to that end. Belgium was prepared to carry out joint studies with UNDP on the possibility, in certain countries, of converting part of the debt into relevant projects, such as labour-intensive work and support for the informal sector, which could easily create employment.

72. His delegation had noted with interest the evaluation report prepared by the Central Evaluation Office on UNDP action in respect of the environment. In its view, the recommendations at the end of that report constituted an adequate response to most of the considerations set out in the relevant resolutions of the General Assembly at its forty-second session.

73. General Assembly resolution 42/196 raised the question of co-operation between UNDP and the World Bank. The need for complementarity between capital assistance and technical assistance was self-evident. His delegation therefore welcomed the increased participation of the World Bank and UNDP in round tables and consultative groups and was following with interest the strengthening of co-operation between UNDP and the World Bank in joint programmes relating to energy and small- and medium-sized enterprises. However, he would like to know more about the advantages that had led UNDP to devote a growing amount of its resources to such programmes and whether UNDP had retained an adequate role in their design, management and control.

74. Mr. RUTANEN (Finland) said he proposed to deal with three topics, namely structural adjustment, private-sector development and the reform of United Nations structures in the field of operational activities.

75. His delegation welcomed UNDP's initiative in assisting Governments to implement structural adjustment programmes. In structural adjustment, the social aspects were too often neglected though studies had shown that investment in human resources was at least as vital for economic growth as physical investment. His Government supported the establishment of the management facility and continued to support NatCAPs and the round-table procedures but thought that a distinction should be made between technical assistance for management purposes and direct financial support of the

economic adjustment programmes. The management facility should not be a permanent fixture among the special programmes: it should in due course become part of the country programme.

76. Development programmes and the policies of both donor and recipient countries were undergoing adaptation in response not only to changing circumstances but also to changing perceptions of priorities. It was becoming evident that economic growth based on the encouragement of private initiative and productive investment was a key ingredient in achieving sustainable development. His delegation welcomed the new non-ideological approach to co-operation in private sector development and the new interest in micro-enterprise development aimed at reaching the very poor and encouraging the participation of women in private initiatives. That would be an important element in ironing out the discrepancies between rural and urban areas in developing countries, while the greater focus on small farmers was likely to ensure a much-needed increase in food production. The technical advisory note described several useful areas for private-sector development with UNDP assistance.

77. Momentum should not be lost in the review of the United Nations functions in the social and economic field, even if the results of the Special Commission of the Economic and Social Council had been somewhat meagre. The Special Commission had devoted some attention to the role of UNFPA within the UNDP structure: his delegation wished to reiterate its proposal that the Governing Council should devote more time to discussion of UNFPA matters.

78. The need for the system-wide co-ordination of operational activities had been clearly indicated. His delegation hoped that UNDP would take an initiative towards better co-ordination at the field level and experiments with integrated country offices and planning, as recommended in the Jansson Report (A/42/326/Add.1). A pilot project should be initiated as soon as possible. His delegation also supported the Administrator's proposal to delegate greater powers to the field level. General Assembly resolution 42/196 had given the Director-General for Development and International Economic Co-operation the lead role in implementing its provisions. The role of the United Nations in operational activities for development needed clarification and the requirements of the recipient countries should be clearly recognized.

79. The complementarity of the various agencies and institutions should be taken into account, and country programmes should constitute the framework for all United Nations operational agencies. UNDP could not perform its co-ordinating role unless it co-operated closely with bilateral agencies. The choice of the resident representative was of crucial importance to the success of UNDP field operations, and the role of the resident co-ordinator was also important. The relationship between the latter and UNDP should be considered without prejudice, recognizing the existence of different circumstances in different recipient countries. His delegation also welcomed the trend in operational agencies to familiarize the representatives of Governments with field operations: increasing knowledge about practical problems could not fail to improve the headquarters/field office relationship.

80. The Council must take a decision on the allocation of the funds which had accrued in UNDP's reserves. The decision should take full account of the need

to provide assistance with structural and development problems, particularly in the least developed countries, and to strengthen the management capacity of national institutions. There was also a role for UNDP in assisting special regional programmes. In conclusion, he endorsed the observation of the Administrator that, in the future, the Council should pay more attention to policy guidance than to technical details.

81. Mr. CZARKOWSKI (Poland) said that his delegation had always been optimistic that, given the necessary international conditions, the current rapid technological revolution could overcome all the world's acute economic and social problems. He believed that the first ever nuclear disarmament agreement between the two super-Powers followed by the recent Moscow summit conference, would promote multilateral agreements on real disarmament measures which could release additional new resources for development to the benefit of developing countries.

82. The United Nations system should avail itself of the opportunities created by new thinking in international politics to make full use of its potential. The world economic situation had unfortunately continued to be bleak and a large number of countries were grappling with socially painful economic adjustment. Although the situation had also had a detrimental effect on technical co-operation with developing countries, multilateral technical co-operation had continued to develop, especially within the framework of UNDP, with comparatively good results and an improvement of the international economic scene would probably bring with it a greater incentive for technical co-operation.

83. His delegation welcomed the presentation and format of the Administrator's annual report for 1987 (DP/1988/18 and Addenda) and agreed with its main areas of emphasis. He endorsed the comment that "a key to diversification of economy is technology". However, in order to use that key foreign exchange from exports and credits was required. His Government thus encouraged the intensification of UNDP initiatives with regard to export promotion and flows of technology. It also welcomed UNDP's involvement on a global level with efforts to alleviate the debt problem. Regional and interregional projects constituted an appropriate instrument for that purpose.

84. The Administrator's report rightly stressed the role of recipient Governments in determining the priorities and modalities of technical assistance. It was in that context that his delegation saw a role for all sectors, public, co-operative and private, in ensuring a balanced economic growth. With regard to the promotion of the private sector by UNDP, there were certain areas in which multilateral projects might be helpful, as for example in joint ventures and the promotion of international trade by national enterprises. However it was his Government's considered view that any action affecting a country's economic system remained subject to its sovereign decision.

85. His delegation supported increased efforts in respect of the United Nations volunteers, women and development, technical co-operation among developing countries and the promotion of pre-investment activities. The experience and potential of all countries should be taken into account equitably in carrying out such activities. That would benefit both the substance and costs of projects.

86. His delegation also endorsed the growing involvement of UNDP with social concerns such as combating AIDS and drug addiction and with environmental issues. It appreciated the recent evaluation of UNDP-related environmental protection projects in implementation of the report entitled Our common future (DP/1988/18, paras. 38-41). Environmental issues should have a higher priority in UNDP activities, particularly in regional projects and more attention should be devoted to environmentally sustainable development and ecological security.

87. General Assembly resolution 42/196 had recently confirmed UNDP's central role in the funding and co-ordination of United Nations technical co-operation. That role should be performed with respect for a certain, but not excessive, degree of autonomy for specialized agency programmes financed from other than UNDP resources, in the spirit of co-operation by all concerned. The Administrator was to be congratulated on his efforts to ensure the effectiveness of operations and the streamlining of procedures. In that connection, his delegation noted with satisfaction the introduction of a new Programmes and Projects Manual and its distribution to Governments.

88. His delegation also commended the comparison between trends in country programmes of the third and fourth cycles, showing the evolution in national and global priorities in the light of changing economic conditions and social concerns. Greater use should be made of the wealth of experience gained in successful projects, many of which had developed training opportunities and managerial and technological systems which could be applied in other projects or transferred at a reduced cost. The Trans-European North-South Motorway Project, TEM, a regional project involving developing and developed countries in road construction, was a case in point. It had been pointed out at the session of the project's Steering Committee in Istanbul that the documentation for the project and its training potential could be used by other groups.

89. In addition, to increase its potential for meeting development needs, UNDP might consider establishing a system to supplement its expertise by making greater use of the knowledge and experience available in the Member States. The United Nations regional economic commissions, and the Economic Commission for Europe in particular, could assist in working out the details for a system of access to national expertise which UNDP might use - in consultation with the specialized agencies - in the identification, formulation, appraisal, monitoring and evaluation of projects.

90. To conclude, he reaffirmed his Government's support for the 1970 Consensus, the principles of which made it possible to find a constructive solution to all the issues confronting UNDP, as for example the distribution of the additional financial resources. The best way would be to use a proportional formula in respect of all recipient countries and regions. The award of compensation to countries might also be considered in cases where evident mistakes, recognized by the Council as such, had in the past been made in IPF allocations. In principle, his delegation was also sympathetic to increasing the Special Programme Resources, as suggested in the mid-term review of resources (DP/1988/26).

91. Mr. GIOVANNINI (Switzerland) said that, in many countries, UNDP's role was no longer limited to its traditional functions of administering IPFs and special funds but had been extended to cover the advisory role of resident

representatives as privileged and neutral intermediaries on aid co-ordination, in dialogue regarding policies and in assisting Governments to strengthen their economic management and negotiating capacities. Additional responsibilities had fallen on the resident representatives as a consequence of the increasing emphasis placed on programme and project quality and on new fields of activity.

92. The question was whether UNDP was able to cope adequately with such a broadened range of responsibilities. In that connection, there were four factors of special importance, namely: staff quality; the role of UNDP in structural adjustment; co-operation with the specialized agencies; and the mid-term review of the financial situation and country programmes.

93. Following field visits to a number of developing countries, his delegation had concluded that, in the preparation and formulation of new programmes, a great effort had been made to analyse, more systematically than in the past, country needs for technical co-operation and to concentrate UNDP activities on a reduced number of sectors and priorities. The degree of project concentration was frequently less than indicated in the programme document. There were too many minor and isolated activities with little visible or potential impact which posed problems of follow-up and supervision. The persons in charge of programmes and projects were so snowed under by day-to-day administration and urgent cases that they often did not have the necessary time to follow up the qualitative aspects of projects.

94. The lack of capability of UNDP at local level was even more striking in the face of its new tasks and new responsibilities, particularly in matters of structural adjustment, sectoral co-ordination and promotion of small- and medium-sized industry. UNDP had to review the composition of its teams on the spot and see to it that they corresponded as far as possible to the main tasks and functions which it was called upon to assume in each country. Depending on need, one or two development professionals should supplement the standing team or replace one or the other of the project or programme administrators.

95. With regard to the co-ordination and co-operation of United Nations agencies in the field, his delegation's observations were close to those contained in the Jansson Report (A/42/326/Add.1). The ideal established by the 1970 Consensus was still remote. The UNDP country programming process had not yet become the reference framework for the whole of the operational activities of the system. Each agency had its own programme, often with different procedures. Joint programming was still limited to a few rare cases, whereas it should be sought systematically, at least between the main organizations.

96. With regard to the quality of its staff in general, UNDP should in the first place rely on highly motivated and highly qualified managers and resident representatives. It should also obtain the highest possible quality of middle management and support staff. Although some constraints were almost unalterable, staff quality was a variable that could and must be positively developed. He welcomed the Administrator's increasing attention to that question.

97. Within the framework of its staffing policy, UNDP should, more than heretofore, assign its best staff members to where its services were most essential. That also meant that, when the posts of resident representatives

were being filled, exchange between continents with regard to the origins of holders of those posts should continue to be practised: such an exchange could not but be fruitful. Another element largely influencing UNDP's performance at local level was the length of assignment. Indeed, if UNDP really wished to play its part with regard to the Government and to aid sources, and really be respected as the primus inter pares by the specialized agencies of the system, the average length of assignment of resident representatives should be at least four to five years. Continuity was equally important with regard to the senior colleagues of the resident representatives and to those in charge of country programmes at headquarters.

98. While some feared that UNDP was a mere appendage of the World Bank, others thought that it advised Governments how to resist exaggerated World Bank influence during negotiations. UNDP should avoid both of those traps. In carrying out their respective tasks of providing technical assistance and financial aid, UNDP and the World Bank must pursue a common goal: helping Governments to bring about structural adjustments and improving economic management in as independent a manner as possible. UNDP must develop its own capacities in that respect, both at headquarters and in the field offices. His delegation endorsed the support measures suggested to that end by the Administration.

99. His Government had followed with great interest the various efforts already undertaken by UNDP in that area, in particular the increased allocation of resources for economic management and structural adjustment, the participation in joint programmes with other multilateral institutions, the strengthening of the field offices through the help of specialists and the mobilization of additional resources through multi-bilateral arrangements.

100. With regard to such new tasks as round tables, the evaluation of technical co-operation needs by country, management services and, more recently, support for structural-adjustment programmes, UNDP had shown a tendency to look for expertise outside the United Nations system. Instead, it should seek to involve more systematically than in the past the agencies specializing in such new tasks. It was essential to establish new types of more efficient and less costly inter-agency co-operation, and UNDP must therefore make more frequent use of agency specialists and facilitate specialist rotation between those agencies and itself.

101. Although it was difficult to predict the medium-term evolution of UNDP resources in dollar terms, the expected surplus was large enough and the estimate sufficiently prudent to allow a decision to be taken in 1988 on the allocation of surplus resources. With regard to resource distribution among the various categories of the programme, the "package" negotiated in 1985 concerning quantitative, qualitative and institutional aspects of the programme should not be jeopardized, and the additional resources should be programmed to meet true priority needs identified on a regional basis.

102. His Government was pleased to note that serious efforts had been made to improve the follow-up of country programmes and that guidelines had been drafted for the mid-term review. It expected great things of those reviews, which should provide important quantitative and qualitative data on the implementation and progress of the various programmes and help assess the strengths and weaknesses of the programming system. In addition to the survey

of the reviews, a careful selection of individual reviews should also be submitted to the Council to give it a more exact idea of the usefulness and pertinence of the activity.

103. Mr. MORRIS (United States of America) said that the Governing Council had to decide how best to allocate resources that were currently available and had been unforeseen two years previously. His Government believed that the Council had an obligation to all its members to ensure that its financial decisions responded appropriately to current needs. If UNDP was to make effective use of its resources, the Council must also seize the opportunity to review, within the context of revised budget proposals, UNDP's use of support costs. His Government expected that that discussion would be only the beginning of a process which would ultimately result in a further rationalization of UNDP's budget practices. The Council should work to identify those aspects of UNDP's activities which were really the core of its programme.

104. Budgeting for new or experimental activities on an ad hoc basis was appropriate at first, but such items as the cost of round tables and other co-ordination activities should be incorporated into the budget. His Government's goal was to achieve the highest degree of transparency in UNDP's budgetary and financial operations.

105. Since 1985, UNDP had taken important steps to improve the quality of programmes and projects. Improved standards of quality had been obvious in the fourth cycle programmes which the Council had approved. Nevertheless, UNDP should continue to be alert to the issues of quality and impact and to the effect that daily operational and policy decisions had upon them.

106. His Government attached considerable importance to the mid-term reviews of fourth cycle programmes. It was important to determine whether plans were meeting the needs they were meant to address. His Government appreciated the thought UNDP had put into the plans for the current mid-term review and looked forward to an in-depth discussion of what lay ahead. It could not emphasize strongly enough how important it was for the Council to come away from the mid-term review with a clear idea of what UNDP-funded programmes were achieving.

107. One of the more difficult problems UNDP had confronted over the past few years had been the management of agencies which executed UNDP-funded projects. As a member of the Council, the United States had supported UNDP's efforts to establish a Project Design Facility, which was currently proving its usefulness. He had also endorsed the Administrator's efforts to ensure adequate reviews of proposals during the design and implementation stages. A repeated concern had been ensuring adequate project implementation in the field and sufficient technical and managerial backstopping in executing agencies' headquarters. Given the way the United Nations system operated, however, the issue had been difficult to confront. His Government valued the candid discussions on the subject that had taken place in the working group in 1987 and commended UNDP for the effort and proposals it had made to address that problem. It looked forward to a more detailed discussion at a later stage.

108. In that connection, it was often difficult to resist the temptation to assign blame for problems and then to hope that the problems themselves would

go away. That did not help matters, however. What was important was for all parts of the system and all participants in the process - UNDP, its executing agencies and the participating Governments - to take responsibility for identifying problems of implementation and then solving them jointly.

109. Development of human resources was fundamental to achieving economic progress. His Government agreed with the Administrator's conclusion that modalities for technical co-operation were changing. For that reason, UNDP must focus its resources to ensure that they were used to address critical constraints at the national level. In that context, UNDP had a role to play in assisting Governments to draft comprehensive strategies for developing and using human resources and to ensure that assistance provided by the entire United Nations system and bilateral donors avoided duplication and fragmentation of effort.

110. His Government applauded the Administrator for his initiatives in increasing the attention that UNDP's programmes gave to strengthening the role of the private sector as a catalyst for growth. Experience had shown that market mechanisms extended the greatest benefits to the widest number more quickly than any other method.

111. His Government agreed that improving women's participation and addressing environmental issues were interconnected with economic and other social issues and, consequently, required integrated solutions. It congratulated UNIFEM on its concerted efforts to help women convert subsistence efforts into productive business ventures. Indeed, the role of women was vital to sustainable development. Much progress had been made in that area, but much more still remained to be done.

112. His delegation was pleased that UNDP had set up an internal environmental co-ordinating group at headquarters, that environmental concerns were to be addressed in the mid-term reviews of the country programme and that UNDP was incorporating environmental dimensions into its new projects wherever possible and appropriate.

113. Co-operation with non-governmental organizations and the use of United Nations Volunteers were two important vehicles for cost-effective outreach of development programmes. UNDP's Partners in Development Programme to encourage innovative NGO activities was also to be commended. The assessment of the United Nations Volunteers was an excellent piece of work that deserved vigorous follow-up.

114. UNDP had also given high priority, and rightly so, to activities which addressed urgent global problems. His Government welcomed UNDP's alliance with the World Health Organization against AIDS, which combined the respective strengths of each of those organizations, and commended it for waging the fight against narcotic drug production and abuse through support for crop substitution and drug rehabilitation. Drug awareness was another increasingly effective approach.

115. Another important subject stressed by the Administrator in his report to the Council was structural adjustment, for which purpose many recipient countries needed technical skills to formulate, analyse and implement policy reforms. While his Government endorsed the use of some of UNDP's resources to

strengthen the institutional capacity of Governments to handle all phases of policy reform as instruments of structural adjustment, care must be taken to ensure that the role was an appropriate one.

116. The immense problems facing the continent of Africa would require the co-operative effort of the international community and the continuing commitment of the African countries themselves to economic reform and adjustment, however painful. His Government would continue to encourage UNDP to undertake appropriate technical co-operation initiatives in support of the United Nations Programme of Action for African Economic Recovery and Development. It welcomed the newest UNDP project in support of structural adjustment programmes, the Structural Adjustment Advisory Teams for Africa, which was currently being developed.

117. It also endorsed the effort undertaken by UNDP to assist the Central Americans by establishing the Special Plan of Economic Co-operation for Central America. The Plan rightly pointed out that the primary responsibility for the actions and activities envisaged fell on the Governments and peoples of Central America themselves. External co-operation should play only a complementary role. For its part, the United States pledged its continued support.

118. The issue of co-ordination had been before the Council for many years. The problems involved had been laid out with remarkable clarity in the Jansson Report (A/42/326/Add.1). In 1987, the General Assembly had passed resolution 42/196, which had called for a long series of steps to be taken in response to problems affecting the coherence and impact of United Nations operational activities for development. Many of those problems, along with the steps which might address them, had been pointed out more than a decade previously, but little had changed in the intervening years.

119. All bodies in the United Nations system, including UNDP, had been called upon to respond to resolution 42/196. Determining UNDP's response would be one of the most important tasks before the Council. Further studies would be a waste of time. All across the system, his Government was emphasizing the need for serious, effective action. Given its central funding and co-ordinating role, UNDP could set the tone and the pace of the change.

120. The Council and the members of the UNDP secretariat must take a hard look at the actual situation. UNDP had never realized its potential as a co-ordinator of United Nations system assistance. In the meantime, the problems of and necessity for improved co-ordination had grown. The roles of UNDP as a funding source and that of the specialized agencies as project and programme executors were becoming increasingly blurred. Each was doing both tasks.

121. Government execution was growing, but its nature was also changing, adapting to the capabilities of individual Governments to manage their own development efforts, as it should be. At the same time, there was an increasing need for specialized agencies to move beyond the project approach towards a broader sectoral and policy focus in the assistance they provided to Governments. Similarly, there was a need for UNDP to intensify and improve the effectiveness of its efforts to enable Governments to play a strong co-ordination role.

122. Those changes suggested a more integrated United Nations system field structure, new modes of collaboration between UNDP and its United Nations system partners and a strengthened, activist role for the Director-General for Development and Economic Co-operation. The challenge would be to address those changes in a way that made a difference: it was essential to bridge the gap between theory and practice. UNDP had the important responsibility of ensuring wise use of the scarce resources entrusted to it. The welfare of millions was at stake.

123. Mr. OUEDRAOGO (Burkina Faso) said that co-operation between UNDP and his Government had been highly effective. Since 1972, three programmes had been carried out in the framework of the country and intercountry programmes. The first two had focused upon development of productive activities in rural areas, the recovery of natural resources and the promotion of industry. The third programme, which initially covered the period 1982-1986, had been extended by 18 months at the request of his Government.

124. In October 1984, his Government had revitalized the programme's plans by drafting a national development programme that had set the scene for a new approach based on participatory development and support for grassroots initiatives. An evaluation of the third IPF had concluded, however, that although the programme had reinforced those institutions and sectors of the economy that had benefited from its support, increasing attention would have to be given to the training of human resources and management at all levels. UNDP had been able to make available means that were adapted to Burkina Faso's development needs, and his Government wished to express satisfaction with UNDP's work and also to urge it to continue its co-ordination of technical assistance and mobilization of resources despite current difficulties.

125. Since the revolution of 1983, his Government's development strategy had been based upon an endeavour to improve the well-being of the people, through a mobilization of the main forces of economic growth and development and the implementation of grassroots initiatives. That philosophy had served as a framework for UNDP's fourth IPF, which aimed at reinforcing the central management capacity of the State and the guidance of the national economy and at improving the management of the principal sectors of the economy and of field projects.

126. Technical co-operation supplied by the United Nations system, and particularly UNDP, had been of enormous importance in helping his country to develop and become self-sufficient. In view of the general shortage of resources, however, UNDP must strive to become more efficient. Moreover, to be truly effective, technical assistance must contain moral, political and economic aspects.

127. The international community must provide technical assistance to the least developed countries in the form of grants only. That would enable them to relieve the international burden upon their economies, thus releasing the resources needed to finance their development priorities. UNDP must continue mobilizing and co-ordinating such assistance through various programmes, round-table machinery and other evaluation processes. His Government intended to work with UNDP towards holding a round table in 1989.

128. Although encouraging progress had been made in the framework of UNDP, the results were still limited because of inadequate resources. Financing needs

greatly exceeded internal capacity, and the international community must therefore act rapidly to make more resources available to the continent of Africa. In that connection, his Government welcomed the initiative by the Administrator of UNDP to create management machinery for mobilizing additional resources for African development. Such financing would take the form of grants, would be accessible to all African countries, would give priority to those with low national income and would not be subordinated to any conditionality.

129. The essential source of UNDP's credibility had been its neutrality. UNDP must thus avoid confusing its task with those of the World Bank and the International Monetary Fund. Instead, it must strengthen its work as an intermediary between donor and recipient. In that context, his Government supported the idea of intraregional consultations between African Ministers and UNDP in order to examine in depth such important questions as increasing the number of field offices, a proposal which his Government endorsed and other problems related to technical assistance.

The meeting rose at 6.15 p.m.