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on Tuesday, 14 June 1988, at 10 a.m.

President: Mr. MANGWAZU (Malawi)

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The meeting was called to order at 10.15 a.m.

POLICY REVIEW: ANNUAL REPORT OF THE ADMINISTRATOR FOR 1987 (agenda item 3)
(continued) (DP/1988/18, 18/Add.1, Add.2, Parts I and II, Add.3, Add.4, Add.5, Add.6, Parts I and II (English only))

1. Mr. KOENIG (International Chamber of Commerce) said that the objective of the ICC was to maintain and strengthen an open world economy based on a multilateral system of trade and investment, in order to foster the economic growth of both developed and developing countries. To that end, it formulated policies for submission to intergovernmental organizations and member Governments and provided the business world with practical services which facilitated commercial transactions among nations. Since many of its members belonged to the third world, the primary purpose of its programme of action was to promote and assist the development process at a time when national economies were becoming increasingly interdependent. The ICC was also convinced that the development challenges required not only active co-operation among Governments, but also between Governments and the national and international business world, as well as within the business sector itself.

2. It was well known that the present decade had been an extremely trying period for most of the developing countries. However, there had been a recent increase in commodity prices and the debt situation, although still serious, had improved to a certain extent. Economic growth in the industrialized countries had also tempered the pessimism that had followed the stock market crash in October 1987. Nevertheless, as the ICC had stressed in a statement that it had recently submitted to the heads of State and Government who would be attending the Toronto Summit before the end of the month, the state of the world economy remained precarious. The elimination of current account imbalances was a difficult task and the dual risk of recession or inflation in the United States posed a threat to the rest of the world, and particularly the developing countries. The major industrialized countries would therefore have to co-operate closely in the formulation and implementation of their national economic policies.

3. In that same statement, the ICC had also pointed out that, in order to accelerate the growth of the world economy in the 1990s, it was essential to ensure the success of the current round of multilateral trade negotiations. It had strongly urged the developing countries to play an active role in those negotiations, the objectives of which, it believed to be in their interest. The developing countries had everything to gain from a strengthening of rules and disciplines within the multilateral system and they should spare no effort to attain that goal.

4. With regard to general policy, the ICC welcomed the increasing economic liberalization, as well as the encouragement of private enterprise throughout the developing world. That liberalization would make the economies of the developing countries more flexible and would facilitate ongoing structural adjustments. Accordingly, the ICC had called upon the Governments of the richer countries to help the developing countries by providing them with increased concessionary aid and easier market access.

5. The entrepreneurial function was crucial to wealth and job creation and it should be an economic policy priority in all countries to remove constraints on entrepreneurial initiative and on the creation of new businesses. Many vital matters obviously lay within the responsibility of Governments: the maintenance of political stability, the improvement of the physical infrastructure and the establishment of a sound and equitable legal and administrative system, for example, would help to create a favourable environment not only for local entrepreneurs and investors but also for foreign capital and technology. The ICC believed that there was a need to increase flows of private foreign direct investment to developing countries. Moreover, local and foreign investment would constitute the principal theme of the Eighth Conference of the ICC, which would be held at Istanbul next September.

6. In addition to North-South trade and investment flows, the ICC had taken an active interest in South-South co-operation and had already organized several meetings which had drawn up a list of regional organizations that were helping to promote and finance South-South trade, as well as an index of bilateral treaties and arrangements that could be used as models for countries in the South that were seeking to exploit their mutual trade opportunities more fully. However, much work remained to be done in regard to direct investment, transfer of technology and managerial skills, joint projects, collective marketing of given products and triangular agreements with the North, etc.

7. In conclusion, he referred to the International Bureau of Chambers of Commerce (IBCC), whose activities within the ICC were specifically devoted to matters of concern to the chambers of commerce themselves. The IBCC had its own secretariat, which was responsible for the implementation of trade promotion, training, co-operation and information projects adopted by the Bureau's Steering Committee.

8. The ICC had always been convinced of the need to promote a "dialogue for development" between Governments and the private sector. Today, clear trends in that direction could be observed almost everywhere, including within UNDP. The ICC remained ready to expand its co-operation with UNDP and other United Nations organs, since it believed that a closer and more active partnership between Governments and business was one of the best ways to revitalize growth and accelerate development.

9. Mrs. SADIK (Executive Director of the United Nations Population Fund) said that, far from being an incidental feature of development programmes, co-ordination was a decisive factor, as a study of the interrelationship between population, environment and resources clearly showed.

10. The 1988 State of the World Population Report examined the interrelationship between the effects of population growth, urban development, the consumption of natural resources and the production of waste material. It was a mistake to believe that environmental damage was the price of development and that its effects were remote or temporary; the global results of consumption in the industrialized countries were both visible and permanent and the efforts made by the developing countries to escape from the trap of

poverty and demographic explosion might lead them to destroy the very resources on which their survival depended. Any development policy, regardless of the sector to which it related, must take that reality into account. Accordingly, there was a need for a different approach to development in the 1990s, based on the principle of a permanent balance between available resources and human requirements. The developing countries must curb their population growth and the industrialized countries must use safer and cleaner technology. Likewise, social progress did not necessarily depend on economic growth, since it could be a critical factor in the solution of many economic problems in so far as it created the work-force, the social climate and the secure resource base needed for productive investments.

11. Population programmes constituted an essential component of social development and, to be effective, they must take into account various factors such as education, health, housing, employment and the status of women. Since they involved Government, community and individual commitment, it was easy to understand why co-ordination was essential for the success of the Fund's activities and also why the integration of population concerns in the regular activities of all United Nations organizations was a prerequisite for the success of the system-wide programmes.

12. By virtue of the Fund's long experience in providing neutral and flexible assistance on population questions, an increasing number of Governments were requesting it to help to co-ordinate the flow of assistance to population projects. With regard to system-wide co-ordination, UNFPA welcomed the emphasis that had been placed on that question in General Assembly resolution 42/196, concerning operational activities for development, and also in the Jansson report. In 1987, the Fund had begun an assessment of its procedures and structure, which closely followed the recommendations made in those two documents.

13. UNFPA had also continued to consult its partners within the United Nations system. As a result, the Fund's Geographical Divisions had reached agreement with the UNDP Regional Bureaux on the formulation of joint strategies in priority areas, the joint presentation of country programmes to the Governing Council and the joint programming of projects of mutual interest to the two organizations. Representatives of UNFPA, WHO and UNICEF met regularly to consider policy and technical matters relating to maternal and child health, family planning, data collection, information, education, the campaign against AIDS and essential drugs programmes. The Joint Consultative Group on Policy obviously played an important role in strengthening collaboration among United Nations funding organizations such as UNDP, UNICEF, UNFPA, WFP and IFAD. The Group had achieved good results on various practical issues, such as the study of the social consequences of structural adjustment and the implementation of a training programme on women and development, with the participation of the United Nations Development Fund for Women.

14. By virtue of the task that the Economic and Social Council had assigned to it in 1973, UNFPA was playing a prominent role in the developing countries and was frequently called upon to co-ordinate projects. However, there was no uniform pattern of co-ordination applicable to all countries. Country needs changed, and the type of assistance needed varied greatly from country to

country. At all events, since its establishment in 1969, UNFPA had been providing assistance in accordance with the principles of respect for national sovereignty, freedom of individual choice and recognition of the link between population and development.

15. The task of UNFPA was formidable: the world population would continue to grow, particularly in the developing countries, and would total more than 10 billion in 100 years' time. By definition, the developing countries were the least able to absorb that increase, which would place additional pressure on health care, education, housing and other social services. To meet the challenge, UNFPA and the United Nations system as a whole would have to change considerably their ways of thinking; they must recognize the fact that social development constituted the foundation for economic growth and that priority should be accorded to a joint programme that respected not only the balance between population and resources but also social and individual values.

16. Mr. HATANO (Japan) said that his country attached great importance to official development assistance. In 1986, the volume of Japanese ODA was second only to that of the United States and, in 1988, Japan's total ODA budget amounted to the equivalent of about \$10 billion, which was 8.8 per cent higher than in 1987. Moreover, the Japanese Government was endeavouring to respond more flexibly to the needs of the recipient countries, particularly by expanding local cost financing, lowering interest rates on ODA loans and expanding non-project-type assistance for balance-of-payments support.

17. His Government very much hoped that UNDP would play a central and effective role in United Nations technical co-operation activities. In 1988, his country would be paying the following contributions: \$79 million to UNDP, \$1 million to the United Nations Capital Development Fund, \$2 million to the United Nations Revolving Fund for Natural Resources Exploration and \$350,000 to the United Nations Development Fund for Women. In October 1988, Japan also intended to organize a development seminar for UNDP Resident Representatives, which would provide an opportunity for an exchange of views on development strategies.

18. His country supported the recommendation made in the Jansson report (A/42/326) concerning the promotion of joint programming. In fact, that process would enable UNDP to improve the co-ordination of its operational activities for development. The aid organizations should participate in that process, since that was the only way for country programmes to offer them a sufficiently reliable frame of reference. The resident representatives should also endeavour to strengthen the co-operation between UNDP and the recipient countries.

19. However, he was not convinced of the validity of the recommendation in the Jansson report to separate the functions of resident representatives from those of resident co-ordinators. Highly regarded country programmes and the powers vested in resident representatives should be regarded as twin poles of co-ordination that were so interdependent that the effectiveness of the former would certainly be increased if the latter could fulfil their role. Accordingly, the powers of resident representatives should be defined more clearly and increased.

20. With regard to the allocation of the balance of programme resources available for the fourth cycle, he urged the Governing Council to exercise the greatest care in order to avoid being forced to cut back on the IPFs, as had happened during the third cycle. It would be advisable to begin by allocating the available resources to emergency items financed from special programme resources and to other priority programmes.

21. He noted with satisfaction that the project implementation rate in Africa in 1987 was higher than in 1986. That result, which was rarely achieved during the first year of a cycle, clearly showed that the UNDP Regional Bureau had worked efficiently and that the field offices had made a real effort to implement the various projects in the light of the objectives of the United Nations Programme of Action for African Economic Recovery and Development. However, the Administrator should continue to rationalize the organizational and management structure of those activities with a view to strengthening the field offices, which constituted the front line of technical co-operation.

22. His Government had always thought that UNDP should provide technical assistance for structural adjustment in the developing countries. However, to be truly effective, technical co-operation in that field must be geared to the real needs of the countries concerned. Accordingly, it was essential that the recipient countries should assess their economic situation accurately and identify the most appropriate types of technical assistance for each sector. The Administration was pursuing the correct course in its efforts to implement extremely diverse activities ranging from the strengthening of national capabilities to privatization.

23. Although the United Nations system was facing serious financial difficulties, the resources of UNDP were increasing. The Programme should therefore strive all the more resolutely to use those resources as efficiently as possible.

24. Mr. TETTAMANTI (Argentina) said that it was essential to recall that UNDP activities should continue to be guided by the 1970 Consensus. UNDP must continue to be the central financing and co-ordinating agency for development assistance, based on country programming and the IPF system. It was of course the responsibility of Governments to define their objectives, their development policies and accordingly how to use their IPFs. However, in his annual report (DP/1988/18/Add.1-6) and in his statement to the Governing Council (DP/1988/SR.15), the Administrator had inferred that UNDP was currently seeking a fresh approach for its activities. His delegation was not at all sure that UNDP was right, for example, to intervene structurally in the management of the economies of recipient countries, as seemed to be the intention of the management support facility, which had been submitted to the Governing Council for its approval (DP/1988/76).

25. According to the information provided by the Administrator, UNDP would continue to concentrate mainly on what had always been its traditional sphere of activity. His delegation was, however, concerned to note that UNDP was tending to give excessive attention to activities at headquarters in New York rather than in the field. Moreover, it had created services tailored to

certain sectoral activities and project design might well be threatened by the trend towards giving preference to, for example, the role of women in development, encouragement of the private sector, environmental protection and the activities of non-governmental organizations. There was no doubt of the importance of those issues, but there were also others which might deserve a similar amount of attention.

26. In the area of finance, UNDP was in an exceptional situation within the United Nations system as its available resources were greater than the estimates. It should be noted however that that situation was due mainly to fluctuations in exchange rates over which members of the Governing Council had no control; caution was therefore necessary. In addition, estimates were based on the assumption that contributions from member countries would continue to increase. In its decision 85/16, the Governing Council had reckoned on an average annual increase of 8 per cent for voluntary contributions for the duration of the fourth programming cycle. In effect, however, the increase in contributions in national currency was approximately 5 per cent. Finally, it should not be forgotten that, as regards the balance of unprogrammed resources, the real value of the IPFs which had been approved for the fourth cycle had fallen. For all those reasons, his delegation considered that it would be wiser to adhere to the criteria specified in decision 85/16 and to allocate to Special Programme Resources no more than 1.24 per cent of the total resources available for the fourth cycle, plus a modest amount, and to use the balance of unprogrammed resources to revise IPFs upwards.

27. His Government took a close interest in technical co-operation among developing countries (TCDC) and, in conjunction with UNDP, had prepared TCDC projects financed on the principle of cost sharing. Argentina would like to extend that activity to regions beyond Latin America, and in particular to Africa. The basic principle was to establish modest but attainable short-term goals. TCDC could expand only if all the parties concerned were determined to overcome obstacles. It was therefore a source of concern that, during the 10 years since the initiation of the Buenos Aires Plan of Action regarding TCDC, only limited results had been achieved. The Joint Inspection Unit had made recommendations (A/40/656) in that connection but they did not appear to have been implemented. It was a matter for regret that, in such conditions, the Administration of UNDP (DP/1988/72, para. 27) had confined itself to announcing a further report on the question.

28. His delegation wholeheartedly supported the initiative taken by the General Assembly (A/RES/42/204) with a view to mobilizing special economic assistance for Central America and hoped that the Governing Council would respond to the General Assembly's appeal.

29. Mrs. WARE (Observer for Australia) said that whilst Australia recognized the impartiality of the multilateral system for development aid her delegation remained sceptical as to its efficiency. The presentation of the individual country programmes, for instance, revealed a lack of co-ordination between UNDP and UNFPA. The development assistance provided by UNDP and indeed by all the agencies of the United Nations system, with the exception of the development banks, formed only a small proportion of total developmental assistance. That was why UNDP should focus its programmes on areas where

multilateral aid and co-ordination were most appropriate, namely, politically sensitive areas, population questions, legal reforms and taxation systems. Similarly, UNDP was ideally placed to co-ordinate international relief and re-construction efforts in Afghanistan.

30. On the other hand, her delegation would be very hesitant to support the idea put forward by the Administrator that the size of the Programme should be tripled by the year 2000; in fact, the proposals for the distribution of the estimated additional resources and for the establishment of a Management Facility did not encourage a positive response. Her delegation would not reject the proposed allocation of 25 per cent to augment Special Programme Resources but, before making a final decision, would need to know more about how UNDP planned to implement the Management Facility and the relationship between that facility and other UNDP structural adjustment activities such as round-table meetings and NATCAPs. In the interest of helping those most in need, Australia would prefer to see the rest of the anticipated additional resources added to the IPFs of the least developed countries.

31. The additional resources should encourage UNDP to persuade the agencies of the United Nations system of the need to co-ordinate all developmental aid dispensed by the system. Such action would meet the wishes already stated in the Council by several developing countries. As regards the follow-up to be given to the recommendations of the Jansson report and to General Assembly resolution 42/196 on operational activities for development, Australia attached particular importance to strengthening the role and authority of the Resident Co-ordinator, to joint programming and to the harmonization of operational procedures; Australia also supported closer co-operation between UNDP, on the one hand, and the World Bank and its regional banks on the other.

32. A number of current issues (Africa, AIDS, the struggle against drugs, Afghanistan, protection of the environment) were presenting UNDP and the specialized agencies with the opportunity to co-operate with each other and to co-ordinate their activities. Unfortunately, the responses of the agencies to UNDP requests for assistance with annual audit requirements did not provide much ground for optimism. Australia urged UNDP and the specialized agencies to set aside their differences and to work together to build a more efficient development assistance system.

33. Mr. PHILIPP (German Democratic Republic) said that his delegation supported the adoption of all country programmes submitted to the Governing Council on the understanding that recipient Governments would have the sovereign right to decide freely on their development policies, including such issues as structural adjustment, co-operation with the private sector, the role of different sectors of the economy, co-operation with the World Bank and the IMF, and the use of the UNDP country programme as the frame of reference for all forms of technical assistance. It was imperative that UNDP should preserve its voluntary nature and that donor Governments should freely decide on the amount of their contribution as well as on the currency and date of payment.

34. Overall assistance by the German Democratic Republic to developing countries in 1986 amounted to 2.2 billion marks, or 0.89 per cent of national income. At the beginning of 1987, almost 1,000 experts from the German Democratic Republic were assigned to developing countries and 29,500 nationals from those countries were receiving vocational training or upgrading in his country. The German Democratic Republic had increased its

participation in UNDP technical assistance projects and would wish to see its contribution to the Programme used fully. Unfortunately, that was not the case.

35. The German Democratic Republic held the view that the development of human resources and technological capabilities was fundamental for the socio-economic development of a country; it fully supported UNDP's activities in that direction but at the same time stressed the need for the United Nations system to adopt an integrated and multi-disciplinary approach.

36. His delegation had consistently favoured all measures designed to support the Palestinian people and national liberation movements recognized by the Organization of African Unity and was ready to continue to provide assistance to those countries and, in particular, to the front-line States destabilized by the apartheid régime. In conformity with the mandate and principles of UNDP, the German Democratic Republic was ready to support all measures aimed at supporting the Afghan people through the Afghan Government.

37. With regard to the mid-term review of resources available in the fourth programming cycle, the German Democratic Republic would favour an increase in country IPFs in accordance with the criteria set out in Governing Council decision 85/16. Such action could help to compensate for the erosion of the real purchasing power of IPFs resulting from the decline in the dollar. Pursuant to the same decision, 1.24 per cent of the additional funds should be allocated to Special Programme Resources to be used for purposes previously endorsed by the Council. In that connection, his delegation wholeheartedly supported the views expressed by the Group of 77 (DP/1988/INF/3).

38. UNCTAD had developed a regional and interregional programme of technical assistance for the promotion of trade and economic co-operation between developing countries and socialist countries of Eastern Europe. At the seventh session of the United Nations Conference on Trade and Development, the member States of UNCTAD had been invited to develop that type of assistance further and his delegation expected that UNDP would continue to allocate sufficient financial resources for that purpose.

39. Encouraged by the recent Moscow summit on disarmament, he wished to stress that any improvement in international relations was a prerequisite for more effective action by the United Nations system in the field of technical assistance and for the furthering of economic co-operation in general; in addition, disarmament would release huge resources which could be used for economic and social development. With that in mind, the German Democratic Republic intended to devote every effort to disarmament.

40. Mr. AINSOW (United Kingdom of Great Britain and Northern Ireland) considered that UNDP was in good health: the sustained growth of contributions to the Programme confirmed the value placed on it by the international community; relations with the specialized agencies continued to improve. The reports before the Council showed the attention given to improvement in programming, project preparation and delivery, as well as to addressing some general concerns of the international community, such as the need to ensure that development was sustainable by protecting the environment and by strengthening local institutions; the place of women; the problems of the very poor and the special problems of Africa. UNDP was also addressing

such issues as the possibilities of assistance to the private sector, the use of non-governmental organizations and innovative ways of transferring skills and knowledge. A healthy interchange had developed between the UNDP management and the membership of the Council, due partly to the improvement in the working methods of the governing body and that trend should be further encouraged during the current session.

41. He was glad that the Administrator had chosen to give first place in his report to the management of economic transition. Donor countries rightly judged the multilateral agencies by the part they played in assisting the efforts of countries to restructure their economies. UNDP's role in that domain was to strengthen central finance and planning ministries, to help Governments design the detailed implementation of adjustment programmes, to help rehabilitate and reform key public sector institutions, and to find ways of protecting the poorest people. Other UNDP mainstream activities included the meetings of Consultative Groups, Round Tables, National Technical Co-operation Assessment Programmes (NATCAPs) and the related technical assistance. Instead of being financed in special ways, such as Trust Funds, UNDP activities to help countries adjust should be carried out within country programmes. The important point was to ensure some flexibility in programming as the current system had been set up at a time when needs seemed more readily foreseeable. Adequate resources must be available in the programmed reserve in country programmes; must be adequate; however, document DP/1988/34 showed a tendency to much smaller national programmed reserves in the current cycle.

42. The new dimension of UNDP work was not confined to Africa, but document DP/1988/65 gave a vivid account of the changed work and increased work load of the Bureau for Africa. His delegation would wish to look in detail at the specific requests for staff and financing for the Bureau before taking a decision. It was, however, clear that the additional work was assistance which UNDP ought to be providing.

43. In the view of his delegation, the additional resources received by UNDP should be allocated and programmed now, with priority being given to new or changing needs requiring separate provision. Those additional funds represented money which was available in the main because of currency movements: a responsible assessment must therefore be made of the possible impact of future fluctuations of the dollar. His delegation approved the Administrator's proposal to assume that there would be a 5 per cent annual appreciation of the dollar and that contributions would continue to increase by some 5 per cent a year in terms of national currency. Those assumptions should however be verified and, if need be, adapted in the light of the results of the Pledging Conference. Experience had shown that the initial allocation to Special Programme Resources was too small. There should be a further allocation to provide, amongst other things, for potential requirements of emergencies. Before discussing the issue of resources to assist countries in their adjustment programmes, the Governing Council should take a decision on the Administrator's proposal for a Management Facility. His delegation considered that sufficient resources should be earmarked without further delay to permit initiatives in that field. The amount of \$70 millions proposed by the Administrator seemed reasonable. As to the distribution of additional resources to IPFs, the Governing Council must feel itself bound by the spirit of decision 85/16.

44. The Jansson report on operational activities for development contained recommendations which the Council and also the governing bodies of the other agencies of the United Nations system should look at in detail. He hoped that it would be possible to do so informally in a sessional committee. In considering those questions, it would be important to bear in mind that the importance of co-ordinating United Nations operational activities must vary according to country circumstances and that particular attention must be given to those situations where the impact of co-ordination was large and where its positive benefits clearly outweighed the administrative costs. In addition, as the case for co-ordination within the United Nations family and among all donors was strongest where countries were coping with economic transition, the arrangements for co-ordination of the United Nations family should be such as would simplify wider co-ordination through the Consultative Groups or Round Tables. Finally, an over-ambitious approach to the use by other agencies of planning mechanisms designed for UNDP should be avoided. It was sensible to use the country programme for handling all the funds under the control of the Administrator. The most important requirement, however, was that assistance from international agencies should be planned in accordance with the recipient Government's own planning processes.

45. His delegation hoped that the Council's discussion would allow it to explore the idea of co-operation in thematic matters, such as women and development and the use of non-governmental organizations. Finally, on the subject of co-ordination, his delegation could not support any proposal to separate the Resident Co-ordinator from the UNDP Resident Representative without further detailed consideration and special justification.

46. The issue of technical co-operation among developing countries had been approached in a balanced manner in document DP/1988/71 which had given meticulous attention to ways of making use of TCDC in the whole development system. The document rightly focused on the need for changes in attitude and habits of thinking, a point which had been made well by the representative of Argentina.

47. His delegation hoped that the United Nations Volunteers (UNV) would be used most efficiently by the agencies and that the Administrator would report on his plans in that regard. The evaluation of the UNV (DP/1988/46/Add.1) suggested that the Administrator should retain the monopoly in handling volunteer assignments financed by the United Nations system and also admit volunteers provided bilaterally. His delegation doubted whether that approach would lead to the most effective use of volunteers. On balance, it would prefer the monopoly to end; however, the Council should at the very least approve the alternative method mentioned by the Administrator. His delegation welcomed the proposal to finance the external cost of all volunteers from project funding so that the Special Voluntary Fund would no longer be needed. Finally, his delegation favoured financial arrangements which related the expenditure of UNV headquarters and field administration to the demand for volunteers in the United Nations system.

48. In conclusion, he wished to state that the position of his Government was consistent with the conclusions of a recent book on the United Nations system: UNDP must be made the largest single channel of technical assistance funds and its skills in administering such funds should be built-up, by

seeking the best technical advice outside as well as inside the agencies; finally, its efforts to secure better co-ordination on the ground in co-operation with local administrations should be increased.

49. Mr. SKLYAROV (Union of Soviet Socialist Republics) drew attention to the favourable development of the international situation since the beginning of the Soviet-American dialogue, and stressed that the signing of the agreement on Afghanistan opened up new prospects for the settlement of regional conflicts. He expressed satisfaction that UNDP intended to contribute substantially to the reintegration of Afghan refugees and to the implementation of technical assistance projects needed by Afghanistan. The United Nations specialized agencies were well placed to help in reconciling the often incompatible, but none the less real interests of Governments. UNDP should view every decision relating to multilateral technical co-operation in that spirit.

50. Referring to UNDP's favourable financial situation he would like the substantial surpluses to be allocated to technical assistance for developing countries and the question should be settled in a constructive manner at the current session.

51. However, UNDP did not always settle the questions submitted to it in that manner. For example, with regard to private sector mobilization in the developing countries, UNDP seemed to be assuming, or almost assuming, the role of chief consultant in the choice of a national development strategy; such a choice, however, came within the province of national sovereignty. If UNDP were to be believed, private enterprise offered the sole incentive for innovation in productive activity, and the decentralization of economic management was linked mainly to private sector development. In fact, as all were aware, initiative developed thanks to the sound exploitation of all economic trends in society, and there must be active State intervention in the economy to deploy productive units with a view to the attainment of the goals of national social and economic development.

52. Recalling the Council's responsibilities under paragraph 35 of the 1970 Consensus (General Assembly resolution 2688 (XXV)), he considered that in so far as the document on UNDP private sector policy was a directive, the Administrator should have submitted it to the Council for consideration before recommending its use by resident representatives. Similarly, UNDP should have asked the Council's permission before submitting to the Development Assistance Committee its proposals concerning the creation of a consultative group on structural adjustment in Africa.

53. Understandably, it was impossible to combine the efforts of States in order to resolve an international programme without submitting it for preliminary collective consideration. Such a study was the only way of achieving an agreed programme of activities. Similarly, the sovereign rights of recipient countries, like the objectives which they had set themselves on development issues, had to be at the heart of all multilateral technical assistance. It was also the responsibility of the recipient countries to co-ordinate all external assistance received by them and to be actively involved in the implementation of technical assistance projects. The activities of international institutions on that plane should be aimed at strengthening the co-ordinating capacities of States.

54. That presupposed that the management of international assistance was decentralized, and hence that the external services of UNDP enjoyed operational autonomy. The Soviet Union associated itself with the viewpoint of the developing countries regarding an extension of the powers of Resident Representatives to the effect that giving them the right to approve projects of up to \$700,000 would strengthen the activities of the recipient Governments in that process.

55. Recalling that the development of international trade was a very important factor for social and economic development, he was bound to attribute major importance to the projects and programmes financed by UNDP and executed by UNCTAD.

56. The principles governing UNDP's activities, and in particular that of universality, should be invariably respected, not only in the provision of aid to developing countries but in project-implementation; to that end, the potential of all participating countries had to be turned to advantage. In that respect, the Soviet delegation had read with interest the Administrator's report (DP/1988/20) on procurement from developing countries and the major under-utilized donor countries.

57. The fluctuations of the dollar had had an impact on the repayment of the expenses of the specialized agencies executing projects for UNDP. Care had to be taken to ensure that their expenses were entirely covered by UNDP in order to maintain the quality of technical assistance. He hoped that the Council would respond favourably to the request made in that regard by the agencies concerned.

58. The Soviet Union would like its voluntary contributions to UNDP to be used in a more constructive way. At its twenty-seventh congress, the Communist Party of the Soviet Union had adopted a set of measures aimed at strengthening the Soviet Union's economic and technical co-operation at the international level. Thus, a great many Soviet ministries and departments as well as very large industrial groups were henceforth empowered to participate directly and on their own authority in co-enterprises and in industrial and technical co-operation. In addition, the increased autonomy of those agencies and groups enabled them to become international partners. It would therefore be useful to include them in the implementation of United Nations multilateral technical assistance projects.

59. Human resources development involved, in particular, organizing exchanges of skilled personnel among the developing countries themselves as well as assistance to those countries in training national experts. Accordingly, since 1982 the Soviet Union had earmarked a portion of its voluntary contributions to UNDP for financing a large number of training programmes for the developing countries. But, that reserve excepted, a large proportion of the resources in roubles remained unused, whereas it could be utilized for human resources development and technical assistance in other areas. He asked the Council to reflect on that question, and hoped that the Administrator would be able to make good use of the experience of Soviet specialists in the field and within technical assistance agencies.

60. In conclusion, he stated his conviction that only disarmament and the creation of a climate of confidence and constructive interaction among States would make it possible to release the substantial additional resources needed to resolve the socio-economic problems of the developing countries.

61. Mr. AMISSAH-ARTHUR (Ghana) said that the Administrator's report provided a good picture of the extent of UNDP's operational activities, through which the ideals that had guided the authors of the Charter of the United Nations make their impact felt at the grassroots level throughout the developing world.

62. Ghana expressed its gratitude to all the member States which, by their commitment to UNDP, were making that process of international co-operation possible. Resources for 1988 were expected to increase substantially over the contributions for 1987. A number of developing countries, in spite of their difficult economic situation, felt the need to make contributions, thus demonstrating their abiding faith in economic multilateralism and, above all, in the United Nations.

63. The implementation of the Programme of Action for African Economic Recovery and Development 1966-1990 posed a challenge for the United Nations development system, and in particular for UNDP. Many African countries had embarked on structural adjustment programmes, in fulfilment of their commitment under the Programme of Action. Even before that programme had been adopted, Ghana had initiated a programme of policy reform, and it knew from experience that the implementation of far-reaching policy reforms put considerable strain on the limited institutional capacity and manpower resources of a developing country. Ghana trusted that the international community would support the African countries' efforts.

64. The Administrator proposed the creation of a Management Facility aimed at improving the capacity of developing countries to design, negotiate and even manage the programmes concerned. Ghana commended UNDP on that initiative. African Ministers of Planning meeting in the ECA, had expressed support for the establishment of the Facility, on the understanding that UNDP would mobilize additional resources to finance it and that its resources would be disbursed without conditionality.

65. His delegation considered that increased use should be made of local experts and consultants in the design and implementation of country projects and programmes under IPFs: it was a way to encourage self-reliance. Ghana welcomed technical assistance in critical areas of the economy, but would like to see the proportion of IPF resources devoted to training increased.

66. UNDP's basic function was to offer technical assistance to developing countries; it was therefore legitimate that the objectives of donor countries should be taken into account, but it was wrong to assume that whatever was offered would or should be accepted by the recipient countries. If assistance was to be meaningful, it should be based on the needs and priorities of the recipient country concerned. That was why the 1970 Consensus (General Assembly resolution 2688 (XXV)) called for a continual process of consultation. His delegation therefore found it regrettable that UNDP should enter into a technical assistance agreement with a third party on behalf of African countries without prior consultation. Ghana found the UNDP action difficult to understand and strongly supported the African Group's request for the abrogation of the agreement.

67. His delegation joined others which had called on UNDP to allocate more funds for the promotion of TCDC. Ghana had participated in several meetings on that question and had identified areas where assistance was needed, but which were not covered by projects in the country programme.
68. In his delegation's view, the extra resources which UNDP currently had available as a result of exchange rate fluctuations should be allocated on the basis of Council decision 85/16. But before deciding on the utilization of those resources, it would be necessary to ascertain how those same fluctuations had affected countries that had procured goods and services under their IPFs. Compensation should be envisaged for the losses those countries had suffered.
69. In conclusion, he paid a tribute to UNDP and UNICEF, which had developed a set of measures to limit the harmful effects of the structural adjustment programme on the most vulnerable groups of society. Those measures would be integrated into the general development strategy of Ghana, which hoped that the lessons drawn from that experience would be placed at the disposal of other developing countries in a similar situation.
70. Mr. POPOV (Bulgaria) recalled that the UNDP Governing Council was holding its thirty-fifth session shortly after a summit meeting between the United States and the Soviet Union, an event which would further stimulate détente. As a rule, détente led to an additional influx of resources for scientific and technical co-operation and development, including through UNDP. What was more, by improving conditions for the implementation of co-operation and favourably influencing its effectiveness, it would enable UNDP to play its part better.
71. The Administrator's report gave his delegation various grounds for satisfaction. The results of the Pledging Conference held in November 1987 had brought a further increase in resources for 1988, which provided reasons for thinking that UNDP could make a still greater contribution to development activities in all the interested countries. In that connection, his delegation thought that just compensation should be offered to the specialized agencies for their support costs for the implementation of UNDP-funded projects.
72. His delegation also approved the sustained efforts made by the UNDP Administration to involve women more actively in the development process and to enhance co-operation among developing countries. In that respect, it thought that the potential for technical co-operation between developing countries were not being fully exploited. It supported UNDP financing of the implementation of a number of projects by UNCTAD, since that contributed to the development of trade between socialist and developing countries.
73. With regard to the co-ordination of operations by the United Nations system to meet emergency needs in Afghanistan and to the role that UNDP could play in that context, Bulgaria fully supported the action taken by the Administrator who had convened a meeting of several specialized agencies in order "to identify short-run rehabilitation needs and to provide a longer-term prospective for developmental activities". Bulgaria also supported UNDP activities in other areas where emergency needs existed. It likewise

supported UNDP action in the field of combating AIDS and drug abuse. Co-operation in environmental protection matters had become global. Unfortunately, development, especially in the industrial field, was often accompanied by a worsening of the environment in the developing countries. UNDP could play a pioneer role in addressing those problems.

74. UNDP's work in Bulgaria itself was highly appreciated. Nevertheless, since the abolition of the programming functions of the European Bureau and the formation of a Regional Bureau for Arab States and European Programmes at the headquarters in New York, opportunities for contacts were becoming very rare and the links between Bulgaria and UNDP had unfortunately become somewhat slack. It should be noted however, that thanks to the energy of the Director of the new Regional Bureau, co-operation with Bulgaria was improving again. As a net donor, Bulgaria attached great importance to co-operation with UNDP. It hoped to maintain close ties with the UNDP Administration. The fact that the Regional Bureau for Arab States and European Programmes did not have even one representative from a European country was not conducive either to co-operation with the European IPF-countries or to the fruitful use of the considerable experience that those countries could place at the disposal of interested countries in other regions.

75. In view of UNDP's long experience in multilateral co-operation and the confidence of both donor countries and recipient countries that it enjoyed, the Programme was undoubtedly in a position to help countries to co-ordinate external assistance. In that respect, it had to be borne in mind that it was the Government of the recipient country which was responsible in the first place for the co-ordination of operational activities; that was its imprescriptible and sovereign right. Every country was interested in making use in the most effective way of the resources granted to it and taking into account all the relevant circumstances, it directed them to the different sectors in accordance with its national priorities. In its role as co-ordinator, UNDP must not limit the independence of other United Nations agencies and bodies in their co-operation with the recipient country. Furthermore, the Economic and Social Council was there to co-ordinate such activities throughout the entire United Nations system. However, his delegation was ready to discuss any suggestion directed towards improving co-ordination and avoiding duplication between the activities of the different United Nations institutions and bodies, as well as between the different divisions of UNDP. To quote only one example, his delegation had noted that there were four UNDP bodies involved in ensuring the quality of programmes and projects: the appropriate Regional Bureau, the Programme Review Committee, the Acting Committee set up by the Administrator and the Central Evaluation Office. The mechanism was certainly over-complicated and activities were probably duplicated.

76. With regard to assistance to the private sector, it had been said that about 97 per cent of the UNDP resources were going to the assistance of the public sector and that only 3 per cent were used for the private sector. That was not the impression given by the Administrator's annual report for 1987 (DP/1988/18) in which a relatively large amount of space was devoted to the question of the private sector. However, he did not wish to be misunderstood. There was a private sector in Bulgaria which had its appropriate place in the national economy. The point was to ensure the harmonious development of all sectors in accordance with national priorities in light of the specific conditions which could be best assessed by the Government.

77. In conclusion, he said that only the strict observance of the 1970 Consensus and of General Assembly resolution 3405 (XXX) on the new dimensions in technical co-operation could ensure the normal and effective functioning of UNDP in the future.

78. Mr. IBRAHIM (Benin) said that his country had consistently enjoyed the support of the United Nations system, and particularly UNDP, in its effort to organize and develop the economy. The Benin country programme was structured along four main lines, namely, direct assistance to rural grassroots activities through decentralization and community participation, activities aimed at increasing production, assistance to the implementation of the investment programme which had been submitted to a Round Table of donors held in 1983 and efforts to achieve regional balance. In general, the implementation of the programme had been satisfactory.

79. However, the economic situation of the country as a whole continued to cause concern. The adverse effects of the continuing world economic crisis had had adverse effects on the macro-economic balance of Benin, and the Government had decided to embark on negotiations with the international financial institutions on a structural adjustment programme to bring about financial stability and a revival of the national economy. In the negotiating process, the Government had endeavoured to win acceptance for the idea that the structural adjustment programme must be consistent with long-term development prospects, be focused on human beings and be accompanied by social measures.

80. The UNDP assistance programme for Benin for 1988-1991, which the Committee of the Whole had recommended for the approval of the Governing Council, had been designed in a perspective of economic adjustment. The projects in the programme took into account the requirements of structural adjustment, as well as its social effects. Benin already knew that it could rely on UNDP assistance to soften the social impact of structural adjustment programmes on the vulnerable groups in the country.

81. Most African countries had embarked on that process of structural adjustment, but in spite of their courageous efforts, Africa's economic and financial situation had continued to worsen. In June 1986, the General Assembly had adopted the Programme of Action for African Economic Recovery and Development 1986-1990. An advisory group had been set up by the Secretary-General in April 1987 to examine the measures to be adopted, but its recommendations did not come up to the expectations of the African countries. Although the debt question had been studied thoroughly, other issues of concern to Africa needed more detailed study. The problem of Africa's indebtedness could not be solved in isolation, without having regard to other important factors such as the flow of new resources to Africa, including official assistance, bilateral as well as multilateral, capital transfers and, above all, the stabilization of commodity export earnings. The question of commodity prices must be seriously examined and must result in machinery to stabilize and offset the export earnings of African countries. Benin appealed to donors to continue their assistance to UNDP and to support the efforts which the African countries were making, both individually and collectively, for the economic recovery of their continent.

82. His delegation noted with satisfaction that additional resources amounting to \$600 million were currently available. It hoped that those resources would be allocated in accordance with principles and criteria that had regard to the critical situation of the African continent which contained no less than 27 of the 32 poorest countries in the world. Sight must not be lost of the need to endow the UNDP Administration with the resources necessary for implementing a number of activities for each member State engaged in the painful process of economic adjustment. Benin approved the Administrator's proposal to allocate \$70 million to the establishment of a Management Facility.

83. The central problem in developing countries was that of management: management of the economy, finances, assistance or even climate. Sound economic management was essential for the revival of economic activities and thence for Africa's recovery. But the new form of participation should not mean that UNDP would introduce into its Special Assistance Programme the principle of conditionality and the criteria of performance generally required by international financial institutions. Benin hoped that UNDP would avail itself of its good relations with those institutions, in particular the World Bank, in order to achieve adjustment with a human face.

84. There would be no point in improving the management capacity of member countries unless UNDP itself acquired the necessary resources to increase its efficiency in the field. Accordingly, Benin strongly supported the Administrator's proposal to allocate additional resources of \$7.8 million to strengthen field offices by appointing high-level macro-economists and competent national managerial staff. As to whether UNDP should assume a larger role in the co-ordination of assistance to African countries, his delegation noted that the need to co-ordinate assistance was recognized by donor countries and organs as well as by recipient countries. The main thing was that there should be co-ordination, regardless of whether responsibility for it was vested in the UNDP or another international agency. Benin thought that UNDP had the necessary qualities to play the leadership role. It would have to negotiate with the principal donors an agreement covering all the common procedures applicable to technical assistance projects. A new style Round Table might provide an appropriate forum for co-ordinating assistance, provided that all major donors participated in it and agreed to play the game.

The meeting rose at 1.10 p.m.