



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

Distr.
GENERAL

DP/1988/SR.18
21 June 1988

Original: ENGLISH

GOVERNING COUNCIL

Thirty-fifth session

SUMMARY RECORD OF THE 18th MEETING

Held at the Palais des Nations, Geneva
on Tuesday, 14 June 1988, at 3 p.m.

President: Mr. MANGWAZU (Malawi)

CONTENTS

Annual report of the Administrator for 1987 (continued)

This record is subject to correction.

Corrections should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent within one week of the date of this document to the Official Records Editing Section, room E.6108, Palais des Nations, Geneva.

Any corrections to the records of the meetings of this session will be consolidated in a single corrigendum, to be issued shortly after the end of the session.

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, DP/1988/18/Add.2, Parts I and II, DP/1988/18/Add.3-5,
DP/1988/18/Add.6, Parts I and II)

1. Dr. PARTOW (Assistant Director-General, World Health Organization) said that UNDP was an important financial and operational partner of WHO at the global, interregional and country levels in implementing the strategies of Health for All by the Year 2000 through programmes covering research and training in tropical diseases, diarrhoeal diseases control, environmental health, the strengthening of district health systems based on primary health care, immunization, research, development and research training in human reproduction, safe motherhood and the global programme on AIDS.
2. Those programmes formed an integral part of primary health care which concentrated on society's essential health needs and particularly on the most vulnerable groups. UNDP also continued to provide support at the regional and country levels in areas such as food and nutrition surveillance, water and sanitation activities and the strengthening of primary health care, including the provision of essential drugs. WHO was playing an active role in supporting sectoral consultations and in the UNDP round-table machinery, in order to strengthen the position of health as part of overall socio-economic development.
3. UNDP and WHO were combining their strengths in the fields of safe motherhood and AIDS. Each year, at least half a million women died from causes related to pregnancy and childbirth; 99 per cent of them in developing countries, which accounted for 86 per cent of the world's births. The International Safe Motherhood Conference, held at Nairobi in 1987, had reflected the growing global recognition of the unacceptability of the poor health of most of the world's women, largely due to complications of pregnancy and delivery and to illegal abortion.
4. One important outcome of the Conference had been the establishment of a Research Programme for Safe Motherhood and the planning and organization of the first three-year phase had been delegated to WHO. UNDP's substantial contribution involved close collaboration with WHO at the country level in the execution of research projects and also by organizing workshops, training staff and planning health services. UNDP resident representatives acted as local contact points for information on the Programme.
5. WHO recognized the unprecedented dimensions of the threat to global health represented by AIDS and its responsibility to mobilize national and international energies, creativity and resources for global AIDS prevention and control. On 1 February 1987, the Global Programme on AIDS had been formally established as a vehicle for WHO's critical role in the fight against AIDS. The Programme's goals were to prevent the transmission of the virus and to reduce morbidity and mortality from HIV infections. In that connection the role of UNDP's resident representatives as resident co-ordinators of the United Nations system's operational activities for development had become crucial. The major thrust of the operational alliance between WHO and UNDP was to support countries in their planning, resource mobilization and implementation of national AIDS control programmes consistent with the WHO Global Strategy on AIDS.

6. The Global Strategy on AIDS, adopted by all the member States of WHO, required the existence of three- to five-year medium-term national AIDS control plans that were approved by both the Government and by WHO as a prerequisite for the provision of external support, with the exception of urgent emergency support. Such national medium-term plans provided the framework for all financial support to countries, whether from multilateral or bilateral agencies, or through WHO. Consistent support of that element of the Global Strategy was vital to the integrity of the national planning and implementation process. The best guarantee for the success of national AIDS programmes was that all interested parties within the United Nations system, intergovernmental and bilateral agencies and non-governmental organizations worked within that framework.

7. During the discussion of the item on collaboration within the United Nations system at the forty-first World Health Assembly, agreement had been reached on the need to strengthen the role of the resident co-ordinator as a team leader to improve complementarity of action by the United Nations system at the country level and on the importance of the Government's own role in co-ordinating all external aid in support of national priorities. WHO appreciated the efforts under way to improve the country programming process and stood ready to be a full partner in implementing the recommendations of the Jansson Report (A/42/326/Add.1).

8. Mr. XIE Qimei (Under-Secretary-General, Department of Technical Co-operation for Development) expressed his satisfaction that the international community was increasingly focusing on the concepts and themes that, from the outset, had motivated his Department's activities: institution-building, human-resources development, and economic management. While the Department had experienced a staff cut of 30 per cent between 1983 and 1986, it had managed to preserve and even improve the quality of its programme. Thus, in 1987, it had delivered \$136 million worth of technical assistance to developing countries.

9. The Department's general approach was illustrated by its programme in Africa, which accounted for the largest share of its activities, with a significant increase in volume over the previous three years. Many of the issues emphasized by African Governments in the United Nations Programme of Action for African Economic Recovery and Development had long been receiving priority attention in the Department. For instance, the Action Programme in Public Administration for Sub-Saharan Africa, the precursor of the Special Action Programme for Administration and Management in Africa (SAPAM), had originally been proposed at a Meeting of Experts on the United Nations Programme of Public Administration and Finance organized by the Department.

10. SAPAM was described in the Administrator's report on the implementation of selected country programmes: Africa (DP/1988/27, para.17). With UNDP as lead agency, an initial round of project formulation missions had been organized to selected African countries. Those missions had focused on the core functions of Government and had had two main objectives: to strengthen public sector management and improve civil-service performance; and to upgrade the skills of civil servants. In that connection, seven projects had almost all been approved already for execution by the Department.

11. An important priority for the Department in Africa had been to help modernize the curriculum of civil service training institutions; assistance had been given to Governments in compiling an inventory of available skills which could serve as a basis for formulating and implementing national training policies. Training institutions had been established in highly specialized technological fields. On the basis of that experience, the Department fully concurred with UNDP's assessment that neither sustained institutional capacity nor the specialized expertise required to promote capacity building could be created overnight.

12. Training as a component of technical co-operation projects was also an important vehicle for promoting human-resources development and activities in that field had been increased in the Department's programme for 1987. Over 4,000 fellowships had been awarded, in addition to the workshops, seminars, and study tours funded from the Department's allocation of Regular Programme resources. A project had also been launched at Headquarters to evaluate different planning systems in Africa and to propose new and improved ways of managing the economy. Feed-back from that project had helped Governments to adapt their planning systems to new economic realities, to prepare investment programmes and to improve data collection and analysis as a prerequisite for effective planning and forecasting.

13. Strengthening institutional capacity and training the manpower required to formulate and implement sectoral policies was also a dominant feature of the Department's efforts in natural resources and energy which, together, comprised almost half of the Department's entire programme.

14. The Department collaborated with UNDP whenever possible in NatCAPs as well as in round tables, such as those for Benin, Guinea and Guinea Bissau, and in the formulation of an emergency assistance programme for Chad.

15. The Department would continue to attach great importance to public sector management and in all the five areas of project financing, listed in paragraph 17 of the Administrator's proposal concerning the establishment of a management facility (DP/1988/76), it had provided technical and operational backstopping to comprehensive programmes and projects in developing countries, and especially in the least developed countries.

16. The Department's programme in public administration and finance and development planning focused essentially on strengthening long-term analytical and institutional capacities for management in the public sector, pursuant to mandates by the General Assembly and the Economic and Social Council. It was evident that, as regards the concept, objectives and scope, there might be an overlap between the Department's ongoing activities and those proposed by UNDP. While management was an important issue in development, the focus on the subject should not detract attention from the urgent need to mobilize and make available additional resources to developing countries.

17. Given the impressive growth in the resource base of UNFPA, the time might be opportune for that Fund to see if greater advantage could be taken of the technical expertise available within its executing agencies. The Department attached particular importance to its involvement in demographic data collection and analysis, in population policy planning and in the integration of population policies into national development planning. It therefore welcomed the prominence given to basic data collection and analysis in the

UNFPA documentation. The Department was also trying to respond adequately to increasing requests for training in population and development and looked forward to close collaboration with UNFPA in devising strategies for self-reliance in the area of population, through manpower development and institution-building.

18. In connection with the priority needs of developing countries, the Department, starting with the strengthening of management capacity at the global level, would emphasize support to planning processes and methodologies, aid co-ordination, policy analysis, administrative reform, the streamlining of organizational structures, management development and financial development. At the sectoral level, the focus would be on project analysis and preparation, performance evaluation, civil-service reform, and organizational and management issues.

19. In the mineral sector, the Department could assist in rehabilitating existing mines so as to increase overall productivity. The mining of non-metallic minerals was likely to increase as it would provide additional employment and could yield the raw materials needed for products such as cement and glass, thereby promoting import substitution. The growth of small-scale mining in the rural areas would also have a beneficial impact on employment.

20. In the water sector, the Department hoped for renewed commitment to ground-water resources exploration and development in order to attain the goals of the International Drinking Water Supply and Sanitation Decade. Greater emphasis would be placed on reducing the level of pollution of surface and ground water.

21. The decline in the level of energy exploration should be reversed since, in the long run, the scarcity of fossil fuels might be felt again and the economies of energy-deficient countries would be seriously affected unless preventive measures were taken in time.

22. The Department's major preoccupation would be to harmonize its efforts with the goals, objectives and priorities identified by the Governments of developing countries and to facilitate a balanced development of their economies. In that connection, it supported UNDP's proposal for replenishing the Project Development Facility and for a more streamlined mode of operation.

23. Mr. PLOURDE (Canada) said that his Government had recently adopted a new strategy, entitled "Sharing our Future", for its own development assistance programme. Its fundamental principles included: a focus on helping the poorest countries and people of the world; strengthening the ability of people and institutions in developing countries to solve their own problems in harmony with the natural environment; and fostering partnerships between Canada's people and institutions and those of the third world. UNDP was dedicated to many of the same principles.

24. UNDP was in a strong basic position to respond to the difficult challenges confronting many developing countries in the areas of structural adjustment, indebtedness and trade. UNDP programmes for all of the countries of sub-Saharan Africa had been submitted to the Governing Council and Canada welcomed the timely proposals for the strengthening of UNDP's staff assigned to that region.

25. UNDP found itself in a strong financial position and had reached an annual level of over \$1 billion in grant assistance for technical co-operation activities; it also had available for the fourth cycle a significant surplus of resources. The decision by the Governing Council regarding the re-allocation of those resources would allow UNDP to start making the best use of its funds.

26. His Government favoured the maximum transfer of resources to the poorest countries, thus ensuring that UNDP support for human resource and institutional development and other core activities would be focused on those developing countries in which it was most needed. His Government therefore supported Governing Council decision 85/16 on the allocation of resources for the Fourth Programming Cycle, because it was an important step towards favouring the poorest.

27. Following a two-year study commissioned by the Governing Council, the Administrator had concluded that the impact of UNDP on human resources was to be measured essentially by the training, analytical and management capabilities created with its help; in other words, by the institutions and systems which had been established and allowed human-resource development to be internalized. That aspect of UNDP's programme continued to address the needs of many countries and could not, in fact, be disassociated from the general mandate of the organization.

28. A second characteristic of UNDP, which conferred on it a privileged and important role, was the tripartite system which, in its application, ensured a preponderant role for the recipient country in country programming. His Government reaffirmed its attachment to that process, the key to the success of which resided in the maturity of the State, in the capacity of UNDP to react to the many challenges presented and in the technical contribution of the specialized agencies.

29. UNDP was currently considering its future role. In the context of its regular programmes, it was already performing activities the object of which was to increase the self-reliance of the developing countries. It had competence in and a predilection for those projects which involved institutional development and the development of human resources. UNDP must remain receptive and be able to respond to the requests for aid from the countries which had decided to undertake a process of structural adjustment.

30. It was not essential that UNDP should itself possess in its staff all the necessary expertise, providing that it succeeded in using in a suitable manner independent experts and the resources available in the United Nations and elsewhere. His delegation therefore supported the efforts of UNDP to help those countries experiencing particularly difficult macro-economic management problems; it would hope, however, that the noble principles which had always animated the organization should be preserved in their entirety. The services must be available universally while standardized approaches - the miracle formula - must be avoided.

31. Turning to issues associated with the functioning of United Nations operational activities, he said that his Government supported the re-examination of the country programming system by the Director-General for Development and International Economic Co-operation. The functioning of the tripartite system in a changed environment was also an important issue. It

was timely to consider whether the current support-costs arrangements between UNDP and the specialized agencies should be modified when the agreement expired. Another priority was the effective integration of United Nations sectoral input under the leadership of the resident co-ordinator. It was imperative that UNDP's staff discharging that function should develop close links with the office of the Director-General.

32. His Government strongly supported the efforts made by UNDP, in collaboration with the specialized agencies, to deal with the three social phenomena of AIDS, drug abuse and dangers to the environment, which were of concern to industrialized and developing countries alike.

33. As a businessman himself, he welcomed UNDP's increasing emphasis on promoting the private sector, whose dynamism contributed to the economic and social development of a country. Canada's aid strategy encouraged Canadians in the business world to forge ties with partners in developing countries.

34. His delegation also welcomed UNDP's efforts to tap the potential of non-governmental organizations: in particular, his country looked forward to the implementation of the Africa's 2,000 network as a way of mobilizing African communities and NGOs in the fight against drought and desertification and the promotion of food self-sufficiency.

35. In conclusion, he said that his delegation was highly satisfied with the progress that had been made since the establishment in 1986 of the Division for Women in Development. UNDP must continue to assist Governments in integrating women into the development process as both beneficiaries and agents of development. In the circumstances, therefore, he would suggest that the theme of the next annual report of the Administrator might be "Women in Development".

36. Mr. KOHLER (Federal Republic of Germany) said that lack of effectiveness of development co-operation was often attributable to a disregard of the social and cultural environment in the recipient countries. That was the underlying reason for failure in no less than 75 per cent of the problem-ridden projects which had been subjected to bilateral evaluation by his Government. The same was probably true of multilateral development projects. As a bilateral donor, his country proposed to pay increasing attention to that matter and he would appeal to member Governments and the administration of UNDP to do likewise. A country-specific approach should be applied in the design of all projects, and donors should respond positively to the offer of the Director-General of UNESCO to provide advice in that regard.

37. Government development strategies were increasingly reflecting the almost universal recognition that the private sector could contribute something positive to development. For his Government, strengthening the private sector was not a matter of ideology: it was not the panacea for development problems and, in many developing countries, the infrastructure and governmental administration and decision-making capacity also required considerable improvement. His Government thus favoured a pragmatic approach aimed at a sensible division of labour between the public and private sectors. As to the development of human resources, he would encourage the United Nations system to continue its efforts until concrete results had been achieved.

38. Donors must not create management problems in recipient countries through unco-ordinated assistance activities. His delegation had been concerned to note that the Jansson Report (A/42/326/Add.1) stated that country programmes were far from representing a consolidated picture of United Nations operational activities in a given country and even more so by the UNDP response, which implied that such a demand was too ambitious. It was clear however that the United Nations system had understood the need for an improved use of country programming as a common frame of reference and his delegation would support every initiative towards that and other improvements such as joint programme evaluation.

39. UNDP was in a comfortable situation with regard to resources for the fourth cycle, mainly because of the depreciation of the United States dollar combined with the fact that several major donors, including his own Government, had substantially increased their contributions in national currencies. It was impossible to guarantee, however, that that trend would continue for the remainder of the cycle. Moreover, depreciation of the United States dollar was a two-edged sword: when UNDP used funds to purchase goods and services outside the dollar area, recipient countries received less than they should. There was no simple formula for compensation, since not all recipient countries were similarly affected. Nevertheless, some provision should be made to compensate countries for currency losses.

40. His delegation was in favour of strengthening UNDP's global and interregional programmes by the allocation of additional resources in view of their positive results, particularly in the field of research.

41. Turning to the question of agency support costs, he urged that the matter should be considered from the broader perspective of general reforms in the United Nations system. The transfer of funds to cover their expenditure on UNDP and UNFPA financed activities had traditionally been a source of extra-budgetary income for some departments of the United Nations Secretariat and the specialized agencies, an income that had encouraged the agencies to expand into non-core activities.

42. His delegation's position was that the core activities of the specialized agencies had to be financed from assessed contributions and conducted within medium-term plans with clearly defined priorities. The gap which was supposed to exist between expenditure by the agencies and current support-costs arrangements might result in strengthening the system of operational activities by bringing about a concentration on essentials.

43. Furthermore, the issue of support costs for technical co-operation services could not be separated from the issue of accountability for their quality. Deficiencies in project preparation and implementation on the part of the agencies were repeatedly pointed out by the recipients of the services but there was no machinery for corrective measures on the part of the financing institutions. Discussions in isolation on new arrangements for support costs were meaningless unless the payment of support costs was linked to satisfactory performance by the agencies. His delegation intended to make some far-reaching and detailed proposals on the subject. If the price for assured accountability of the executing agencies turned out to be higher support costs, that would have to be accepted in the interests of improving overall project quality.

44. He commended the substantive review of the United Nations Volunteers programme (DP/1988/46/Add.1) which contained 67 recommendations, most of which his delegation supported. A weak point in the UNV programme seemed to be teaching volunteers the local language and informing them about the background of their host countries that was crucial to the success of the volunteers' work. The support of UNV to Domestic Development Services was of great importance as those services really worked with people at the grass roots.

45. When deciding on the future financing of the UNV programme, the Council should adopt a clear-cut division between the responsibilities of the Executive Co-ordinator and the Administrator. All direct project-related costs of volunteers should be borne by the project budget and all administrative costs, including that of UNV officers in the offices of resident representatives, should be debited to the UNDP administrative budget. To retain the cost-effectiveness of UNV when UNV programme officers replaced volunteers in the offices of the resident representatives, the management should, as far as possible, use local officers.

46. Mr. HOCHLEITNER (Austria) said that a substantial proportion of the increase in UNDP's income in 1987 had been due to the appreciation of other currencies against the United States dollar. The Administrator's warning that such benefits could not be expected to continue indefinitely should be heeded. Expenditure from UNDP central resources on field programme activities had increased by 13 per cent in 1987, as compared with 1986. He wondered, however, whether that nominal increase could also be interpreted as an increase in real terms. A more realistic picture might be obtained by considering the problem of the depreciation of indicative planning figures (IPFs) to which the annual report (DP/1988/18 and Addenda) did not refer.

47. As for the Administrator's mid-term review of resources (DP/1988/26), the assumptions on which the Administrator based his estimate of a surplus of \$600 million at the end of the 1987-1991 cycle seemed to be reasonable ones and he further agreed with the Administrator that the additional resources should be used to minimize the balance of programmable resources at the end of the cycle. Any redistribution of additional resources should be carried out strictly in accordance with the criteria of Council decision 85/16. To that end, it would be necessary to determine the effect of the loss in purchasing power of the dollar-denominated IPFs and the Special Programme Resources (SPR) allocations. The explanation contained in paragraph 21 of the document was not satisfactory, and he fully agreed with other delegations that serious consideration should be given to the introduction of SDRs as an accounting unit: a more stable unit than the United States dollar would reduce the need for nominal programme cuts or the redistribution of nominal resources. Indeed, it remained to be seen whether any additional resources would be available for distribution after the revaluation of IPFs and SPR allocations had been carried out.

48. His delegation appreciated the Administrator's proposal (DP/1988/76) to establish a management facility to meet the increasing demand of developing countries for advice with their structural adjustment policies. Some countries would also need UNDP assistance in training personnel in planning and co-ordinating institutions to deal with structural adjustment measures. It was desirable that assistance of that type should be given on a grant basis from a neutral source, such as UNDP, which was not directly linked to the

financial supporters of the economic adjustment programme in that particular country. The Conference of Planning Ministers of the Economic Commission for Africa held in April 1988 had endorsed that proposal.

49. The continuing depreciation in the United States dollar had reduced the reimbursement for support costs received by the executing agencies outside the dollar area and had forced them to reduce the number of their backstopping staff. In the long run, that would impair the quality of technical assistance delivery. He hoped that the Budgetary and Finance Committee would reach an adequate solution to the problem.

50. His delegation supported the Administrator's suggestion that an intergovernmental working group should be established to deal with the question of succession arrangements for project support costs when the current arrangements expired at the end of 1991. It would be necessary to convene inter-sessional meetings of the group at an early stage. The issue demonstrated once more the need for further strengthening of co-operation between UNDP and the specialized agencies.

51. The Governing Council had been invited to submit its views on the Jansson Report (A/42/326/Add.1). It gave a valuable insight into the working of the United Nations systems in the field but it had been rather severe in its criticism of country programmes which, it asserted, had no appreciable value in terms of co-ordination and programming within the system. His own view was that the situation differed widely from one country to another and that the use of the country programme depended on the importance the recipient Government attached to it.

52. The comments of the Administrator in document DP/1988/64 provided a useful basis for the Council's discussion of the matter and deserved careful scrutiny in those cases where there was disagreement between UNDP and the Report. In the case of many of the Report's recommendations, however, there seemed to be a large measure of agreement. It was his general impression that UNDP was on the right track.

53. Although there was a broad consensus on the need to strengthen the private sector in developing countries, there was no simple mechanism to achieve it. The measures needed differed greatly from country to country. The international organizations had an important role to play in advising on necessary policy reform, with due regard for the needs of the poorer segments of the population, the conservation of the environment and other issues, so that there was fair co-operation between the industrialized and the developing countries. Multilateral assistance should concentrate mainly on supportive measures to strengthen enterprise and management structures and on activities such as training, education, infrastructure and institution-building.

54. Mr. GROTH (Observer for Sweden) said that UNDP had an essential role to play in the reconstruction that would have to supplement the emergency operations in Afghanistan.

55. His Government regarded support for UNDP as an integral part of overall official development assistance. It was therefore a matter of satisfaction that the Programme's financial outlook currently seemed brighter than for many years. That was largely due to the depreciation in the value of the United States dollar, but also to increased contributions. After studying the

relevant documentation, his delegation had reached the conclusion that there was even a surplus in relation to the expectations of 1985. In that year the Council had taken a package decision on the resources for the fourth programming cycle and their distribution in the event of a shortfall or a surplus. That agreement should be honoured.

56. His delegation attached great importance to country programming which both placed recipient countries and their priority in focus and expressed long-term commitments. However, six and a half years normally elapsed between the time when a decision was taken on a programming cycle and the completion of that cycle. Over that period, it was obvious that many unforeseen events might occur and there was therefore need for flexibility within UNDP programmes. It was for the Governing Council to find a balance between flexibility and long-term commitments in its decision on the mid-term review of the fourth cycle. The proposal submitted by the Administrator (DP/1988/26) did provide that balance, although its details would have to be negotiated.

57. The co-ordinating role of UNDP within the United Nations system had been constantly reviewed, apparently with meagre results, but the situation might possibly have been much worse without that scrutiny. There was no doubt that the United Nations system contained centrifugal forces making it difficult to co-ordinate policies even at the national level to be carried out in a co-ordinated fashion within the various organizations. The system could hardly be blamed for being only partially successful in areas where Governments had been giving it contradictory signals.

58. In addressing the problem of co-ordination in the field, a number of useful recommendations had been put forward, most recently in the Jansson Report (A/42/326/Add.1). The objective of many of them had been to strengthen the role of the resident co-ordinator, a process which should continue. The prime co-ordinator was, however, money. To the extent that executing agencies relied on UNDP for financing, they would also find it useful to co-operate actively.

59. The United Nations should not take an ideological stand on questions of ownership. In its development efforts, it should contribute to creating favourable conditions for economic growth and social justice. Clearly, most countries badly needed to create an economic environment which would allow private initiative to prosper, but UNDP should not be involved in a political campaign aimed at promoting the private sector per se. Policy guidelines issued by the Administrator should be passed in the Governing Council or be based upon General Assembly resolutions.

60. His Government agreed with the conclusions reached in the annual report of the Administrator for 1987 (DP/1988/18, para.38) that environmental issues were closely linked to development and that most environmental problems in the developing world sprang from unmet human needs and poor resource management. Genuinely sustainable development, requiring changes that fundamentally affected ways of production and consumption, was a concept that reaffirmed the need for economic growth in and increased transfer of resources to the developing countries. It also involved a rethinking of the whole idea of development. UNDP, whose role was crucial in that process, should aim at strengthening the capacity of developing countries in dealing with resource management. The Governing Council was in a position to take important decisions towards implementing the General Assembly resolutions on sustainable growth.

61. The economic and social mechanisms behind the prevailing critical conditions in Africa were the target of UNDP's increased attention. It was imperative for Africa to utilize its own resources efficiently without jeopardizing sustainable development. Human knowledge as well as agriculture, fisheries, mining, renewable energy, etc., were there, but necessitated substantial investment. The potential of African women was enormous. Additional assistance was needed for structural reforms in the economies of most African countries. The complexity of the reform process made particularly heavy demands upon multilateral interventions. In many instances, production capacity was underutilized. The imbalance between rural and urban areas must be addressed.

62. African countries had made impressive advances in sectors such as schools, health, water supply and housing. Those achievements were currently in jeopardy. Resources must be mobilized both nationally and internationally to stem the destruction of social gains and human resources.

63. The countries of southern Africa continued to suffer also from brutal aggression and destabilization policies originating in South Africa. UNDP's development policies in the region must aim primarily at enhancing the ability of those countries to resist such illegal pressure and alleviating the suffering in that subregion.

64. Mr. McDOWELL (New Zealand) said that the representative of Norway had rightly asked whether it was reasonable to hope for a co-ordinated, integrated and multisectoral approach to development assistance through the multilateral agencies. That question had risen time and again. Some attributed the lack of movement to foot-dragging in the United Nations system. The real culprits were, however, the Governments themselves, which had not had the resolve or the coherence within their own national systems to make sure that General Assembly decisions were put into practice.

65. The most important message that the Governing Council could send was that a determined effort was being made to implement a co-ordinated, integrated and multisectoral approach. The recommendations to the Economic and Social Council must be explicit on ways to achieve that end. It must be made clear that the governing bodies of the specialized agencies and the regional commissions were expected to face up to the issues of coherence and harmonization and to adhere to the structures and procedures set down by the General Assembly.

66. His delegation was in favour of strongly reinforcing the co-ordinating and funding roles of UNDP. An organization in the United Nations development system with a clear mandate to lead was fundamental to achieving coherence, and that organization should be UNDP.

67. While it was tempting to argue that UNDP would increasingly have to move resources and technology from large countries to smaller ones, the issue was not that simple. For example, India had shown how much it valued UNDP help by contributing \$US 7 million to the Programme and Bangladesh had likewise stressed how important UNDP help was. It was necessary to balance out the various factors involved before answering the Administrator's question about which end of the spectrum UNDP should gravitate towards. Human and political factors in development could not be ignored.

68. His delegation supported the proposal that 75 per cent of unprogrammed resources should be utilized to increase IPFs on the basis of decision 85/16. As for the 25 per cent proposed for non-IPF activities, his delegation would wish to know much more about the specifics of the management facility proposal (DP/1988/76) before agreeing to the allocation to it of an amount as substantial as \$US 70 million.

69. At the same time, his Government supported both the contribution UNDP was making to help the African countries handle restructuring and the proposal to provide additional resources to strengthen UNDP's capacity to help Africa both at headquarters and in the field.

70. His delegation suggested that the situation in a number of field offices in the Asia/Pacific region be examined. Some of the Asian programmes appeared to be hard-pressed to carry out their programmes on the ground. For far too long field offices had been asked to accept more and more responsibility and to cover new areas of activity without being given any additional staff.

71. Some countries would continue to wish to draw upon the United Nations system for a whole range of skills that were not necessarily related. That was their prerogative, and his Government was pleased to hear the Administrator reaffirm a commitment to the 1970 Consensus on the determination of priorities by recipient Governments themselves.

72. The agencies had a sectoral role which was well recognized by UNDP. His Government did not see UNDP's role in providing technical assistance in such restrictive terms as did the delegation of France. UNDP was a broker, but it also had an important role, including but not confined to cross-sectoral and multi-country projects. It was for the agencies to adapt themselves to what lay ahead.

73. His Government did not share the apprehension of the specialized agencies at the growth in the number of government-executed projects. There was a place for the agencies in government execution if they recognized it in time. In his own region, UNDP had, with a display of great flexibility, adapted the government-execution modality in such a way as to stretch small IPFs without adding to the administrative and financial burden on Governments. Without such lateral thinking, the very small Pacific IPFs would fund only a very limited number of projects in each country. Expensive long-term experts from the agencies had to be kept to a minimum.

74. In addition to government execution, successful use had been made of such effective low-cost modalities as United Nations volunteers, associate experts, TCDC and non-governmental organizations. There was a lesson for the specialized agencies in such imaginative thinking.

75. His Government commended the Administrator for lifting the ceiling for resident-representative approval of individual projects to \$US 700,000, even if that simply restored the real value of the original ceiling. It noted with satisfaction that the Action Committee had apparently accelerated Headquarters processing of large-scale projects, while incorporating new ideas into the projects, and was pleased that the Action Committee was also finding time to look at some very small projects. It also welcomed the idea of making available \$US 25,000 to field officers for NGO projects and wished it were even more. It applauded the Asia-Pacific Bureau which, in the context of the Transport and Communications Decade for Asia and the Pacific, had demonstrated

that, given additional resources, it was able to distribute them effectively to worthwhile projects. Lastly, his Government thanked the over-regulated and over-worked administrative field staff of UNDP, who presented the human face of the United Nations to much of the world.

76. Mr. YAVUZALP (Turkey) said that the Governing Council was meeting during a period of great economic difficulties. The economic recovery in the 1980s had been much slower than expected, and world growth projections for the near future were hardly optimistic. International imbalances among the main industrial countries had continued to grow; the problem of international debt had worsened; protectionist tendencies were increasing; the terms of trade of the developing countries had deteriorated considerably; and the burden of structural adjustment in the developing world had grown heavier.

77. The least developed countries were hit hardest by that state of affairs. Despite the measures and reforms they had already undertaken to improve the efficiency of their economies, in particular through better management of public resources and the correction of intersectoral distortions, it was thus desirable to increase to 0.15 per cent of their GNP the overall receipts of Official Development Assistance (ODA) granted by the donor countries of the Development Assistance Committee (DAC) in accordance with the Substantial New Programme of Assistance for the 1980s for the Least Developed Countries (SNPA).

78. If the recipient countries were to overcome structural obstacles, transform their economies and diversify their production, such receipts must be invested in productive sectors. The best way to solve the economic problems of the developing countries was to integrate them into the world economy. To that end, world economic growth was essential.

79. Over the past few years, his Government had embarked upon a far-reaching enterprise of structural adjustment. Despite the unfavourable international economic environment, it had not hesitated to liberalize its foreign trade and to reform its banking, fiscal and foreign trade system to enable the country's economy to benefit from the free play of market forces. Although concrete results had thus been attained, it had increasingly encountered the protectionist policy of its trading partners.

80. His Government welcomed the importance attached by the Administrator and UNDP to the critical economic situation in a number of African countries. Food assistance and financial, hygienic and humanitarian aid were still essential. Turkey, which had historical and traditional ties with many countries in Africa, was attempting to contribute to the economic development of some of them through technical assistance and a variety of projects in the area of agriculture, irrigation, small and medium sized industry and technical training. In that context, his Government supported the Administrator's proposal in document DP/1988/15 for an additional budget for UNDP operations in Africa.

81. Although it was not a panacea for all ills, the private sector had undoubtedly a part to play in the national economies of many countries. An environment attractive for private-sector investments contributed to economic development. In recent years, his Government had taken steps to stimulate the further growth of the private sector. In that context, it thanked the Administrator for the information provided in paragraphs 16 to 23 of document DP/1988/19.

82. Despite its limited financial resources, UNDP played a major part in providing technical assistance and co-operation, not only by setting up programmes but also by encouraging countries to start bilateral co-operation and technical assistance programmes and by making substantial contributions. In that connection, his delegation welcomed the proposals in paragraphs 36-40 of the document on strengthening technical co-operation among developing countries (DP/1988/71).

83. Mr. EL ZUBAIR (Sudan) said that many technical assistance programmes had been accused of failing to achieve their objectives and various attempts, such as the Jansson Report (A/42/326/Add.1), had been made to discover the causes of that failure and to prevent its recurrence. In his view, the principal criterion on which the effectiveness of technical assistance programmes should be judged was their contribution to the achievement of self-reliance in the developing countries through the development of local human resources and the establishment of institutions to enable those countries to formulate their policies and priorities and to plan and implement their socio-economic development without having to depend on the outside world.

84. It was evident that those objectives had not yet been achieved in most African countries, even after more than a quarter of a century of technical co-operation. Accordingly, serious thought should be given to improving the methods of such co-operation. The meetings of the Governing Council provided an appropriate opportunity to discuss the principal obstacles and ways to overcome them, particularly since UNDP was the principal source of funds for technical co-operation and, as such, its policies should be studied in any ongoing evaluation of the successes and failures of technical co-operation.

85. With regard to the role and policies of UNDP, it was essential that its characteristic nature as a neutral body providing technical assistance, without conditionality, in a manner consistent with the priorities and policies established by the recipient countries, should be maintained. However, UNDP could certainly establish working links of co-operation with other international institutions, such as the World Bank, provided that each of them played its proper part.

86. In view of the differences in the socio-economic systems of the member countries, it was essential to achieve a consensus of opinion within the Governing Council with a view to the adoption of policy decisions, leaving each country free to determine its national priorities and objectives within the framework of the country programme. In spite of the improvement in the UNDP financial situation, technical assistance needs, particularly in sub-Saharan Africa, were constantly increasing due to the lack of basic administrative infrastructures in most of the countries concerned. Accordingly, it was to be hoped that resources would continue to be channelled towards those countries in keeping with the aims of the fourth programming cycle.

87. His delegation supported the proposed management facility (DP/1988/76) as an appropriate response to the technical needs of national economic planning in many countries of sub-Saharan Africa. The reports that had been submitted on the proposed facility indicated a close linkage between its tasks and the structural adjustment and political reform programmes in the recipient countries, a linkage that would reduce the scope of the proposed facility by

confining it to temporary aspects, such as structural adjustment policies, instead of the more basic need to strengthen managerial capabilities in the developing countries.

88. The \$70 million that the Administrator proposed to allocate to the facility would not be sufficient to meet the needs of the African and other countries, and it was to be hoped that the resources allocated would constitute a nucleus for a larger amount of assistance from other external sources.

89. As for the measures being taken to strengthen the private sector and promote co-operation with non-governmental organizations, his Government was well aware of the important development role of the private sector, which it was endeavouring to promote. The public sector would, however, remain the corner-stone of development in the Sudan and constant attempts were therefore being made to rationalize its activities. Non-governmental organizations had played a commendable role in providing the Sudan with relief and technical assistance in recent years, and had participated with the Government in consultations with donor countries and United Nations organs.

90. The problem of co-ordination at the national and international levels was one of the main obstacles to economic and technical co-operation and the efforts of donor institutions and States in the developing countries. His Government believed that proper co-ordination could be achieved only by strengthening the administrative and planning capabilities of the recipient countries so that they could make rational and full use of external resources for the implementation of their national plans.

91. The third country programme for the Sudan (DP/CP/SUD/3), which would shortly be submitted to the Council for approval, constituted an appropriate and realistic framework for endeavours to solve his country's economic problems, such as the problem of rural development, the development of human resources and the improvement of the institutional infrastructure.

92. It reflected the aims of the Four-Year Plan for 1988-1992, which sought to halt the economic decline, train personnel working in the agricultural and industrial sectors and promote balanced regional development. In spite of its clearly defined objectives, the Four-Year Plan was being impeded by (a) indebtedness to international financial institutions; (b) the problem of mass migration to the cities; (c) the refugee problem, which was placing a heavy burden on the Sudan's limited resources and services; and (d) the drought, desertification and locust problems, which had a serious impact on the traditional sector.

93. The success of his Government's attempts to resolve those problems depended largely on external bilateral and multilateral support, particularly from UNDP and other organizations of the United Nations system. It was in constant contact with donor countries and organizations with a view to ensuring the success of the programme and a further meeting of the Consultative Group for the Sudan was due to be held in the course of the next two months to discuss the Four-Year Plan.

94. Mr. CHIMANGO (Malawi) said his Government had been very pleased to welcome the Administrator to Malawi in March 1988. It attached great value to such visits, because they gave those in decision-making positions an opportunity to see at first hand what progress was being made through determined leadership, the efforts of the people and the assistance provided.

95. The Fourth Country Programme marked the third decade of technical co-operation between his Government and UNDP. During the early years, projects had developed largely on an ad hoc basis, each in response to a specific need. The introduction of five-year programme cycles, beginning with the First Country Programme, had provided an overall framework for guiding technical assistance resources towards priority areas. During that cycle, a total of \$US 7.5 million in resources have been programmed to assist his country, the agricultural sector being the main target.

96. The Second Country Programme had seen UNDP assistance more than double to some \$US 19.75 million. It had enabled his Government to broaden the scope of technical assistance activities to include several new sectors and to move towards large-scale projects, such as livestock development and improvements in the educational system.

97. The difficulties that had confronted the UNDP in the early 1980s in mobilizing financial contributions had necessitated a dramatic reduction in the resources that were to have been made available to his country under the Third Country Programme of 1982-1986. His Government had consequently agreed on a strategy to target all available resources towards consolidating the existing programme, with emphasis being placed on sustaining ongoing projects. That approach had provided an opportunity to open up a whole new sector for UNDP assistance, and projects in support of the Structural Adjustment Programme in such key areas as development planning, financial management and statistics had been embarked upon.

98. The Fourth Country Programme, 1987-1991, represented the culmination of an extensive collaborative programming exercise undertaken jointly by his Government and the UNDP field office at Lilongwe and emphasizing the importance of human resource and institutional development.

99. His delegation welcomed the news of the surplus resources, a particularly significant development near the mid-term of the current programme cycle, and hoped that the two basic assumptions, i.e., a continued 5 per cent annual growth in voluntary contributions and a 5 per cent annual increment in the value of the United States dollar which underpinned the recalculations of available and reprogrammable resources, would prove well-founded for the remainder of the fourth cycle.

100. He therefore supported action to ensure sustained resource availability and flows for programming. In order not to introduce variations in the criteria for resource allocation in the course of the cycle, he also supported the use of established and accepted criteria and formulas for resource allocation. Changes in existing criteria to make them relevant to current developments, whatever their merit, should form the basis for discussions on the fifth cycle.

101. He welcomed the prominent place given to the United Nations Programme for African Economic Recovery and Development (UNPAERD) which had reached its mid-term in 1988. UNDP's role had been most commendable; however, there was still need for UNDP to maintain well-focused, clearly defined and attainable objectives. A multiplicity of financing facilities might not be the best way of concentrating available resources on priority programmes.

102. He noted with satisfaction UNDP's leading role in responding speedily to emergency, medium- and long-term requirements in Africa, and hoped that solutions would be found to the resource constraints, both financial and human, which had adversely affected UNDP's ability to respond effectively to some emergency situations.

103. Thanks to UNDP's initiatives in mobilizing a United Nations agency study of the refugee situation in Malawi an appeal had recently been launched by the United Nations for international aid in the form of material relief supplies for the more than half a million displaced persons from Mozambique living in his country. The appeal was also for financial and technical support to his Government for long-term programmes intended to strengthen its institutions and other infrastructure, which had been severely strained by the influx of refugees. There were already signs of positive response to the appeal, and he thanked UNDP for its support and assistance extended in the matter.

104. Mr. MARTINEZ (Observer for Venezuela) said he welcomed the statement in the document on net contributor status (DP/1988/70) concerning the advisability of establishing clear guidelines regarding the criteria governing relations between UNDP and countries with net contributor status. His country had been a net contributor since 1977, as an expression of its solidarity and of the commitment it had assumed to fulfil the objectives and principles governing international co-operation. His delegation also welcomed the progress made by UNDP programming as reflected in the Venezuelan National Technical Co-operation Programme, the contents and quality of which were a distinct improvement on previous programmes.

105. His Government hoped to maintain and consolidate the support offered by international technical co-operation in the implementation of national development plans, especially since the fourth programming cycle coincided with a critical transitional stage for Venezuela in its process of national economic adjustment. It was consequently necessary that UNDP should maintain stability and predictability in its programming for Venezuela.

106. In spite, therefore, of his Government's intention, expressed in the past, to remain a net contributor, in the light of its current situation and of the postulates in document DP/1988/70, it would be unable to continue to make the payments required of those countries with a per capita income of over \$US 3,000, as stipulated in paragraphs 11 and 13 of Governing Council decision 85/16. In fact, his country's per capita GNP had fallen well below that figure.

107. He wished to emphasize that his Government did not wish either to surrender its indicative planning figure or to see it diminished de facto; nor did it wish the services of the local UNDP office to be affected. Both those factors were of growing and crucial importance in the implementation of its national development plans. It would be counter-productive if, owing to the ever greater obligations, with collateral penalties, being imposed upon

the net contributor recipient countries, its programming during the second half of the fourth cycle were damaged. That could well happen as a result of the budgetary difficulties Venezuela was undergoing, which were closely related not only to the fall in income but also to the lack of foreign exchange to finance national development.

108. According to World Bank figures Venezuela's per capita GNP in 1986 had been \$US 2,820 and not \$US 2,930 as given in the document (DP/1988/70, para. 36). In other words, it was below the limit of \$US 3,000 used to define net contributor status. The figures for 1987 showed that the decline had continued and it was most unlikely that Venezuela would reach the income level limit in the immediate future. That situation would, consequently, remain unchanged throughout the fourth programming cycle. His Government asked the Governing Council, therefore, to decide that, since Venezuela was suffering from significant negative economic changes, it should not be regarded as a net contributor under paragraphs 11 and 13 of decision 85/16.

109. His delegation was unable to accept the Administrator's suggestion that (DP/1988/70, para. 36) such a decision should be taken only in case of a reduction in income greater than a fixed percentage. The limit of \$US 3,000 should be an absolute one for all purposes and for all countries; otherwise it would cease to have any meaning as an indicator.

110. In conclusion, he expressed his delegation's support for the Special Programme for Economic Assistance to Central America, and its gratitude to the Regional Director for Latin America for having formulated it.

111. Mr. TCHEUL (Observer for the Democratic People's Republic of Korea) said that time was running out for the developing countries: they needed to develop their economies rapidly and to improve the living standards of their peoples. He welcomed therefore the improvement that UNDP was trying to make in its methods and organization of work in conformity with that aim.

112. It was a sign of that improvement that the number of projects had considerably increased in comparison with the previous year, while the time required for their approval had been reduced by 25 per cent and the value of projects that could be approved in the field by resident representatives had been raised from \$US 400,000 to \$US 700,000. All that would undoubtedly make it possible to reduce excess expenses and administrative burdens, increase the efficiency of co-operation and render co-operation between UNDP and Governments and between Governments and outside agencies, still more rapid, close and effective.

113. Government execution could also help significantly to raise the rates of delivery. He hoped that the offices for projects execution would improve their role still further as co-operating agencies for government execution.

114. Active execution of regional projects contributed enormously to the efficient exploitation of human and material resources in the region, thereby advancing the development of the countries concerned. The Regional Programme Management Plan submitted by the Regional Director for Asia and the Pacific was a useful document which gave a clear picture of the co-operative projects executed at regional level.

115. His delegation supported the UNDP activities and United Nations Volunteers work to encourage technical co-operation among developing countries, in which his Government was actively participating. It also supported the emphasis placed by UNDP on strengthening co-operation to advance the position of women in the economic life of developing countries.

116. He hoped a satisfactory solution would be found with regard to the distribution of the surplus resources of some \$600 million in the provisions for the current cycle, arising from the depreciation of the United States dollar against currencies of the major donor countries.

117. He expressed his great appreciation of UNDP's role in carrying out the United Nations Programme of Action for African Economic Recovery and Development and wished it every success.

118. Mr. LIGNON (Assistant Director-General, Food and Agriculture Organization of the United Nations) said that FAO was UNDP's most important partner in the execution of some 800 technical assistance projects in over 145 countries, while UNDP was the main source of funding of FAO's field activities. He therefore attached the greatest importance to the quality and vigour of the tripartite co-operation between FAO, UNDP and the recipient Governments.

119. Food and agriculture remained a subject of great concern to the international community; FAO had thus the duty to contribute to the solution of rural problems and especially to help the developing countries to adopt effective agricultural and foodstuff policies to ensure their food supplies, to combat the poverty of the most underprivileged and promote an authentic development of backward communities. To attain those goals, FAO was eager to co-operate with all its partners, particularly the great financial institutions and technical assistance agencies.

120. A survey of the world food and agricultural situation in 1987 showed once again that a large surplus of grain and other food products in Europe and in North America co-existed with serious shortages in many developing countries. Although stocks had been reduced during recent months they still represented more than the acceptable level of 20 per cent of annual world consumption. However, consumption had exceeded production in 1987 and if that trend continued it could bring important changes in the level and role of those surpluses in food assistance. In addition, local or subregional shortages had worsened and per capita food consumption had fallen in over 60 developing countries.

121. The previous year had also revealed the precariousness of tropical or sub-tropical agriculture, particularly in Africa, where plagues of locusts had invaded West Africa and North Africa and threatened the Near East, East Africa and southern Africa. FAO, which had responded very rapidly with its own means, in particular the Technical Co-operation Programme, to the requests of the countries affected, had established a centre for emergency counter-locust operations (ECLO) to co-ordinate the campaign. Over \$US 45 million had been raised, which had made it possible to halt the invasions and help the countries concerned to prepared themselves more effectively to combat that plague.

122. FAO field activities financed by UNDP, although not reaching the 1981 peak, had ceased in 1987 to fall below \$US 130 million in current dollar terms and in 1988 might reach \$US 155/\$US 160 million, with an encouraging outlook for 1989. However, in constant dollar terms, there had been a decline since the end of the 1970s, and it had not been possible to finance many justified applications.

123. Those encouraging results had been obtained thanks to close co-operation with the Governments and UNDP, both at Headquarters and in the field, for the preparation of new projects correctly integrated into the national development plans. Tripartite co-operation, often in liaison with bilateral assistance agencies, had helped to improve the quality, effectiveness and impact of FAO programmes and, as he had indicated the previous year, the Organization was establishing a global system of information and surveillance of all field projects (PROSYS), which should render possible an early identification of problems during the programme cycle, and thus their rapid solution.

124. An in-depth study of FAO field activities had been entrusted to a small number of high-level experts with wide experience in that area. They were to meet at Rome in the near future and to suggest how the quality and effectiveness of activities could be improved. He had noted with great interest the UNDP financial surplus and the possibility of an increase in the funds allocated to the indicative planning figures for the fourth cycle, as well as the Administrator's suggestion that a part of the surplus be allocated to a management support mechanism. FAO was ready to contribute its experience to help ensure that the best use was made of those resources for the benefit of the developing countries, and particularly for the purpose of improving their capacity to manage and co-ordinate the assistance they received.

125. UNDP, like the United Nations system as a whole, had to confront rapid changes in the needs of recipient countries and important modifications in the concepts and mechanisms of assistance. Some of those changes reflected the progress made in the developing countries, but others were aimed at developing new policies and forms of assistance.

126. The role of non-governmental organizations was growing in so far as the participation of village communities and rural associations in development activities seemed to be essential. FAO, since the world campaign against hunger of the 1960s, had had a long tradition of co-operation with the non-governmental organizations. Much remained to be done to strengthen that co-operation without damaging the individual characteristics of the organizations in question and correctly assessing their capacities in the local conditions in which they found themselves. Professional farming associations needed to take a more active part in actions for rural development.

127. Women played an essential role in the rural world. The UNDP unit established a few years previously ensured that the need and responsibilities of women were taken into account in all field activities and had put together a portfolio of over \$US 30 million of projects specifically designed for their advancement. FAO had participated in the establishment of the different qualitative mechanisms which UNDP had introduced to strengthen the activities in favour of women.

128. It should be remembered that all the projects executed by the specialized agencies were government projects receiving outside aid. In recent years the number of projects executed by Governments had increased rapidly. Government execution of projects marked the progress made in their capacity to take charge of their own development, with advice from the United Nations system. It was an advance that had to be supported until the final stage was reached when support became financial only.

129. It was essential, however, that the technical expertise of the specialized agencies should be at the disposal of the Government implementing agency and FAO had expressed its concern that consultations had sometimes been too late or had not taken place at all. UNDP had listened to those remarks and intended to open a dialogue; before the end of the year a series of working meetings would make it possible to examine the steps to be taken to guarantee the support of the United Nations system.

130. The support costs for projects financed by UNDP was a subject of more importance than was generally thought. A specialized agency, such as FAO brought its experience and knowledge to the support of the field programme which in exchange, helped it to gain a more concrete picture of the factual situation so that its member States could define the broad outlines of the agency's policy. Project support was not limited to visits during the implementation of the project but began even before the start of the cycle. The costs of that essential function had always greatly exceeded the so-called reimbursement of support expenses which agencies received from UNDP, fixed at 13 per cent. FAO had never limited its support costs to those reimbursed by UNDP and had always regarded it as normal that the regular programme should make as much of a contribution as was necessary.

131. There was a limit, however, that could not be exceeded when FAO was in financial difficulties, due especially to the delay in the payment of contributions, particularly that of the largest contributor. That limit, moreover, had been largely reached as a result of the depreciation of the dollar in recent years. The decline of the dollar against the Italian lire had exceeded 35 per cent, and a large part of FAO's support costs were paid in the former currency.

132. The details of the situation had been examined by the competent committees and he would restrict himself to saying that, at a time when the UNDP/FAO programmes were expanding and steps were being taken to improve the execution and quality of projects, it would be catastrophic if events beyond FAO's control should jeopardize their successful implementation.

The meeting rose at 6.25 p.m.