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SUMMARY RECORD OF THE 19TH MEETING

Held at the Palais des Nations, Geneva,  
on Wednesday, 15 June 1988, at 10 a.m.

<u>President:</u>	Mr. MANGWAZU	(Malawi)
later:	Mr. BROTDININGRAT	(Indonesia)

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Annual report of the Administrator for 1987 (continued)

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The meeting was called to order at 10.05 a.m.

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

1. Mr. OBASI (Secretary-General of the World Meteorological Organization) said that WMO, one of the smallest and oldest of the specialized agencies of the United Nations system, was responsible for co-ordinating the work of national meteorological and hydrological services and for assessing the state of the earth's atmosphere. All the countries participating in UNDP were also members of WMO.
2. Although there were a number of issues of concern to WMO, such as technical co-operation among developing countries and natural disaster reduction, he wished to focus specifically on the financial problem facing many executing agencies as a result of the substantial depreciation of the United States dollar. He wished to recall first of all that the financial management of WMO had always been extremely strict and responsible. When the exchange rate of the Swiss franc and the dollar had been more favourable, WMO could have asked for reimbursement at a rate higher than was strictly necessary, but it had not done so. For the past eight years, its budget had been aimed at zero real growth. In 1987, to keep the Organization functioning efficiently, the WMO Congress had deemed it necessary to change from a dollar budget to a Swiss franc budget. In addition, it had adopted a resolution concerning WMO management of UNDP projects and the financial problems created by exchange rate fluctuations. In that resolution, it had requested the Secretary-General of WMO to continue his efforts to obtain some compensation from UNDP and had urged the Programme to reassess support costs for projects administered by WMO.
3. It was not the first time that the issue had come before the Governing Council. To those delegations which had expressed the view that the agencies should solve their own problems, he pointed out that WMO could not absorb such expenses on a continuing basis without curtailing important regular budget programmes. It had also been argued that the problem was not a matter for UNDP. However, that might be seen as a lack of concern by UNDP about the quality of project implementation. Some delegations perhaps thought that the management of meteorology and hydrology projects could be entrusted to another body. He was convinced of the opposite: because of its particular competence and its multilateral and bilateral relations, WMO was irreplaceable.
4. One of the principal financial issues that the Governing Council had to consider at its current session concerned the increasing volume of contributions in dollar terms. That development was also attributable to the fluctuations in the dollar exchange rate. In his view, it was essential that an exchange rate index should be built into the agency support cost system. In the meantime, the agencies hoped that the Council would give favourable consideration to the ad hoc measures proposed by ACC for 1987.
5. Mr. DE CASTRO (Brazil) said that his Government viewed international technical co-operation as a means of organizing the transfer of expertise and technology, taking into consideration the socio-economic priorities and foreign policy guidelines of the recipient countries. In accordance with that

position, his Government had felt it necessary to set up an institution to promote co-operation among developing countries and to increase the impact of the co-operation received from bilateral and multilateral sources.

Established in 1987, the Brazilian Co-operation Agency (ABC) was responsible for the execution of technical co-operation programmes in all fields.

However, ABC differed somewhat from the similar agencies existing in the industrialized world since, although Brazil was ready to provide technical co-operation to developing countries, it still needed to receive technical co-operation from developed countries.

6. Within the TCDC framework, a number of developing countries were increasingly turning to Brazil. Since Brazil was itself a developing country with limited financial resources, it could meet those requests for technical co-operation only by sharing the institutional and technical know-how it had acquired in recent years. For that purpose, his Government was convinced of the need to go beyond the framework of South-South co-operation since the lack of financial resources inherent in the situation of the developing countries should not be an obstacle to the exchange of experience, know-how or technology between countries which otherwise would have every reason to join their efforts to achieve higher levels of economic and social development. A flow of resources had, therefore, to be ensured to support the transfer of know-how from one developing country to another. That approach to "trilateral" or "multi-bilateral" co-operation had recently been applied by Brazil in association with industrialized countries, mainly in Africa, and with international organizations such as UNDP.

7. Turning to the question of UNDP resources and their use, he said that his country unreservedly supported the recommendations made by the Group of 77 in New York, based on the Consensus of 1970 and emphasizing the principle of UNDP universality and the right of its member States to establish their own goals and priorities for technical co-operation. He therefore had difficulty in supporting the Administrator's proposal (DP/1988/26) concerning the increase of "Special Programme Resources" (SPR), partly for implementing activities in areas already designated by the Administration.

8. Concerning the reallocation of resources of the fourth programming cycle, his delegation pointed out that, while decision 1985/16 had not yet been taken at the time of UNDP's financial crisis, all the member countries had nevertheless already made sacrifices. It would not be fair for some countries to be penalized again, even if for different reasons. Furthermore, while exchange rate fluctuations largely explained the current surplus, those fluctuations were also responsible for the reduction in real terms of the IPFs as compared to the amounts allocated at the beginning of the fourth cycle.

9. The criteria that determined a country's net contributor status constituted another matter of concern. They were based on 1983 economic indicators. However, the economic situation had since deteriorated in most Latin American countries in particular, imposing a huge sacrifice on countries such as Venezuela in meeting their financial obligations as net contributors. His delegation therefore recommended that recipient countries whose per capita GNP had fallen below \$US 3,000 should no longer be considered net contributors for the purposes of the provisions in paragraphs 11 and 13 of Council decision 1985/16. Lastly, his delegation strongly supported the allocation of resources for the special plan of economic co-operation for Central America adopted by the General Assembly.

10. Mr. Brotodiningrat (Indonesia) took the Chair.

11. Mrs. TUNGALAG (Observer for Mongolia) said that, in order to contribute effectively to development and mutually advantageous economic co-operation among States, UNDP should focus its efforts on the achievement of economic independence in the developing countries and promote the progressive principles set forth in the basic economic instruments of the United Nations. In practical terms, it should endeavour to develop human resources, improve the training of national personnel and encourage Governments, as well as the public and collective sectors, to participate more extensively in the economic development of the developing countries.

12. Mongolia had undertaken a restructuring and democratization of the country's economic management and social development, primarily to overcome the major deficiencies in the economic mechanism which hampered the creative initiative of labour collectives and individuals. To achieve those objectives, her Government counted on the technical assistance of UNDP which, over the past 20 years, had made it possible to implement a number of useful projects in Mongolia. However, the reduction of UNDP assistance by nearly a half, bureaucratic delays and complicated procedures for the approval of new projects were preventing the full implementation of projects which were of vital importance to the country's development. Moreover, some of the assistance was wasted in missions of marginal usefulness. She hoped that UNDP would increase Mongolia's IPF in view of the fact that it was a land-locked country with a hostile environment.

13. Mr. LEE (Republic of Korea) said it was gratifying to note that UNDP's income in 1987 had reached a record level, reflecting the confidence that the international community had in the Programme as the principal instrument for assistance to the developing countries. He shared the view of other speakers that UNDP should further intensify its efforts to improve the situation of the developing countries of the various regions. Special emphasis should, of course, be given to the poorest African countries, and his Government unreservedly supported UNDP's decision to use the region's entire IPF entitlement during the current programming cycle. In addition, programmes must be instituted without delay to help African Governments to implement structural adjustment measures and mitigate the adverse social consequences of such reforms. UNDP's endeavours to organize round-table meetings to co-ordinate activities and obtain additional resources were to be highly commended. The Governments of the recipient countries, too, should play an active role, in close co-operation with the resident co-ordinators. As specified in the Consensus of 1970, it was the exclusive responsibility of the Governments of the recipient countries to formulate national development plans with their priorities and objectives.

14. Referring to the Administrator's report on the main programme record (DP/1988/18/Add.1), he noted that the expenditure of the Special Measures Fund for the Least Developed Countries had declined from \$10.3 million in 1986 to \$7.8 million in 1987. However, the economic and social conditions of the least developed countries had not improved recently and UNDP's expenditure for those countries should therefore be increased rather than reduced. He also noted that the value of equipment ordered from the developing countries for UNDP projects remained below 20 per cent of the total and that the value of sub-contracts awarded to the developing countries had decreased from 39 per cent in 1986 to 29 per cent in 1987. He strongly urged the

Administrator of UNDP, therefore, to take action to increase the share of project components awarded to the developing countries. That was a fundamental measure to promote the development of those countries.

15. With regard to the future work of UNDP, his Government believed that special attention had to be focused on the prevention of environmental degradation, which was the root cause of numerous economic constraints and had, in particular, created mass poverty in many of the developing countries. His delegation fully supported the resolutions of the General Assembly calling for strengthened efforts by the United Nations system in the area of the environment.

16. South-South co-operation also deserved greater attention. His country attached great importance to economic and technical co-operation among developing countries. It participated actively in TCDC activities, both inside and outside the United Nations system. It had invited many trainees from other developing countries and had sent technical experts abroad to share its experience in developmental endeavours. As a member of the Asian and Pacific community, his Government was undertaking special ECDC and TCDC projects in the region and, in 1986, had established an Economic Development Co-operation Fund with an initial allocation of \$70 million, which would be increased to \$ 400 million within five years. In addition, it had made a contribution of one million dollars to the Africa Fund of the group of non-aligned countries for the period 1988-1992. It was the intention of his Government to expand its co-operative activities further within its economic capabilities.

17. Mr. CHLUMSKY (Observer for Czechoslovakia) said that UNDP's actions should be further intensified in view of the growing economic difficulties faced by the developing countries. To be effective, the Programme should promote as far as possible the independent progress of the developing countries and apply systematically the principles set forth in the Consensus of 1970, which established the framework for fruitful co-operation between developing countries and industrialized countries with differing economic and social systems. In addition, it should provide balanced support to the various economic sectors of the developing countries and should not give preference to unilateral models of management and economic development. The private sector was not a panacea, and in many areas it could not replace the public sector.

18. Any strengthening of UNDP's co-ordination functions, in particular by granting greater powers to resident representatives, should be aimed at increasing the effectiveness both of relations between the Programme and the specialized agencies, and of the assistance provided to developing countries. It would be desirable for the resident co-ordinators to represent and direct the assistance-providing agencies in the field as long as the sovereign right of every country to determine what assistance it needed was respected.

19. His country's voluntary contributions to UNDP remained underutilized. The fact that UNIDO had been able to use in toto the contributions provided by Czechoslovakia proved that it was indeed possible, within the United Nations system, to use resources denominated in koruny for assistance activities to developing countries. His Government had undertaken to participate more

actively in sub-contracting and to co-operate with the Inter-Agency Procurement Services Unit. It was regrettable, however, that Member States were not always kept fully informed of invitations to tender and competitions to fill expert posts.

20. In 1987, Czechoslovakia had given up the resources allocated to it for the fourth programming cycle in favour of the developing countries. That decision would not prevent it from taking part as before in UNDP's co-operation activities, and especially in the preparation of the regional programme for Europe. Since the projects constituting that programme covered a whole range of priority economic matters, including science and technology, energy and the environment, it would be useful for UNDP to seek to make use of the results for the benefit of the developing countries. He supported the establishment of co-ordination networks to extend co-operation among participating countries following the completion of UNDP projects; such bodies should, however, be considered as a means and not an end. During the fourth cycle, Czechoslovakia was to co-ordinate regional projects relating to the computerization of industrial management and the use of computers in mines and for energy-saving in industry.

21. In conclusion, he indicated that Czechoslovakia would make a contribution of KČs 250,000 to UNFPA in 1989 and hoped that it would be possible to reach agreement with the Fund on the goods and services which his country could provide.

22. Mr. MUKHERJEE (India), referring to the Administrator's report on the mid-term review of resources (DP/1988/26), said he thought that some of the assumptions underlying the estimates of additional resources, in particular that of an appreciation of the United States dollar by 5 per cent a year, were open to question. The anticipated surplus of \$US 676 million, which was largely nominal, should be distributed among the IPFs on a pro rata basis, for even a rise of the order of 25 per cent in the IPFs would not be enough to make up for the loss of the real value of the IPFs since 1985. Moreover, a precedent existed: in 1983 the Governing Council had chosen to share out the reduction in resources on a pro rata basis of the IPFs.

23. With regard to the increase in Special Programme Resources (SPR), the Council should stick essentially to the provisions of paragraph 17 of its decision 85/16. In any case, the figure of \$US 150 million seemed excessive. If the members of the Council were committed to the country programming process, the IPFs of the recipient countries needed to be increased in order to finance as many technical co-operation projects as possible according to the express needs of the countries concerned. The fact that the bulk of UNDP resources was allocated on a predictable basis and following a predetermined and well-conceived formula of IPFs made it possible, in fact, to avoid the risk inherent in ad hoc decisions of a central body, in that the externally perceived assessment of needs depended on the correct presentation of projects. Moreover, new initiatives considered important by the recipient Governments could always be funded through the increase of IPFs.

24. The mandate of UNDP, as laid down in the 1970 Consensus, had to be preserved so that the confidence of all parties - donors and recipients alike - should not be impaired. Although the Administrator had rightly reiterated that programmes must respect the sovereignty of recipient countries, some measures might have just the contrary effect. Thus, the

increasing involvement of UNDP in matters of macro-economic policy might lead to the belief that grant assistance for technical co-operation was provided in a framework of conditionality reminiscent of the policy-based lending of the Bretton Woods institutions. Similarly, although many countries were not opposed to the private sector playing a part in their development, the series of initiatives being taken by UNDP in that area could give the impression of a new priority. Those new images of UNDP needed to be rectified in order to preserve the Programme's reputation for neutrality, on which all its strength was based.

25. He could not accept the recommendation in the Jansson Report that the criteria for allocating resources needed to be reconsidered so as to limit assistance to countries that had not yet attained a particular level of development. Until developing countries reached a state of general prosperity, their technical assistance needs only underwent qualitative change. The unbridgeable divide between the developed and developing countries remained, in every conceivable sector and by every conceivable socio-economic yardstick used to measure it. A policy that tended to reduce the number of recipient countries, projects and sectors could impair the 1970 Consensus and the sovereign prerogative of the recipient countries to choose the areas in which they needed assistance.

26. With regard to the environment and its impact on development-related activities, UNDP should draw inspiration from the resolutions adopted by the General Assembly at its forty-second session, according to which the multinational institutions should avoid using the environment to impose new conditions for their assistance, should help the recipient countries to strengthen their capacity to deal with ecological aspects of development and should allocate extra-budgetary resources for environment-related activities.

27. Concerning technical co-operation among developing countries, he drew attention to the vast programme under way within the framework of the Buenos Aires Plan of Action. In the context of the United Nations system, the difficulties mentioned in the Administrator's report (DP/1988/18/Add.1, para. 78) should be resolved and the Special Unit for TCDC should be strengthened.

28. He noted with satisfaction the steady increase in programme delivery over the previous two years and the Administrator's intention to increase the utilization of national experts by 40 per cent. However, he was disappointed at the meagre progress achieved in procurement from the developing countries. In his view, the funding of project materials and equipment needed to be more flexible. In principle, equipment shares were not supposed to exceed a certain arbitrary limit, but for some countries, such as his own, the sophistication of projects required a larger proportion of equipment. The equipment share should logically be calculated not on the basis of UNDP inputs alone but also in terms of the total cost of the project, including Government cost-sharing. Moreover, the equipment component was still around 32 per cent, as it had been during the third programming cycle.

29. As for the more general questions of unemployment and underemployment, urban concentration and so on, they were part of global economic development, like investment, choice of techniques and infrastructure, external and internal resource balances etc. Technical co-operation was only a single part

of that complex picture; UNDP should therefore consider carefully whether it could tackle those broad issues, given its mandate and its financial and organizational capacities.

30. Similarly, with regard to structural adjustment, he wondered whether UNDP was not going too far in trying to act as a catalyst for reforms in that area. It should not be forgotten that the recipient countries were at very different stages of development and therefore did not all have the same needs. Consequently, no one assistance plan could be valid for all developing countries; the most useful service that could be rendered to those countries was to strengthen their capacity to formulate programmes according to their own needs and possibilities.

31. Mr. ARTACHO (Spain) said that his Government would support all measures taken by the international organizations to restore the stability of the world economic and financial system and enable UNDP to play its full role of catalyst in multilateral development assistance. The overall international economic situation remained bad, and was particularly unfavourable to the least developed countries; but it wore different aspects, depending on the region.

32. In Africa, two years after the launching of the United Nations Programme of Action for African Economic Recovery and Development, 1986-1990 and at the time of the mid-term review of the results, the situation was by no means encouraging. True, the growth rate had exceeded 8 per cent in eight countries, but a constant deterioration in the terms of trade and net outflows of capital formed the lot of most African countries. UNDP was therefore right to try to raise the level of assistance given directly to those countries and to mobilize other resources. The UNDP Regional Bureau for Africa was also right to try to concentrate future technical co-operation activities on key sectors to which the recipient Governments gave the highest priority, and to seek to tighten co-ordination as much as possible not only between executing agencies but also between them and national and interregional development plans. In view of the additional burden imposed on UNDP by the new tasks arising from the Programme of Action for Africa, his Government supported the Administrator's recommendation aimed at strengthening the staff of the UNDP Regional Bureau in question both at Headquarters and in the field.

33. With regard to the economic prospects of the Latin American and Caribbean region, his delegation fully endorsed the Administrator's assessment. It welcomed the recent adoption of a special plan of co-operation for Central America, which testified to the will of the Governments of the region to resolve at long last through dialogue, peace and solidarity the crisis that had been raging there for so long. It very much hoped that the United Nations system and, indeed, the entire international community, would contribute their assistance to put that plan into effect under the direction of the Regional Bureau for Latin America and the Caribbean. It would also support any decision to allocate part of any additional resources that UNDP might have to set up concrete projects within the framework of the special plan for Central America.

34. The international community had gradually become aware that, in the interests of all countries, it had to accept the challenge created by the close relationship between the constantly increasing world population, the resources available, the environment and development. The report submitted by

the World Commission on Environment and Development to the General Assembly at its forty-second session had the merit of showing clearly that environmental questions must henceforth have their place in development programmes and projects. UNDP should therefore base its future programming on General Assembly resolutions 42/186 and 42/187, which resumed the conclusions of the Commission.

35. The Governing Council had before it a project for the creation of a management facility. His delegation approved the project in principle and his Government would, in due course, contribute financially to the proposed facility on the understanding that it must comply with the principles laid down by the 1970 Consensus, in particular that of respecting the objectives and priorities of the recipient countries, and that it did not create an excessive bureaucratic burden.

36. With regard to operational activities for development and the application of General Assembly resolution 42/196, his delegation considered that programming should be unified for each country. UNDP should make its contribution in that respect in the areas where it enjoyed a comparative advantage, that is, essentially by its overall conception of the development process, by supplying management services and by the training and development of human resources. From that point of view the recent establishment of the Joint Consultative Group on Policy was a step in the right direction. It was equally essential that, in the field, the resident co-ordinator should be able to ensure that the system provided an integrated and coherent response to the needs and priorities of recipient countries. That was the only way to make optimum use of still limited resources.

37. During the previous year, there had been further improvements in UNDP income and project delivery. His Government had participated in that development by making an effort, as it had done for four years, to increase its voluntary contribution to UNDP and to collaborate more intensively and effectively in its activities in some areas; like the Administrator, it was convinced of the need for UNDP to adapt its philosophy and methods to the new and diversified needs of the developing world.

38. Mr. Mangwazu (Malawi) resumed the Chair.

39. Mr. KYESIMIRA (Observer for Uganda) said he noted with pleasure that Uganda's UNDP and UNFPA country programmes had been among those approved by the Committee of the whole. With the equipment and manpower henceforth at its disposal thanks to UNDP, Uganda could improve its planning machinery and would be able, with assistance from UNFPA, to organize a population census in 1990, preceded by an agricultural census. The restoration of peace and national unity in Uganda made it possible to expect better results from the new UNDP and UNFPA programmes, and the development strategy elaborated since 1986 by the new Ugandan Government seemed to have won the confidence of the international donors.

40. His delegation had been happy to learn that, halfway through the fourth programming cycle, UNDP would have at its disposal additional resources of more than \$US 600 million. The current surplus was undoubtedly due in part to the increase in voluntary contributions and some other income, but it had mainly resulted from a sharp depreciation of the dollar against other major currencies, so that the real value - the purchasing power - of the IPFs had

correspondingly fallen. The method of allocating those unprogrammed resources would thus have great importance for the implementation of country programmes. For his own part, he considered that the Special Programme Resources should be kept to a minimum.

41. To be able to continue to mobilize resources effectively, UNDP had to preserve its neutrality in financial matters. Co-operation between UNDP and the international financial institutions therefore implied a balance between the imperatives of co-ordination and complementarity and the special position of UNDP, which was bound to respect the 1970 Consensus. He would favour a more neutral attitude, therefore, with regard to the promotion of the private sector, which was in no sense a panacea for development problems.

42. Since 1972, thanks to country programmes or regional IPFs, the developing countries had received assistance amounting to over \$US 9.8 billion; but that technical assistance, especially in Africa, was still highly externalized. There might have been a move towards greater use of national experts and staff, but progress had been limited to a few small projects and in few countries. If that change did not develop rapidly, UNDP assistance ran the risk of not having a lasting impact.

43. UNDP should also be flexible enough to adapt to the changing conditions in the countries which it assisted. His delegation firmly supported the proposal to decentralize decision-making by delegation to UNDP field offices. In particular, in order that Governments, executing agencies and the field offices themselves should no longer be exposed to unjustified delays, the approval of projects already included in an approved country programme, regardless of their cost, should be left to the resident representative.

44. The National Technical Co-operation Assessment Programmes (NaTCAPs) undertaken by UNDP were producing encouraging results. Nevertheless, care was needed to ensure that they did not end up by simply increasing still further the mass of documentation which the developing countries had to study; they should serve to determine precisely the technical capacities of the country concerned: its needs and gaps. Needless to say, unless there was heavy reliance on local involvement, such assessments would ultimately be in vain.

45. Some members of the Governing Council believed that spreading available IPF resources over several sectors and many projects diluted the impact of UNDP assistance. His own delegation believed that the concentration of resources did not at all maximize that impact; in fact it did not even guarantee it. In Uganda in particular, after 20 years of stagnation, all sectors had become priority sectors, and concentration would exclude many important sectors and population groups from the development process.

46. He was in favour of the project to set up a management facility. The developing countries had to equip themselves with managers, not only because they had to plan the economy but also because they needed technocrats at every level, just as they needed a strong private sector.

47. Finally, his Government asked UNDP to encourage South-South co-operation, and to concentrate on the appointment of local consultants, the recruitment of local experts and procurement from the developing countries themselves.

48. Mr. FASLA (Observer for Algeria) said that UNDP should intensify its activities and optimize its assistance so as to contribute to the revival of development in the recipient countries, to the application of the United Nations Programme of Action for African Economic Recovery and Development and to the thinking about the structure and functioning of United Nations institutions, i.e. the future of multilateralism. The quality of UNDP contributions could be improved, moreover, if Governments were more closely involved in the regional programming process.

49. In an international economic situation marked by the constant deterioration of the terms of trade and the shrinking of the export earnings of the developing countries, his Government attached greatest importance to anything that might promote the utilization of goods and services from the developing countries themselves, as well as to the participation of experts and consultants from the developing countries in the implementation of UNDP projects and programmes at all levels. In addition, the promotion of TCDC should be a new priority aspect of the relations of those countries with UNDP, to which a part of the additional resources at UNDP's disposal for the fourth programming cycle should be allocated. It was indispensable, however, that the recipient countries should first be consulted, either individually or at the regional or subregional level. That would avoid mistakes such as the one made by UNDP when, some time previously, it had signed, on behalf of Africa, an agreement with the Zionist entity, with the result that the African countries had formally requested the abrogation of the said agreement - a request with which Algeria wished to associate itself.

50. The plague of locusts that was to descend in September-October 1988 upon a vast region of Africa, including North Africa and the Sahel, might well obliterate the efforts made to revive agricultural activities in that region. The international community had to supply without delay the resources needed to strengthen the warning systems and also human and material locust-control resources, which were currently very inadequate. UNDP must release substantial resources, particularly within the regional programme framework, to cope with the danger.

51. It was important also, at a time when the General Assembly was carrying out a mid-term review of the United Nations Programme of Action for African Economic Recovery and Development, that UNDP should indicate its intention to strengthen its many-sided support of that programme and adapt its action to the priorities, strategies and needs defined by the African Governments themselves. His delegation hoped that UNDP would pay special attention to the front-line countries and to national liberation movements recognized by the Organization of African Unity, and that it would strengthen its aid to the Palestinian people.

52. The considerable resources at UNDP's disposal in the framework of the fourth programming cycle were improperly called "additional resources", for that "addition" came from the depreciation of the United States dollar. In deciding how to use those sums it was therefore necessary to adhere to the principles laid down in Governing Council decision 85/16.

53. For his part, the Administrator had formulated suggestions for the allocation of those resources, and in particular had proposed the creation of a management facility. If that proposal was meant to ease the constraints which weighed upon the developing countries and strengthen their power of

negotiation vis-à-vis the International Monetary Fund and the World Bank, Algeria could not but welcome it. If, on the contrary, the proposal sprang from - or helped to strengthen - the approach adopted by IMF, it would end by loading an additional burden on to the developing countries by reason of a "cross-conditionality" which those countries had not failed to denounce in various forums. Furthermore, UNDP would be derogating from its traditional philosophy, which was to respect scrupulously the choice and economic system of the countries which it assisted. At a time when the crisis of multilateralism was preoccupying the whole international community, the principles consecrated in the 1970 Consensus had to be reaffirmed and put into practice in the field.

54. Mrs. BEN AJMIA (Observer for Tunisia), speaking on behalf of the Group of 77, \*/ said that the Group attached great importance to the operational activities of the organs of the United Nations system in general and to those of UNDP in particular, on account of its strong financial capacity. UNDP had played an important role in supporting the efforts of the developing countries to attain self-reliance and give a new impetus to their development: it should continue to do so. The Group of 77 wished to underline the validity of the tripartite nature of the Programme, as defined in the UNDP mandate and particularly in the Consensus of 1970, which emphasized the fundamental principle of country programming and which guaranteed that the recipient countries themselves determined their own priorities and their own needs, as a consequence of which the Programme allocated its resources.

55. The recipient countries had always acknowledged the high quality and neutrality of the technical assistance and co-operation provided by UNDP. In that connection, the Group of 77 was gravely concerned to see that those basic characteristics of the Programme were apparently being eroded by certain new trends in programming methods and in the allocation, distribution and management of resources. Those trends imposed on the recipient Governments a set of practices that not only did not conform to the priorities of the developing countries but also limited the sovereign right of those countries to manage and utilize the resources provided by UNDP. While agreeing that the Administrator of UNDP should have a certain room for manœuvre to deal with contingencies, the Group of 77 considered that the proposal to place non-IPF resources at his disposal for selective use outside the programming process would weaken the basic consensus underpinning UNDP and could distract the Programme from the needs of the recipient countries.

56. In addition, as a technical assistance organ of the United Nations, UNDP should ensure that technical co-operation was provided without any conditionality. Without denying the usefulness of co-ordination, the Group feared lest the increasing links between UNDP and the World Bank, in particular the International Finance Corporation, and the expansion of UNDP activities in areas of macro-economic policy, might lead to a situation where grant assistance to developing countries was provided in a framework of conditionality, associated with policy prescriptions and performance criteria defined by those institutions and IMF. The Bretton Woods institutions were

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\*/ The text of the statement by the Group of 77 will be issued as document DP/1988/INF/5.

already pressing for a reform of the macro-economic policy of the developing countries, and although that subject was an important one it had to be recognized that it was also an extremely sensitive one. UNDP should therefore be cautious in that area: the Group of 77 recalled in that regard operative paragraph 18 of General Assembly resolution 42/196.

57. Lastly, the Group of 77 noted with concern the initiatives taken by the Administrator, without consulting either the Governing Council or the General Assembly, to promote certain activities and establish "priorities" such as the participation of the private sector. Those "priorities" were sometimes imposed on national, regional and interregional technical assistance programmes to the detriment of "priorities" set by the recipient countries themselves. That approach represented a serious departure from the 1970 Consensus and the basic tripartite framework within which UNDP operated.

58. Mr. RIAD ALI (Observer for Egypt) said that his country, a member of the Group of 77, was anxious to preserve the solidarity of the Group and the consensus rule. That being said, the methods of work and the nature of the work of the UNDP Governing Council differed from those of some other international organs or agencies; in particular, it was not customary in the Governing Council for delegations to express their views through the intermediary of the Group to which they belonged. As a matter of principle, his delegation did not approve the method of addressing messages or letters as a means of official expression; it preferred negotiation and the exchange of views. However, it had no objection to the terms of the statement by the Group of 77.

59. For its part, his delegation considered that UNDP was one of the best and most efficient programmes of those assisting the developing countries. It particularly valued UNDP's role in the implementation of the Programme of Action for African Economic Recovery and Development.

60. Mr. KABORE (United Nations Educational, Scientific and Cultural Organization) recalled the position of UNESCO on two central issues raised in the Jansson Report (A/42/326/Add.1) and in General Assembly resolution 42/196: the leadership role of the resident co-ordinators and the need for United Nations agency technical advice to be made available more systematically at field level. The credibility and cohesion of the United Nations system required that UNESCO should seize every opportunity to co-ordinate its operational activities with those of other organizations under the leadership of the resident co-ordinator and that it should place its talents and capacities at the service of country programming.

61. With regard to the development of human resources, the Director-General of UNESCO was aware of the close relationship existing between the degree of emphasis placed on human resources and the level of poverty, and he had urged the agencies of the United Nations system to give special priority in programmes focused on human resources to the poorest and most vulnerable countries. In addition, when the Administrator of UNDP had visited UNESCO on 7 June 1988, he had announced the elaboration, within the framework of the United Nations, of a "Human Resource Development Action Plan for Africa" that would call for important sector-analysis studies by UNESCO. It was true that education and training policies in sub-Saharan Africa had been badly neglected in recent years. Studies by UNESCO and the World Bank in 1987 had confirmed

that, in terms of both quantity and quality, education had declined in Africa during the 1980s, undermining the region's capacity to resolve its economic and social problems.

62. UNESCO considered that, to reverse that trend, development assistance organizations should concentrate their efforts on two fronts: first, assistance in reorganizing school infrastructure programmes that tended to neglect primary education; and secondly, assistance in making known, country by country, the exact dimensions of the problem, in the hope of mobilizing more ample external funding. Those were the specific questions which the UNDP and UNESCO secretariats intended shortly to examine.

63. The other area in which UNESCO hoped for closer collaboration with UNDP was that of the protection of the environment. The policies and priorities identified by UNESCO coincided perfectly with those proposed by the World Commission on Environment and Development. UNESCO planned to enlarge its collaboration with UNDP, UNEP and the non-governmental organizations through its programme on man and the biosphere and other new mechanisms, such as the International Decade for Natural Disaster Reduction and the Global System of Early Warning on Environmental Contamination.

64. Public information was another basic development factor that had been too often neglected in poor countries. Literacy campaigns, public health activities and all activities concerned with rural development would have much more impact if the press and the radio could reach a wider public. The cultural dimension of development should not be forgotten either; education, the press and radio were its vehicles. It was also certain that the World Decade for Cultural Development would help to focus attention on that aspect which was of concern to UNESCO.

65. In conclusion, he recalled the words of the Director-General of UNESCO who, addressing the Administrative Committee on Co-ordination, had referred to countries whose assistance needs were so urgent that it was neither understandable nor admissible that administrative procedures could hamper the smooth functioning of the actions of the international community; he had added that the United Nations system should respond as a whole to such situations or risk overlooking what was essential: the obligation of solidarity that was the reason for its existence.

66. Mr. BRODODININGRAT (Indonesia), commenting on the growth of the Programme, said that his Government welcomed the continued surge in UNDP income, as well as the dramatic increase in volume and value of projects approved in 1987, a development which his delegation hoped would be matched by an improvement in the assistance provided to the developing countries. It noted with pleasure that project expenditure had also risen significantly and that approval time at Headquarters had decreased by 25 per cent. All those figures could not but give cause for optimism.

67. His delegation also welcomed UNDP's interest in "managing the economic transition". Having always adhered to the principle of respecting the wishes of sovereign Governments, it was not disturbed by UNDP's assistance to Governments which requested it in carrying out their structural adjustment programme. Nevertheless, it would prefer more caution by UNDP in contemplating the possibility of prescribing structural adjustment measures and elaborating macro-economic policies. At the international level, UNDP

should not duplicate activities already carried out by other agencies of the United Nations system. Co-operation between UNDP and Indonesia had been extremely useful in what was originally the Programme's principal area of competence: technical co-operation for development. His Government very much wished to maintain that co-operation: in other words, it hoped that UNDP would remain the United Nations Development Programme and not become a "United Nations Adjustment Programme".

68. In his annual report, the Administrator had taken up other questions, in particular the role of women, non-governmental organizations and the private sector, which were arousing increasing interest as potential resources in economic development. Without belittling their importance, his delegation wished to make clear that the special attention given to those three sectors over the past two years should in no way encourage forgetfulness of the spirit of the 1970 Consensus, which acknowledged the sovereign right of the recipient countries to set their own priorities.

69. With regard to the role of women in development, his Government had some reservations about the requirement that every new project presented for approval should include an analysis indicating how it helped to increase the share and role of women in development.

70. Faced by economic difficulties, his Government had logically turned towards its private sector and the non-governmental organizations, in order to maintain the momentum of its development process. It therefore understood the attention UNDP was paying to those two sectors. Nevertheless, it wished to caution UNDP against direct co-operation with the private sector and non-governmental organizations at the policy level. It should not be forgotten that UNDP was basically an intergovernmental organization, and that its policies were elaborated in the framework of intergovernmental processes. The involvement of the private sector and non-governmental organizations in UNDP activities should not jeopardize its intergovernmental character.

71. Since the adoption of General Assembly resolution 42/187, environmental issues had attracted increasing attention. His Government approved the basic principles underlying the concept of sustainable development, which were to satisfy current development needs without sacrificing those of future generations, and it had always welcomed UNDP's active involvement in environment-related projects. However, it had continued misgivings over the possible misuse of ecological considerations as an externally imposed conditionality for international assistance. The protection of the environment was the responsibility of all, and to use it as a form of conditionality would amount to imposing a disproportionate responsibility on the developing recipient countries. It would therefore appreciate the Administrator's assurance that the formula used in his report "incorporating environmental dimensions into new projects" (DP/1988/18, para. 39) was not intended to be a form of conditionality.

72. Referring to the mid-term review of UNDP resources, in particular the question of available programmable resources (DP/1988/26), he noted that a substantial part of the projected surplus was due to the sharp depreciation of the dollar against the currencies of other major donors. Since a large proportion of programme expenditure was paid out in the appreciating

currencies, it would be only logical if the projected surplus was used to compensate for the loss of purchasing power of IPFs. When UNDP resources had shown a deficit in the third programming cycle, that deficit had been distributed proportionally among the various IPFs, in accordance with resolution 85/16. It would therefore be equitable to adopt the same approach to the current surplus, i.e. to distribute it in accordance with resolution 85/16.

The meeting rose at 1.05 p.m.