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SUMMARY RECORD OF THE FIRST PART */ OF THE 20th MEETING

Held at the Palais des Nations, Geneva
on Wednesday, 15 June 1988, at 3 p.m.

President: Mr. MANGWAZU (Malawi)

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*/ The summary record of the second part of the meeting appears as document DP/1988/SR.20/Add.1.

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The meeting was called to order at 3 p.m.

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1987 (agenda item 3) (continued)

1. Mr. OMAR (Libyan Arab Jamahariya), having expressed his appreciation to UNDP for the African programmes relating to drought and desertification and the social impact of structural adjustment, said that more assistance was nevertheless required by Africa, which was also suffering from problems of unemployment, refugees and debt servicing. He supported the Administrator's proposals with regard to the strengthening of the African offices and the allocation of increased resources. The estimated surplus of \$US 676 million should also be allocated to African countries contending with problems of refugees and drought. UNDP should intensify its efforts on technical co-operation among developing countries (TCDC). He endorsed the trend towards economy in respect of administration costs and project teams, which would enable projects to be implemented at a lower cost.
2. His delegation regretted that UNDP had entered into an agreement with a party on technical assistance for Africa without prior consultation of all those concerned. He associated himself with the Ghanaian representative in requesting that the agreement in question should be officially cancelled.
3. His Government had been pleased to contribute to many UNDP projects at both the national and regional level. However, to develop the relationship, there were some negative aspects that must be eliminated: continuous changes in programme documents, with accompanying rises in costs, often resulted in projects being almost entirely financed by Libya. His delegation also deplored the constant reduction in its indicative planning figure (IPF) which deprived his country of its right to technical assistance at the same level as other developing countries. UNDP had adopted as the criterion a 1982 World Bank figure for per capita GNP which was not objective. He wished to reaffirm his Government's position on net contributor status as set out in paragraph 31 of document DP/1988/70. The Libyan Arab Jamahiriya had been the victim of economic practices incompatible with United Nations resolutions, which forbade any country to use economic or political pressure to force another country to renounce its sovereign rights.
4. Mr. THOMPSON (Fiji), having expressed his hope that the Administrator would complete his tour of the regions by visiting the Pacific Islands, said that the practice of holding Governing Council meetings in New York and at Geneva alternately worked against the smaller delegations and poorer member countries, which could send only one- or two-man delegations, thereby limiting their participation in the Council's work. Many non-members of the Council, especially the less affluent, were unable to participate at all. He hoped that the Council would consider the possibility of holding all its meetings in New York.
5. His delegation supported the proposed allocation of the projected surplus in accordance with Council decision 85/16 and also the allocation of 75 per cent to the priority countries. Some attention should also be paid to restoring the real value of IPFs, which had been halved during the third and fourth programming cycles. He hoped that more effective projects would result from the implementation of the Jansson Report (A/42/326/Add.1), which incorporated most of the recommendations made by the 1987 mission to the South Pacific.

6. The Pacific subregion comprised 23 small island developing countries and territories, four of which were classified as least developed. Most of those island countries were remote from the main international communication links and many had not evolved much beyond the basic subsistence level. Their main resource was the sea, but diseconomies of scale resulted in high costs and lack of sophistication in market strategies. Development assistance to provide investment capital and expertise was therefore vital.

7. It was sometimes asserted that, on a per capita basis, the island nations and territories of the Pacific did relatively well in terms of international aid. There was an inverse relationship, however, between a country's public expenditure and its size and population. The smaller the country, the higher the per capita aid required to keep it on the same level of basic amenities as larger countries. Furthermore, the internal distribution of wealth should be given due weight in determining the indicative planning figure of a country. Per capita GNP could give a misleading picture of the economy, particularly in the case of smaller countries, where a few multinational consortia were engaged in certain ventures that resulted in a high proportion of national wealth being in the hands of a small section of the population.

8. The results of TCDC, which had been only modest to date, could be enhanced by a better integration of funds into programmes. TCDC had considerable potential for providing assistance and expertise on a speedy and cost-effective basis. However, it should be borne in mind that TCDC was not an end in itself and its application should be selective.

9. The private sector had an important role to play in development but its usefulness was often limited by its own priorities. Means must be found to facilitate a free exchange of ideas and his delegation welcomed the holding of private-sector meetings in developing countries. It also welcomed UNDP's involvement in the United Nations Programme of Action for African Economic Recovery and Development.

10. The United Nations Population Fund (UNFPA) continued to provide timely and useful assistance to his country and region. He also welcomed the growth in the activities of the United Nations Development Fund for Women (UNIFEM) and supported the upgrading of its Director.

11. Mr. NGOUBEYOU (Cameroon) said that he proposed to speak on the subjects of the distribution of surplus income, structural adjustment programmes, the United Nations Programme of Action for African Economic Recovery and Development and the integration of women into the development process.

12. His delegation supported the Administrator's proposal with regard to the allocation of the surplus income for the fourth programming cycle, but he wished to draw attention to the fact that, since world prices for the principal exports of many African countries had declined considerably, many of them were unable to assume their obligations in cost-sharing projects. The implementation of the fourth cycle in Africa was thus at risk, unless there was a substantial increase in the African countries' IPFs. His Government appreciated UNDP's effort to make use of local expertise, which was both cheaper and had a better concept of local realities. It also approved measures to delegate the power to approve certain projects to resident representatives, since excessive delays in securing approval prejudiced the implementation of the programme.

13. His Government welcomed the measures to assist African countries which were undertaking structural adjustment programmes. African Governments were increasingly convinced that such programmes were essential, but they dreaded their social consequences. Many of them relied on the neutrality of UNDP to help them in both the design and implementation of such programmes.

14. His delegation appreciated the catalyzing and co-ordinating role played by UNDP in the implementation of the United Nations Programme of Action for African Economic Recovery and Development. However, the volume of development assistance was small in comparison with the needs. In that connection, he welcomed the initiatives in certain Western countries to minimize the cost to African countries of debt servicing. Certain industrialized countries had evolved a new philosophy of development assistance based on partnership, an example being the new Canadian strategy "let's share our future". He urged UNDP to pursue its efforts to mobilize resources for the African countries, in order to avoid the unfavourable outlook for the implementation of the fourth programming cycle.

15. Turning to the question of the integration of women, he said he hoped that UNDP would make increasing use of the capacity of women in its programmes, in view of the central role of African women in the execution of micro-projects and in the informal sector. He inquired what steps were being taken by the Administrator to replace the Economic Commission for Africa's programme for women which had been discontinued nearly two years previously.

16. Ms. PISZK (Observer for Costa Rica), speaking on behalf of the delegations of El Salvador, Guatemala, Honduras, Nicaragua and Costa Rica, said that, since the early 1970s, the Central American subregion had been simultaneously engulfed in its deepest economic depression and most serious political upheaval for the previous 50 years. A crisis of such magnitude accompanied by the conviction that Central America had to find its own solutions had spurred the leaders of the Latin American countries to sign on 7 August 1987 the Esquipulas II Agreement on procedures for the establishment of a firm and lasting peace in Central America, on the premise that there could be no peace without development and no development without peace. Central America had assumed its political responsibilities and was demonstrating to the world that it wanted a stable and lasting peace.

17. In its resolution 42/1, the General Assembly had unanimously endorsed the Esquipulas II Agreement and urged the international community to increase technical, economic and financial assistance to the Central American countries. In resolution 42/204 it had requested the Secretary-General, in close co-operation with UNDP, to send a technical mission to the Central American countries for the purpose of determining, in consultation with the local Governments and organizations, the economic and social priorities of the countries of the region. That mission had resulted in the formulation of the special plan of economic co-operation for Central America (A/42/949), which had been approved by the General Assembly by its resolution 42/231.

18. The Central American Governments had defined five emergency areas for immediate action which were communicated to the General Assembly when resolution 42/231 was adopted. The areas were assistance to refugees, displaced and repatriated persons; food assistance; an emergency fund to reactivate the Central American economy; assured energy supplies; assistance with the external debt. In asking for assistance, the Central American

Governments had understood that it should be additional to the assistance which the countries were receiving individually and that it should be granted on concessional terms without discrimination or exclusion.

19. The Governments of the Central American countries had never envisaged any organization other than UNDP playing the central role in implementing the special plan, in view of the decisive part it had played in preparing the plan. It was thus for the Governing Council of UNDP to decide on the policies and activities of the special plan. Accordingly, the Central American delegations had asked for the item to be included in the agenda of the current session of the Council and would propose an appropriate resolution.

20. Their Governments hoped that the Council would take two steps which were vital to get the special plan under way. The first was to give a clear and specific mandate to the Administrator to take the necessary steps to make the plan effective. Operative paragraph 6 of General Assembly resolution 42/231, which urged the specialized agencies to co-operate with the Secretary-General in the implementation of the activities supporting the goals and objectives of the special plan, was far too general in its terms. Although, as a general rule, UNDP could not initiate a new activity without having the necessary funds for it, the Central American Governments were talking not about funds for the implementation of the special plan but only about the steps that needed to be taken to complete the preparatory phase. As it stood, the plan lacked the specific details which donor countries or executing agencies would require, and the Governments she represented were therefore asking the Council to authorize the Administrator, with the assistance of ECLAC and the regional integration bodies, to undertake that detailed work.

21. The request of the Governments she represented constituted a new responsibility for UNDP, but they felt that the time had come for all the concern which had been expressed about the crisis in Central America to be translated into the assistance needed to achieve tasks that were beyond the capability of the Governments themselves. The future of Central America depended on the adoption of measures to enable the countries concerned to have a chance of growth and development once more.

22. Mr. MONTEIRO (Cape Verde) said that the programme for Cape Verde that had just been approved reflected the priorities set by his Government and UNDP's working guidelines, in that it incorporated other parts of the United Nations system and bilateral contributions also. UNDP might also help finance a number of priority activities in Cape Verde's programme in the near future.

23. In view of the importance that his Government attached to TCDC, an umbrella project had been financed with the resources of the programme, making it possible for technical co-operation activities to be undertaken with a number of developing countries. Owing to the exhaustion of Cape Verde's IPFs, however, the follow-up had encountered problems, which might lead to frustration as a result of the lack of financial alternatives.

24. There was currently too much rigidity in applying criteria for approving projects financed by the UNDP Special Measures Fund for the Least Developed Countries (SMF). It was to be hoped that greater flexibility would be shown.

5. His Government was interested in maintaining fruitful and effective relations with the Co-ordinator of Programme Activities. That should be based not on increases in the size of his staff, but on more versatile forms of co-ordination.

6. In the view of his Government, the 1970 Consensus still applied. The Administrator should, indeed, enjoy a certain degree of latitude in conducting the Programme, but an accumulation of small measures might eventually mean a substantial change in the platform previously approved by the Council. The situation must be carefully monitored to ensure that the Consensus was maintained.

7. His delegation endorsed the proposal concerning the creation and endowment of a management facility (DP/1988/76). If that proposal was approved by the Council at its current session, UNDP should then consult the Member States to decide upon its operational modalities. Such a facility should be used preventively and according to a previously defined framework, i.e. a country should not have to wait until it was in serious difficulties before it could benefit from it.

8. His Government approved the Administrator's recommendation to the Council for a reallocation of the resources for the fourth programming cycle in view of the \$US 676 million of surplus resources, because the recommendation was a reasonable one, that was sufficiently protected against further unforeseeable developments (DP/1988/26, para. 26). His delegation endorsed the pro rata allocation of resources, because it appeared to be the simplest and fairest method, and yet was still in accordance with decision 85/16.

9. Mr. MORALES CARBALLO (Cuba) said that the world was currently experiencing the worst economic crisis in history, the brunt of which had been borne by the developing countries. Commodity prices had collapsed, the terms of trade had worsened, protectionism was growing and the external debt had become overwhelming. The 1980s had seen the greatest transfer of capital from Latin America and the Caribbean in the history of that region, an incredible sum of \$US 150 billion over the past five years.

10. Against that background, the assistance given by UNDP had been essential for the countries of the third world in their efforts to overcome underdevelopment, and UNDP must continue its work along those lines. For that reason, his Government reiterated its support for General Assembly resolutions 2688/XXV (the 1970 Consensus) and 3405/XXX, which underscored the voluntary and universal nature of UNDP. The 1970 Consensus had rightly stipulated that the recipient countries should themselves determine their own priorities and needs and that the allocation of programme resources must be in accordance with that fact.

11. It was essential to maintain UNDP's mandate, in both the spirit and the letter. His Government thus disapproved of the new programming methods proposed concerning the allocation of financial resources, contributions and administration, because they departed from the 1970 Consensus.

12. UNDP must remain impartial with regard to the various roads to development. The peoples themselves should be able to choose freely and sovereignly, without any pre-conditions, the type of development that they considered most appropriate. If UNDP were to give preference to one type of development over another, it would lose its universal character.

33. With regard to the \$US 655 million surplus, his delegation endorsed the position of the Group of 77 (DP/1988/INF.3) that any additional funds had to be allocated in the following manner: 1.24 per cent for Special Programme Resources (SPR) and the remainder to increase the IPFs for the fourth programming cycle. Moreover, the 1.24 per cent for SPR must be allocated to purposes previously endorsed by the Council. The expected increase in UNDP resources at the end of the cycle was mainly due to the decline of the United States dollar since 1985 in terms of the currencies of other major donors and, consequently, that amount must be applied to compensate for the erosion of purchasing power of the IPFs and SPRs. In other words, that incremental amount represented an increase in nominal terms only. IPFs for the fourth programming cycle had dropped by 30 per cent.

34. Adjustment policies to meet the world economic crisis had been and would continue to be very unpopular, and for that reason, UNDP should remain aloof from such activities, lest it should tarnish the well-deserved prestige it had earned through its efforts to promote development in Asia, Africa, Latin America and the Caribbean. The answer was not to impose greater poverty upon the poor, but to seek solutions to the problem of foreign debt, protectionism, the unequal terms of trade, etc.

35. The Administrator could count upon his Government's support in the efforts being made to improve UNDP efficiency. It continued to support the General Assembly activities in favour of the Central American region, and the special plan of economic co-operation (A/42/949) in particular.

36. Mrs. BEN AJMIA (Observer for Tunisia) said that her country had maintained a long and fruitful dialogue with UNDP for many years. Tunisia's programme for the fourth programming cycle (1987-1991) responded to the objectives of that country's Seventh National Economic and Social Development Plan. Unfortunately, Tunisia's IPFs were too low to allow it to realize the priorities of the fourth cycle completely, especially as the current economic situation had made it difficult for her authorities to intensify cost-sharing.

37. Owing to the international economic crisis, her Government had been forced, in 1985, to take a number of structural adjustment measures to revitalize the national economy. Those measures had been reaffirmed following the political changes that had taken place in the country after 7 November 1987. In that context, her Government was certain that UNDP would continue to help those developing countries that wished to implement adjustment measures aimed at crisis prevention.

38. However, resources made available to developing countries should not contribute to increasing their debt, as was the case with the credits granted to developing countries by the international financial institutions.

39. Her Government noted with satisfaction that UNDP had been working towards reinforcing co-ordination with other donors and with Governments in order to optimize all sources of assistance. It endorsed the principle of allocating additional credits for activities that enhanced the co-ordination of international aid for the countries concerned.

40. Tunisia had been one of the pioneers, particularly in Africa, of TCDC. It might be useful to take appropriate measures to free additional resources for extending TCDC projects and to adopt sufficiently flexible rules and procedures for promoting that type of co-operation.

41. Her delegation endorsed the co-operation between UNDP and the World Health Organization in the campaign against AIDS. It also supported UNDP's crop substitution programmes for the fight against drugs. Environmental protection and the prevention of desertification were also given priority in Tunisia's national strategy, as was the integration of women, in particularly by rural women, into the economic development process.

42. Her Government wished to underline the danger that the invasion of migratory locusts represented for the food supply of the African continent, referred to the efforts made by the countries of the Maghreb in the framework of their programme to co-ordinate the fight against that plague and urged the donor countries to contribute to the joint fund set up to that effect by the Governments of the five Maghreb countries. The Tunisian authorities also paid particular attention to strengthening technical assistance to the Palestinian people, Lebanon and Namibia.

43. The criteria set out in decision 85/16 of the Governing Council were the product of long negotiations between the developed and the developing countries, and any decision concerning the allocation of resources must, therefore, be in conformity therewith. Furthermore, her Government stressed that in accordance with the 1970 Consensus, the recipient countries themselves determined their own priorities and needs, and the allocation of programme resources must be in conformity with that fact. Her delegation also reaffirmed the importance of General Assembly resolution 42/196 on operational activities for development.

44. Mr. AL-AWADHI (Kuwait) said that his delegation regarded UNDP as a storehouse of knowledge and an important partner in international development and co-operation in solving the economic and financial problems facing the developing countries as a result of their acute indebtedness and the sharp decline in the income of the oil-producing countries.

45. Close international co-operation was the only way to overcome the challenges posed by the lack of resources, balance-of-payments deficits, the internal conflicts and the famines and migrations brought about by drought and desertification in many developing countries.

46. Kuwait was playing a role in those joint international endeavours through direct bilateral co-operation with the developing countries and through multilateral co-operation in the form of contributions to regional and international development institutions. By the end of 1987, it had provided \$US 5,400 million in loans and \$US 80 million in technical assistance for the developing countries.

47. His delegation appreciated the attempts being made by the Administrator to rationalize UNDP expenditure at a time when the United Nations system was facing a financial crisis. It was essential that administrative costs be reduced and maximum use made of the resources available, in view of the difficult economic and financial situation of the Member States. Current and future UNDP projects and activities should be reviewed and over-ambitious programmes that exceeded available resources should be discarded, even at the risk of shaking the developing countries' confidence in UNDP ability to fulfil their peoples' aspirations. New funds, institutions and programmes for specific purposes should be established only if there were sufficient financial resources to ensure the continuity and effectiveness of their operations.

48. As for internal development endeavours, Kuwait was currently implementing a five-year socio-economic development plan for the years 1985/86-1989/90. Since 1976 when, in view of its ample financial resources, it had provisionally foregone the IPF assigned to it, it had been meeting the full cost of the technical assistance provided by United Nations agencies under the fourth country programme of technical assistance for 1986-1989, which covered the development planning, petroleum, industry, telecommunications, agriculture, animal resources, education, health, social affairs and employment sectors.

49. However, in view of the country's current financial circumstances, it had been necessary to reduce the expenditure on the fourth country programme to about \$US 4 million, as compared with \$US 7.9 million for the previous programme.

50. During the fourth programming cycle (1988-1992), special concern should be shown for the country programmes of the Arab States - particularly those falling within the category of least-developed countries - by increasing their IPFs. The commendable efforts that UNDP was making to promote the socio-economic development of the Palestinian Arab people in the West Bank and Gaza Strip should be intensified, particularly in view of the increased sufferings caused by arbitrary acts of injustice and repression on the part of the Israeli occupation authorities. His delegation endorsed the Administrator's appeal for increased contributions to that end.

51. Special attention should be paid to the development needs of the Lebanese people, which had suffered greatly as a result of the war and the Israeli invasion. Additional financial resources should also be allocated to enable the Programme to continue its commendable efforts to assist the African countries afflicted by drought, desertification, famine and migrations and to support African national liberation movements. The humanitarian endeavours that UNDP was making, in collaboration with WHO and other specialized agencies, to combat AIDS in the developing countries should be continued, in view of the serious long-term threat posed by that disease.

52. At its current session, the Governing Council should consider the basic long-term objectives of UNDP, which could be achieved only through international co-operation and consensus, regardless of the extent of the contributions made by individual Member States. He hoped that greater mutual understanding between the super-Powers would make it possible to reduce the tremendous expenditure on weapons of mass destruction, thereby achieving considerable financial savings, part of which could be allocated to the strengthening of international security and UNDP endeavours to combat famine, disease and ignorance in the third-world countries.

53. Mr. RIPERT (Director-General for Development and International Economic Co-operation) congratulated the members of the Council and the Administrator on the previous year's results. The financial situation of UNDP was good, thanks to the maintenance, indeed the reinforcement, of contributions in national currencies from a wide range of countries, including many developing ones. Even if the method of distributing the resultant surplus was a delicate problem, it was encouraging that the concern was to find an effective and equitable way of utilizing additional funds and not, as at other times, to negotiate reductions in programmes, just when the demand for UNDP's services was continuing to grow.

54. He also congratulated the Administrator and his team on the quality of programmes and projects. The study of important projects by the Action Committee had made it possible to keep a more systematic watch on the applications of the principles and policies of programmes and to examine alternative ways and means of implementation. Contrary to the fears expressed by some, that approach had made it possible to devise new tools of decentralized management and to save time: a greater delegation of the power to approve projects at local level had proved compatible with the maintenance of accountability requirements.

55. Those assessments had been confirmed by the results of evaluation missions and visits by representatives of the recipient countries and of donor countries, which corroborated his own on-the-spot observations. No doubt much could be done to adapt UNDP's operational machinery to the changing needs of its members, but the machinery itself was of good quality and he paid tribute to all the staff members who, often under difficult conditions, participated on the basis of principles and priorities determined by the Governments in the formulation and implementation of thousands of projects.

56. At a time when traditional approaches to the organization of co-operation programmes were revealing some limitations, UNDP, often in co-operation with other financing institutions, had undertaken a wider canvassing for partners. Whether in regard to the integration of women into development programmes, to the participation of non-governmental organizations as beneficiaries and agents in the implementation of programmes, especially in rural and social sectors, or to technical support of independent public enterprises or those of the national private sector, UNDP had shown the importance as well as the difficulties of securing the contribution of the skills and the human and financial resources of all the potential actors in the development process.

57. The innovatory effort had also involved ways and means of co-operation, the increased importance attached to government execution of projects, the strengthening of UNDP actions to enhance TCDC activities, the gradual replacements of the traditional resident experts by high-level consultants, data banks, and information systems and the increased utilization of national and regional abilities in the implementation of projects - all were responses tailored to new and increasingly varied situations.

58. UNDP had made a decisive contribution to emergency and humanitarian aid operations in Africa and was giving equally important assistance to the implementation of the United Nations Programme of Action for African Economic Recovery and Development. It would also have one of the most important roles to play in the implementation of the programme of humanitarian and economic assistance in Afghanistan, and the Regional Director for Latin America and the Caribbean had been made responsible for mobilizing the resources of the United Nations system to increase technical co-operation in support of the peace process in Central America.

59. The importance of the contribution of technical co-operation programmes to a lasting solution for such crisis situations was reassuring in view of the fact that the recent "lean years" for the international institutions had led some to refer pessimistically to a veritable crisis of multilateralism.

60. However, in keeping with resolution 42/196, considered by many as a benchmark, he urged the Council to identify the obstacles which had slowed UNDP's efforts and to implement reforms to overcome them. The Council was also required to study the conclusions and recommendations of the Jansson Report (A/32/326/Add.1) and, more specifically, the additional support that could be furnished and the additional flexibility that could be given to facilitate government execution of projects; ways and means of strengthening intercountry programmes and launching a process of consideration of the possible post-1991 arrangements for support costs designed to increase project quality and cost-effectiveness.

61. He was sure that the Council would take into account the special importance of the links with the specialized agencies, whose role was not only to mobilize sectoral skills in operational activities but also to be the veritable technical partners of the developing countries. Their research and data analysis, their elaboration of standards or conventions, were nourished - and not only financially - by the operational programmes for which they were responsible. He hoped that any development in the traditional tripartite relations would be accompanied by appropriate financial and budgetary decisions, aimed at safeguarding that essential aspect of the technical and standard-setting work of the system.

62. The reaffirmation in resolution 42/196 of UNDP's central role in financing and co-ordination was above all an appeal addressed by the United Nations Member States to themselves to intervene coherently in the different intergovernmental authorities and to ensure coherence in their financial interventions.

63. However, his latest statistical report showed that, even without taking into account technical co-operation activities financed by loans from the World Bank, the International Fund for Agricultural Development or other international and regional financial institutions, the share of UNDP and its associated funds represented only 42 per cent of all the resources devoted to international technical co-operation. Since he had to make a report on that subject to the Economic and Social Council in 1989, he asked the Governing Council for its views on ways in which the principle of central financing - from which it derived an important part of its mandate in matters of co-ordination - could be respected.

64. Resolution 42/196 also took up an associated problem, that of the joint or co-ordinated programming of resources allocated to operational activities. It implied that UNDP country programmes might constitute too limited a framework to permit the integration of all the objectives and activities of the different organizations. Without wishing to prejudge the results of an important study on the subject by UNDP in consultation with his office, recent discussions had led him to wonder whether the aim might not in future be the elaboration by the representatives of the United Nations system in each country, in close consultation with the Government and adapted to the programming and planning cycle of that Government, of a general declaration of intent, by reference to which the programmes or pluri-annual and multi-sectoral projects of each institution could be formulated, with more direct links whenever possible and beneficial.

65. Finally, resolution 42/196 recalled the objectives of the resident co-ordinators of operational activities of the United Nations system and considered the possibility of working out new arrangements which would make it possible for those co-ordinators to play a better role. He would welcome the Governing Council's opinion on that subject, since the solution of that central problem was not simple, with regard either to relations between both national and international institutions or to UNDP itself.

66. Indeed, if in the case of UNDP the co-ordinator's authority derived from its mandate as described in the 1970 Consensus, in the case of the other institutions the responsibility of the resident co-ordinator derived from the decisions of the General Assembly, from a designation by the Secretary-General and from the acceptance by each country and each organization in varying degrees of the advantages of co-ordination and harmonization of programmes in the framework of multidisciplinary approaches. The Governing Council of UNDP and the Administrator rightly expected the resident representatives to account to them for all their management activities, whereas the Secretary-General, the executive directors of funds and special agencies and the executive secretaries of regional commissions were at the same time increasingly requesting the collaboration and services of what they called the resident co-ordinators. That was one of many points that needed clarification, if the remarkable teams that had been built up in most countries were to play their full technical and management role.

67. Those ambiguities should not lead to a separation of the functions of resident co-ordinator and those of UNDP resident representative; on the other hand, it seemed important to take urgent measures to ensure the extra training of resident representatives to enable them to carry out their increased responsibilities with the confidence of their partners, to equip them with the necessary resources, at least in the domain of management and information, and to dip deeper into the resources of other funds and agencies to enrich the roster of potential candidates, enabling the Administrator to respond appropriately to the call to designate resident co-ordinators in the various countries.

68. He hoped that the 1990s would see a recovery in the growth and development of all countries, after long and difficult years of economic crisis, and that considerations of equity would again find their priority position. It would certainly be a decade in which the essential role of human resources, the object and foundation of all development, would be confirmed. It was evident that UNDP would remain at the very heart of the definition and implementation of operational activities for development.

69. Mr. MATSVAYI (Zimbabwe), having thanked UNDP for its invaluable assistance to his country, which looked forward to furthering and enhancing that co-operative relationship in partnership with other multilateral and bilateral donors, said that, like other developing countries, Zimbabwe had faced many constraints in the previous year attributable to the unfavourable international economic environment. It had therefore initiated some internal economic adjustment policies with varied degrees of repercussion on the creation of conditions conducive to sustainable economic growth.

70. Structural adjustment, as prescribed by some multilateral agencies such as IMF and the World Bank, would require additional financial resources, but their cost would add to Zimbabwe's already high debt-service ratio, standing at 35 per cent of GDP. His Government would welcome UNDP involvement and

participation in the structural adjustment, inasmuch as the UNDP means of financing was not debt creating. However, addressing the economic requirements of Zimbabwe's people had necessitated a budget deficit of some \$Z 983.5 million, which might appear excessive. It had been caused by external factors beyond his Government's control, such as destabilization policies in the region and the desire to keep trade routes through Mozambique open for Zimbabwe's survival as a land-locked country. Beyond preoccupations with the deficit, his Government looked forward to the catalytic role which UNDP resources could play in its infrastructural development, particularly in the areas of human-resources development, institution-building and training.

71. He welcomed UNDP assistance for the Trade Liberalization, External Debt Management and Investment Guidelines programmes; discussions would be held on private-sector support. His delegation welcomed indications that UNDP wished to extend its support in the private sector; there would have to be discussions between his Government and UNDP, however, to ascertain how far UNDP assistance could effectively address the identified need. Such a dialogue could help to incorporate Zimbabwe's socio-economic and political orientation into the programming exercise.

72. Zimbabwe's experience with UNDP had led to a number of conclusions. First of all, his Government believed that involving the recipient country in the selection of technical personnel could help to solve the problems associated with control, accountability and the suitability of candidates.

73. Secondly, the assumption that every expert recruited was a good trainer was not necessarily true. All too frequently, a vital project output was not always satisfactorily delivered. Training was a skill, and due care should be taken with respect thereto when making the choice of experts. That problem could be addressed by improved project design. As a result, the delivery of outputs was not always achieved, because not all components of the projects had been clearly identified or foreseen at the moment of the project formulation, as became apparent at a tripartite review meeting or when an evaluation was carried out.

74. Thirdly, careful thought should be put into the choice of procurement sources so as to take into account the technical levels of the users and the ability to service and obtain spares. Where regional projects were being undertaken, every effort should be made to use local sources so as to enhance regional trade as well as South/South co-operation and transfer of technology. Of course, other factors such as price, quality and availability of back-up services from the region had also to be considered.

75. Fourthly, it was one thing to create local institutions but quite another to manage them effectively for the benefit of the local people, a point directly linked to training and the selection of projects, which had to be done with maximum participation and consultations.

76. Fifthly, Zimbabwe had found that minute and scattered projects were not only difficult to manage but also not cost-effective; it therefore believed that projects should be tailored around key priority themes so as to make programmes easy to monitor and evaluate, and to avoid duplication from other sources.

77. Lastly, UNDP and Government had to assess the potential for government execution if that modality was to succeed. Seminars/workshops should be organized at which UNDP would explain an outline preparation of financial reports, formats of reports and routine matters to Governments to ensure that everyone knew what was expected of them in government-executed projects.

78. With regard to the United Nations Volunteers (UNV), their positive role in the development efforts of the developing countries was well known. However, it was felt that continued financial support for their operations should not be tied to IPFs that were already committed since IPF resources were programmed to meet specific needs in priority areas. At the same time, the selection and recruitment of UNVs should not be tied to any pretermed regional proportions. Therefore the same competitive selection process that currently prevailed should continue, in the integration of the UNV programme in the normal UNDP programmes. Donors should not impose conditions pertaining to costs, as most developing countries were already facing dire economic problems.

79. No amount of technical assistance a country could get would be useful if such aid could not be centrally co-ordinated. He thanked UNDP for providing Zimbabwe with a vital data bank showing the amount of aid flows by countries for budgetary purposes, commitment by donors and disbursement levels by the Government as well as by the donors, the type of assistance received, projects or programmes which had benefited and any subsequent pledges. Of course, the position of UNDP as the informal Chairman of the donor community had provided the Government with vital information on donor feelings and concerns. He requested more work on that project, since it helped both Government and donors.

80. The project had also taught Zimbabwe that only when the priorities were its own was it able to use effectively the assistance it was given. Developing countries should have the courage to say no to any technical assistance that did not answer their specific policy objectives and priority needs. He paid tribute to the co-operation of UNDP and by the United Nations specialized agencies in key sectors such as health, agriculture, industrial development, environment, the refugee and displaced persons problem and the inclusion of women as the focal point of sustainable development.

81. His delegation also welcomed the role played and projected by UNDP in its support for the United Nations Programme of Action for African Economic Recovery and Development. That Programme represented a pact between the African countries on one hand and the donor community on the other. Although the African countries had tried scrupulously to honour their part of the pledge, the same could not be said entirely of the donor community; the many initiatives that UNDP had undertaken in response to the Programme of Action were therefore gratifying.

82. He shared the Administrator's dismay that UNDP had "received no ... contribution in cash or in kind from the parties mentioned in decision 85/36" (DP/1988/65, para. 21) and he urged once again those organizations referred to therein to abide by that Council decision. His delegation supported the Administrator's proposal for a supplementary budget for UNDP operations in Africa (DP/1988/65); it attached great importance to any measures that would enhance the effectiveness of UNDP in discharging its responsibilities in Africa.

83. He welcomed the Administrator's initiative in proposing the establishment of a management facility (DP/1988/76). However, he was concerned at the apparent cross-conditionality expressed in the statement "Accordingly, the economic reform process will be the vehicle for identifying and implementing UNDP's support under the Facility" (DP/1988/76, para. 12). Irrespective of the internal economic processes in a country, the development and strengthening of managerial capacities was still of vital importance, deserving assistance where available. His delegation believed that in the operation of such a facility, care should be taken to avoid duplication or overlap with other existing programmes and that the primacy of the recipient countries in setting their priorities and needs should be respected and upheld.

84. He had been pleased to note in document DP/1988/26 the significantly higher levels of programme delivery registered by UNDP in 1987, and commended the Administrator and his staff. However, since the additional resources that had become available were primarily due to the decline of the United States dollar, he asked for assurance that the total programme expenditures for 1987 reflected increased programme delivery in terms of output rather than in monetary terms alone.

85. Mr. GERDAU (Peru) said it was widely recognized that international economic relations had undergone profound changes in recent years. The gap between the industrialized and the developing countries was widening daily. Many developing countries had been faced with serious economic crises with dramatic social consequences, making participation in international co-operation still more necessary for the solution of their problems.

86. UNDP was currently faced with a special situation. In his report, the Administrator stated the level reached by contributions over the past two years and praised the amount of the contributions by some donors. Nevertheless, it was quite disturbing that reliable projections showed that UNDP would end the fourth programming cycle with a surplus of approximately one billion dollars. It did not seem very logical, however, to speak of a surplus in UNDP, unless it meant that UNDP had met all the requests for co-operation by developing countries and that no further resources were needed for that purpose. If, on the other hand, it meant that UNDP had not been capable of attending adequately to the developing countries' needs, the so-called surplus was not welcome at all.

87. His attention had also been drawn to the contradiction between the Jansson Report (A/42/326/Add.1) and a statement by the UNDP Administrator with regard to the speed of the project approval process. The Jansson Report maintained that a large part of the difficulties presented by the fourth programming cycle were due to the use of two levels of authority for project approval, resulting in a delay in reaching a decision on projects that were of great importance for the developing countries. The Administrator, on the other hand, stated that approval was given rapidly, with the additional guarantee that the projects had been thoroughly analysed by specialists and, for that reason, were of better quality for implementation. He would like some clarification of that point.

88. As for the services of short-term experts, they had not evoked any real enthusiasm in Peru. They had been offered to various firms in the private sector, one of which had formulated an application approximately 24 months previously without as yet having received any response.

89. His delegation agreed with the suggestions by the Administrator, as long as they were in keeping with the 1970 Consensus, which stipulated that the co-operation offered by the United Nations system must conform to the requirements of the Governments. Peru, for example, did not distinguish legally between technical assistance co-operation in the public and private sectors.

90. His Government wondered whether it was really necessary to increase the staff at certain UNDP field offices in developing countries, in particular those involved in structural adjustment programmes, or whether that request was simply a bureaucratic demand. Consideration should be given to the capacity of the regional economic commissions, especially as proposals of that nature should not be made in years in which the Governing Council did not approve UNDP's Biennial Budget.

91. It was not for the Council to define forms of co-operation, because each Government was sovereign to decide the system that it considered most appropriate. The Council could only offer to co-ordinate international co-operation for those Governments that so desired, as well as ensuring that there was adequate co-ordination among the executing agencies of the United Nations system. In that context, his Government supported the proposal made in the Jansson Report on the need to increase resident co-ordinating facilities.

92. As a member of the Group of Eight, Peru reiterated its support for the efforts made by the five Central American countries, together with the Secretary-General of the United Nations and the Economic Commission for Latin America and the Caribbean, to achieve peace and development in that part of the world. To that end, UNDP should increase the IPFs for the subregion considerably.

93. His Government considered that the additional allocations referred to in document DP/1988/26 should be used to raise every country's IPFs. Owing to the financial crisis several years previously, it had been necessary to reduce the IPFs by 45 per cent. The available resources should thus be allocated on a proportional basis and in accordance with decision 85/16, but taking as a starting point the 1986 per capita income instead of the 1983 one.

94. His Government supported the various proposals by the Administrator for increasing UNDP funding for TCDC. In the case of his own region, such assistance should be granted within the framework of the Latin America Economic System (LAES).

95. The donor countries should consider the proposal recently made in New York by his Government to the effect that resources saved through disarmament should be rechannelled to international co-operation funds.

96. Like many other countries in the Latin American region, Peru had been hard hit not only by the reduction in IPFs but also by an inflation that had slashed the value of those IPFs. In view of the income situation in the developing countries, his delegation found it hard to understand how salary increases could be contemplated in organizations such as UNDP.

97. His Government welcomed the Jansson Report and urged the Administrator to put many of its suggestions into effect, particularly those concerning the granting of more responsibility and facilities to the resident co-ordinator.

98. Mr. KRSTAJIC (Yugoslavia) said that the upward trend in UNDP's income in 1987 undoubtedly reflected increased confidence in the Programme's overall technical and managerial capabilities to respond more efficiently to the dynamic needs of developing countries and, in addition, represented a welcome step towards renewed support for multilateralism.

99. As indicated in document DP/1988/26, the additional unprogrammed resources of \$600 million appeared to be mainly a consequence of the depreciation of the United States dollar and, in fact, reflected a decrease of the purchasing power of IPFs and other resources. His delegation therefore considered that the expectation expressed by many developing countries, to the effect that those additional resources should be allocated in accordance with the criteria set out in decision 85/16, were quite legitimate. In that connection, his delegation shared the view expressed by the Group of 77 (DP/1988/INF/3).

100. His delegation welcomed such positive features of UNDP performance in 1987 as increased operational expenditures, delivery and project approvals as well as the efforts of the Administrator to improve the management and efficiency of UNDP's technical assistance. The dynamic and multifaceted nature of UNDP activities was also reflected in the increased involvement of UNDP in providing assistance to Governments in managing their economic adjustment and reform, improving macro-economic planning, export promotion and debt management as well as in various emergency activities, in the promotion of TCDC and wider environmental concerns.

101. His delegation could not however overlook some shortcomings in UNDP's performance which were mainly related to an inadequate use of the potential of some developed countries. In 1987, for example, as shown in document DP/1988/18/Add.1, the share of developing countries had decreased relatively more substantially in virtually all basic technical co-operation components as compared with the situation in the previous year. His delegation urged the Administrator to make every effort to reverse that trend.

102. As for the issue of promoting the private sector in developing countries, his delegation thought that UNDP could play an appropriate role in that area, provided always that the sovereign decision of the country concerned and the authentic principles on the basis of which UNDP operated, were fully respected. His Government was encouraging private entrepreneurs within the framework of the country's current economic reform and the development of the small-scale economy in particular, and would explore a possible UNDP contribution to some of those activities.

103. His Government supported the efforts to expand UNDP activities in the fields of TCDC, women and development, and environment, as well as its active role in co-ordinating the international assistance provided for African countries. It also supported the important role of UNFPA and the special purpose funds and programmes administered by UNDP. It endorsed UNDP's efforts to provide technical assistance to the Palestinian people and to the national liberation movements recognized by the Organization of African Unity.

104. Mr. NAFFAH (Observer for Lebanon) said he noted with satisfaction that UNDP's income had reached another record in 1987 and that prospects for 1988 were equally good. Everyone was aware, however, of the magnitude of the development assistance needs of many recipient countries.

105. The solid process of formulating country programmes by UNDP had, over the years, strengthened the relationship between the Programme and the recipient Governments. The knowledge thus gained of the needs and priorities of the recipient countries had made UNDP a necessary partner to all other United Nations agencies in both the formulation and implementation of their operational activities. UNDP's co-ordinating function must therefore be strengthened.

106. The positive encouragement of the private sector in the development process should be intensified as it accelerated that process in many developing countries. Priority must also be given to rationalizing UNDP's organizational structure in the field, as that aspect would be of increasing importance to the Programme's activities in connection with the structural adjustment of many recipient countries.

107. His Government commended the efforts of the international organizations to assist the Afghan refugees and help reconstruct their country. It hoped that the appeal of the Secretary-General to the donor community for \$1.2 billion for emergency assistance and \$840 million for longer-term development assistance for returned Afghan refugees would be heeded.

108. The Administrator had rightly referred to Lebanon as another example of a continuing emergency situation that demanded UNDP attention and resources. Ever since 1978, when the General Assembly had adopted its resolution 33/146, the international community, through the United Nations system, had mobilized its efforts to help Lebanon in its reconstruction and development process. The country's IPF for the Third Programming Cycle had been set at \$10 million, based on the assumption that per capita income in Lebanon for 1978 was approximately \$1,000. Lebanon was currently facing more adverse conditions than in 1982 and indeed the situation was that of an almost desperate emergency. Most of the country's infrastructure had been destroyed and the rate of inflation had rocketed to such a point as to reduce per capita income to less than \$75, thus putting Lebanon far below the least developed countries.

109. His Government hoped earnestly that the Governing Council would help Lebanon to obtain an IPF of not less than \$30 million for the coming programming cycle, so as to enable it to start once again its reconstruction and rehabilitation process in the sectors which had been totally or partially destroyed. His delegation also trusted that the Emergency Appeal Fund for Lebanon would reach its target of \$85 million. His Government was determined to reconstruct and rehabilitate its infrastructure with a view to resuming the development process as soon as possible.

110. Mr. WIESEBACH (Deputy Director-General, United Nations Industrial Development Organization) said that UNIDO expected to be able to raise its delivery of technical co-operation to \$110 million in 1988, representing an increase of approximately 13 per cent on the 1987 figure. Such growth reflected the increasing recognition by developing countries of the role of industry in generating overall economic growth and creating the foundations of

modern societies. In many countries, such as India and China, such recognition was reflected in firmly established policy and UNIDO was assisting them to create a sound industrial base for future development.

111. It was true that, for a large number of African countries, there were immediate requirements in terms of food, health and education, but it was equally clear that sustained economic growth, even in the agricultural sector, required a viable industrial sector. UNIDO therefore associated itself fully with the efforts undertaken in the context of the United Nations Programme of Action for African Economic Recovery and Development, particularly in industries producing and processing agricultural products. A major concern was the rehabilitation of African industries already in existence which, however, suffered from low-capacity utilization, inappropriate technologies and an unfavourable economic environment. In that connection, UNIDO was preparing a major regional rehabilitation project under the UNDP regional programme for Africa.

112. UNDP financed approximately 70 per cent of the technical co-operation activities of UNIDO and the positive development of the UNIDO programme to a certain extent reflected the flexible budgetary and administrative procedures which had been introduced by UNDP to facilitate a more rapid rate and a higher quality of delivery. The two organizations were currently co-operating on harmonizing project documentation in the areas of design and evaluation.

113. UNIDO had supported UNDP's efforts to establish a direct dialogue with entrepreneurs and their institutions in developing countries. In a number of countries, the senior industrial development field advisers (SIDFAs) had assumed an active role, jointly with the UNDP resident representatives in organizing dialogue on the role of the private sector. UNIDO also shared UNDP's concern to enhance the quality of technical assistance and, in that connection, a Project Reappraisal Section had been created in April 1986; by critically examining projects before they were implemented, the work of that section complemented the active evaluation programme which had been a feature of UNIDO's activities for several years past.

114. The SIDFA programme was a crucial factor which determined both the quantity and the quality of UNIDO's technical assistance programme. The Director-General of UNIDO had on various occasions expressed the desire that the SIDFA's activities be integrated into the UNDP field offices and had also suggested, in line with the Administrator's proposals, that the resident representative should also be the UNIDO representative in the field. At its most recent session, the Industrial Development Board had set up an inter-sessional working group to examine those issues and it was hoped that, after the October 1988 session of the Board, the Director-General and the Administrator would be able to agree on a memorandum of understanding regarding the organizational and administrative implications of that special relationship.

115. UNDP had made a favourable evaluation of UNIDO's Special Industrial Services programme. New guidelines were currently being developed which would call for a greater involvement of the field staff in the development of projects. An effort had also been initiated whereby the least developed countries would draw more extensively on that source.

116. UNIDO appreciated the favourable consideration given by the Budgetary and Finance Committee to an additional reimbursement of 1 per cent as provided in paragraph 5 (a) of decision 81/40 of 30 June 1981. Consideration had still, however, to be given to the larger question of compensating the executing agencies on an ad hoc basis for the decline in the value of the United States dollar, which was their unit of account, against the local currencies which they used for a large proportion of their expenditure. In the case of UNIDO, the expenditure in Austrian schillings represented more than two thirds of the total and the dollar had depreciated about 40 per cent against the schilling. Such extraordinary swings in the value of a currency could be balanced only over the medium term.

117. UNIDO fully associated itself with the ACC's request for compensation, as an exceptional measure, for the support cost for the year 1987 and wished to emphasize that, if granted, such relief would not set a precedent and would be seen as a measure to enable the agencies concerned to alleviate to some degree the extreme burden of the deficit on their operational budgets. Such action would help UNIDO and others to avoid further staff cuts, particularly in areas primarily concerned with the preparation and backstopping of technical assistance.

118. On the issue of co-ordination at the field level, he wished to reiterate UNIDO's support for the central co-ordinating role of the resident co-ordinators. The integration of the SIDFAs into the resident co-ordinators' offices demonstrated UNIDO's commitment to the development of a more efficient field operation and also allowed UNIDO to lend its full support to UNDP's efforts in the current country programming cycle.

119. Mr. NGUYEN LUONG (Observer for Viet Nam) said that the achievements of UNDP in 1987 in terms of the number and value of new projects approved and its expanding range of activities were due to the voluntary contributions of member States, to the efficiency of the executing agencies and, in particular, to the will of recipient countries to link their own efforts with those of UNDP for the purpose of translating the technical assistance they obtained into reality. At the same time, he had noted that total project costs had continued to increase over the previous three years.

120. The programme and project approval and implementation process was, however, too long and complex and was not geared to respond quickly enough to the pressing needs of developing countries, particularly those engaged in structural readjustment. In that connection, he welcomed the decision to raise the project approval limit of resident representatives to \$US 700,000. The staff and competence of UNDP field offices must, however, be strengthened so that resident representatives would be in a position to fulfil satisfactorily their pivotal co-ordinating role in project programming and approval and in guaranteeing the quality of implementation.

121. His delegation had taken note of paragraph 22 of document DP/1988/26 and, in that connection, supported those delegations which had drawn attention to the undertaking contained in the Governing Council's decision 85/16 regarding the distribution of available resources. A decision on the allocation of the additional resources available should be taken in the light of that undertaking and in the spirit of paragraph 20 of the same document.

122. While, in the spirit of the 1970 Consensus, recipient Governments must retain their leading co-ordinating role in matters pertaining to development activities, the assistance of UNDP as local co-ordinator of the operational activities of the United Nations system was being increasingly sought. That role should be strengthened with a view to accelerating the programme implementation process and rationalizing procedures so that they were more action oriented.

123. His delegation welcomed UNDP's non-ideological approach to the private sector which complemented the role of other sectors of Viet Nam's economic system. The private sector received State assistance in terms of credit and technical assistance. The interaction and mutually beneficial relations between the collective sector, the private sector and the family economy increased the prospects for each sector to enhance its own potential. In the near future, his Government hoped to organize working groups on the private sector.

124. In conclusion he wished to thank UNDP for its development assistance to the Vietnamese people. Viet Nam was making economic adjustments with a view to achieving sustained economic and social development and looked forward to broadening the framework of its co-operation with UNDP in the future.

The summary record of the second part of the meeting appears as document DP/1988/SR.20/Add.1.

