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GOVERNING COUNCIL

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SUMMARY RECORD OF THE SECOND PART \* OF THE 29th MEETING

Held at the Palais des Nations, Geneva,  
on Wednesday, 22 June 1988, at 6 p.m.

President: Mr. MANGWAZU (Malawi)  
later: Mr. SALAZAR-SANCISI (Ecuador)

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\* The summary record of the first part of the meeting appears as document DP/1988/SR.29.

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PROGRAMME IMPLEMENTATION (agenda item 4) (continued)

## (a) IMPLEMENTATION OF DECISIONS ADOPTED BY THE GOVERNING COUNCIL AT PREVIOUS SESSIONS

## (i) REVIEW OF PROGRAMME AND PROJECT ACTIVITIES (DP/1988/19 and Add.1-4; decision 87/25 of 19 June 1987)

1. Mr. HIRONO (Director for Programme Policy and Evaluation) welcomed the many statements made by delegations under the agenda item. He might not be able to answer at the meeting all of the many questions raised and would in some cases have to provide individual replies later.

2. Regarding programme and project quality, including the mid-term reviews of country and intercountry programmes, the suggestion by the representatives of Switzerland and the United States of America that programmes of less than \$10 million should be reviewed and the suggestion by the representative of New Zealand that small countries in the South Pacific should be coupled were worth investigating. Replying to the representative of New Zealand, he said that flexibility was important. The de facto changes mentioned in paragraph 4 of document DP/1988/19 referred to changes in national plans as a result of changes of government within a country. The conception of country programmes as planning instruments should be understood in terms of UNDP itself. Countries did of course have their own development plans. The suggestion of the Canadian delegation that regional, interregional and global programmes should be included in the mid-term review, was an interesting one and would be taken into account at a subsequent stage. He welcomed the United States representative's reference to improvement of the Country Programme Management Plan (CPMP) and noted in that connection that the regional bureaux would necessarily be represented in the mid-term reviews, inasmuch as they were represented in the Programme Review Committee.

3. Referring to the discussion of the difference between a mid-term review and an annual review, he pointed out that it would be difficult to implement the "rolling" plan type of mid-term review because not all countries, in particular developing countries, had such a plan.

4. Regarding country programming analysis, he agreed that there should be a more careful analysis of alternative, if possible sectoral, strategies. It was, however, for Governments to consider their own development strategies and decide what type of assistance they wished UNDP to provide to help in identifying sectoral problems. He would be happy to provide detailed information on particular country programmes to which reference had been made.

5. Replying to the question of the representative of Cameroon concerning the legal aspects of agency accountability, he said that UNDP had had intensive consultations on the matter with the United Nations Office of Legal Affairs.

6. The suggestion of the United States representative for a review of the effectiveness of the PAC and AC was an interesting one. UNDP always sought to be more cost-effective, and in fact a review process was continually taking place.

7. Regarding the Standard Basic Agreement with the executing agencies, he referred the representative of the United States to paragraph 11 of document DP/1988/19/Add.4, which indicated that agreements had already been concluded with 15 of 21 executing agencies; he agreed that full coverage was certainly desirable. Regarding the idea of penalizing agencies for sub-standard performance, raised by the representative of the United Kingdom, the Council's documentation indicated the difficulties involved but showed that the withholding of payments was already being practised. However, the agencies being UNDP's partners, they should not, in his view, be threatened; both partners should consider how jointly to improve their performance.

8. The question of the portion of overhead that would be pooled (document DP/1988/19/Add.4, para. 21) required further discussion. He again pointed out that the statement in paragraph 31 concerning the Project Development Facility (PDF) was no longer correct and should be disregarded. Different formulas were being proposed, including non-reimbursability and requesting more from the Special Programme Resources.

9. He agreed with the representative of the Netherlands that use of the PDF was not in itself a guarantee of better quality. Nevertheless, on the basis of assessments made by the Action Committee, it had been found that the PDF usually did result in project documents of better quality. He did not agree with the representative of the Union of Soviet Socialist Republics that there was one-sidedness in the PDF. Agency participation was often encouraged in PDF missions, and as for the roster of consultants, it was open to anyone who cared to see it.

10. He agreed that the report on the PDF needed further elaboration. Future documentation for the Governing Council would contain a better analysis of PDF results.

11. The low level of PDF reimbursement was due to the relatively slow rate of project approval. It was now proposed that the non-reimbursable and reimbursable portions of the Facility should be merged. Decentralization would lead to improved operation of the Facility.

12. The representative of New Zealand had asked why there had not been much progress in connection with the standard modalities for technical co-operation. Letters had been sent to all major donors requesting information on the modalities they used in technical co-operation, and only four replies, one of them inadequate, had been received. With reference to the United States representative's remarks concerning the Development Assistance Committee, he said he was in close touch with DAC and planned to submit to the DAC meeting in the Autumn of 1988 a paper on technical co-operation by UNDP and the World Bank. He had also had a personal discussion with the chairman of DAC in order to look further into the possibility of co-operation between the two bodies.

13. In reply to questions by the representatives of Canada and Cameroon, he said that the estimated budget for the study on standard modalities of technical co-operation provided for the employment of a consultant for four months at an estimated cost of \$30,000. In that connection, a questionnaire was currently being prepared for recipient countries. Replying to a question by the representative of the People's Republic of China, he said that reimbursable-loan agreements were the preferred contractual modality for

project personnel because the other two mechanisms might lead project personnel to believe that they were United Nations staff members. In connection with the Canadian representative's question concerning the data base, he hoped that the data base would be pragmatic and practical. It was planned to expand it greatly. He agreed with the representative of Cameroon that in the selection of project personnel men and women should be on an equal footing.

14. Mr. Salazar-Sancisi took the Chair.

15. Ms. DUDIK-GAYOSO (United States of America), referring to paragraph 11 of document DP/1988/19/Add.4, drew attention to the fact that the agencies which had not signed Standard Basic Agreements with UNDP included the ones with larger programmes, such as ILO, FAO, UNESCO, WHO, WMO, IAEA and UNIDO. In connection with General Assembly resolution 42/196 on operational activities for development, she had been struck by how each agency considered itself to be special. She hoped UNDP would succeed in encouraging all participants to try to set aside some of that "specialness" in order to join together in common procedures.

16. The PRESIDENT declared the discussion on agenda item 4 (a) concluded. In the absence of objection, he would take it that the Council wished the Drafting Committee, and the Budgetary and Finance Committee if necessary, to prepare relevant draft decisions.

17. It was so decided.

OTHER FUNDS AND PROGRAMMES (agenda item 8):

(f) STRENGTHENING OF THE CAPACITY OF THE UNITED NATIONS DEVELOPMENT PROGRAMME TO PROMOTE AND SUPPORT TECHNICAL CO-OPERATION AMONG DEVELOPING COUNTRIES, INCLUDING ITS FINANCING (DP/1988/71 and DP/1988/72)

18. Mr. CHADHA (Director, Special Unit for Technical Co-operation among Developing Countries) said that TCDC was alive and well without the help of the United Nations development system, but that the system had a special role to play in promoting TCDC. Some of the statements made earlier in the session had reflected two aspects of TCDC: a closer interaction between the Special Unit for TCDC and several countries, both developing and developed, which had held discussions in New York with a view to understanding the direction that UNDP was attempting to take in that important field; and recognition of UNDP's work, in particular in terms of TCDC programme assistance to 80 developing countries in the previous two years alone, which had involved more than 1,000 projects.

19. He wished to emphasize that the TCDC projects generated took into account the country programmes of the countries to which they related, thus ensuring a direct link with UNDP work in general.

20. An important aspect that was often forgotten was that TCDC projects involved enormous contributions in kind from developing countries. The projects generated so far during the previous 18 to 20 months alone had involved contributions in kind from 80 developing countries which might well be quantified at \$25 million to \$35 million.

21. It was important not merely to help in the formulation and implementation of TCDC projects but also to evaluate the projects carefully in order to ensure that the countries concerned were aiming in the right direction. A bold and unsentimental look must be taken at the current projects to see how relevant they were and how they were being implemented and to learn lessons for the future. He proposed that that should be done at the next session of the Council.

22. He believed that as many as 1,500 TCDC activities could be generated, using country programming and assuming that the necessary facilities would be made available by developing countries. He would be satisfied if the current pace of formulation of 40-100 projects a month continued.

23. He would also like to invite interested delegations from developing countries to see how TCDC programming exercises were conducted. The Unit had assisted in at least seven exercises so far, and two or three were due to fructify in the near future. He drew the attention of members of the Council to a brief document that explained what TCDC programming involved: who paid for what, how the exercise was conducted, and the manner in which UNDP assisted in the entire process.

24. He introduced the two reports submitted by the Administrator under agenda item 8 (f) (documents DP/1988/71 and DP/1988/72) and, in connection with the first report, emphasized that TCDC was basically financed by the developing countries themselves. UNDP was proud, however, to provide supplementary financing where necessary. The cost of formulating a single project was normally under \$200. However, a small amount of extra funding was sometimes necessary in project implementation, and some proposals in that regard had been made by the Administrator. Generally, however, he could say that the Unit liked to do as much as it could for as little as possible in terms of donor funds. The Administrator was confident that sufficient staff would be obtained to assist the Unit in its activities, which had multiplied considerably in the recent past. Of the present comparatively small staff of five or six professional officers, at least four had had field experience as resident representatives. That was of particular value for the Unit's work.

25. TCDC activities, normally undertaken for mutual benefit, also sometimes had an altruistic aspect which he felt was reflective of the human sense of fraternity.

26. Mr. WILKE (Federal Republic of Germany) welcomed the reports submitted to the Council and the statement by the Director of the Special Unit for TCDC. His delegation would have liked, however, to receive more hard facts about actual realization of TCDC as a project execution modality. Paragraphs 9 and 12 of document DP/1988/71 merely outlined principles, and paragraphs 19 and 20 were equally vague. Full integration of TCDC into regular projects was the heart of the matter, not isolated and unrelated projects. The Administrator's proposals went in the right direction, in particular his recommendation in paragraphs 31 and 32 that the resident representatives should play a greater role. Recipient Governments nevertheless played a decisive role when project documents were finalized and modalities of execution were being decided upon.

27. Regarding the staffing of the Special Unit discussed in paragraph 37 of the document, there were several competing requirements. Some of those were

management and co-ordination activities, the round-table process and NaTCAPS. TCDC activities might be of less priority in view of the stated objective of making use of the modality at all stages of regular UNDP project activities. In addition, the turnover of the Unit in financial terms was rather limited, particularly as OPS carried the bulk of the project work-load.

28. His delegation did not favour the idea of avoiding budgetary constraints by substituting consultants for regular staff and it would like to have some information concerning the use that would be made of the requested additional \$8 million in Special Programme Resources (document DP/1988/71, para. 40). Finally, concerning recommendation 5 (b) of the Joint Inspection Unit's report (DP/1988/72, page 7), in view of the fact that countries could use their IPF resources for their own TCDC activities in an unlimited manner, that recommendation did not appear to have any practical consequence.

29. Mr. MANCZYK (Poland) expressed his delegation's satisfaction at the efforts of the UNDP administration to support TCDC. Although the potential of TCDC was not being fully used at present, UNDP had succeeded in establishing awareness of it as an appropriate and timely modality of technical co-operation. He welcomed the information programme referred to in paragraph 26 of document DP/1988/71.

30. An important objective was the identification of projects that lent themselves to use of TCDC and the role of resident representatives and regional bureaux in that connection should be defined. He welcomed the intention to modify procedures with a view to requiring resident representatives and regional bureaux to indicate that TCDC possibilities had been duly examined.

31. The present constraints on fuller utilization of TCDC called for some action and he endorsed the list of measures in paragraphs 36-39 of document DP/1988/71. Priority should be given to the preparation and use of briefings and of orientation and training programmes in TCDC priorities for UNDP staff and government officials. His delegation also supported the recommendations on the future use of SPR and the allocation of further resources for TCDC purposes.

32. Mr. PRODJOWARSITO (Indonesia) said that his country's TCDC programme, which had been established in the wake of the Buenos Aires Conference, had developed greatly. In the previous 10 years, Indonesia had welcomed an increasing number of trainees from more and more developing countries and had sent experts and instructors abroad.

33. Upholding the principle that the primary responsibility for TCDC lay with the developing countries themselves, his Government had always followed the guidelines set by the High-Level Committee and endorsed by the Governing Council in its decision 81/31. Indonesia's TCDC programme and projects had therefore always been initiated, organized and managed primarily by the Indonesian Government, and the majority of TCDC financing was provided by the national budget.

34. At the same time, UNDP had always played a supportive role in the Indonesia's TCDC activities. From the outset, a portion of the country IPF had been used to support TCDC activities, and Indonesia had always had

excellent co-operation with and assistance from the UNDP office in Jakarta. It therefore supported in principle any measures to strengthen UNDP field offices' capacity to support national TCDC programmes. The role of those offices was supportive only and the temptation to give them too much credit, for public relations purposes, should be resisted.

35. His delegation had noted with interest the information on assistance outside IPFs contained in paragraph 14 of document DP/1988/71, in particular concerning the resources available within SPR for promotion of action-oriented TCDC activities whose implementation was usually funded by the developing countries themselves. It would appreciate further information on the type of assistance that SPR facility could provide to country and regional projects.

36. His delegation supported various suggestions made in document DP/1988/71 for strengthening UNDP action in TCDC and would see how those suggestions could fit into Indonesia's TCDC programme. It agreed with the Administrator's proposal to strengthen the Special Unit for TCDC to a level commensurate with its responsibilities. The ultimate objective should be for UNDP to strengthen its support to the TCDC activities of Governments, rather than the support of Governments to the TCDC activities of UNDP.

37. Mr. THOMAS (United Kingdom of Great Britain and Northern Ireland) said that his delegation believed TCDC had an important role to play in promoting development, as a complement to more traditional forms of technical co-operation. Successive meetings of the High-Level Committee on TCDC had confirmed that the primary responsibility for that activity rested with the developing countries themselves, the role of UNDP being that of a catalyst. His delegation supported the continued provision of some UNDP funds in the fourth programming cycle, perhaps including the proposed increase of \$8 million in the amount of Special Programme Resources to be allocated to TCDC. However, it believed that TCDC project activities should preferably be funded from country and other IPFs, as outlined in paragraphs 38 and 39 of document DP/1988/71.

38. TCDC should not be regarded as an end in itself but as one means among others of pursuing development. Recipient countries must remain free to choose whichever technical co-operation mechanism was most suited to their means. He noted from the Administrator's report that a considerable number of developing countries had chosen to use their IPFs specifically for TCDC activities but devoted only a small proportion of the IPFs to that purpose. The opportunity to earmark up to 10 per cent of the IPF, to a maximum of \$7.5 million, for TCDC activities of benefit to other countries had been used by only a few Governments. The answer to extended use of TCDC therefore lay with the recipient Governments themselves. Its financing could not be dependent solely upon increasing the level of Special Funding from within UNDP's resources, the input of which was, and should remain, for promotional activities.

39. Mr. NAZARI (Islamic Republic of Iran) said that the vital role of TCDC in strengthening development activities among developing countries could not be denied. Due to lack of information, however, TCDC had remained an undiscovered domain for at least a number of developing countries. The fact that, according to paragraph 20 of document DP/1988/71, the opportunity to earmark 10 per cent of the IPF for TCDC activities had not been used by the



developing countries, proved that new ideas concerning practical aspects of TCDC had not yet been fully promoted. UNDP public information activities on TCDC should therefore be strengthened.

40. The positive results of the use of Special Programme Resources for action-oriented TCDC promotional activities indicated the willingness of the developing countries to use funds other than their IPF resources for TCDC activities. A decision of the Council for increasing SPR from additional resources would eventually benefit TCDC activities carried out by UNDP. In that regard the Administrator's proposal for an increase in utilization of TC modalities in project components financed from the regional IPFs should be regarded as a constructive means of promotion of TCDC activities. Finally, his delegation believed that greater engagement of the Special Unit for TCDC could not be achieved if different aspects of developing economies such as level of industrialization, need for skilled manpower and other crucial elements were not carefully studied.

41. Mr. Mangwezu (Malawi) resumed the Chair.

42. Ms. BARRIOS (Argentina) said her country attached special importance to the promotion of TCDC and the implementation of the Buenos Aires Plan of Action. It was making significant efforts in that field, chiefly in the Latin American region, and had recently extended its action to include developing countries in other regions, particularly Africa.

43. The TCDC results achieved so far were satisfactory and indicated the firm will of all parties to overcome obstacles. The efforts of the developing countries themselves were crucial, however, and those countries needed to overcome the inertia that had resulted from years of technical co-operation in the traditional North-South framework. The United Nations system and UNDP in particular had an important role to play in encouraging TCDC and helping the developing countries with their difficult tasks. In that connection, she hoped that due attention would be paid to the specific recommendations of the report of the Joint Inspection Unit (A/40/656) aimed at overcoming the conceptual and bureaucratic confusion concerning the topic and promoting awareness of the potential of TCDC.

44. Despite its regret that the response of the United Nations system had not been as effective as hoped, her delegation expressed its satisfaction with the action proposed by the Administration in document DP/1988/71. It was important that implementation of the proposals in paragraphs 29 to 36 should not have the effect of discouraging the activities of those developing countries which had the greatest capacity to generate TCDC.

45. In connection with paragraph 29 of the document, it was essential that the Special Unit for TCDC should participate directly, on a footing of equality and with power to intervene, in high-level meetings to discuss programming and projects. That role should not be left to Administration officials who had other responsibilities and specific concerns.

46. The situation described in paragraph 37 of the report was cause for concern. She regretted that a revised estimate for the regular budget had not been made at the appropriate time. It was unacceptable to have reached a stage where, on the one hand, there were surplus resources, and on the other,

in recent years many new units had been created within the UNDP Administration, others had had their allocations increased and further increases of staff were even being proposed in areas such as the Central Evaluation Office. The Special Unit for TCDC had a mandate to fulfil, given by a world conference, and her delegation hoped the appropriate response would be forthcoming. It also hoped that in 1989 the Governing Council would carry out a thorough review of the 10 years of existence of the Buenos Aires Plan of Action.

47. Mr. LI-yang (China) said that in the decade since the adoption of the Buenos Aires Programme of Action marked progress had been made in TCDC activities and recent statements by delegations showed that greater importance was being attached to those activities. Much still remained to be done, however, and continued efforts must be made by all the parties concerned. In view of the present favourable financial situation, more funds should be allocated by UNDP from its Special Programme Resources in order to strengthen TCDC. Some strengthening of the Special Unit for TCDC was also needed in view of its increasing workload.

48. The importance the Chinese Government attached to TCDC activities was demonstrated by the fact that, in addition to bilateral technical co-operation, it devoted 5 per cent of its annual national planning figure to TCDC activities.

49. Ms NIELSEN (Denmark), speaking on behalf of the Nordic countries, said that the importance of TCDC had increased as institutions had been built up in developing countries. The most important manifestation of TCDC was the significant aid programmes of several developing countries, but TCDC also played a role in the bilateral programmes of industrialized countries and an even greater role in multilateral programmes. There was probably considerable potential for increased TCDC in the context of development assistance.

50. Developing countries had much to learn from each other's experience, and UNDP institution-building efforts were directly relevant in that context. UNDP efforts had contributed considerably to the current situation, where the size and composition of the institutional infrastructure in many developing countries was vastly different from what it had been some 20 years before. The capacity was in place for increased TCDC. For example, it was frequently more effective for scholarships to be given for studies in other developing countries rather than in industrialized countries, where the training provided might be less relevant. UNDP should continue to play a significant role in that connection. The same was true with regard to the recruitment of field experts. In some areas the experience gained in other developing countries was far more relevant to the needs of recipients than experience gained in industrialized countries. A number of developing countries had in some areas a temporary surplus expert capacity which should be tapped for TCDC purposes.

51. Since the interests of the recipients must be a primary concern in the provision of TCDC, there must be open competition for aid services to ensure cost-effectiveness. The principle of earmarking specific proportions of multilateral aid programmes for TCDC purposes therefore gave her delegation some cause for concern, since it amounted to putting the cart before the horse. Although there were probably some possibilities for increased multilateral financing of TCDC activities, TCDC should largely be viewed as a

matter to be settled between developing countries. The role of the multilateral agencies and notably of UNDP should be primarily that of a broker, with a limited financing role. It was not uncommon for recipient countries to earmark part of the indicative planning figures for TCDC purposes. Her delegation welcomed some use of Special Programme Reserve funds for TCDC purposes. There was ample scope for increased TCDC activities, and she urged UNDP and the executing agencies to increase their efforts to identify possibilities for more such activities.

52. Mr. KRSTAJIC (Yugoslavia) said that his country had traditionally supported the concepts and practices of TCDC at both the bilateral and multilateral levels, as a useful tool for strengthening the national and collective technical capacities and self-reliance of the developing countries. Although TCDC was by definition the responsibility of the developing countries themselves, it was legitimate for it to be supported by other parts of the world community, including the United Nations development system and UNDP, particularly in view of the recommendations of the Buenos Aires Plan of Action.

53. However, the results of TCDC activities within the United Nations development system were not as encouraging as they might be. The report of the Joint Inspection Unit (A/40/656) showed a number of instances of inadequate institutional and operational support for TCDC, and the comments on the report contained in document DP/1988/72 confirmed that situation.

54. The efforts of the UNDP Administration to strengthen the Programme's capacity for promoting TCDC were appreciated. However, there was increased need for support, both institutional and financial, since developing countries' capacities had been reduced, owing to their difficult economic and financial situation. He reiterated his delegation's wish to see a more substantial involvement of UNDP in strengthening TCDC, both in terms of institutions and funding support.

55. He welcomed the Administration's proposal to strengthen the Special Unit for TCDC and UNDP's funding capacity and was pleased to note that the use of Special Programme Resources for action-oriented TCDC promotional activities had had positive results in the areas mentioned in paragraph 23 of the report. He also expressed support for assistance to the strengthening of national focal points for TCDC, which was an important element in the further development of TCDC.

56. His delegation would be interested to know what had been the results of the follow-up of country exercises on a wider regional basis. Furthermore, paragraph 25 of the report gave the impression that the INRES-South data base contained a large stock of entries, yet his country had had no request concerning the large amount of interesting items it had provided for the data base. He wondered what the experience of other countries had been in that connection.

57. He reiterated his delegation's support for the Administrator's recommendations, particularly those contained in paragraphs 36-40 of document DP/1988/71.

58. Mr. GOPINATHAN (India) reaffirmed his delegation's support for the Buenos Aires Plan of Action, which should be made more operational by the removal of the constraints mentioned by the Administrator in his report (DP/1988/71). He would be interested to hear the Administrator's proposals regarding the removal of organizational and institutional obstacles and other difficulties that stood in the way of fuller implementation of the Plan of Action.

59. There was also a need to strengthen the Special Unit for TCDC to enable it to carry out its mandate effectively. His delegation would like to know, first, which activities were not being carried out currently and the reasons why they were not. Second, with reference to paragraph 37 of the report, it would like to know what levels of staff had been recommended by the Administrator's 1984 review and why those levels had not been implemented. Third, it asked which were the functions critical to the enhancement of UNDP action in support of TCDC, mentioned in the same paragraph, that needed to be given greater attention, whether they were being performed at all or performed inadequately, what the reasons for that situation were and the Administrator's suggestions for remedying the situation. Fourth, it wished to know what measures the Administrator proposed to take in response to General Assembly resolution 42/180, paragraph 11, referred to in paragraph 39 of the report. Fifth, was the Special Unit for TCDC represented in the senior management bodies of UNDP and had it a decision-making role in them? Lastly, his delegation would like to know whether account was taken of the resident representatives' performance in encouraging the TCDC modality in the framework of their performance appraisals in general.

60. Mr. ALOM (Bangladesh) said that his delegation greatly appreciated the preparation of document DP/1988/71 in the short span of three months. The report had addressed all the key aspects of the TCDC programme, pin-pointed constraints to its effective operation and offered constructive remedial measures.

61. In spite of efforts to step up the TCDC programme activities, achievements since the adoption of the Buenos Aires Plan of Action remained at a modest level, some indication of which was given in paragraph 20 of the report. The programme still remained confined to areas such as seminars, a few action-oriented programmes and TCDC programming exercises. The role of TCDC in fostering the national collective self-reliance of the developing countries through the sharing of human resources and technologies was yet to be realized. However, UNDP was mandated to promote the TCDC programme. He therefore urged the secretariat to inform the Council of the exact reasons for such a slow record of progress.

62. His delegation endorsed the action proposed in paragraph 36 of document DP/1988/71 but, with reference to the suggestion in subparagraph (c), it felt that UNDP should play a more active role in all matters pertaining to the TCDC programme. The special needs of the least developed countries should be taken into account in the programme. With reference to paragraph 37 of the report, his delegation wished to know the specific level of staffing recommended as a result of the Administrator's 1984 review. It would like to know the present level of staffing, the gap between the present and planned levels and how the TCDC Unit was being constrained by that prolonged staffing gap. In conclusion, his delegation would like the secretariat to inform the Council of the action taken by the Unit so far in response to General Assembly resolution 42/180.

63. Mr. PARK (Republic of Korea) said that technology could be transferred most effectively when there existed common development needs, complementary resources and a co-operative system. Bearing that in mind, the Korean Government had been sharing its development experience with other developing countries in the sphere of TCDC. It had been increasing its budget and programme for TCDC activities annually since 1965. Until 1983 it had been a recipient country in terms of technical manpower training, but since then, it had provided more technical assistance to other developing countries than it had received from advanced countries. It was currently preparing plans for the provision of technical training courses for a total of 400 trainees from developing countries in the fields of agriculture, fisheries, mining industries and science and technology. One hundred Korean experts were to be sent to developing countries to furnish technical assistance in the same sectors and four more technical training programmes were to be carried out in the private sector. His country would also be implementing five TCDC technical training courses in co-operation with United Nations organizations such as UNESCO, the Colombo Plan, ESCAP and IAEA.

64. Institutional co-operation between the research institutes of developing countries and the Republic of Korea has also been promoted to enable those countries to develop their own research and development capabilities through joint activities and the exchange of technical information and experts. The Korean Government had also recently established an "overseas economic co-operation fund" totalling \$40 million through 1990 for the provision of grants, low-interest loans and co-operation in overseas investment to developing countries. In 1988 the fund had already provided loans to one country in Asia and another in Africa.

65. Under a UNDP-supported project, his Government was also planning to establish a TCDC centre in Korea for more effective implementation of those activities, and it was prepared to share its development experience with more developing countries, not only under the Korean Government budget programme but also under the UNDP fund and other tripartite co-operation programmes. The Republic of Korea would continue its efforts in support of TCDC in the future.

66. Ms. CLARKE (Ghana) said that her delegation endorsed the conclusions and recommendations in the documents before the Governing Council. In particular, it welcomed the recommendation in document DP/1988/71 that UNDP support of TCDC should include assistance in the identification and formulation of TCDC projects and activities beyond the IPF framework in view of recommendation 2 of the report of the Joint Inspection Unit concerning the financing of the foreign exchange component of TCDC projects.

67. Her delegation appreciated that TCDC was the responsibility of the developing countries themselves. However, developing countries usually experienced difficulties in finding foreign exchange to fund such activities. Any assistance the United Nations system could give would therefore be helpful, and in that regard she welcomed the proposal of the Administration to use part of the Special Programme Resources in support of TCDC activities.

68. One of the obstacles to the smooth implementation of TCDC activity was the inability of most developing countries to identify projects lending themselves to TCDC. Her delegation was therefore pleased that the Special Unit for TCDC was prepared to help Governments to identify such projects. To

ensure that the projects were then implemented to the satisfaction of the countries concerned, funds must be provided at the country, regional, interregional and global levels.

69. Ghana had participated in a number of programming meetings and had identified projects in such areas as livestock development, low-cost housing and oceanography that were critical factors to its development but which it could not pursue due to lack of funds. Developed countries should assist those developing countries that might wish to consider follow-up action on such programming activity.

70. One of the areas of concern to her delegation with regard to TCDC was the extent to which such co-operation benefited women in Africa. Eighty per cent of farming activities there were carried out by women and, in countries where mining was important to the economy, women played a key role. The secretariat's report indicated that assistance was already being given to women in various countries, which her delegation welcomed. Much more needed to be done, however, and she urged UNDP, the United Nations system and donor countries to increase their efforts and assistance significantly in order to have an influence on the core activities in which women were engaged on the continent. Her delegation would be interested to learn, at the next session, what specific activities the Special Unit for TCDC had initiated on behalf of women.

71. The efforts made so far by UNDP in favour of TCDC showed modest progress, but they fell short of the expectations that had been raised in Buenos Aires. She therefore hoped that UNDP, in association with interested developed countries, would make a greater effort in the campaign for technical co-operation among developing countries.

72. Mr. KATES (United States of America) recalled that his delegation had always supported the concept of TCDC, an approach to development practised by the United States Agency for International Development long before the Buenos Aires Conference. His delegation adhered to the principle of the Buenos Aires Plan of Action that responsibility for all aspects of TCDC activities rested primarily with the developing countries themselves. The proper role of UNDP was to be a catalyst for TCDC activities. He endorsed the Administrator's recommendation in paragraph 32 of document DP/1988/71 and he associated himself with the request of the representative of the Federal Republic of Germany for further information on the proposed use of the \$8 million for strengthening the Special Unit and enhancing UNDP's promotional activities in support of TCDC.

73. Mr. VENE (France) said that TCDC was the business of the developing countries and introducing the developed countries into that activity, for example through supplementary financing, raised a risk of deviating from the direction the developing countries had chosen. While not wishing to refuse the requests that had been made, his delegation believed the developing countries should think carefully before choosing a course of action that would allow further involvement of the developed countries in the TCDC process.

74. Mr. CHADHA (Director, Special Unit for TCDC), replying to the questions raised, said that the \$8 million referred to by several speakers would be used to finance catalytically approximately 800 projects, which he hoped would be a small fraction of the total number of activities UNDP would help to generate during the current cycle.

75. The representative of Denmark had quite correctly referred to the aid programmes carried out by several developing countries in favour of other developing countries. That, however, was not the only source of TCDC. A surprisingly large number of small countries had participated in TCDC projects, imparting technology to countries traditionally regarded as being among those in a position to give aid themselves. He agreed that the multilateral agencies had an important role to play in matchmaking, an area in which developing countries required special help. UNDP with its excellent field office network could do that job admirably, while providing catalytic funding to a small degree.

76. Replying to the representative of Yugoslavia, he said that the follow-up of TCDC programming exercises was taken very seriously by UNDP, which continually sought to obtain through its field offices up-to-date information on project implementation and to see at what stage and in what manner UNDP could assist. It hoped to continue that activity not only with regard to project implementation but also in the evaluation of projects. He pointed out that INRES-South was a reference system and that inquiries addressed to it needed to be acted upon. Much use had already been made of the data base. He invited representatives to visit the facility in New York.

77. Replying to the representative of India, he said that the main functions of the Special Unit for TCDC were to assist countries in TCDC programming, to serve as the secretariat for the High-level Committee, to co-ordinate UNDP's TCDC activities with those of other bodies, to strengthen national focal points and to carry out training activities. The last two functions in particular could be expanded. With regard to the staffing levels recommended in 1984, he pointed out that the Administrator had mentioned in his report that an attempt would be made to provide more staffing as necessary. With regard to General Assembly resolution 42/180, he assured members that UNDP would be looking into ways of implementing paragraph 10. Concerning the representation of the Special Unit for TCDC in senior UNDP management bodies, the office of the Director of the Special Unit was located in the office of the Administrator, and the Associate Administrator, to whom the Director reported, was represented on those bodies. With regard to the resident representatives, promotion of TCDC was taken into account in evaluating their general performance.

78. The representative of Ghana had mentioned the importance of identifying project opportunities for TCDC. UNDP could play an effective role in that connection through its field office network, and the INRES-South data base had also been used to good effect in the preparation of TCDC programming. He invited countries to contact the data base for suggestions regarding TCDC partners. Concerning the role of women, every effort would be made to formulate projects relating to women on the African continent.

79. Regarding the suggestion by the representative of France that financing from the United Nations system might endanger the purity of TCDC, he pointed out that the Buenos Aires Plan of Action clearly defined the kinds of participation permitted, which included catalytic financing. Projects should not be too heavily financed, but as long as the developing countries themselves provided the major share, outside financing was desirable, especially in view of the foreign exchange constraints faced by many developing countries.

80. Mr. BROWN, (Assistant Administrator) referring to General Assembly resolution 42/180, said that like all inputs, TCDC modalities were best identified at the stage of project formulation. It was therefore important for Governments to make their views known at that point. The new project documentation included a checklist which served as a reminder to resident representatives to ensure that TCDC was considered in projects.

81. It had been proposed that \$8 million should be provided from the SPR for an expansion of interregional projects. If approved, that proposal would have to be taken up at the level of the Budgetary and Finance Committee, since there would be little point in providing increased funds for interregional projects if the capacity to utilize them did not exist.

82. The PRESIDENT said that in the absence of objection he would take it the Council agreed that the Drafting Committee, the Budgetary and Finance Committee and other subsidiary bodies, as necessary, would commence the preparation of draft decisions on the subject under discussion.

83. It was so decided.

PROGRAMME IMPLEMENTATION (agenda item 4) (continued):

(a) IMPLEMENTATION OF DECISIONS ADOPTED BY THE GOVERNING COUNCIL AT PREVIOUS SESSIONS

(iv) LIQUIDATION OF THE UNITED NATIONS EMERGENCY OPERATION TRUST FUND  
(DP/1988/22)

84. Mr. TAL (Director, Planning and Co-ordination Office), introducing document DP/1988/22, said that paragraphs 2 to 4 contained new information on the assistance to countries afflicted by famine and malnutrition rendered through the UNDP trust fund established under paragraph 1 (a) of General Assembly resolution 38/201. As at 31 December 1988, over 81 per cent of the total resources of the trust fund, including interest income, had been expended. Additional income to the trust fund, including interest accruals since its inception in early 1984, had made it possible to approve new emergency projects with a total value of \$1,347,600 since 1 January 1988.

85. Five of those allocations, totalling \$450,000, had been for urgent special public works programme activities in Haiti implemented by ILO. Some \$350,000 had been approved for tse-tse fly control in Ethiopia. It had also been possible to use more than \$62,000 to strengthen logistics support for co-ordination of emergency relief operations in Mozambique. Other allocations had also been made in the previous five months for urgent activities in Benin, the Central African Republic, the United Republic of Tanzania and the Maldives. A list of the projects approved so far in 1988 was available to interested delegations.

86. As indicated in document DP/1988/22, the trust fund had since its inception in 1984 been a very valuable and flexible mechanism available to the Administrator for providing much needed emergency assistance to developing countries. Most of the projects had been of a short-term nature, but they had, on the whole, been highly successful in addressing emergency needs, particularly in Africa. The majority of the 156 trust fund projects were concluded, and the remaining projects approved against interest income would be concluded shortly.



7. Paragraphs 5 to 9 of the Administrator's report provided an update on the situation of the Perez-Guerrero Trust Fund for Economic and Technical Co-operation among Developing Countries established under paragraph 1 (c) of General Assembly resolution 38/201 and subsequent decisions by the Assembly. As the Assembly had decided in 1987 to preserve the \$5 million principal amount of that trust fund in perpetuity, only interest earned was used for projects. The financial status of the fund as of 31 December 1987 was reflected in paragraph 9 of the report.

d) PRE-INVESTMENT ACTIVITIES (DP/1988/25)

8. Mr. HIRONO (Director for Programme, Policy and Evaluation), introducing the Administrator's report said that UNDP continued to concentrate on various measures to strengthen its pre-investment role with the objective of facilitating investment as a follow-up to UNDP-assisted projects.

9. Reported investment commitments from all sources of finance related to pre-investment and investment-oriented projects had increased from some \$6.6 billion in 1982 to \$9.4 billion in 1986. Developing country sources continued to provide the major component of those investment commitments averaging over 50 per cent during the period 1982-1986. They were followed by multilateral development finance institutions whose investment commitments had averaged more than one third of the total. Investment commitments from private sources, both domestic and foreign, had risen considerably from \$350 million in 1982 to \$1.4 billion in 1986, the latter figure representing about 15 per cent of reported commitments for that year.

10. Among the measures taken to carry out UNDP's pre-investment mandate was the establishment of special interest arrangements with various sources of development finance. Those arrangements were an important means of promoting complementary activities and linkages between UNDP-assisted pre-investment projects and development finance institutions. UNDP was continuing its efforts to expand co-operation with such institutions. Notable in that regard had been the increasing collaboration with the International Finance Corporation, which had resulted in the designation of IFC as an executing agency in February 1988.

11. Another measure of particular importance was the establishment of co-operative arrangements with a number of agencies of the United Nations system, whereby the technical expertise of those agencies was applied to design, review and, as warranted, re-orient projects with investment potential and, with government concurrence, to promote such projects with potential sources of finance. Notable results achieved under those arrangements had included by the end of 1987 the preparation under UNDP/FAO co-operation of 12 investment projects in 23 countries for which follow-up investment of some \$525 million had been provided by various domestic and external multilateral and bilateral sources.

12. The report mentioned two reimbursable aid arrangements by means of which the IPF or Special Programme Resources might be reimbursed the cost of a pre-investment study from any follow-up investment generated as a result of the study. With regard to the Investment Feasibility Study Facility (IFSF), two feasibility studies costing \$107,000 had been approved during the first quarter of 1988. Since the beginning of the year a total of 16 proposals had

been screened, of which four were being considered seriously. Three more proposals, which originally had been processed for IFSP funding, were now considered to be financed from IPF resources, one on a reimbursable basis.

93. Other noteworthy mechanisms to link pre-investment with investment were the multi-donor-funded Caribbean and Africa Project Development Facilities which assisted the private sector in identifying and preparing investments as well as arranging financing for the various enterprises involved. Since its inception in 1981 until the end of 1987, the Caribbean Facility had been instrumental in raising loans and equity of some \$45 million for 35 investment projects in 19 Caribbean countries. A similar mechanism, the Africa Project Development Facility, had by the end of 1987 completed its first full year of operation with the processing of some 600 proposals for two of which financing had been obtained. During the first quarter of 1987 financing had been arranged by the Facility for an additional 13 investment projects costing from \$0.5 million to \$2.9 million each.

94. Training the staff of UNDP as well as participants from executing agencies and Governments in the techniques of investment development was another step taken to strengthen and enhance UNDP's pre-investment capacity. To accomplish that objective, UNDP, in co-operation with the Economic Development Institute of the World Bank, had initiated in 1981 training courses, which a total of 252 participants had attended so far during 11 two-week sessions. Another training session was scheduled for September 1988. More emphasis would henceforth be placed on specific aspects of UNDP/World Bank collaboration. Similar joint training exercises had also been held for UNDP and host Government staff at the Asian Development Bank and the African Development Bank.

95. Consistent with its mandate and the decisions of the Council, UNDP would continue to provide pre-investment assistance to Governments.

96. Mr. KATES (United States of America) said that his country supported the relationship established between the UNDP programme of pre-investment activities and various other sources of follow-up development finance. UNDP should continue to draw upon the expertise of those institutions and bring more private sector expertise into the process in order to generate a more effective pipeline of development projects. Greater use should be made of private sector intermediaries and his delegation believed that programmes should not be biased in favour of public investment where private investment might be more appropriate. He urged UNDP to make follow-up evaluations of the level of success of investments made under the programme.

97. Mrs. DOHERTY (United Kingdom of Great Britain and Northern Ireland) said that her delegation endorsed the strengthening of the pre-investment role of UNDP and the arrangements which were being made, which were particularly important for small institutions with limited resources such as the Caribbean Development Bank. She noted that considerable efforts had already been made for the Caribbean region, but her country's experience through its bilateral programme was that considerably more should be done for that region.

98. Ms. LEE (Australia) said that the relationship between the World Bank and UNDP appeared to be very healthy. Her delegation was concerned, however, about the significant decline in investment commitments from the Asian Development Bank, which had fallen from \$353 million in 1982 to \$119 million

in 1986 in nominal terms. She wondered whether that decline had been calculated in real terms. She also noted that the number of Asian Development Bank loans flowing from UNDP technical assistance for tasks other than project preparation appeared to be very low. She would be interested to know the reason.

99. Mr. EL FARGANI (Libyan Arab Jamahiriya) said that evaluation provided valuable guidelines for projects. He would like to have information on the measures UNDP had taken to ascertain the suitability of investment and on the interrelationship between those measures.

100. Mr. HIRONO (Director for Programme Policy and Evaluation), replying to the representative of Australia, said that the decline in investment commitments from the Asian Development Bank was approximately 10 per cent greater than the figure expressed in dollar terms, taking into account the non-inflationary situation during the period 1982-1986. Regarding the question raised by the representative of the Libyan Arab Jamahiriya, he said every effort was made through technical and financial feasibility studies, to apply sound investment criteria. Information on prospective investment follow-up was considered and Governments were asked for data on what investment follow-up had actually taken place.

101. Ms. LEE (Australia) asked whether anything was being done to rectify the situation with regard to the Asian Development Bank.

102. Mr. HIRONO (Director for Programme Policy and Evaluation) replied that while pre-investment studies were being carried out, a period of time elapsed during which the economic or financial climate might change. Under such circumstances a country might decide not to proceed with an investment.

103. The PRESIDENT said that in the absence of objection he would take it that the Council referred the agenda item to the Drafting Committee for the preparation of draft decisions.

104. It was so decided.

The meeting rose at 8.30 p.m.

