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GOVERNING COUNCIL

Thirty-fifth session

SUMMARY RECORD OF THE 36th MEETING

Held at the Palais des Nations, Geneva
on Friday, 1 July 1988 at 3 p.m.

President: Mr. MANGWAZU (Malawi)

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Closure of the session.

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The meeting was called to order at 3.30 p.m.

MATTERS RELATING TO THE WORK OF THE COUNCIL IN 1989 (agenda item 11)
(continued)

1. The PRESIDENT invited the Secretary of the Council to read out the schedule of sessions of the Governing Council and its subsidiary bodies in 1989 and their proposed dates. A list of the meetings in question, including their dates and venues, had been circulated informally.
2. Mr. OMOTOSO (Acting Secretary of the Governing Council) said that the dates for the proposed schedule of future sessions of the Council and its subsidiary bodies, which he read out, had been provided by the United Nations Secretariat in New York on the basis of past practice and the availability of service requirements and the calendar of conferences.
3. Mrs. DUDIK-GAYOSO (United States of America) said she noted that the dates for the second meeting of the Working Group of the Committee of the Whole had not yet been fixed. Her delegation would prefer a period of four days in view of the fact that, the previous year, there had been some confusion about how many days were available for each group. She would appreciate a firm clarification, since a fairly complicated agenda was being chosen.
4. The PRESIDENT, having assured the representative of the United States of America that four days would be allocated for the meeting in question, the actual dates of which would be announced later, said that, if he heard no objection, he would take it that the Council wished to approve the proposed schedule.
5. It was so decided.
6. The PRESIDENT said that the provisional agenda for the thirty-sixth session had been prepared in line with Governing Council decisions 81/37 and 84/44.
7. Mr. OMOTOSO (Acting Secretary of the Governing Council) read out the provisional agenda for the thirty-sixth session of the Governing Council.
8. The PRESIDENT said that if he heard no objection, he would take it that the Governing Council wished to approve the inclusion in the provisional agenda for its thirty-sixth session of the items that had just been read out.
9. It was so decided.

The meeting was suspended at 3.45 p.m. and resumed at 4 p.m.

10. The PRESIDENT said that the Committee of the Whole had recommended to the Governing Council a provisional agenda for the meeting of the Working Group of the Committee of the Whole to be held in New York from 31 August to 2 September 1988. He asked the Secretary of the Council to read out the provisional agenda.

11. Mr. OMOTOSO (Acting Secretary of the Governing Council) read out the recommended provisional agenda for the forthcoming meeting of the Working Group.

12. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to approve the provisional agenda in question.

13. It was so decided.

The meeting was suspended at 4.10 p.m. and resumed at 4.15 p.m.

REPORT OF THE DRAFTING GROUP (continued) (DP/1988/L.9/Add.25)

14. The PRESIDENT invited the Governing Council to consider the final draft decision proposed by the Drafting Group as contained in document DP/1988/L.9/Add.25.

15. Mr. BRODODININGRAT (Indonesia), Chairman of the Drafting Group, said that the following changes should be made to operative paragraph 1 (j) of the draft decision: the third sentence (in square brackets) should be deleted and replaced by: "The Council is interested in the possibility of further reflections on the concept of joint programming, including the feasibility of carrying out on an experimental basis and at the request of the host Government such programming encompassing a broad spectrum of United Nations technical assistance." At the end of the following sentence the words "such a process" should be replaced by "such processes."

16. Mr. KRAMER (Canada) suggested that subparagraph (h) should be moved and become the last subparagraph of paragraph 1, subparagraphs (h) to (q) being renumbered accordingly. The paragraph numbers would then correspond with those in the Jansson Report.

17. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to adopt the draft decision contained in document DP/1988/L.9/Add.25, as orally revised by the Chairman of the Drafting Group and amended by the representative of Canada.

18. It was so decided.

19. The PRESIDENT said that the Council had completed its consideration of the draft decisions proposed by the Drafting Group.

PROGRAMME PLANNING (agenda item 5) (continued)

(a) FOURTH PROGRAMMING CYCLE (continued)

Report of the Ad Hoc Working Group on the resources of the fourth cycle
(DP/1988/L.11 and Add.1).

20. The PRESIDENT said that the recommendations of the Ad Hoc Working Group on the resources of the fourth cycle, which the Council had established at the beginning of the session to consider agenda item 5 (a), were divided into two parts, namely, the resources of the fourth programming cycle and the question of net contributor status.

21. The recommendations on the resources of the fourth cycle were contained in document DP/1988/L.11, to which some changes should be made. He asked the Secretary of the Council to read out the changes in question.

22. Mr. OMOTOSO (Acting Secretary of the Governing Council) said that the first change in the text was the addition of the following phrase at the end of operative paragraph 1 after the words "shall apply": "and appeals to all contributors to increase their contributions in order to achieve this goal." (In subparagraph 10(b), a comma should be inserted between "long-term" and "sectoral".

23. The following text should be added after paragraph 14 (a):

"(b) To review the resource situation each year in the light of voluntary contributions, exchange rates and other related factors and report to the Council each year at its June session;

"15. Decides that, if the increase in resources foreseen in the present decision does not materialize, equal proportional amounts will be deducted from SPR and IPF allocations and paragraph 18 of decision 85/16 shall apply with SPR additionally to be taken into account;

"16. Decides that, if the resources to be programmed should in future increase over and above the amounts foreseen in the present decision, any additional resources will be distributed in accordance with the formula set out in decision 85/16;

"17. Decides to continue the Working Group of the Committee of the Whole until the end of the fourth cycle."

24. The text of document DP/1988/WP.II/7, concerning assistance to Lebanon, was to be added to the draft decision contained in document DP/1988/L.11, as section II of that decision.

25. The PRESIDENT said that the new paragraph 17, read out by the Secretary, was withdrawn. The issue would be covered separately by the following text:

"The Council agrees to insert in the agenda of its organizational meeting in February 1989 an item on the timing and the process of the review of the mandate of the Working Group of the Committee of the Whole as set up by decision 87/20."

26. Mrs. DUDIK-GAYOSO (United States of America) said that the decision to set up the Working Group was decision 85/17 and a further decision on the matter was contained in decision 87/20. Perhaps the new formulation should be amended accordingly.

27. She wondered whether a statement ought to be added at the end of the draft decision contained in document DP/1988/L.11 reaffirming that all other paragraphs remained the same as in decision 85/16.

28. Mr. BROWN (Associate Administrator, United Nations Development Programme) said that the reaffirmation of decision 85/16 contained in paragraph 1 of draft decision DP/1988/L.11 meant that whatever was not amended by the latter decision would remain intact as in decision 85/16. There would, of course, be no harm in repeating that reaffirmation.

29. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to adopt the recommendations contained in document DP/1988/L.11, as orally revised, and incorporating, as part II, the text contained in document DP/1988/WP.II/7.

30. It was so decided.

31. Mr. HAMDAN (Observer for Lebanon) said that he wished to emphasize that his delegation had accepted the amendment to operative paragraph 3 of draft decision DP/1988/WP.II/2 of 21 June 1988 on the understanding that the request it had made to the Council to authorize the Administrator to approve assistance for additional priority projects up to an amount of \$4 million per annum was a provisional measure pending the final computation and adjustment of Lebanon's IPF for the fourth cycle. It firmly believed that Lebanon's IPF for the fourth cycle should be higher than the provisional figures currently calculated by UNDP, because of the very precarious socio-economic conditions prevailing in the country, as had been clearly set forth in the preambular paragraphs of the draft decision.

32. His delegation noted with satisfaction that the Administrator shared its opinion and that he would take urgently the necessary steps, in collaboration with the Government of Lebanon and the World Bank, to obtain the necessary statistical data needed to compute and finally adjust Lebanon's IPF for the fourth cycle and submit it to the Governing Council at its next session.

33. His delegation also understood that Lebanon's fourth cycle IPF would be reviewed and finally adjusted on the basis of the most recent mutually acceptable per capita GNP data and that the Governing Council would examine the situation of Lebanon at its thirty-sixth session as a matter of priority, with a view to the final adjustment of its IPF for the fourth cycle during that session.

34. Mr. TETTAMANTI (Argentina) said that, in paragraphs 9 and 10 of document DP/1988/L.11, the Spanish translation of "Special Programme for Management Development and Related Institution-Building" should read: "Programa especial de desarrollo de la capacidad de gestion y fortalecimiento institucional conexo".

35. The PRESIDENT said that the recommendation of the Ad Hoc Working Group on net contributor status was contained in document DP/1988/L.11/Add.1. If he heard no objections, he would take it that the Council wished to approve that recommendation.

36. It was so decided.

37. Mr. AL-FAIHANI (Observer for Bahrain) said that the recommendation just adopted was not a final solution to the problem of net contributor status but one that should contribute to the attainment of a final solution. His delegation had demonstrated a fair degree of flexibility and he hoped that other delegations would do likewise. He reaffirmed his Government's position with regard to the distribution of the extra resources of the fourth programming cycle.

38. Mr. TONG (Observer for Singapore) having expressed appreciation for paragraph 3 of the decision on net contributor status as contained in document DP/1988/L.11/Add.1 which took account of Singapore's interests, said that he wished to explain his Government's particular concern in the matter.

39. The proposals described in paragraphs 9 (a) and (b) of the Administrator's report on net contributor status (DP/1988/70) would, if adopted by the Governing Council, have the effect of limiting IPF expenditures over the fourth cycle to (i) the amount of third cycle IPF carry-over plus; and (ii) the indicated level of 1987-1991 voluntary contributions, adjusted for agency support costs and any shortfalls against 1987-1991 GLOC targets.

40. In the case of Singapore those proposals would, if adopted, result in programming difficulties for the years 1989-1991. As described in paragraph 28 of the report, the question as to what should be his Government's equitable contribution towards local office costs was as yet unresolved. That was an issue of some significance to Singapore, as more than 50 per cent of the Government's voluntary contribution was currently being allocated towards meeting the GLOC targets by the operation of decision 84/9. Hence, until such time as that issue was settled, the amount recorded as Singapore's annual voluntary contribution would continue to be unduly deflated.

41. To minimize programming difficulties pending the resolution of that issue, his delegation would like to request the Governing Council to consider the following possibilities: (a) that decision 84/9 be modified in the case of Singapore (and other net contributor countries that so desired) in such a way that, instead of adjusting the voluntary contributions for shortfalls against GLOC targets, the adjustment should be made against the unspent IPF balance; and (b) that any amounts in excess of the equitable contribution to local office costs that had been deducted from the voluntary contribution (or IPF) be restored to the credit of the voluntary contribution (or IPF) once the level of equitable contribution had been settled.

42. Mr. EL BELAZI (Libyan Arab Jamahiriya), having thanked the President for his successful efforts to find a compromise solution, said that his delegation reaffirmed its position as set forth in paragraph 31 of the Administrator's report on net contributor status (DP/1988/70).

43. Mrs. BAPTISTE-CARUTH (Observer for Trinidad and Tobago) expressed the hope that the decision taken to defer consideration of the item relating to net contributor status until the thirty-sixth session would make it possible to have a meaningful review of the case of Trinidad and Tobago. Her delegation had been heartened by the support of so many delegations and by their understanding of the inability of her country to accept the concept of net contributor status as things stood.

44. Her delegation would have preferred a decision to postpone net contributor status for Trinidad and Tobago for the entire cycle. She remained convinced that per capita national income could not be the sole indicator used to determine the level of development, technical capacity and the development needs of countries like her own. The matter would, however, be on the Council's agenda for its next session and her delegation was ready to provide any further information which any representatives might find useful in evaluating the issue.

45. She reaffirmed her Government's support for the technical assistance co-operation provided by UNDP.

46. The PRESIDENT said that the Council had completed its consideration of the recommendations of the Ad hoc Working Group on the resources of the fourth cycle.

The meeting was suspended at 5 p.m. and resumed at 5.35 p.m.

FINANCIAL, BUDGETARY AND ADMINISTRATIVE MATTERS (agenda item 9) (continued)

Report of the Budgetary and Finance Committee (DP/1988/BFC/L.2, L.2/Add.1, L.2/Add.2 and Annex, L.2/Add.3 and 4, L.2/Add.5 and Annex, L.2/Add.6, L.2/Add.7 and 8 and Annexes, L.2/Add.9, L.2/Add.10 and Annex, L.2/Add.11 and Corr.1, L.2/Add.12, 13 and 14 and Annexes, L.2/Add.15 and Annexes I and II, DP/1988/BFC/L.3)

47. Mr. LEENSTRA (Netherlands), Chairman of the Budgetary and Finance Committee, introducing the Committee's report, said that, thanks to the co-operative spirit which had characterized the Committee's work, it had been able to agree on recommendations to the Governing Council on the matters allocated to it and had achieved a consensus on all of them.

48. The report was contained in document DP/1988/BFC/L.2 and its various addenda and annexes. The amendments thereto which had been accepted by the Committee were contained in DP/1988/BFC/L.3 and its addenda. */

49. The agenda of the Committee at the current session had covered a wide range of important and frequently complex issues. Although those issues appeared as separate and distinct items on the Committee's agenda, the extent to which many of the subjects discussed were interlinked was particularly striking. Agency support costs, government execution, the observations and recommendations of UNDP's external auditors, the United Nations Volunteers Programme, the proposals in the revised biennial budget for 1988-1989 and other subjects had constituted an intricate maze of interrelated themes through which the Committee had successfully found its way. In so doing, it had tried to establish an appropriate and clear framework that would enable UNDP and its financial management to adapt itself to current changes in conditions and, what was even more important, to the further changes which the future would undoubtedly bring.

*/ Subsequently circulated as documents DP/1988/BFC/L.3/Add.1 and 2.

50. Mr. TENKORANG (Ghana), Rapporteur of the Budgetary and Finance Committee, said that amendments (not included in document DP/1988/BFC/L.3) had been adopted to the recommendations contained in the following documents: DP/1988/BFC/L.2/Add.5/Annex, on the subject of audit reports under item 9(e) of the agenda; DP/1988/BFC/L.2/Add.7/Annex, relating to item 9(a) on the annual review of the financial situation, 1987; DP/1988/BFC/L.2/Add.8/Annex, concerning the revised UNDP budget estimates for 1988-89 under item 9(b); DP/1988/BFC/L.2/Add.10/Annex, concerning agency support costs under item 9(f); DP/1988/BFC/L.2/Add.1 and Corr.1, on the United Nations Development Fund for Women under item 8(e); DP/1988/BFC/L.2/Add.12/Annex, regarding the effect of changes in the exchange rate of the United States dollar on support cost reimbursement by UNDP; DP/1988/BFC/L.2/Add.13/Annex, concerning Government execution under item 4; DP/1988/BFC/L.2/Add.14/Annex, on the financial aspects of the United Nations Volunteer Programme; and DP/1988/BFC/L.2/Add.15/Annex II, on procurement policies and practices. The texts of those amendments would, in due course, be issued in addenda to document DP/1988/BFC/L.3.

51. At the request of the President, the Committee had also considered a draft decision on the United Nations Volunteers (DP/1988/WP.30) and had agreed to it subject to a number of amendments which he read out.

52. In conclusion, he announced that the final report of the Committee would be issued as document DP/1988/78.

53. Mr. DOSSAL (Secretary of the Budgetary and Finance Committee), referring to the draft decision contained in document DP/1988/BFC/L.2/Add.13/Annex, said that the second line of renumbered operative paragraph 7 (former operative paragraph 6) should be amended to read: "thirty-seventh session (1990) a report containing specific proposals and recommendations for the implementation of paragraph 31 of General Assembly resolution 42/196, which calls for further support and flexibility to facilitate Government execution of projects, and a report on the impact of the implementation of".

54. The PRESIDENT said that, if he heard no objection, he would take it that the Governing Council wished to adopt all the draft decisions contained in the report of the Budgetary and Finance Committee, as amended by document DP/1988/BFC/L.3 and/or orally amended by the Rapporteur and Secretary of the Budget and Finance Committee.

55. It was so decided.

56. Mr. PETTIT (United Kingdom) said it was his understanding that the Budgetary and Finance Committee had intended that the second preambular paragraph of document DP/1988/WP.30, as amended, should constitute two preambular paragraphs rather than one, the second beginning: "Recognizing also".

57. Mr. TABAH (France), commenting on document DP/1988/BFC/L.2/Add.8/Annex regarding the recommendation of the Budgetary and Finance Committee concerning the revised UNDP budget estimates for 1988-1989 under item 9 (b) of the Council's agenda, said that the budget for the United Nations Volunteers consisted of a fixed element and a variable element which fluctuated with the number of volunteers in service. In harmony with the practice of the Council, he would not oppose the consensus but nevertheless wished to express reservations regarding abuse of the mechanism used in connection with that decision. That mechanism made it possible for the Administrator to revise the approved appropriations a posteriori and to exceed the limits fixed in the budget. Such action was incompatible with established budgetary principles, in particular, regulations 109.1 and 109.4 of the Financial Regulations of UNDP.

58. He considered that the adoption of that decision should in no circumstances authorize the Administrator to deviate from the Financial Regulations and should not constitute a precedent applicable to another UNDP programme or activity.

59. Mr. KELLAND (Denmark), commenting on the draft decision in document DP/1988/BFC/L.2/Add.12 on agency support costs, said that his delegation was not convinced of the need for the adjustment of support costs and ad hoc additional reimbursements, except in the special case of UNIDO. While he was unhappy with the decision in question, he would join the consensus, since it was customary in the Governing Council to give in gracefully when faced with an overwhelming majority.

60. Mr. NISSEN (Norway), referring to operative paragraph 5 of the draft decision in document DP/1988/BFC/L.2/Add.2/Annex, said that, while his delegation supported the recommendation by the Governing Council that the second post at Assistant Secretary-General level in UNFPA should be filled, it would like to emphasize the need for adherence to the established recruitment process which would give all interested members the time and the opportunity to seek and present candidates for that post.

61. He shared the views of the representative of Denmark regarding ad hoc support-cost reimbursement for 1987. His delegation did not agree with the substance of the matter and did not find the additional reimbursement request justified. Like the delegation of Denmark, the only reason why his own had supported the decision was because of its full commitment to the spirit of consensus in which the Governing Council was obliged to conduct its business.

62. Mrs. DUDIK-GAYOSO (United States of America) said that her delegation had taken note of the decision on agency support costs (DP/1988/BFC/L.2/Add.12), with particular reference to the proposal regarding the Administrative Committee on Co-ordination. She was most concerned that the Governing Council had not yet found an adequate method of establishing agency support costs. Her delegation hoped that both the Governing Council and the executing agencies would take note of the fact that the problem must be remedied.

REPORTS OF THE JOINT INSPECTION UNIT (DP/1988/12)

63. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to take note of the reports of the Joint Inspection Unit listed in document DP/1988/12, on which no specific decisions had been taken.

64. It was so decided.

CLOSURE OF THE SESSION

65. After an exchange of courtesies, the PRESIDENT declared the thirty-fifth session of the Governing Council closed.

The meeting rose at 7.20 p.m.