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President: Mr. PIBULSONGGRAM (Thailand)

later: Mr. SALAZAR-SANCISI (Ecuador)

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

POLICY REVIEW: THE ROLE OF THE UNITED NATIONS DEVELOPMENT PROGRAMME IN THE 1990s  
(continued) (DP/1989/14 and DP/1989/25)

High-level debate (continued)

1. Mr. EIGEN (United Nations Environment Programme) said that the Governing Council was meeting at a time when concern about the environment and awareness of the close relationship between environment and development were at an all-time high. All over the world, public demand for action was stronger than ever. Consequently, UNEP was encouraged to see the additional focus being given by UNDP in its programme to environmental matters. There was a remarkable convergence between the approaches and priorities outlined in the UNDP Administrator's report entitled "Environment: trends and perspectives" and the seven areas of concentration identified by the Governing Council of UNEP: protection of the atmosphere, protection of the ozone layer, management of oceans and coastal areas, management of soil resources through control of deforestation and desertification, conservation of biological diversity, management of hazardous wastes and protection of the living and working environment of poor people in particular.
2. Climate change, the most far-reaching environmental problem facing the world, was at the top of UNEP's agenda. The two organizations were co-operating within the Intergovernmental Panel on Climate Change and within the Administrative Committee on Co-ordination. UNDP could play a role in strengthening the capacity of developing countries to take part in activities envisaged under the Montreal Protocol on substances that deplete the ozone layer and the Basel Convention concerning the management of hazardous wastes. Transfer of technology and of management skills were essential components of both instruments.
3. UNEP hoped to co-operate more closely with UNDP in joint efforts to promote sustainable and equitable growth through environmental management. They were already co-operating within the context of the United Nations Programme of Action for African Economic Recovery and Development. UNDP could participate more actively in the African Ministerial Conference on the Environment (AMCEN), whose activities were aimed at managing the natural resource base and securing self-sufficiency in food and fuel production by using indigenous African expertise at the village level and whose secretariat UNEP maintained. He noted with interest the emphasis placed by UNDP on technical assistance and training in the environmental field. UNEP would like to encourage close co-operation with UNDP in the framework of the meeting of Designated Officials for Environmental Matters (DOEM) and the Committee of International Development Institutions on the Environment (CIDIE), a group of 15 development financing institutions which jointly disbursed close to \$40 billion per year on development assistance. UNEP expected that co-operation between UNDP and UNEP would increase dramatically, reflecting the rapidly increasing understanding of the interdependence between environment and development.

4. Mr. BURLEY (United Nations Conference on Trade and Development) recalled the extraordinarily rapid changes which had taken place in the world economy: the gradual internationalization of the market place, the speed and influence of technological change, the impact on national societies of the international revolution in communications, the emergence of significant new bilateral and regional economic integration arrangements among developed market-economy countries and the growing participation of socialist countries in international exchanges. But many of those changes were taking place in an unfavourable international economic climate. Although the success stories of the countries of South and East Asia demonstrated the validity of policies for export-led growth, there was some doubt as to whether such successes could be reproduced on a larger scale and whether the international economy, in its present state, could in fact absorb significant new trading partners. More generally, the commodity economy had failed in the 1980s to provide the engine of growth that many developing countries had hoped for. The threat of protectionism continued to hang over persistent and laudable attempts to open up the international trading system and the debt crisis cried out urgently for solution. The ever-closer relationships between trade flows in goods and in services and developments in the areas of money, finance, debt and commodities attested to the growing interdependence of national economies. But that interdependence was largely asymmetrical. In the context of multilateral technical co-operation, it would be helpful to address such questions as how to reduce those imbalances, how to make technical co-operation more effective in helping developing countries whose structural characteristics and limited capacities and resources inhibited or retarded adjustment, how to ensure for those countries sufficiently rapid and sustainable growth to enable them not only to meet internal development needs but also to take advantage of possibilities for trade arising from structural change in developed countries.

5. Multilateral technical co-operation could make an important contribution to national capacity-building. The aim should be both to increase export competitiveness and to improve the functioning of the international economic system in support of national development. That would involve the implementation of programmes for equitable growth and development that would restore the financial balances while preserving the social peace. It would also require sound debt management and efforts to maximize the contribution of the services sector to national development. Through multilateral technical co-operation UNDP could also help the developing countries participate effectively in the many technical discussions and negotiations required in the commercial sphere in order to adapt the prevailing rules of the game to the needs of the 1990s. That aspect, in particular, was a practical illustration of the basic tenets of UNDP, namely, universality, neutrality and objectivity.

6. UNCTAD was trying to integrate its research and analysis work and its operational activities so as to make its knowledge and experience, particularly its wealth of useful information on trade control measures and other statistical series available to developing countries. UNCTAD was also preparing management information software programmes.

(Mr. Burley, UNCTAD)

7. Co-operation between UNCTAD and UNDP was growing satisfactorily and UNDP expenditure on UNCTAD projects had almost doubled in the last year. However, the amounts involved remained very small in relation to developing countries' enormous needs for multilateral technical co-operation in the area of trade and development. UNCTAD was ready to put into effect any modality for the programming and execution of UNDP-financed projects that satisfied the criteria of speed, effectiveness and access to UNCTAD's technical expertise. In particular, many developing countries were asking UNCTAD for country-specific advice on selected topics; with UNDP support, such advisory services could be organized.

8. Mr. DIAZ de COSSIO (Observer for Mexico) said that he endorsed the list of unresolved issues contained in the report of the Administrator: the neglect of human development, poverty, the debt burden, environmental degradation and deteriorating human settlement conditions. He added that their seriousness depended on the country concerned and that acute poverty was a structural problem. UNDP therefore had to adapt its activities to the requirements of each country, taking into account the resources available. Its programme must be multisectoral and multidisciplinary. It must try to increase national problem-solving capacities by making the maximum possible use of highly competent local experts in co-operation programmes. Frequently, however, co-operation programmes were not as successful as expected because they had not taken into account the consequences and costs which the country had to bear once the project was concluded.

9. Technology was destined to play an increasing role and the question of its relevance was becoming more and more crucial. Technology could well be transferred in an uncontrolled manner and thus do more harm than good. The technology transfer concept should probably be replaced by that of the "transfer and adaptation" of technology.

10. His delegation favoured an increase in the number of projects executed by Governments. With regard to co-operation among developing countries, there were various problems: there had to be a way of locating resources rapidly and determining the real interest of the countries which were supposed to co-operate, and it was essential to ensure that plans for co-operation projects among developing countries were not imposed from outside. His country favoured the designing of major intersectoral national technical co-operation programmes from which clearly decentralized individual projects would be derived. It was, indeed, important that UNDP decisions and resources allocation should be rapidly decentralized.

11. Each country's major priority tasks were by definition multisectoral. With regard to technical co-operation, his country identified the following six priorities: (a) water; (b) the environment; (c) telecommunications, microelectronics and data processing; (d) biotechnology; (e) new materials; and (f) the struggle against acute poverty and population problems. Those major topics would give rise to substantial co-operation between the public, private and mixed sectors.

(Mr. Diaz de Cossio, Observer,  
Mexico)

12. With regard to the classification of countries for the purpose of allocating IPFs, the criterion of per capita income was inadequate. As everyone knew, that indicator concealed serious problems. There were more than 150 million people in Latin America who lived in critical conditions of poverty while their countries had a per capita income which was higher than that of other parts of the world. Serious consideration must therefore be given to the idea of using another indicator which would take that situation into account before fixing the amount of assistance to be provided to the country in question. After a decade of economic crisis, the proportion of its budget that a Government could set aside for social development was dwindling ever further.

13. His delegation supported the idea of establishing a "Microfund" which would be available to the UNDP Resident Representative in the country for the execution of microprojects, with rapid disbursement. There should be more co-ordination between the activities of the various international agencies as the rules concerning the authorization of project execution varied from one executing agency to another. Such co-ordination could go hand in hand with increased representation of the specialized agencies in each country, together with a parallel reduction in the bureaucracies at those agencies' headquarters.

14. To sum up, his country was of the opinion that there was no need for a radical change in the mandate of UNDP but that it would be necessary to redirect its efforts towards an increase in the IPFs, greater support for the development of national programmes and an improvement in its capacity for internal co-ordination and co-operation with other United Nations agencies. It was essential that the Programme should maintain its universality and flexibility, avoid the tendency to establish funds for individual fields and continue to provide concrete assistance to Governments in the execution of their priority tasks.

15. Miss THORPE (Observer for Trinidad and Tobago) said that the consistently low levels of commodity prices, the reappearance of barriers to free trade and the net transfers of resources from developing countries, exacerbated by the debt crisis, were factors which had a constant adverse effect on the developing countries, and there were no signs of any improvement. The budgetary cuts introduced in the context of structural adjustment had serious socio-political consequences in the form of job losses and increases in the prices of essential goods and services. The recovery in the developed market-economy countries had not spread to the economies of the developing countries, as predicted in the theory of the "trickle-down" effect. Yet most developed countries had been unable to devote 0.7 per cent of their GNP to official development assistance, as called for by the General Assembly in its resolution 35/56. Meanwhile, the gap between North and South was growing ever wider.

16. One of the results of that unfavourable situation was the erosion of the theoretical premises upon which the principle of net contributor status was based. Many countries to which the relevant decision of the Council (decision 85/16) might have been applied were currently incapable of finding the resources which would

(Miss Thorpe, Observer, Trinidad  
and Tobago)

enable them to fulfil their obligations in that respect, at a time when UNDP development assistance could be considered an integral part of the diversification process which was essential for recovery.

17. UNDP had rendered technical assistance to developing countries throughout its three programme cycles. The resources which it had provided to her country for country programming had been extremely limited, but their effect had been catalytic in nature and had enabled the authorities to elaborate a meaningful programme through the mechanism of cost-sharing. That principle was good and should be maintained but, at the same time, UNDP should endeavour to increase the resources around which countries could build comprehensive programmes dealing with the whole gamut of economic development problems.

18. During the fifth programming cycle, most resources should continue to be channelled to those countries which were in the greatest need but all developing countries, irrespective of their level of development, should share in the resources made available by UNDP. Technical assistance remained a major element of the development process, although its modalities might vary. In many LDCs, the building or strengthening of institutions remained a priority. More advanced developing countries, on the other hand, required short-term expert advice for projects of a more technical nature. Apart from per capita GNP, other criteria should be introduced in order to give a better indication of a country's ability to sustain development. Certain countries in difficulties, with major declines in living standards, were in a more dangerous position than others with lower per capita incomes but relatively stable budgets and economies. It was therefore necessary to develop new criteria to define net contributor obligations during the fifth programme cycle: that would be one way of preserving the universal character of UNDP activities in the next decade. However, particular attention should be paid, in that connection, to the special needs of island developing countries, as recognized by the General Assembly in its resolution 43/189, entitled "Specific measures in favour of island developing countries".

19. The role played by UNDP in the co-ordination of United Nations operational activities for development at the regional and national levels must be maintained. Its neutrality, universality and multilateral character were most valuable. The priority accorded to the policies of host country Governments itself engendered trust. That trust in UNDP could not help but increase if the proposals contained in paragraphs 102 to 104 of the report of the Administrator were fully implemented. Their adoption would enable UNDP to continue contributing to sustained growth in the developing countries.

20. She supported the call made by the Administrator for a doubling of contributions to UNDP in the 1990s. Trinidad and Tobago had contributed generously to UNDP and to official development assistance in general when it had been in a position to do so. It would continue its contribution in accordance with its capacity to pay. The doubling of contributions should be partly facilitated by the release of resources from a reduction in military expenditures if genuine disarmament was achieved in the course of the next decade.

21. Mrs. DE BRICEÑO (Observer for Venezuela) said that over the past decade, the Latin American economy had been characterized by stagnation in the development process, since macro-economic imbalances had brought about a situation of crushing foreign debt, deterioration of the terms of trade and a weakening of exchange rates, investment and savings. That situation had had adverse consequences for the social well-being of the population. In the face of that crisis, the countries of the region had made great efforts of structural adjustment which had also required sacrifices by the population and had given rise to political and social tensions. For that reason, more than ever before, the developing countries, and in particular those of Latin America and the Caribbean, needed technical co-operation in order to support the action of Governments, strengthen national capacities and promote independent development which would make it possible, in the course of the next decade, to completely reform State bodies, modernize production structures, develop human resources and improve the quality of life. In that respect, technical co-operation must be adapted to the special characteristics of each country and must respect the strategies, policies and priorities of national development plans. In order to ensure the success of the work of UNDP, the principles of flexibility, universality, multilateralism and neutrality must be preserved and reaffirmed. Her delegation reaffirmed its support for the 1970 consensus, which had been the most effective instrument for programming and the allocation of country IPFs.

22. Venezuela supported the priority development areas identified by the Administrator and the principle that any change in the modalities of co-operation must aim to improve programme quality and effectiveness, and not modify policies. In that respect, it would be useful to decentralize management, improve the co-ordination of programmes of co-operation with the specialized agencies and strengthen the field offices.

23. Ten years after the adoption of the Buenos Aires Plan of Action, the importance of the role of South-South co-operation in international co-operation had been confirmed. Her delegation believed that TCDC activities should be strengthened and expanded, and welcomed the initiative of UNDP in establishing a computerized reference system containing important data for all disciplines concerning 4,000 institutions in more than 100 developing countries. It noted with satisfaction that the Office for Projects Services had decided to use that data base as a source of information for projects to benefit institutions of developing countries. The use of existing technical expertise in developing countries by UNDP was envisaged in the Buenos Aires Plan of Action; it would help strengthen the self-sufficiency of those countries and encourage TCDC within the United Nations development system. It was also encouraging to note that TCDC enabled chambers of commerce and industry of countries of the Group of 77 to intensify their co-operation in areas of mutual interest. Her delegation therefore felt that the Council's consideration of questions relating to TCDC would be useful.

24. Her Government supported the expansion of project execution by Governments. Its experience in that respect had been positive and it was prepared to continue to assume that responsibility. It therefore supported the Administrator's suggestion to call on local experts, local consultancy firms, universities and

(Mrs. De Briceño, Observer,  
Venezuela)

non-governmental organizations of developing countries. UNDP could also help interested Governments to establish associations of specialists and networks of experts. Most of the projects undertaken in Venezuela had been designed to develop national capacity, and national programming had therefore had the following objectives: to modernize and rationalize the management of certain public bodies and increase the efficiency of control of public investment; to contribute, by means of ad hoc measures, to the rationalization of certain priority sectors of the economy, such as industry, agriculture and tourism; to promote technological research and development, stressing the needs of production sectors; to support the formulation and implementation of plans for the improvement of the environment; to support social programmes; and to promote planning activities.

25. For reasons that were well known, Venezuela had been penalized in respect of access to technical co-operation, both multilateral and bilateral. It was currently experiencing the most serious economic crisis in its recent history. The per capita gross national product had declined constantly between 1983 and 1988. The level of private per capita consumption was currently 25.2 per cent lower than it had been in 1980. Those factors were aggravated by a debt which represented more than 60 per cent of the gross domestic product and for which interest payments represented more than 25 per cent of the value of exports. The economic policy formulated by her Government imposed considerable social costs in the immediate and medium term and affected Venezuela's production apparatus and trade, but it should enable Venezuela to reach "the end of the tunnel" towards the mid-1990s. Consequently, her Government had decided to ask the Council once again to revise the net contributor status Venezuela had had since 1987 which was unacceptable in the context of Venezuela's current crisis. International technical assistance was a decisive factor during that period of adjustment, which would inevitably put pressure on Venezuela's production sector and was likely to give rise to social conflicts. Following that phase, which should last from three to five years, it would be possible to achieve stable, diversified, more balanced and more equitable growth. Venezuela reaffirmed that the per capita income should not be the sole criterion for the distribution of resources and that in calculating IPFs the supplementary criteria indicated in Council decision 85/16 should be used. Taking into account the explanations in documents DP/1989/14 and DP/1989/74, her delegation suggested that the Administrator should study the situation of countries such as Venezuela and make proposals to be considered by the Council at its next session. Over the next decade, UNDP would pass through a decisive phase in its history and the international community would therefore have to strengthen the objectives and ideals of co-operation, development and progress it had defined.

26. Mr. SERRANO CALDERA (Observer for Nicaragua) said that the current session was of particular importance because it was being held shortly after the Caracas Conference of the Group of 77, one of the main negotiating mechanisms of the developing countries, and formed part of a range of activities aimed at defining criteria and measures in the area of development, such as the preparations for the forthcoming special session of the General Assembly, the formulation of a new international development strategy and the restructuring of UNDP activities for the



(Mr. Serrano Caldera, Observer,  
Nicaragua)

next decade. The effect of all those measures should be to strengthen the mechanisms of international economic co-operation that would regulate future relations in that sphere, on the basis of just criteria taking into account the real needs of recipient countries. The errors committed during the 1980s, which had been a lost decade for development since official development assistance had declined in real terms, must be rectified. In the course of that decade, the economic growth of developing countries had stagnated or even receded, the terms of trade had deteriorated, protectionist measures had been strengthened, interest rates had increased leading to a transfer of resources from developing to developed countries, capital flows had been reduced and the debt problem had been exacerbated to the point where in 1988, the countries of Latin America had transferred \$28,900,000 billion abroad, which amounted to a quarter of the total value of exports from the region. Furthermore, there had been a considerable reduction in development assistance. All that had transformed the development processes into a process of impoverishment, which had led to violence and endangered the political and democratic progress of developing countries. The resulting social debt had led to a marked deterioration in living conditions, aggravating malnutrition, absolute poverty and infant mortality. In Central America, that situation had caused a setback of 20 years in the population's standard of living.

27. In the 1990s, the magnitude of the unmet needs of the population of developing countries would be a challenge which would have to be taken up by the entire world community, particularly the industrialized countries which should view development as a global, joint action. Because of the interdependence of global phenomena, any worsening of current imbalances was bound to result in social and political upheaval. Harmonious and equitable growth of the entire international community was an essential prerequisite for peace, democracy and world equilibrium. Development was thus a moral, political and historical obligation for the entire world community. It should be remembered that the development theories so far applied had resulted in dependence and underdevelopment for peoples of the third world, which had taken the form of hunger, infant mortality, social exploitation, economic backwardness, political dictatorships and political and institutional underdevelopment. It was impossible to consider the co-operation channelled through international agencies without taking account of the world political situation, particularly at a time when a measure of détente ought to make it possible to establish new international relations by transforming the logic of confrontation into one of co-operation. The efforts being made in that area were inadequate, however, and it was essential that a set of universal principles and values be devised that was based on ideological pluralism, individual and collective human rights, civil and political rights for all individuals and economic, social and cultural rights for all peoples. Such changes would have to be brought about, inter alia, by using international law as an instrument of world co-operation and development in order to balance the rights of all peoples. The idea of global, shared development which guaranteed the survival of all people and therefore all systems would also have to be put into practice. International co-operation based on respect for the identity of each people and on sovereignty and self-determination should be a norm of international conduct.

(Mr. Serrano Caldera, Observer,  
Nicaragua)

28. It must not be forgotten that peace was not simply the absence of war and was now being equated with development. It must also not be forgotten that war was not caused simply by underdevelopment but by the perpetuation of unjust structures within a situation of underdevelopment. The conclusions of the Sanford International Commission on Central America were equally applicable to other countries and regions of the world, for there was no question that lasting peace, genuine democracy and equitable development were inseparable. With regard to the world situation, it remained to be seen in practice whether the developed countries were really prepared to seek international economic, financial and political balance. That meant that the present climate of détente would benefit third world countries both economically and socially, because millions of dollars might be released as the result of a genuine policy of disarmament. Small, poor countries also had a role to play in the settlement of conflicts. Instead of remaining passive spectators of the new co-operation, they must demand their rights and duties as active players in political and economic history. The positive signs that had been observed held out hope for solving the global problems posed by war and economic difficulties by means of a genuine development theory and practice that was based on justice and equity in international economic relations.

29. UNDP had played a positive role in helping developing countries to strengthen their national technical capacities and to develop their human resources. Such co-operation was particularly important if one considered the serious economic situation in which Nicaragua had been placed by the war of aggression and the trade embargo, which had aggravated other structural problems caused by the world situation. With regard to co-operation and development in the Central American countries, UNDP was playing an important role in implementing the Special Plan of Economic Co-operation for Central America, in accordance with the mandate entrusted to it by the General Assembly. His Government strongly supported that Plan, which brought the countries of Central America together in an effort to achieve the common objective of development. UNDP's mandate, as defined by the 1970 Consensus, remained valid. Its present role as central co-ordinating body of the United Nations system must therefore be supported, for it had permitted the harmonization and integration of the various agencies' activities in the field. That co-ordinating role must be re-evaluated in order to transform UNDP into a more flexible organization that was able to respond to countries' needs while respecting each country's sovereign right to manage multilateral and bilateral assistance. With regard to UNDP's relationship with the World Bank and IMF in relation to recipient countries, his delegation believed that UNDP assistance should not be used to implement programmes negotiated with those two institutions, and that the fact that certain countries had not concluded agreements with the World Bank and IMF should not preclude them from receiving UNDP assistance. That aspect must be given close attention. Any review of the future role of UNDP must attach importance to the co-ordination of activities in emergency situations brought about by natural disasters, for such co-ordination still left room for improvement. His delegation supported UNDP projects which made an effective contribution to the integration of women in the development process, particularly into national plans. It also believed that the Programme should promote technological adaptation

(Mr. Serrano Caldera, Observer,  
Nicaragua)

policies formulated by interested countries, taking into account the need to preserve countries' national identity and to avoid the cultural alienation brought about by the systematic transfer of technology.

30. Despite the importance which the Administrator attached to global and regional issues, his delegation believed that country programmes were the ideal frame of reference both for the national plans of recipient countries and for UNDP activities. UNDP must proceed with caution in order to enhance the effectiveness of its activities without undermining the mechanisms, priorities and aims of its development assistance. How to improve those activities in the coming decade was an issue that could be considered in detail during the preparatory work on a new international development strategy and during the special session of the General Assembly to be held in April 1990.

31. Mr. Salazar Sancisi (Ecuador) took the Chair.

32. Mr. NAVAJAS MOGRO (Observer for Bolivia) said that while it was logical to define general guidelines for UNDP's role in the 1990s, the Council should beware of rigid planning. It was difficult to predict the future; 10 years previously, in a euphoric climate of rapid growth, no one could have predicted the development problems which the international community now faced: economic recession, growing poverty, the debt burden, environmental deterioration and the increasing gap between rich and poor countries. The imperatives of development had been identified in the Administrator's report. Now more than ever, efforts must focus on self-reliant, sustainable development which combined economic growth with equitable resource distribution. In that context, UNDP could make a valuable contribution to preparations for the special session of the General Assembly devoted to international economic co-operation, particularly the relaunching of economic growth and development in the developing countries, and to preparations for the new international development strategy.

33. Reflecting on the future role of UNDP prompted the observation that there were major differences between developing countries. At the same time, there were a number of areas of activity which could be the subject of international co-operation, as well as macro-economic problems which required global solutions. While that task went beyond the mandate of UNDP, the latter had made a major contribution to the search for solutions. His delegation was thinking, in particular, of the strengthening of external debt negotiating techniques and the development of management capacities, which made Governments better able to cope with the problems created by the present international economic situation. In the coming decade, UNDP and the system as a whole would have to place more emphasis on those aspects.

34. Such flexible and varied co-operation had been very beneficial to Governments, and it would no doubt have been difficult to find comparable support from other organizations of the system. A rigid approach, confined to a number of specific sectors, would certainly have been questioned at the present day. His delegation

(Mr. Navajas Mogro, Observer,  
Bolivia)

was well aware that UNDP must adapt to a changing situation; however, it was precisely its flexibility, its universal vocation and above all the quality of its co-operation which it had enabled UNDP to respond to the needs of a wide range of countries. In his delegation's view, it was imperative that those characteristics should be preserved.

35. Reflexion about the future of mankind and man's institutions provided a fertile ground for imagination. There was, however, a law of causality which must be borne in mind: the future was embodied in the present. Thus, if Bolivia was called upon to define the type of co-operation which it wished for the future, based on its wealth of experience in that field, it would say that co-operation constituted an extension of the day-to-day activities of the various segments of Bolivia's population and its national institutions, activities which ranged from water supply or the harnessing of hydrothermal energy to reform of the financial system.

36. In order to curb run-away inflation, which threatened the survival of the nation's institutions and the basis of the social consensus, the Bolivian Government had decided to restructure the national economy by tackling the underlying causes of inflation and creating conditions conducive to a resumption of growth. That policy rested on an austerity programme aimed at raising productivity while alleviating the social consequences of the crisis. That colossal endeavour could not be accomplished without the support of the international community. Bolivia had found that support in UNDP itself. Other lessons might also be drawn from Bolivia's experience. For example, UNDP had set up a programme for strengthening management capacities to which it wished to devote increasing importance in the future. That intention was not, however, the outcome of abstract speculation: it reflected the actual situation that had prevailed in Bolivia since 1985. Similarly, the experience acquired in the context of project execution had suggested new methods which might help to increase self-reliance and strengthen the participation of the economic agencies in the development process. In addition to greater recourse to national experts and to Governments for the purposes of project execution and the strengthening of TCDC, they included greater participation of non-governmental organizations and of communities in the country in question, especially in the social sector. He welcomed those innovations, which the Administrator intended to refine.

37. The future was essentially potentially rooted in the present, the achievement of which presupposed the existence of appropriate machinery and agencies. His delegation, while convinced that the current structure of UNDP was adequate, considered that innovation did not rule out the perfecting of existing machinery. A number of improvements could be visualized, such as a decentralization of decisions and activities by strengthening the country offices, or more frequent recourse to national experts and organizations for project execution. Co-ordination, evaluation and programming could also be improved.

(Mr. Navajas Mogro, Observer,  
Bolivia)

38. His delegation also welcomed UNDP's intention to create new instruments to meet growing needs in certain fields. While it was important to continue to exploit the potential of the specialized agencies, the introduction of new means of execution was justified in order to rectify certain shortcomings. In that context, Bolivia wished to emphasize the important role played by the Office for Projects Services; without its support, the Bolivian Government would have been unable to accomplish certain development activities. That Office's contribution to improving the system of procurement of capital goods and services for the public sector fully illustrated the flexibility of the current arrangement. His delegation warmly welcomed the Administrator's proposal for strengthening the staff of the Office.

39. UNDP's future role, as envisaged by Bolivia, involved both the continuation of current activities and a logical process of improvement and increasing maturity. For their part, the donors and recipients should observe the principles and mandates which they themselves had adopted in order to enable UNDP to play its role as the central element in the system.

40. Mr. VILLAGRAN (Guatemala) said that the thinking that had begun concerning the role of UNDP should rest on an established fact: the 1990s would open in inauspicious circumstances because of the current economic situation in the developing countries. The countries of Latin America were passing through a serious crisis, especially in Central America, where the income per capita had fallen to the level of 20 or 30 years earlier. To that must be added the adverse effects of the external debt, higher interest rates, the outflow of capital and other problems. Governments were striving to find adequate solutions but had not succeeded in stemming an alarming drop in the standard of living, worsening poverty and illiteracy, and shortage of housing. In order to resolve those problems during the forthcoming decade, UNDP must be able to continue its assistance, which presupposed active participation in preparing the new international development strategy and preparations for the special session of the General Assembly devoted to international economic co-operation, and in particular to the resumption of economic growth and development in the developing countries.

41. Since its founding, UNDP had acted efficiently, in accordance with the basic principles governing its mandate: multilateralism, universality, flexibility, neutrality and a central role in co-ordination and financing. It must pursue its efforts on that basis, especially in order to provide more information on foreign aid flows and to improve programme and project evaluation. To that end, strict adherence to those principles was needed.

42. Country programming was the corner-stone of co-operation. Guatemala considered that, in certain cases, stress should be placed on integrated development at the subregional level, taking into account the views expressed by the Governments in question. The UNDP's lengthy experience constituted an invaluable asset which must be exploited in order to improve programme and project formulation. It was therefore important to continue to reinforce collaboration between UNDP and the other organizations of the system, such as UNCTAD, UNESCO, ILO

(Mr. Villagran, Guatemala)

and WHO. UNDP activities should help to strengthen national capacities, which implied the development of national institutional capacities in all sectors and the development of human resources through the transfer of technology and training. The growing tendency to entrust programme execution to Governments appear to be well founded.

43. Guatemala approved of the idea of strengthening the country offices quantitatively and qualitatively, provided due account was taken of Governments' wishes. Similarly, it supported the strengthening of TCDC.

44. The 1970 Consensus and the system of allocating resources based on IPFs retained full validity. The central role of UNDP with regard to financing constituted a main element of multilateralism. That being so, Guatemala wished to indicate its concern at the new tendency to allocate funds provided by donors to projects or sectors of their choice, a practice which could jeopardize the priorities established by the developing countries. Furthermore, it recalled the importance of achieving the target of 0.7 per cent of GDP set for international co-operation, and supported the Secretary-General's proposal that resources freed by arms reduction should be placed in the service of multilateral co-operation.

45. In view of the satisfactory results obtained with regard to the various funds managed by UNDP it would be desirable to have increased contributions, for example to UNFPA and the Development Fund for Women. With regard to smaller funds, Guatemala considered that they might make an even more dynamic contribution to development because of their universal nature, their flexibility and their complementary function. In Central America, more specifically, they might serve to finance the programme on small- and medium-sized enterprises and micro-enterprises drawn up in the context of the special plan of economic co-operation for Central America and similar programmes.

46. Guatemala rejected all forms of conditionality in international development assistance. Similarly, it opposed the use of selective criteria suggested in paragraph 41 of document DP/1989/74 for calculating IPFs. That document should be revised, as Venezuela had proposed. Due account should be taken of the socio-cultural factors appropriate to each country.

47. His Government wished to pay a tribute to the work done by the Regional Bureau for Latin America and the Caribbean, but deplored the progressive reduction in staff and funds allocated for each programming cycle. That situation absolutely must be remedied. Latin America and the Caribbean had never been so dependent on international aid. During the 1980s, the region had been seriously affected by the fall-out from the unfavourable economic situation, natural disasters and political violence. The strengthening of democratic institutions must be supported.

48. Guatemala considered that UNDP should support all peace initiatives by boosting development, which was, in fact, one of the bases of peace. In 1987, the Central American Heads of State had signed an agreement, Esquipulas II, envisaging a process for establishing a lasting peace in the region. Peace and development were inseparable.

(Mr. Villagran, Guatemala)

49. The General Assembly had approved the special plan of economic co-operation for Central America and the international community had provided generous assistance for its implementation; it was essential that that assistance should continue. The region needed more resources if the objectives set forth in the plan were to be attained. In that regard, Guatemala felt compelled to mention the contribution of the Italian Government, which had provided \$150 million for a programme benefiting refugees, returnees and displaced persons. The Central American countries would meet with UNDP and the donor community in Geneva from 4 to 6 July to study the implementation of the special plan. Guatemala counted on their active participation and further efforts prompted by solidarity. Guatemala had recently hosted the International Conference on Central American Refugees, which had adopted a declaration and a plan of action. He also appealed to donors to provide assistance in connection with that initiative.

50. Mr. RENAGI LOHIA (Papua New Guinea) said that UNDP must be assured of a robust and active future to the end of the century and well beyond. His country fully supported UNDP. Papua New Guinea was an island developing country situated in the centre of Asia and the Pacific, a region which was both immense and diverse. His country had joined the United Nations upon becoming independent in 1975. UNDP had been in the country during the period leading up to independence and had regularly assisted it ever since. Papua New Guinea occupied an intermediate position with regard to the amount of assistance received. It had a population of 3.6 million, the majority of whom were young and lived in rural areas. There was a great diversity of ethnic groups, and although the country was blessed with major natural resources, over 85 per cent of the population was dependent on subsistence agriculture and other non-cash activities which just enabled it to meet its needs. Those were the challenges confronting his country.

51. Papua New Guinea was fortunate to have been able to develop close bilateral relations with a broad range of countries, particularly Australia, New Zealand, Japan, the Federal Republic of Germany, the Republic of Korea, the United States and the EEC countries. On the multilateral front, it likewise received assistance from the World Bank, various United Nations agencies and other institutions. It also participated in UNDP activities. While UNDP was relatively small in comparison with other donors, it had become a significant partner and its field office in Port Moresby, which had a very heavy work-load, had been especially important. During a recent visit, the Administrator of UNDP had been able to see for himself the superb job his staff were doing. He had also become aware that the office needed strengthening. The Government was grateful to him for having included proposals to that effect in the budget for 1990-1991. His delegation hoped that the members of the Council would approve it.

52. UNDP assistance really made a difference. The recently signed memorandum of understanding between the Government and UNDP provided a framework for future co-operation. Under the memorandum, UNDP had agreed to take a lead role in certain priority development sectors such as public sector management, non-governmental organizations, women in development, and technical assistance management. The Government, recognizing the importance of UNDP's contribution, had agreed that the Resident Representative should be the co-ordinator of United Nations activities.

(Mr. Renagi Lohia, Papua New Guinea)

53. The management development programme was a most welcome initiative. Very recently, a mission had gone to the country to undertake a review of the administrative reform in order to give direction to the utilization of technical assistance. UNDP had responded efficiently to the Government's request for assistance. It had also been asked to take a lead role in the overall management of technical assistance. The Resident Representative should be given adequate staff and other resources to enable him to respond to that increase in the work-load.

54. His country was following with interest the various initiatives taken at the regional level, especially the round tables. It felt that UNDP would be able to do much more. In that regard, it noted with satisfaction the contacts established with the South Pacific Forum with a view to enhancing co-operation.

55. His country fully supported the work of the Office of Project Services. That office had responded speedily to requests for assistance in situations where other agencies of the system had not shown the same degree of flexibility. Attention should be drawn to the increasing responsibilities of the UNDP Regional Bureau for Asia and the Pacific. That was why the Administrator was proposing extra support for them in his budget.

56. Mr. NGUYEN VAN ICH (Observer for Viet Nam) said his delegation supported the measures recommended by the Administrator in his report, for they were aimed at tailoring technical co-operation programmes to the interests of the recipient countries and strengthening their co-ordinating power.

57. In order to assist the developing countries, which were facing a number of crucial problems such as demographic growth, food security, urbanization, environmental degradation, illiteracy and unemployment, which they could not solve without external help, steps should be taken to strengthen UNDP transfers of technology in the appropriate fields. That would necessitate additional capital and closer co-operation between developed and developing countries and among developing countries.

58. In order to become more efficient, UNDP should consider simplifying the procedures for the allocation of aid to developing countries. The experts and equipment needed should be determined by the specific nature of each country and each project; it was necessary to use the human and material resources of recipient countries to the full, to speed up project adoption procedures and to expand the powers of resident representatives in the countries concerned.

59. Viet Nam, a low-income country, received substantial UNDP assistance, but that assistance was essentially sectoral, whereas development requirements called for more comprehensive co-operation encompassing overall problems, such as the formulation of development strategies, human development, development management and the expansion of the public and private sectors of the economy.



60. Mr. LADJOUZI (Observer for Algeria) said his delegation welcomed the Administrator's suggestions to the effect that UNDP's efforts should be concentrated on Africa. UNDP was playing a far from negligible role in the implementation of the United Nations Programme of Action for African Economic Recovery and Development, but should play an even more active part, particularly with regard to the mobilization of resources.

61. The challenge of adapting UNDP to the new and pressing development concerns of the third world provided ample justification for the process of reflection on the Programme's role in the 1990s begun during the current debate. That process should proceed in a global context and reflect the trends of the envisaged new development strategy, while paying more attention to the needs of recipient countries. In the coming decade, UNDP should be strengthened rather than given new attributions.

62. His delegation agreed with the Administrator that UNDP's mandate and the principles contained in the Consensus of 1970 and the New Dimensions of 1975 remained valid and constituted an appropriate framework for its work in the 1990s. Although the essential thing was to ensure that their reaffirmation was translated into practical action, corrective measures should also be taken, particularly with regard to UNDP's role as central agent for the financing of technical co-operation. In that connection, he welcomed the Administrator's proposal that resource targets should double for the fifth programming cycle and triple for the sixth cycle.

63. With regard to the co-ordination of technical co-operation activities, it was noted that UNDP had been unable to fulfil its functions in an appropriate manner, especially because of the limited means of the Resident Co-ordinators and because of rivalry with executing agencies. Perhaps more specific measures should be taken to accelerate decentralization towards the country offices and to ensure that the number and qualifications of staff were adequate.

64. As to the working relations between UNDP and the executing agencies, the Programme's primary mandate remained that of central financing of technical co-operation activities, the conduct of which should be first and foremost the responsibility of the Governments of the countries concerned or, at their request, the executing agencies, while UNDP should co-ordinate and evaluate project execution by the specialized agencies, in collaboration with the Governments concerned.

65. The universality and neutrality of UNDP implied access to its resources by all developing countries in accordance with their need for technical co-operation and the preservation of their autonomy vis-à-vis the Bretton Woods institutions. In that regard, the tendency to reduce the IPFs of middle-income countries was in no way justified and, in order to conform better to the principles of the Consensus, there was a need to adopt the Administrator's recommendations concerning the doubling of resources for the fifth programming cycle. In order to preserve its autonomous nature, UNDP should at all cost avoid establishing relations with the other multilateral finance institutions that included an element of conditionality, since that would be a downright contradiction of its mandate.

(Mr. Ladjouzi, Observer, Algeria)

66. The tendency to entrust projects to multilateral finance institutions should be brought to the attention of the Governing Council so that it could determine whether that procedure was in keeping with the established practice.

67. He expressed doubts concerning the desirability of replacing country programming by mechanisms such as the national technical co-operation assessments and programmes (NaTCAPs), or round-table meetings.

68. The two primary tasks of UNDP, to which it should devote the core of its resources, continued to be the development of human resources and of the national capacities of the developing countries. His delegation, like the Administrator, considered that the execution of projects by Governments should become the norm in the 1990s and that broader recourse should be had to the services of experts of the recipient countries and to local sources of procurement both for projects and for the staff of the country offices.

69. There would be a need to pursue more vigorously the objectives set forth in the Consensus and the New Dimensions, namely the development of institutional capacities, training, the transfer of technology, the execution of projects by Governments and the promotion of technical co-operation among those countries.

70. It would be desirable for UNDP to play a more active role in promoting TCDC and for the institutions of those countries to be entrusted with project execution. Regrettably, TCDC did not yet occupy the place it deserved among those activities. The idea of collaboration between local partners for development, as suggested in paragraphs 103 and 104 of the report (DP/1989/14), had not been sufficiently developed. Other proposals, concerning, inter alia, the strengthening of a research capability and of the country offices and the building of information networks and consulting networks, raised the thorny question of how the strengthening of the role of UNDP in the 1990s would be financed. Whether a substantial number of the suggestions put forward in the report could be put into practice would depend on whether the member States accepted the Administrator's request to double resources for the following cycle.

71. As an important donor and recipient of assistance from UNDP, Algeria proposed that a number of steps should be taken to improve its functioning; he wished to mention the preparation of a strategy for mobilizing resources in order to restore to UNDP its role as a central institution for financing technical co-operation; the strengthening of its functions of co-ordination and evaluation of project execution; the preservation of its autonomous character; opposition to the tendency to reduce the IPFs of medium-income developing countries; the strengthening of UNDP's role in promoting TCDC; the concentration of efforts on Africa; better co-ordination among the regional bureaux for Africa and for the Arab States; more systematic use of the capacities of recipient countries, with respect to both expert services and the procurement of goods and services; the strengthening of the country offices and of the quality of experts and staff; and arrangements to be made so that subsidiary bodies did not meet at the same time as the Governing Council.

(Mr. Ladjouzi, Observer, Algeria)

72. As an indication of its continued support for UNDP and UNFPA, Algeria announced a voluntary contribution of \$300,000 to UNDP and of \$30,000, including \$20,000 in Algerian dinars, to UNFPA for the current year.

73. Mr. ZAPOTOCKY (Observer for Czechoslovakia) said he considered the Administrator's report (DP/1989/14) to be a well-balanced document which correctly addressed the main problems to be faced by the developing countries in the 1990s and constituted a suitable framework for future action by UNDP. That was why it should be taken into account in the preparation of the new strategy for the fourth United Nations development decade.

74. The report confirmed the validity of the principles of universality, voluntariness and neutrality set forth in the Consensus of 1970 and the New Dimensions resolution of 1975; it was therefore important for UNDP to pursue its activities in accordance with those principles. Those two texts created suitable prerequisites for fruitful co-operation between developing and industrially advanced countries with different social and economic systems.

75. Development at the present time required a comprehensive approach reflecting the necessity of resolving questions of a cross-sectional nature; UNDP should support that approach, taking account of the interests of the recipient countries, and concentrating its own activities in fields where it could act effectively with an eye to its budget.

76. Effectiveness could be considered to be the determining element of evaluation in UNDP activities in the 1990s; an essential criterion of effectiveness should be the degree of contribution to economic development of developing countries. In order to strengthen their self-reliance, it was essential to increase the role of those countries in the field of programming and implementing foreign aid.

77. UNDP programmes should be oriented in a well-balanced manner towards the specific economic sectors of developing countries with strict observance of their sovereignty. The role of the State in social and economic development was confirmed by many United Nations resolutions. Consequently, UNDP must not become a means of giving preference to lop-sided models of management and development; there was a need to avoid a one-sided orientation towards the private sector, to the detriment of the public sector, which nothing could replace in many fields.

78. In view of the globalization of some development problems, including deterioration of the environment, he welcomed the integration of environmental elements in UNDP projects as well as the striving for co-operation with UNEP and WHO. UNDP had an irreplaceable role to play in that system, especially in promoting the technologies needed by the developing countries in order to resolve their environmental problems and develop their economies.

79. Czechoslovakia provided technical assistance to developing countries through UNDP projects and was intensively engaged in the regional co-operation sponsored by UNDP in order to ensure that those countries benefited from the results. It

(Mr. Zapotocky, Observer,  
Czechoslovakia)

participated in 18 European regional projects, which included projects concerning computerization in industry and mines, as well as energy-saving in industry. It supported UNDP's new approach aimed at creating networks designed to co-ordinate the co-operation of the participating countries even after the conclusion of the projects.

80. Czechoslovakia intended to continue to take an active part in the international community's efforts to help the developing countries to resolve the pressing problems facing them.

The meeting rose at 1.15 p.m.