



**Governing Council
of the
United Nations
Development Programme**

Distr.
GENERAL

DP/1989/SR.24
26 June 1989
ENGLISH
ORIGINAL: SPANISH

GOVERNING COUNCIL

Thirty-sixth session

SUMMARY RECORD OF THE 24th MEETING

Held at Headquarters, New York,
on Thursday, 15 June 1989, at 6 p.m.

President: Mr. SALAZAR-SANCISI (Ecuador)

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The meeting was called to order at 6.15 p.m.

MANAGEMENT DEVELOPMENT PROGRAMME (continued) (DP/1989/59)

1. Mr. VARGAS (Brazil) said that the overall objective of the Management Development Programme (MDP), namely, to help developing countries improve their public sector, should be achieved in accordance with the priorities established by the recipient countries. Conceptualization of the innovative approaches to public sector management that MDP was intended to encourage should be primarily the responsibility of the Governments of recipient countries.
2. As to the linkages between MDP and the structural adjustment programmes, he recalled the statement made by the head of the Brazilian delegation during the high-level segment of the current session of the Governing Council, to the effect that programmes designed for institution-building, training of personnel and transfer and absorption of technical knowledge were usually among the first victims of the so-called "austerity measures" associated with the adjustment process.
3. Recommendations for management improvement must be formulated in conjunction with the countries concerned so as to ensure that the latter's specific requirements were met. Likewise, the special missions referred to in paragraph 9 of the annex to the Administrator's report should be sent only with the agreement of the Governments concerned.
4. Concerning the allocation of funds, more precise criteria should be established to ensure that all countries had access on an equal footing to MDP funds. It was his understanding that MDP funds could not be used to finance IPF projects and that, conversely, MDP activities could not be financed from IPFs.
5. His delegation strongly supported the hiring of local consultants for projects and missions and believed that use of local experts should be a priority, not just a matter of great importance as indicated in paragraph 20 of the annex to the report. Finally, for interested donors to participate in missions responsible for preliminary management surveys, their participation would have to be requested by the Governments of the recipient countries concerned.
6. Mr. ZHONG-Shukong (Director of the Policy, Programming and Development Planning Division, Department of Technical Co-operation for Development) drew attention to the link between the Special Action Programme for Administration and Management (SAPAM) and MDP. SAPAM had been started in 1986, following the special session of the General Assembly devoted to Africa, and a task force had been established, with UNDP as lead agency, in order to put SAPAM into operation. UNDP, with support from the Department, had also carried out the first round of SAPAM missions which had resulted in the identification of 27 projects in 9 countries. The Department had been assigned to execute six of those projects which were to be financed under the Netherlands trust fund, and other projects had been included in UNDP country programmes. Currently, the Department was executing several of those projects. At the beginning of 1989, UNDP had organized a second round of missions

(Mr. Zhong-Shukong)

with the participation of experts from the Department, and that had led to the formulation of a number of projects which were to be financed under MDP.

7. In reviewing SAPAM at the request of the Economic and Social Council, the ninth meeting of experts of the United Nations Programme in Public Administration and Finance had once again emphasized the need for interaction between MDP and SAPAM and had stated that SAPAM should be implemented in close co-operation with MDP and should benefit from the resources made available under the latter.

8. In addition, the Department was co-operating with UNDP in a study to ascertain the causes of the problems facing African administrations and to identify areas where remedial action was most likely to have a positive impact. That kind of collaboration was in the interest of the developing countries and took full advantage of the expertise within the Department. Over the years, projects executed by the Department in the area of development administration, which were designed to strengthen national capacities for development, and the Department's own research programme had enabled the Department to acquire considerable experience in the matter in every region. The Department could make a substantive contribution to helping developing countries enhance their capacity to better manage the development process in general and to improve their management of public entities and private enterprises in particular.

9. Mr. SKLIAROV (Union of Soviet Socialist Republics) said that the revised guidelines were undoubtedly useful and that the mechanisms proposed for their implementation would guarantee their effectiveness. He drew attention to two aspects which, in his view, were crucial to the success of MDP. The first concerned the need for reforms to be independent of the structural adjustment programmes; the second concerned the need to co-ordinate MDP with other UNDP mechanisms of proven worth which were popular among the Governments of both developing and donor countries.

10. His delegation fully supported everything in the document under consideration. Nevertheless, it would be worth asking for clarification of the reference in paragraph 13 of the annex to "projects or activities" requested from UNDP. It was unusual that reference should be made to "projects or activities" and that no explanation should be given regarding the scope of the term "activities". The term was not used again in the document; he wondered whether it was a question of drafting or whether the omission had been intentional. If the former, it could mean that all activities, including requests for project formulation and short-term advisory services, must go through the four stages necessary for approval by the Action Committee. If the term "activities" had been omitted on purpose, it would mean that the Project Appraisal Committee would be responsible for approval. Neither possibility seemed acceptable and the point would have to be elaborated further so that the various project approval mechanisms would be duly clarified.

11. Generally speaking, the programme was acceptable and it was important that the guidelines should be rigorously observed. Nevertheless, the document did not state

(Mr. Skliarov, USSR)

clearly whether account had been taken, when formulating the guidelines, of the management experience of the specialized agencies of the United Nations and that of other organizations. It would be worth taking advantage of and extending that experience and co-ordinating it at the national, regional and interregional level. It might also be worth using the management experience and capacity of the various countries. Another aspect that should be taken into account in future was the interrelationship between MDP and human resources development and other basic components of development.

12. Mr. MATSVATI (Zimbabwe), while congratulating the Administration on its effort to improve the guidelines of MDP, sought clarification on certain points. Firstly, he wished to know how many countries had so far asked to use the facility and what the modus operandi had been, in view of the agreement that the Administration would re-examine the guidelines with a view to improving them to the satisfaction of the potential beneficiaries. If some activities had already been carried out under the programme, his delegation feared that a first-come first-served situation might be created, with other countries being left aside. In addition, the results of any future evaluation of the programme could be misleading, since the guidelines applied would not have been the same.

13. Secondly, the Governments of developing countries, among them his own, had undertaken internal reviews on ways of improving the operational efficiency of the public sector, including government machinery, and justifiably wished to implement some of the recommendations rather than to engage in further studies which might produce conflicting recommendations. His delegation therefore wished to know if UNDP would still insist on sending a mission to consider the same issues or if it was in a position to provide assistance geared to the constraints already identified.

14. With regard to the implementation of MDP, clarification was required as to whether paragraph 19 (d) of the annex to document DP/1989/59 entailed the establishment of any type of model, which, in the opinion of his delegation, would appear to contradict the statement of objectives contained in paragraph 6 of the annex.

15. His delegation failed to understand why resident representatives should have to be involved in negotiating the content and scope of technical co-operation programmes needed to strengthen the public sector management capability of the countries to which they were assigned. That type of analysis was an internal process of priority needs assessment. It should be the function of UNDP or any other donor to provide assistance and not to identify priority needs.

16. His delegation requested assurances that the network of experts and institutions participating in MDP would always include local experts and institutions, since it would be those which would remain in the country and sustain the activities initiated under MDP.

17. Mr. PAYTON (New Zealand) said that his delegation had expressed certain reservations when the idea of establishing a management development facility was originally raised. However, the Council had finally reached an understanding on the funding of the programme, and guidelines had been drawn up accordingly. His delegation hoped that the Council would be able to adopt a decision which would give MDP the policy stability required to ensure that it could carry out its work effectively. It would be important to agree that the performance of MDP should be thoroughly reviewed at the thirty-seventh session of the Council. By that time, it was to be hoped that contribution of MDP to developing countries could be clearly appreciated.

18. The time had come for the Governing Council to indicate its support for MDP, and such support was already evident from various quarters. His delegation had been particularly interested in the mission to Papua New Guinea and Samoa. In both countries the assistance made available under MDP would be particularly helpful.

19. Mrs. ZACHOROWSKA (Poland) said that, in view of the changing and evolving economic situation in the developing countries, it was right that the strengthening of management capabilities should be recognized as one of the priorities to which UNDP accorded ever greater attention. The process of economic reforms now being introduced in many countries of the developing world faced serious difficulties as a result of management inefficiencies. In that connection, the plan to help Governments identify their particular management needs, and better to mobilize each country's potential and human, economic and financial resources, was an important aspect of UNDP activities.

20. In addition, some of the activities offered under MDP demonstrated UNDP's serious approach to world development. In particular, the demand for objective and independent consultancy services in activities related to debt management, capital market organization, the designing of long-term sectoral and multisectoral programmes, training in public administration and business management was greater than ever before. Thus, the advisory services and expertise provided under MDP could make an important and effective contribution to the reform processes being implemented in the developing countries. In that respect, her delegation shared the opinion of the Administration of UNDP and Member States to the effect that MDP should be available to all countries wishing to participate.

21. With regard to respect for the principle of sovereignty, her delegation shared the view expressed by the delegation of Bangladesh and understood that the Administration was fully aware of the issue when it enumerated, in paragraph 1 of document DP/1989/59, the principles in accordance with which the activities in question were to be carried out.

22. Mr. GARCIA RAMOS (Cuba) said that the document which delegations had before them should be adapted in order better to conform with Governing Council decision 88/31. That apart, he endorsed the opinions expressed by the delegation of Brazil.

23. Mr. PALMUND (Co-ordinator of the Management Development Programme) said that there was no conditionality in UNDP activities. That should be clear from the way

(Mr. Palmund)

in which the MDP guidelines were set out. What some delegations had understood as conditionality was in fact a description of the features of MDP, as normally required by UNDP for the purpose of protecting the quality of its programmes and ensuring that they could be implemented and maintained. It was necessary to keep in mind the principal objective of MDP: to help Governments assess their requirements and elaborate plans to improve their management capabilities. That was a definition of MDP rather than a statement of conditionality. The suggestion that Governments should try effectively to co-ordinate support for a programme of improvement in the public sector was not a condition for receiving UNDP assistance but a recommendation.

24. With respect to comments on the global approach advocated in the document, it should be noted that MDP was not primarily a mechanism for project financing. IPFs were available to UNDP for that purpose. The MDP objective of strengthening Governments' management capabilities by helping to elaborate management improvement programmes required a global view. The emphasis on that global view was also based on technical and empirical considerations. It was not possible to achieve the sustainable and long-term improvement in management capabilities mentioned in Governing Council resolutions and the directives governing the work of UNDP without taking account of the context and of the fact that measures must be adopted on different levels at the same time.

25. As for the reference by the representative of the United States to paragraph 16, it had been emphasized that a certain degree of flexibility was required, depending on the priorities and circumstances of each country. It would be pointless always to insist on generalization; attention should instead be concentrated on the areas to which Governments wished to devote attention. In that respect, it should be recalled that paragraph 16 had been incorporated into the text on the basis of experience gained in Uganda. Uganda had requested the dispatch of a mission which was later judged unnecessary since UNDP had sufficient material available to support Uganda's plans in that context.

26. On the topic of regional balance in the allocation of resources, which some speakers had raised, he pointed out that the Governing Council's decision established the principle that only 50 per cent of the resources should be allocated to one region. During the debate in the Council it had been understood, given the particular management needs of Africa, that the Programme should concentrate that level of resources in sub-Saharan Africa, and that was the thrust of the guidelines.

27. In reply to the representative of Yugoslavia and others who had asked why activities under the Programme had begun, he said that the Programme had been started up on the strength of a decision by the Council which, at its special session in February, had directed execution to begin even though the guidelines had not appeared in final form.

(Mr. Palmund)

28. The text had been read as implying that the Programme should continue into the fifth cycle. That was not the intention; he hoped that the situation could be put right by means of the proposal by the United Kingdom delegation.

29. On the subject of additional resources and co-ordination with other donors, he said that the plan had been to avoid requesting core funds for the Programme before the fourth programming cycle ended. The rate at which the Programme was advancing, despite the low limits set on allocations, suggested that it would be difficult to distribute the resources available among all the countries wishing to take part. Accordingly, the guidelines had been amended, as could be seen. At the next session, the Governing Council would be presented with a report and probably a proposal relating to fund-raising from bilateral sources to add to the resources of the Programme. The possibility of raising funds for programmes in the various countries concerned had already been considered. Fund-raising was essential, and had to begin as soon as possible. The question of financing would be considered in initial contacts with Governments in order to secure resources to match the seed capital provided by the Programme.

30. On another question, he said that there were plans to co-operate with some 34 countries before the end of the year. A complete list was available for those interested.

31. To the comment that the guidelines did not give sufficient weight to poverty as a criterion for obtaining resources, he replied that special attention had been devoted to the least developed countries.

32. Finally, alluding to the comment by the representative of the Netherlands, he said that the fact that so many countries were interested was a positive sign, and pointed out that, under the resolution of the Governing Council, the Programme was available to all countries wishing to participate.

33. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished the Drafting Group to draw up decisions reflecting the substance of the debate.

34. It was so decided.

SPECIAL PROGRAMMES (continued)

Assistance to national liberation movements recognized in its area by the Organization of African Unity (DP/1989/21)

35. Mr. DAMIBA (Assistant Administrator and Regional Director for Africa), replying to questions on the introduction of the item and the report of the Administrator, notably the desire voiced by the United States delegation for more information on the mid-term review of the programme of assistance to national liberation movements and on whether SWAPO would continue to receive assistance during the transition period, said he wished to make it clear that a technical

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(Mr. Damiba)

review of the SWAPO IPF would be conducted at mid term. A timetable for the technical review would be drawn up, and it would be decided which activities could be ended and which transferred to Namibia, subject to the current restrictions imposed by strict observance of the principle of impartiality.

36. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished the Drafting Group to prepare a decision on the subject.

37. It was so decided.

Questions relating to Namibia (DP/1989/53)

38. Mr. BROWN (Associate Administrator) pointed out that, during its February session, the Council had taken note of the agreement between UNDP and the Office of the Special Representative of the Secretary-General for Namibia whereby UNDP would send a mission to Namibia to collect reliable data in the economic, financial and social spheres to provide the future Government with a solid information base for decision-making and enable the Government, the United Nations system and potential donors to plan and mobilize financial and technical assistance as required. The Council had also agreed to put the issue of the IPF for Namibia on the agenda of its June session.

39. The report of the Administrator provided information on the fact-finding mission sent in April 1989. After consultations with UNDP and the Office of the United Nations Commissioner for Namibia, the mission had visited the World Bank, the International Monetary Fund, the United States Agency for International Development in Washington, the Commonwealth Secretariat and the International Maritime Organization in London, the United Nations Conference on Trade and Development in Geneva, the United Nations Institute for Namibia in Lusaka, and the Development Bank for South Africa, the Department of Finances, the Reserve Bank of South Africa and the Department of Foreign Affairs in Pretoria, and had spent three and a half weeks in Namibia. In its report to the Administrator and an inter-agency group, the mission had identified nine priority areas for more thorough study: the fiscal situation, the regulation and monitoring of the financial system, exchange controls and administration, the identification of high-potential agricultural areas, marine fisheries, demographic data collection, an inventory of qualified Namibian manpower, the structure of the local administration, and educational and training facilities.

40. Clearly, further demographic studies were needed to establish a solid base for calculating a realistic IPF. In the absence of that information, the Administrator was asking the Council to defer the question of the definitive fourth-cycle IPF for Namibia to the thirty-seventh session, to be held in February 1990, after independence. In addition, consultations with WHO had led to an agreement in principle to conduct an in-depth study of the health sector.

41. The current IPF for Namibia, amounting to \$10.9 million, had been applied to four projects in support of the United Nations Institute for Namibia in Lusaka,

(Mr. Brown)

Zambia, the United Nations Vocational Training Centre for Namibia in Cuacra, Angola, and the reconnaissance mission he had already mentioned. Some \$4.4 million in resources remained available.

42. In discussions with the Council for Namibia in 1988, agreement had been reached on the orderly transfer to Namibia of UNDP-assisted projects, while retaining strict impartiality. In that regard, UNDP activities were carried out in close consultation with the Commissioner for Namibia and the Special Representative of the Secretary-General for Namibia. The Government of independent Namibia must have adequate IPF resources for planning purposes. The Council might wish to consider the possibility of setting up a trust fund for Namibia to which individual donors might contribute.

43. The Chief of the Division for Southern Africa of the Regional Bureau for Africa would continue regular visits to Namibia to supervise and co-ordinate ongoing studies. Pending the establishment of a UNDP office at Windhoek later in the current year, a liaison officer would be appointed from mid-July. Staffing for the Namibia office was now being organized.

44. UNDP would continue to organize periodic consultations with the specialized agencies and the international donor community to encourage the exchange of information, avoid duplication of effort, and explore modalities for the mobilization of human and financial resources.

45. Ms. KORHONEN (Finland), speaking on behalf of the Nordic countries, said that she noted with satisfaction the measures being adopted at the international level in connection with the Namibian independence process. The Nordic countries had decided to continue and increase their humanitarian support to the Namibian people. They were prepared to initiate bilateral development co-operation with an independent Namibia, and support through the United Nations system and through non-governmental organizations would also be continued. A working group to co-ordinate the Nordic countries' action had been operational since September 1988.

46. There were two major aspects to assistance for Namibia: the need for co-ordination, and flexibility where the content of the assistance was concerned. The future Namibian Government would be responsible for control and co-ordination of outside assistance. The Nordic countries aimed to ensure informal co-ordination of the assistance plans in order to ease the burden placed upon the Namibian ministry responsible for co-ordinating aid.

47. The role of the United Nations system, especially UNDP as a co-ordinating body, would be vital during the first few years of independence. The Nordic countries, which fully endorsed UNDP's approach to the study of the situation in Namibia and of development-assistance needs upon independence, were willing to share their information on and their knowledge about the country. Furthermore, it was important to hold a meeting as soon as background documentation was available in order to review the situation and reach an understanding on the most beneficial way of planning and providing assistance.

(s. Korhonen, Finland)

48. The United Nations organizations, especially UNDP, were an excellent channel for assistance in the transitional period and during the first year of independence, since building up bilateral co-operation with the recipient country would take some time. The Nordic countries were prepared to consider initially directing a significant part of their assistance through the United Nations system. Furthermore, they wished to emphasize the need for close co-ordination among United Nations agencies in their preparatory work; bilateral assistance would also benefit from such efforts.

49. The Nordic countries supported the Administrator's recommendation that consideration of the question of the IPF for the fourth cycle should be deferred to the thirty-seventh session. It was important that calculation of the IPF should be based on sound information about Namibia.

50. Mr. WILKE (Federal Republic of Germany) said that his Government was prepared to enter into a programme of bilateral co-operation with an independent Namibia, in close co-ordination with other bilateral and multilateral donors. The corresponding preparations were in fact already under way. The activities financed under the Namibia programme showed that technical assistance could be instrumental in helping to overcome critically important development constraints - in the case of Namibia, through manpower training and other activities, the results of which would contribute to the independence process. The figures for programme resources set out in document DP/1989/53 indicated that project activities would not be affected if the final calculation of the IPF was postponed to the Council's thirty-seventh session. Furthermore, the Federal Republic of Germany supported the Administrator's recommendation that activities financed under the programme of assistance to national liberation movements that benefited Namibians should be systematically wound down and transferred to an independent Namibia.

51. Mr. KUFUOR (Ghana), referring to the issue of impartiality, suggested that the Council should continue the projects providing assistance to SWAPO that were already under way, particularly those involving educational activities, since they were for the benefit of Namibians even though they were implemented under SWAPO protection. Due care must be taken in completing the projects, and consultations must be held with the recipients in order to decide which projects should be transferred immediately. Ghana had no objection to the proposal that consideration of the IPF issue should be deferred to the thirty-seventh session (DP/1989/53, para. 15).

52. Mr. LADJOUZI (Algeria) supported the remarks made by the representative of Ghana concerning activities benefiting SWAPO and the question of the IPF for Namibia. Where observance of the principle of impartiality was concerned, a distinction must be drawn between activities already under way and new activities; the Council should permit activities in the former category to be continued, and consultations should be held in order to reach a decision on the latter category.

53. Mr. EL-FORGANI (Libyan Arab Jamahiriya) said that he supported the remark made by the representative of Ghana concerning the need to continue activities already

(Mr. El-Forqani, Libyan)
Arab Jamahiriya)

under way. His delegation had no objection to postponement of a decision on the IPF, if such a course of action was in the Namibian people's interest.

54. Mr. BROWN (Assistant Administrator of UNDP), said that he supported the strategy and plan of action announced by the Nordic countries. However, it was too early to decide what type of project should be recommended to an independent Namibian Government; until such a Government had been formed, UNDP would have to confine itself to fact-finding missions.

55. He welcomed Finland's plan to convene a donor meeting to consider UNDP's report, agree on activities and exchange information; such a meeting could be held in co-operation with UNDP. He also welcomed the fact that the Government of the Federal Republic of Germany was going to provide funds through the United Nations system, particularly UNDP. At the donor meeting in question it would be necessary to consider what the financial requirements would be prior to Namibian independence or in the period immediately thereafter. He agreed with Ghana, Algeria and the Libyan Arab Jamahiriya that resources already invested should not be wasted, particularly resources invested in activities benefiting the Namibian people, such as those in the areas of education and health. In the case of the United Nations Institute for Namibia, which was located outside the Territory, there might be a hiatus when the Institute was closed, pending its reopening in the Territory, but consultations would be held with the parties concerned in order to decide on appropriate arrangements. With regard to fellowships and training outside the country, recipients would obviously continue to attend training courses until they had completed their training. As to the issue of impartiality referred to by the Secretary-General in correspondence with UNDP, he wished to confirm that UNDP would observe that principle and take a methodical approach, continuing activities already under way, in accordance with the arrangements agreed upon for their transfer to Namibia.

56. The PRESIDENT said that, if he heard no objection, he would take it that the Council wished the Drafting Group to draw up a decision on the matter.

57. It was so decided.

The meeting rose at 7.30 p.m.

