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SUMMARY RECORD OF THE 32nd MEETING

Held at Headquarters, New York,
on Wednesday, 21 June 1989, at 3 p.m.

President: Mr. PIBULSONGGRAM (Thailand)

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The meeting was called to order at 3.15 p.m.

UNITED NATIONS TECHNICAL CO-OPERATION ACTIVITIES (continued) (DP/1989/46 and Add.1-3)

1. Mr. WEIBGEN (Food and Agriculture Organization of the United Nations), speaking also on behalf of the International Labour Organisation (ILO), said that, there were a number of reasons why the executing agencies had not yet signed the Standard Basic Executing Agreement (SBEA). In the mid-1970s, it appeared that the role, functions and responsibilities of the UNDP Resident Representatives had not been sufficiently delineated. Since that time, General Assembly resolution 32/197 and a number of other resolutions had redefined and clarified the modalities of the United Nations system's intervention at the country level, including the newly created function of the United Nations Resident Co-ordinators. However, as a result of developments over the last 15 years or so, the various parties involved, including UNDP itself, had - justifiably - not pursued the issue as vigorously as might have been expected. Any SBEA must reflect the evolving thinking on technical assistance in an appropriate way. For example, the relationship of the Resident Co-ordinator to the functions of the UNDP Resident Representative might require clarification. Another example was that of the growing priority accorded to government execution, the respective roles and responsibilities of UNDP and the specialized agencies in that regard, and the resulting implications for any agreement in terms of the accountability of the various partners in that tripartite relationship.
2. There was a need to delineate, clearly and unambiguously, the respective responsibilities for project implementation for each kind of technical co-operation activity, including advisory services or government-executed projects, so that the notion of accountability pertained fully to that activity or performance for which the particular participant in the tripartite relationship was exclusively responsible. That aspect might require the attention of the governing bodies both of funding agencies and of executing agencies.
3. In providing UNDP-financed technical assistance, FAO and ILO were bound by the earlier agreement between themselves and UNDP's predecessor, the Special Fund; that agreement also applied to UNDP. The provisions of any standard basic assistance agreement between UNDP and a recipient country were applicable to the technical assistance provided by an executing agency in the country concerned. In addition, agencies were accountable within the framework of signed agreements between the Government, UNDP and the agency. Consequently, no problems had arisen in day-to-day practice in that regard. However, the executing agencies were prepared to enter into renewed discussions with the UNDP administration on that subject in the light of the results of the current deliberations as well as of those which other relevant governing bodies would conduct in the very near future.
4. Mr. ZHONG Shukong (Director, Policy, Programming and Development Planning Division, Department of Technical Co-operation for Development) said that Libya had asked about the methodology which the Department of Technical Co-operation for Development (DTCD) used to provide technical assistance for all developing

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countries. DTCD responded to requests from Governments and, without pursuing any ideology or particular model of development, endeavoured to assist Governments in identifying problems and implementing the solutions available within a Government's own policy framework. The Department provided such support on the basis of its sectoral expertise and multisectoral approach and experience. The countries selected to receive such assistance depended on the requests received and the availability of funding from the Department's funding partners.

5. Poland had suggested that more attention should be paid to regional and global projects and to strengthening the regional commissions. DTCD co-operated with the regional commissions in a variety of ways and had recently participated in the compilation of an integrated roster of interregional and regional advisers. However, the involvement of DTCD in global programmes depended on the availability of funds.

6. The representative of the United States of America had asked about the activities carried out by DTCD to maintain up-to-date expertise. DTCD experts followed developments in their field very closely, and were encouraged to participate in seminars so as to keep abreast of developments. For the most part, the Department's experts and advisers belonged to professional associations, which gave them access to up-to-date information. Finally, with the funds available from the Regular Programme of Technical Co-operation, DTCD had initiated several pilot or research-type activities which served to improve the technical quality of its work and to expose its staff, both in the field and at Headquarters, to the latest developments.

7. The United States of America had also asked why the Department's evaluation unit was smaller than that of the United Nations Industrial Development Organization (UNIDO), despite the fact that DTCD was the second largest executing agency of UNDP-funded projects. The Department attached great importance to evaluation over the years, and representatives had commented on the improvements made in that area the previous year, as a result of specific suggestions from the Governing Council. That matter needed to be kept under permanent review, but members should not be misled by the number of staff in a particular unit. In addition to the Department's own capacity, DTCD-executed projects were evaluated on a regular basis by UNDP and the United Nations Population Fund (UNFPA), and from the programmatic standpoint by the Central Evaluation Unit of the United Nations. DTCD had also participated actively in system-wide studies co-ordinated by UNDP as lead agency on such aspects of evaluation as ex post facto evaluation. Finally, the Department had introduced a system of continuous, or built-in, evaluation and was working on a computerized data bank of past evaluations in order to ensure feedback into project formulation.

8. A number of delegations had asked questions about the different aspects of co-operation between DTCD and UNDP. France, the Sudan and the United States of America had noted the Department's readiness to participate more in round tables and national technical co-operation assessments and programmes (NATCAPs), and had expressed the hope that that could be achieved. The Soviet Union, China and the

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United States of America had referred to the possibility of greater co-operation between DTCD and the UNDP Office for Project Services (OPS), as well as between the Management Development Programme (MDP) and the Special Action Programme for Administration and Management (in Africa) (SAPAM). The Federal Republic of Germany had voiced concern about the possibility of excessive duplication in that regard, and the United States of America had suggested a more specific division of labour whereby DTCD would provide all the technical support for UNDP/OPS-executed projects while OPS and the Department's administrative services took measures to ensure that their roles were complementary rather than duplicative. DTCD agreed whole-heartedly with all those delegations. OPS, UNDP and DTCD should be acting more as a co-operating agency, or as a subcontracting agency, both in direct execution and government execution. Their participation to date in round tables and NATCAPs had been too sporadic, and much more could be done to take advantage of in-house expertise, thereby reducing the cost of outside consultants. DTCD hoped that the new unit to be established in UNDP for MDP would turn to the Department's specialists in development administration who had worked for years in the very countries which were currently submitting requests to MDP.

9. The representative of the Federal Republic of Germany had requested information about the level of co-operation between DTCD and the specialized agencies. The Department had signed inter-agency agreements with the specialized agencies for co-operation on specific projects. In addition, DTCD was an active member of the Consultative Committee on Substantive Questions (Operational Activities) (CCSQ(OPS)), which provided a forum for agencies to work together on specific aspects of technical co-operation.

10. He had also asked why DTCD had not signed the Standard Basic Agreement. The Department had simply never been asked to do so.

11. With regard to surplus, the data provided in document DP/1989/46 on DTCD support cost earnings and administrative costs were compatible with any report of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) on the subject and data reported in the United Nations Financial Statement. It should be noted that DTCD was just one of the elements of the overall support costs account of the United Nations.

12. Co-operation between the Department and agencies was carried out by means of inter-agency agreements. In 1988, DTCD had received \$250,000 to implement projects on behalf of FAO, OPS and the Economic and Social Commission for Asia and the Pacific (ESCAP). On the other hand, it had entered into arrangements with other executing agencies for delivery of \$1.7 million. That data showed that the Department had engaged other agencies in the execution of projects for a substantially higher amount than it had received from other agencies.

13. With regard to the training of women, the percentage of fellowships awarded to women had increased from 21.6 per cent in 1987 to 25 per cent in 1988. The Department continued to encourage Governments to nominate more women for training.

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14. Finally, he took note of the concern expressed by the representative of the Federal Republic of Germany at the decline in the developing countries' share of subcontracts over the last three years, and said that efforts would be made to reverse that trend. He pointed out, however, that the final decision regarding subcontracts lay with the recipient country.

PROGRAMME IMPLEMENTATION (continued)

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

(iii) REVIEW OF THE WORKING GROUP OF THE COMMITTEE OF THE WHOLE (continued)
(DP/1989/20)

(iv) UNITED NATIONS DEVELOPMENT PROGRAMME CO-OPERATION WITH NON-GOVERNMENTAL ORGANIZATIONS AND GRASS-ROOTS ORGANIZATIONS (continued) (DP/1989/23)

15. Mr. SAHLMANN (Federal Republic of Germany) supported earlier comments made by the representative of Lesotho with regard to the Domestic Development Services. The administration should find a way of providing continuous support for that grass-roots activity, especially in Africa.

16. Mr. FERNANDEZ (Liberia) said that his delegation agreed with the Director of the Division for Non-Governmental Organizations on the value of traditional knowledge and the need to build on it. The Programme's work with grass-roots non-governmental organizations was commendable. He hoped that those organizations would be able to continue to increase their participation in development activities. In view of the importance that Africa attached to the use of nationals as a means of ensuring sustainability, the credibility of such organizations should be enhanced and they should be encouraged to co-operate with international NGOs on an equal footing.

17. The report of the Administrator on United Nations Development Programme co-operation with non-governmental organizations and grass-roots organizations (DP/1989/23) referred to indigenous and local NGOs. He asked if that implied any distinction between those organizations. Paragraph 11 of the report referred to increasing the Government's knowledge of and positive attitudes towards NGOs. He inquired whether Governments had had mixed feelings about NGO activities and, if so, why.

18. His delegation supported both the Partners in Development Programme and the Africa 2000 Network. He expressed appreciation to the donor countries, especially Canada, Italy, Japan and Norway, that had contributed to the Africa 2000 Network and joined the delegation of the United States of America in calling on other donors to contribute. The training component was important and NGO data collection in the field was a useful exercise. In that connection he inquired whether there was a mechanism that assessed the performance of NGOs so that Governments could determine which organizations were more effective.

19. Mr. BABINGTON (Australia), speaking also on behalf of New Zealand, underscored the great value of the Partners in Development Programme, particularly its ability to reach the poorest people at the grass-roots level. He especially appreciated what was being done in the small island countries in the Indian Ocean and the South Pacific. That programme was well suited to meet the special needs of people in small, often very remote, island communities. Indigenous NGOs were effective channels for targeting assistance to peoples living in such places, where sustainable development was a prerequisite for survival.

20. Mrs. BERNAL (Colombia) said that in developing countries where the State was unable to meet many of the needs of communities, NGOs were active in all fields. Their work was little known at the national and regional levels. Accordingly, her Government, in co-operation with UNDP, has set up a programme for organizing non-governmental organizations at those levels. A confederation of NGOs and regional federations had been established in the country. That, however, was only a first step and it was necessary to continue to encourage and co-ordinate the participation of NGOs in the national development programmes. That effort required the establishment of an information network for identifying the specific work carried out by those organizations and the co-operation which they received from similar organizations in developed countries. The activities carried out by those organizations in developing countries required financial assistance from the donor countries concerned. Lastly, she said that her Government was very satisfied with the results of the programme, which was the first of a series of medium- and long-term activities to be carried out.

21. Mr. CABEIRO QUINTANA (Cuba) noted with satisfaction the progress made by the Partners in Development Programme and the activities carried out by the Africa 2000 Network. His delegation had taken note of the activities aimed at strengthening the capacity of recipient Governments to work with NGOs in data collection. Lastly, he expressed his delegation's support for the work of the Division for Non-Governmental Organizations and grass-roots organizations.

22. Mr. CHAUDOUET (France) said that his Government was very interested in UNDP activities aimed at helping recipient countries to co-operate with local and external NGOs. That was a difficult task. It was normal for States to want to include NGO activities in national development plans. There was a tendency, however, on the part of Governments to regard NGOs as merely instruments for carrying out national development policies or to ignore them entirely. In that regard, UNDP could play a useful role in promoting a dialogue between the Governments of recipient countries and indigenous NGOs.

23. Mr. MAJOOR (Netherlands) said that his Government attached great importance to the work of UNDP with NGOs and grass-roots organizations. Referring to the report under consideration, he requested further information on the awards totalling \$25,000 per country in direct support of NGO grass-roots activities to strengthen indigenous NGOs, particularly concerning the added value of those funds for Resident Representatives. Information would also be appreciated on progress made in implementing projects under the Africa 2000 Network.

24. Mr. EL-ZUBEIR (Sudan) said that his delegation attached considerable importance to the work of NGOs in the Sudan, where they had made a significant contribution to economic and social development. The work of UNDP in co-ordinating NGO activities in his country was very commendable. More had to be done, however, particularly in order to strengthen the Government's ability to monitor the activities of indigenous NGOs. The recently adopted Khartoum Declaration marked a turning-point for development strategy in Africa, stressing the importance of human resources and the key role played by non-governmental organizations in grass-roots development. Lastly, the Sudan strongly supported the activities of the Africa 2000 Network.

25. Ms. TIMPSON (Director, Division for Non-Governmental Organizations), responding to questions raised by delegations, said that in the countries where the Africa 2000 Network conducted major activities there were national co-ordinators and national selection committees. The objective was to work with the nationals, institutions and NGOs of the countries concerned. Project co-ordinators and subregional co-ordinators were Africans. An advisory committee for the Network, consisting of African nationals and representatives of donor countries, would be established to provide feedback to interested Governments on the work of the programme. Semi-annual reports would be sent to donor countries. Particular emphasis was placed on participatory evaluation, whereby the groups concerned evaluated the extent to which the programme met their needs.

26. The original purpose of the awards totalling \$25,000 was to familiarize Governments and donors with the work of indigenous NGOs. Although the awards were relatively small, NGOs could do a lot with small amounts of money. The awards should not be viewed as merely an isolated support component, but as part of a larger effort in which such sums would be provided to 61 countries. Referring to the activities of the Africa 2000 Network, she pointed out that all project proposals were made by community groups and related to the management of natural resources and ecologically sustainable development. Whenever a proposal failed to take account of some component which might make a project more sustainable, the community group in question was given access to with the technical resources available at the country level.

27. There had been some suspicion concerning the work of NGOs in certain countries. By promoting a dialogue between those organizations and Governments, it had been possible to resolve problems which had arisen because of lack of communication. The report referred to NGOs in various ways. The main focus had been on local NGOs and activities aimed at strengthening them. UNDP did not wish to become involved in assessing the overall performance of non-governmental organizations. People who had dealt with such organizations had been asked to evaluate their effectiveness and that assessment was shared with Governments.

28. UNV co-operated closely with the Partners in Development Programme. The two organizations played complementary roles. UNV provided external volunteers while UNDP focused on strengthening the national resources of the countries concerned. She agreed that it was necessary to set up information systems for non-governmental

(Ms. Timpson)

organizations. In that connection, she had noted with satisfaction the initiatives carried out in Latin America, particularly Brazil, Peru and Colombia, where the latest communication technology was being used.

29. The PRESIDENT said that, if he heard no objection, he would take it that the Council agreed that the Drafting Group could commence with the preparation of a draft decision on the question under consideration.

30. It was so decided.

OTHER FUNDS AND PROGRAMMES

(a) FOCAL POINT FOR SHORT-TERM ADVISORY SERVICES (DP/1989/47)

31. Mr. MATTES (Short-Term Advisory Service, UNDP) recalled that in its decision 85/13, the Governing Council had authorized the establishment of a Focal Point for Short-Term Advisory Services (STAS) for a 24-month trial period, with the central purpose of enhancing the flow of technical and managerial skills to enterprises and institutions in developing countries through short-term missions by highly qualified advisers from the private sector and other relatively untapped sources in developed and developing countries. In 1987, the Administrator had been authorized to extend the programme's experimental period for an additional 30 months, through 31 December 1989. He had also been requested to prepare a full evaluation of STAS activities and a recommendation on its continuation. That had been done, and a summary of the relevant findings was presented in document DP/1989/47. On the basis of that evaluation, the Administrator was recommending that STAS should be made an operational part of UNDP as of 1 January 1990, and that its financial requirements should be made part of the UNDP administrative budget.

32. The team of outside evaluators had concluded that STAS had achieved the objectives set for it. STAS advisers had met the short-term problem-solving needs of private sector and parastatal enterprises in developing countries, and STAS had prompted many co-operating organizations to contribute expertise to the global development effort at minimal cost. It had attracted advisers with a consistently high order of expertise, and the feedback received indicated that beneficiary enterprises were very satisfied with their services. The new technical assistance modality established and made operational by STAS was of real practical benefit to developing country enterprises, as evidenced by the increasing demand for its services.

33. STAS had received more than 300 requests from 70 countries and thus far 165 assignments had been completed, covering all regions and such diverse projects as the reorganization of a meat processing plant in Uruguay, a bus fleet maintenance training programme in Algiers, and solutions to production problems at a plastics company in Papua New Guinea.

34. Problem areas identified during the evaluation included the need to stimulate demand for services (particularly among small and medium-sized enterprises, which

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(Mr. Mattes)

might have difficulty identifying and articulating the specific assistance required) and the need to reduce response time and to bring about sustained awareness of STAS among potential beneficiaries. Another problem area was the high rate of cancellation or withdrawal of requests.

35. To address those issues, STAS would become more focused in its operations, specializing in the areas of greatest need. It planned to utilize retired experts on a voluntary basis to assist small and medium-sized enterprises in identifying and articulating their technical assistance needs. To increase STAS awareness among potential beneficiaries, pilot efforts would soon begin in Egypt and India to strengthen its field presence through recruitment of prominent local executives as consultants to promote STAS on a part-time basis at minimum cost. Such a presence would be critical to the handling of the contacts and logistics required to obtain a substantive increase in the number of advisory missions. To reduce response time to requests, a new software package had been introduced which would shorten the time required to search for and identify prospective advisers. The major reasons for cancellations and withdrawals had been poorly conceived or premature requests, and a strengthened STAS field presence should reduce their number by helping potential beneficiaries to assess their needs properly. Some of the STAS co-operating organizations had expressed concern about the increasing administrative burden STAS was beginning to place on them. While most were willing to continue to provide their services without compensation, several had indicated that they would begin to seek compensation for administrative costs. STAS had so far declined to share in such costs, but feared that it might thus lose a valuable source of expert support for longer-term assignments. The matter was currently under review.

36. STAS was expected to grow steadily from its current level of 70 assignments per year to 200 assignments annually in 1991. The current staff was adequate to carry the programme to approximately 100 assignments per year, but one additional General Service staff member would be needed to carry the programme to the projected activity level without difficulty.

37. During the trial period, STAS had established itself as an innovative and effective mechanism for meeting the problem-solving and technology transfer needs of private and parastatal enterprises in developing countries; that, together with its "manpower hunt" of expertise suppliers, had enabled it to carve out a special identity as a practical, multilateral technical assistance modality. The Administrator believed that STAS would provide an increasingly significant contribution to developing countries as an operational part of UNDP.

38. Ms. RIGGELSEN (Observer for Denmark), speaking on behalf of the Nordic countries, said that the STAS programme had proved to be an innovative way of enhancing the flow of skills to the productive, commercial and service sectors of developing countries. The Nordic countries were especially pleased with its TCDC aspects. Since it had fulfilled the objectives laid down by the Council, the Nordic countries agreed in principle with the Administrator's recommendation that STAS should be made an operational part of UNDP.

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(Ms. Riggelsen, Observer, Denmark)

39. However, the possible risk of overlap and duplication between STAS and the proposed Development Support Services (DSS) should be examined. There were apparent differences in the operations of the two services, but there was still a possibility that they would end up meeting the same demand, at least in part. For example, the task of the proposed development support officers would be to provide short-term advisory services directly to institutions and enterprises in the host country, a task already within the mandate of STAS. Therefore, the decision on STAS should await the outcome of the deliberations on DSS. The Nordic countries would give particular consideration to IPF utilization of funds in meeting the demand for short-term advisers.

40. Mr. PETRONE (Italy) said that STAS should remain an integral part of UNDP under the auspices of the United Nations Fund for Science and Technology and should continue to focus on small and medium-size industries. Annex II to document DP/1989/47, gave rise to a number of questions relating to the imbalance in the geographic utilization of experts and in the origin of experts. He inquired why 70 per cent of the advisers recruited in 1988 had been placed on one region, why 34 out of the 71 advisers had come from one developed country, and why only 2 had come from developing countries. It appeared from those statistics that the mechanism for gathering and disseminating information on the STAS programme needed improvement. He also requested clarification of the criteria for selecting co-operating organizations.

41. Mr. ALOM (Observer for Bangladesh) said that in 1989 Bangladesh had received two STAS advisers, in the fields of leather technology and community development, respectively. The Administrator's recommendation that STAS should be made an operational part of UNDP merited consideration.

42. Commenting on the questions of programme management and administration, he said that for reasons of management efficiency, co-ordination, cost-effectiveness, technology transfer and monitoring, STAS could benefit from links with the TOKTEN programme. Since the main thrust of STAS was quick assessment of a problem and the formulation of recommendations appropriate to local conditions, there should be a joint pool of international and national experts who would work together. Also, the number of sectors included within the scope of the STAS programme could be extended in order to widen its skills bank. The beneficiaries of STAS support could be Governments, private enterprises, manufacturing organizations, independent research institutions, and so on, and consequently country-level co-ordination, management, monitoring and follow-up should rest with the recipient Government. That could further enhance the success of the programme.

43. Mr. SOUTTER (Canada) said that his delegation favoured the continuance of STAS beyond the experimental period, for its non-traditional approach had already proved its relevance. The Canadian Executive Service Organization was one example of the success of that approach. Thus, his delegation was not opposed to a reasonable reinforcement of the unit assigned to the STAS programme.

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(Mr. Soutter, Canada)

44. He inquired whether STAS would fall under the responsibility of the Bureau for Special Activities for financial matters only or for administrative matters as well. He was concerned about the possibility of direct administrative responsibility for STAS being given to that Bureau in the light of the similar philosophies of STAS and the TOKTEN programme. He requested clarification as to the possibility of a surplus in the Special Programme Resources allocation at the end of 1989, and the way in which it would be used. Lastly, he inquired about the Secretariat's intentions in regard to a linkage between STAS and the United Nations Volunteers Programme; his delegation was concerned that such a linkage could lead to the loss of the STAS programme's distinct identity.

45. Mr. FERNANDEZ (Philippines), said that the STAS programme had made a good beginning towards achieving its objective of establishing a manpower bank of experts to meet the needs of developing countries. The Philippines had received six short-term advisory missions since 1987, in fields such as public education, medicine, and business. The missions had been received with enthusiasm, but demand for further missions was limited, perhaps because prospective beneficiaries still needed more information on the programme. Consequently, the Philippines would support the continuation of STAS on an experimental basis.

46. Mr. GRAHAM (United States of America), commenting on the proposed expansion from 70 to 200 assignments per year, said that his Government agreed that there was a need to maintain an efficient technical assistance programme within UNDP, but wished to consider the evaluation of STAS carefully before taking a decision as to whether it should become a permanent programme. He inquired whether the evaluation had been conducted internally or externally, and whether it had been a desk study or a field study. He also requested information on the composition of the evaluation team. In the light of the reported difficulty in stimulating demand for services, he requested clarification regarding the projected increase in assignments and the basis upon which the projection had been made. He also noted that no new posts had been requested in the 1990-1991 budget proposal, and asked why the Administrator had requested a new post in his report.

47. Mr. MAJOOR (Netherlands) asked whether any measures had been taken to decrease the high rate of withdrawal of requests mentioned in paragraph 16. He also wondered whether the projected increase in STAS activities made a staff expansion necessary now, or whether it would be possible to wait until 1990-1991.

48. Mr. FERNANDEZ (Liberia) requested clarification as to the "Miscellaneous" category listed in Annex II of the report.

49. Mr. CZARKOWSKI (Poland) reaffirmed his support for STAS, that mechanism could be useful in countries like his own which were undergoing complex economic reforms. He also favoured the proposal to link STAS with the Transfer of Knowledge through Expatriate Nationals (TOKTEN) programme.

50. Mr. MATTES (Short-Term Advisory Services, UNDP), replying to the observer for Denmark, said that he did not see the possibility of overlap between STAS and Development Support Services (DSS), since all STAS advisers were recruited abroad and were assigned on a short-term basis.

51. Replying to the representative of Italy, he said that the large number of assignments in Latin America in 1988 had been due to the large volume of requests from that region. With regard to the large number of advisers from the United States, beneficiaries often requested advisers from a particular country. As to why so few had been from the developing countries, there had not been a high response from developing countries to STAS invitations. STAS had attempted to broaden its selection of co-operating agencies but had encountered difficulties in contacting some Italian umbrella groups for small and medium enterprises.

52. As to the question raised by the representative of Bangladesh, he said that STAS did not include national consultants, as it had been mandated by Governing Council decision 85/13 to provide international advisers from developed and developing countries.

53. Replying to a question by the representative of Canada, he said that the plan was for STAS to be part of the Bureau for Special Activities. Any surplus resulting from Special Programme Resources (SPR) allocation to STAS would revert to SPR at the end of the year. With regard to the linking of STAS with the United Nations Volunteers (UNV), the proposal involved the opening of a "window" between STAS and UNV for the exchange of information and co-operation between STAS and UNV staff in the field.

54. Turning to the questions raised by the representative of the United States of America, he said that the evaluation of STAS had been conducted externally and had included inputs from headquarters and the field missions, especially in Latin America. The projected growth to 200 assignments per year was based on yearly increases. The additional staffing request was for a General Service post.

55. Replying to the representative of the Netherlands, he said that difficulties had been encountered in working with a number of small companies. STAS was trying to work out an arrangement with the field office to obtain more information as the requests came in.

56. With regard to the question by the representative of Liberia, he said that a number of requests did not fit into a particular category, e.g., feasibility studies in the area of tourism development, joint ventures, training requests, etc.

57. The PRESIDENT said that, if he heard no objections, he would take it that the Council wished to request the Drafting Group to prepare a decision reflecting the debate just concluded.

58. It was so decided.

(b) UNITED NATIONS FUND FOR SCIENCE AND TECHNOLOGY FOR DEVELOPMENT AND ENERGY
ACCOUNT (DP/1989/48)

59. Mr. AJELLO (Assistant Administrator and Director, Bureau for Special Activities), introducing document DP/1989/48, reviewed the considerations which had led to the creation of the United Nations Fund For Science and Technology for Development (UNFSTD).

60. At the time of the Vienna Conference, it had been hoped that the Fund's annual resources would amount to \$100 million. Ten years later, however, that hope remained unfulfilled, and the Fund was operating at a much lower level.

61. While the decision to establish the Fund had not been unanimous, it had received general support; hence, reasons must be sought for the subsequent failure to achieve the targets. On the one hand, donors had generally reacted negatively to the proliferation of special funds as a means of mobilizing additional resources. On the other hand, the Fund had been created at a time of rising political tensions which had affected the entire United Nations system. In the political context of the 1980s, the Fund's chances of success had been very slim.

62. In the new international context, however, the prospects seemed to be much better, provided that the international community agreed that science and technology were still a central priority. Judging by what had been said during the policy review debate, that appeared to be the case. However, the interest in science and technology expressed by many speakers had not necessarily been connected with the Fund, and it had even been suggested that the Fund should be integrated into the general resources of UNDP. He had already expressed his views on the subject, but was willing to consider all proposals which took into account the needs of the developing countries and the point of view of the donor countries.

63. If the reasons which had led to the creation of the Fund were no longer valid, that should be stated clearly and the General Assembly could draw the appropriate conclusions. If they were still valid, efforts must be made to mobilize the necessary resources to enable the Fund to operate effectively.

64. Mr. LALKAKA (Director, United Nations Fund for Science and Technology for Development) said that the first-time review of the Fund's activities was an important milestone. Despite some problems, the Fund could point to tangible achievements in its 10 years of existence. For example, Fund-supported projects had trained 4,500 persons, many in developing countries; a dozen research laboratories had been established in fields ranging from remote-sensing to low-cost rural technologies, with emphasis on the commercial use of research results; regional centres for technology transfer had been started in Africa and Asia; new information and consultancy ventures had been created; and several countries had been assisted in managing technology strategies for accelerated economic growth.

65. Three programmes in particular could be described as success stories. First, the technological information pilot system (TIPS) had demonstrated the usefulness

(Mr. Lalkaka)

of the daily flow of technology and trade information among nine initial countries. The Government of Italy had agreed to contribute additional funds to expand the system by another eight countries and to diversify its activities. Information users were now subscribing to the TIPS bulletins, and the initial TIPS countries were expected to be virtually self-sustaining by the end of 1990.

66. Second, UNFSTD had initiated a major programme in a dozen countries to establish technology incubator centres in order to nurture small private technology-related businesses. The Fund believed that the incubator modality could be effective in transferring research results promptly from the laboratory to the market place. A feasibility study on the establishment of a technology rights bank, which would match seekers and suppliers of know-how, had recently been completed.

67. The TOKTEN programme had had a record year, with 450 short-term volunteer consultancies completed, bringing the total to over 2,000, and participation by 29 countries. Both TOKTEN and STAS were managed by the Fund and usefully assisted its search for high-level expertise to assist third world development. Unfortunately, the Fund had still not received the minimum level of core resources it needed, however.

68. In respect of additional funding, discussions with donors showed that contributions to UNFSTD and affiliated funds would not have otherwise gone to UNDP's core resources. Specific efforts to obtain special purpose funds did yield additional resources, particularly when, as in the case of UNFSTD, there was co-financing with trust funds. In the matter of proliferation and related administrative costs, he said that the Fund operated in a cost-effective manner. Its administrative costs represented only 11 per cent of annual project expenditures despite the fact that its projects were small in scale and large in number. The administrative costs covered payment of UNDP administrative services and the costs of advisory services to UNDP's own science and technology projects, as well as the costs of the recently terminated Energy Office and of overseeing STAS. No technical co-operation organization did so much with so little.

69. The primary objective of the Fund was to strengthen endogenous capacity based on defined priorities. Most of its projects were therefore government-executed, used national experts wherever possible, had special committees to advise on research complexities, and were carefully monitored. From its limited resources it provided small but strategic amounts for high-risk activities that would not normally be funded through IPFs. The resulting projects, where warranted, were followed up with major UNDP or multibifunding so that every dollar it spent had helped raise many more. The Fund's special role was to act as catalyst for innovative activities and also to respond to longer-term priorities set by the international community.

70. The technology explosion in recent years presented profound challenges to the developing countries as well as opportunities to enter the high-tech world through co-operation with the industrialized countries. Many nations were deeply in debt,

(Mr. Lalkaka)

however, and the environment was deteriorating. There was a resulting need for greater funding of renewable energy and technology, and the focus should be more on rational use of human and national resources based on a more intelligent application of technology to improve peoples' lives now rather than later. He therefore invited the Governing Council to place even greater stress on science and technology for development and urged all Governments to provide the Fund with the financial resources it required to carry out its responsibilities.

71. New and imaginative ways must be found to mobilize international efforts to supplement the expertise and resources the developing countries themselves were deploying on science and technology. Core funding, currently amounting to \$1 million, must be increased and appropriately balanced with non-core funding. The Administrator had proposed a target of at least \$5 million in core resources.

72. Mr. HUSSEIN (Observer for Malaysia) said that science and technology for development deserved high priority and, more than ever, required a mechanism such as UNFSTD to fund the inter-country priority activities needed to supplement national efforts. He was pleased to note that the Fund was operating within the UNDP structure and responding actively to the priorities set. The Fund had benefited many countries already, but it required a larger resource base to meet the increasing demands and needs of the developing countries.

73. He appreciated the Administrator's efforts to keep the Fund's administrative costs down and welcomed the fact that the Fund's technical staff was being used to provide advice for UNDP's own science and technology projects and that the Administrator would compensate the Fund for the attendant costs.

74. Mr. KIURU (Finland), speaking on behalf of the Nordic countries, said that UNFSTD and the United Nations Revolving Fund for Natural Resources Exploration both dealt with important areas but suffered from restraints due to insufficient core resources. They were totally dependent on third party co-financing arrangements. The level of core resources had remained low and the number of donors had not increased enough to make the funds operationally sustainable. The recipient countries had allocated an increasing amount of IPF resources to activities in those areas.

75. The reports before the Council (DP/1989/48 and DP/1989/49) gave an overly optimistic picture of the future growth prospects of those funds. They stressed progress in co-financing, a development which raised questions about the multilateral nature of the operations, and showed that there was not enough core funding to support independent programme planning and administrative functions at the headquarters level. The present system would soon be unable to sustain future activities. The areas in which those funds operated were important to the developing countries. It would therefore be useful to analyse their operations more thoroughly and consider how they might perform most effectively, including whether they should be integrated into the regular activities of UNDP.

76. Mr. ALOM (Observer for Bangladesh) said that in his country UNFSTD was to have participated in a study programme on the development of strategies for science and technology, but that the programme had very regrettably been delayed because UNFSTD did not have sufficient funds. His country had always supported the financing system to promote scientific and technological development and the establishment of a trust fund for science and technology for development. He favoured close linkages between STAS, TOKTEN and the Energy Account because that would help integrate UNFSTD into the overall economic development framework of a country and he therefore supported the proposal to make the Fund a permanent operational part of UNDP. His country continued to pledge a token voluntary contribution to the Fund and urged all donors to increase their support for it.

77. Mr. PETRONE (Italy) said that the UNFSTD had proved a useful tool and shown great potential, but unfortunately had had to contend with a very low volume of core resources. Table 4 in annex I of the Administrator's report (DP/1989/48) showed the importance the developing countries attached to it. Of all UNDP funds it was the one that was most integrated into programmes and it helped countries develop the strategies and structures they needed to promote their development through science and technology. Drawing attention to table 1 of the report, he noted that the core resources were no longer sufficient even for use as seed money to finance and attract additional funds. Core resources must therefore be increased or else the Council should recommend to the General Assembly that the Fund be closed and become a science and technology account within UNDP.

78. Mr. LIU Lianke (China) said he was pleased to note that UNFSTD had helped developing countries formulate principles and policies in science and technology and had promoted their self-reliance as well as scientific and technological exchanges. UNDP should increase its support for national-capacity building, which included the promotion of science and technology as a decisive factor in development. The economic growth of the developed countries derived in very large measure from higher productivity made possible by science and technology, on which those countries had a virtual monopoly. The international community should therefore pay due attention to increasing the scientific and technological capacity of the developing countries.

The meeting rose at 6.05 p.m.

