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on Tuesday, 11 June 1991, at 3 p.m.

President:

Mr. PIRIZ-BALLON

(Uruguay)

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The meeting was called to order at 3.10 p.m.

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1990 AND PROGRAMME-LEVEL ACTIVITIES
(continued) (DP/1991/10 and Add.1-4, DP/1991/11-15, 57, 68 and 77)

1. Mr. WYSS (World Bank) said that the World Bank Group fully supported the concept of national execution because it believed that national capacity could not be built without the active and direct participation of the recipient countries. Although some outside assistance might still be required, such assistance could not displace the responsibility of Governments. On the subject of agency support costs, the Group had from the outset sought an understanding that would strike a balance between its strategic relations with UNDP as a global development agency and the principle of cost recovery of project execution. That understanding was properly reflected in document DP/1991/25.

2. It was natural that two multisectoral agencies such as the World Bank and UNDP should cooperate on a wide spectrum of development topics. In the area of the environment in particular, such cooperation had recently taken a giant step. The joint agreement between UNDP, UNEP and the World Bank to establish a Global Environment Facility (GEF) called for an extremely close working relationship between the three partners. One interesting feature of the Facility was the key role played by UNDP resident representatives in communicating to Governments the nature of the GEF and the opportunities it presented for their participation.

3. A recent study by the Nordic countries had referred to a "migration of functions" from United Nations agencies to the multilateral financial institutions. The World Bank, however, had no desire to be the repository of such functions and considered it essential that the entire United Nations system should maintain its functional balance and financial health. A weak international system was in the interests neither of the Bank nor, more importantly, of the developing countries. While entrusted with separate mandates and responsibilities, the different agencies interacted with each other in many ways. With regard to the reduction of poverty, which required collective efforts on the part of all agencies, the World Bank would soon be inviting the other agencies to review, comment on and contribute to a Handbook on Poverty which was currently under preparation.

4. The past fiscal year had seen a substantial increase in the volume of technical assistance provided by the Bank. The largest component of that assistance was financed by loans and credits and, taken together with assistance funded by the Bank's administrative budget or by trust funds, including UNDP, amounted to some \$2 billion over the last year. Technical assistance represented almost 9 per cent of the Group's overall lending activities. The increase in technical assistance in recent years was due to the expansion and diversification of the Bank's portfolio, the intensification of institutional development and capacity-building efforts and the increasing

(Mr. Wyss, World Bank)

complexity of investment operations. The introduction in the early 1980s of policy-based lending and the adoption of market reforms had further intensified the demand for transfers of management and technical expertise.

5. There was, nevertheless, growing unease about the development impact of technical assistance, particularly in sub-Saharan Africa, as well as about its effectiveness. As more countries embarked upon market economies, consideration needed to be given as to whether such ineffectiveness might be due to existing market imperfections. In the Bank's view, one imperfection lay in the fact that the countries most in need of technical assistance were least able rigorously to define their requirements. Another lay in the high cost of inputs because of either donor preferences or limitations on the choice of alternative services or markets. In recognition of those concerns, the President of the World Bank had recently appointed a high-level task force to assess technical assistance needs and trends in member countries, which expected to complete its findings and recommendations by the end of July 1991. High-level consultations between UNDP and the Bank should take place before the report was finalized.

6. While the relationship between the volume of lending and the level of technical assistance fluctuated, the Bank expected to see a long-term decline in technical assistance as a proportion of its lending because of the inevitable growth of national capacity among many borrowers. Meanwhile, technical assistance in the 1990s would be governed by the diminishing role of State interference in the economy, with modes of delivery shifting away from consultants, operational support, studies and equipment towards the purchase, sale and exchange of technology under conditions dictated by market forces. The task ahead for newly industrialized countries would be to develop institutions that fostered the absorption, adaptation and dissemination of technology, while the greatest challenge for low-income countries would be to improve management of the public sector. At the same time, the increasing globalization of the economy would necessitate new forms of technical assistance and new modalities of delivery. The World Bank hoped to make at least a modest contribution to that effort, in cooperation with UNDP and all its partners in the United Nations system.

7. Mr. YENEL (Observer for Turkey) said that the Administrator's introduction of the annual report clearly answered the complaints of those who said that UNDP had no strategy for development. His country believed that UNDP had considerably refined the concept of technical cooperation during its 40 years of existence, so that people were now deliberately placed at the centre of development issues. UNDP had adjusted and responded to new demands and challenges in a rapidly changing world.

8. The Human Development Report 1991 contained a wealth of useful information, and the human development index, given the methodological difficulties involved, represented a courageous effort. However, as the report itself pointed out, compilation of the index was a precarious

(Mr. Yenel, Observer, Turkey)

exercise. Any chart or index published by the United Nations should be objective, up to date, reliable and free of controversy. Unfortunately, the index had failed to meet that test, as had been noted by the representatives of Morocco, Peru and Uruguay. His delegation endorsed their comments and looked forward to the prompt issuance of an updated index to reflect current realities.

9. The decisions recently adopted by the High-level Committee on the Review of Technical Co-operation among Developing Countries should be implemented rapidly. Although there was a tendency in donor circles to underestimate and dismiss TCDC, it would in fact enhance environmental issues, NGO participation, the private sector, the role of women in development and other activities that promoted a more integrated approach. Human resources management would also benefit from the exchange of ideas and experiences between developing countries. His own country, which had in the past decade shifted its emphasis from the public to the private sector, supported UNDP's assistance in the development of entrepreneurship and agreed that national capacity must be built in all sectors.

10. In conclusion, his Government commended UNDP for its valuable efforts to alleviate the plight of displaced persons and refugees in the Gulf region and elsewhere: close cooperation between his country and UNDP in that regard had proved to be very productive.

11. Mr. INSULZA (Observer for Chile) said that UNDP had played an important role in a period critical for the consolidation of his country's democracy, particularly through programmes designed to improve public administration. The major political changes which had taken place throughout the world in recent years, together with scientific and technological progress, made the eradication of poverty and universal development ever more accessible. Such opportunities would, however, be lost unless people were placed at the centre of development issues and the enormous and destabilizing inequalities between different States and regions were overcome. International technical cooperation was an essential aspect of progress in that direction. It should not replace national capacities but help to create and strengthen them. In that connection, his delegation shared the Administrator's view that the objectives and priorities of recipient countries were the only basis for cooperation. His Government had established its own international cooperation agency to establish priorities, design programmes and adapt them to the country's development needs. Meanwhile, United Nations agencies and resident representatives should see their role as being one of cooperating with national authorities, rather than trying to take their place in setting priorities and designing programmes.

12. The previous remarks did not mean that UNDP should not establish general guidelines. The programme being drawn up by his Government was very much in line with the Administrator's proposed objectives for the fifth programming cycle. Emphasis was laid on the eradication of poverty and the achievement of

(Mr. Insulza, Observer, Chile)

greater social justice: a fund for solidarity and social investment promoted popular participation in projects which generated new opportunities and sources of employment, according special importance to the incorporation of women into productive activity. It was essential to ensure the effective transfer and adaptation of technology if countries such as his were not to become further dependent on exports of raw materials but instead were to increase and diversify exports with greater added value. While the main effort to increase scientific and technological capabilities must be made by countries themselves, transfers were necessary in order to ensure that national development objectives were properly supported. The main objectives must of course be combined with a concept of sustainable development and improvement in the quality of life. In that connection, his delegation believed that UNDP's efforts to strengthen its role in addressing urgent environmental issues, including the ozone layer and water treatment, should be encouraged.

13. His Government was participating enthusiastically in UNDP's TCDC programmes and hoped to increase its participation during the next cycle. In doing so, it believed that such cooperation should not be confined to a one-way relationship between the developed and the developing countries, but that the latter should also make substantial contributions to the programmes concerned. His delegation was also pleased to note the Administrator's emphasis on management as a key element for the success of cooperation efforts and the related need to differentiate between cooperation and assistance.

14. UNDP had made a positive effort, in its two Human Development Reports, to identify the qualitative aspects of development. While appreciating the intention of the reports, his delegation shared the concerns of other delegations as to the use which might be made of their indices in establishing of priorities and assigning programme resources. Some countries had made greater efforts than others to invest in the creation of infrastructure and the adoption of social reforms, and it was wrong that they should then see their access to UNDP activities limited. Neither did it seem right to use bodies outside the United Nations system to conduct studies measuring human development, when the United Nations itself was competent to carry out an analysis which would undoubtedly contribute to a better coordination and exchange of multidisciplinary information on human development between the specialized agencies. In that connection, his delegation believed that the United Nations system's institutional resources would be utilized more fully if they were designed to strengthen already existing regional mechanisms.

15. The inclusion of a human freedom index was an interesting innovation, but basing the index on data from 1985 meant that radical changes in many countries over the past few years had been ignored. In the case of his country, the changes had been so great that the index gave a totally inaccurate picture of the current situation with respect to human freedom. While not denying the importance of studies on that subject, his delegation insisted that they should be conducted and used with extreme care.

(Mr. Insulza, Observer, Chile)

16. The 1980s, while creating a legacy of poverty and social tension in Latin America and the Caribbean, had also produced more democratically elected Governments in that region than at any other point in its history. Like the Administrator, his delegation believed that one of the principal development tasks of the 1990s was to facilitate the transition to democracy. It therefore drew attention to the "Commitment to Democracy" adopted at the most recent meeting of the Organization of American States. The success of that commitment depended, in turn, on a substantial reduction in the social tensions which generated poverty, injustice and the absence of freedom. A priority task of that nature required a greater contribution from the international community, and particularly from UNDP, yet the support provided by the Programme to Latin America had declined in real terms over the past 20 years. It was therefore essential that UNDP re-evaluate the current level of the resources which it assigned to Latin America.

17. Mr. GATHUNGU (Kenya), speaking on behalf of the African countries members of the Council, said that 1990 had seen, in turn, the end of the cold war, the adoption of important decisions concerning international economic cooperation and development, the devastation caused by the Gulf crisis and the celebration of the fortieth anniversary of UNDP. The important reaffirmation and clarification of the Programme's mandate, as embodied in Governing Council decision 90/34, should give it the direction and strength it needed to deal with international social and economic problems over the next five years, but it must be provided with sufficient resources and political support if it was to discharge its responsibilities in full.

18. Noting the five principal development challenges specified in the Administrator's report, his delegation wished to emphasize that the major development challenge facing the international community was the revitalization of economic growth and development in the developing countries, in accordance with the International Development Strategy for the Fourth United Nations Development Decade. The role and activities entrusted to UNDP under that Strategy were clearly defined in Council decision 90/34 and should be vigorously pursued. The objective of self-reliance in technical cooperation deserved support and should be based on the provisions of General Assembly resolution 44/211.

19. Technical cooperation and capital assistance for development played complementary roles in increasing productivity in developing countries. The requirements for capital in national capacity-building, particularly in Africa, extended to the building of basic infrastructure in all areas. It was on that basis that he urged UNDP to put every effort into the implementation of the Second Industrial Development Decade for Africa and the Second Transport and Communications Decade in Africa and was concerned at the forecast in the report that, for the next several years, developing countries were likely to find it more difficult to attract capital.

(Mr. Gathungu, Kenya)

20. On the question of human development, the African countries strongly questioned the competence and mandate of UNDP to deal with such a complex and sensitive issue as human rights, which in any case was being dealt with well by other organs of the United Nations and by countries themselves. It was difficult to understand exactly how useful the so-called Human Development Index would be for UNDP in implementing human development programmes and projects in developing countries.

21. There was an urgent need to increase UNDP's resources in line with its growing activities in such fields as the environment, AIDS, human rights, emergencies and disasters. Regarding programme expenditures by source of funds, region and sector, a summary statement would have been helpful. It was nevertheless clear that greater efforts were needed to significantly raise the proportion per dollar spent in recipient countries.

22. UNDP's involvement in environmental emergency and AIDS activities should be conducted from a development support perspective and UNDP should avoid duplicating or taking over activities that came under the mandate of other organs. Special attention should be given to projects in Africa in disbursing funds administered by UNDP, and the United Nations Sudano-Sahelian office (UNSO) and the UNDP Intergovernmental Authority on Drought and Development (IGADD) should be strengthened, specifically in the areas of drought monitoring and environmental education and sensitization.

23. While the international community had responded to the harsh economic situation facing African countries, much more needed to be done in real terms. Regional cooperation should be supported, and specific actions must be taken to support the Second Industrial Development Decade for Africa and the Second Transport and Communications Decade in Africa. The population programmes undertaken by African countries must receive full support and resources.

24. Africa needed special consideration in the cancellation of all its debts and in stopping all outflows of capital. In the 1990s, the international community must move from merely formulating, debating and adopting action plans for Africa to taking every possible action on the ground.

25. Over the past six months, the neighbouring countries of the Horn of Africa had undergone serious political upheavals. The civil conflicts in Ethiopia and Somalia were likely to result in widespread famine, and the region was on the brink of an unprecedented disaster. The situation had led already to a massive influx of thousands of refugees into Kenya and Djibouti. The plight of the millions of people, mainly women and children, who had fled their countries called for urgent and adequate assistance. In Kenya, the influx of refugees was creating a desperate situation for which national resources were inadequate. Kenya's economy, which was undergoing a rigorous structural adjustment process, was also struggling to recover from the losses brought about by the recent Gulf war.

26. Mr. POPESCU (Romania) said that privatization was a top priority in his country. In the past year, more than 121,000 private economic units had been registered. Under a bill on the reorganization of all former State enterprises, most such enterprises had been transformed into private companies. In addition, about 70 per cent of agricultural land had become privately owned.

27. His Government had recently organized, with the assistance of the United Nations Centre on Transnational Corporations (UNCTC), a workshop at Bucharest on foreign investment and privatization. Romania was counting on UNDP support for the UNCTC programme of assistance, which would consist of several training workshops and consultants to assist in negotiations with foreign investors. His Government was also looking forward to a decision by UNDP on a project to assist it in evaluating the assets of State enterprises in order to speed up the distribution of their shares to the population.

28. Regarding the costs of the Gulf crisis, Romania was among those countries whose economy had been severely affected by the application of Security Council resolution 661 (1990). Its direct losses amounted to \$3 billion, or 14 per cent of its GNP, most of them in foreign trade. Romania ranked third after Jordan and Turkey in terms of trade losses as a result of the Gulf crisis. It hoped that quick action would be taken to respond to the Government's request for inclusion on the list of countries receiving assistance in connection with that resolution.

29. UNDP should explore the possibilities of mobilizing additional external resources to help Eastern European countries make the transition from centrally planned to market economies.

30. Because of lack of data and the use of old data, the Human Development Report 1991 reached some conclusions which did not reflect reality. Romania was classified as an industrialized country, in the same category as Japan, the United States of America and Germany, and the level of its per capita GNP was almost doubled. The human freedom index used six-year-old data, which diminished its value. In order to draw the correct conclusions, Governments should be consulted by the team of authors.

31. Mr. FEHMI (Pakistan) said the Human Development Report 1991 challenged the standard premise that a quantified increase in GNP was the only yardstick for measuring progress. The basic thrust of the report was valid, but some of its conclusions were unacceptable. Pakistan found it difficult to agree with the rather sweeping assertion that the main obstacle to human development was lack of political commitment on the part of developing countries. A greater commitment by the international community was needed to increase the level of assistance for human resources development and to redress the inequities of the present system of international economic relations. The crushing burden of debt servicing was an insurmountable obstacle to the channelling of resources towards human development.

(Mr. Fehmi, Pakistan)

32. UNDP should avoid developing concepts and criteria which might cast doubts on its impartiality. It must also avoid giving rise to controversies of the kind generated by the attempt in the report to pass judgement on countries' commitment to human freedom on the basis of highly questionable criteria. There was no agreement on the criteria mentioned in the report which would warrant the quantification of a country's commitment to human freedom.

33. In Pakistan, UNDP had played a commendable role in promoting economic development, taking particular care to formulate its activities to reflect Pakistan's sectoral priorities. Even bilateral donors had viewed Pakistan's programming system as an effective vehicle for channelling their assistance. UNDP's emphasis on the development of indigenous institutions was in line with Pakistan's economic policy. For several years, however, UNDP had been providing only short-term training, which was at odds with the country's increasing requirements in the industrial and technical fields. His delegation therefore stressed the need for a comprehensive long-term training programme.

34. The environment had become a major national, regional and global preoccupation. His delegation welcomed the establishment of the Global Environment Facility and noted with appreciation UNDP's valuable contribution to the upcoming United Nations Conference on Environment and Development. Pakistan too had taken many necessary steps to tackle the environmental issue, despite severe financial limitations, and environmental considerations were now being included in the development planning process.

35. It was unfortunate that the issue of refugees had lost some of its priority in the United Nations system. Pakistan had been maintaining the single largest case-load of refugees for the past decade, and had suffered enormous environmental damage in areas inhabited by Afghan refugees. Following a UNDP mission to assess the extent that damage, a \$US 105 million five-year recovery programme had been proposed.

36. UNDP special programme resources had been substantially increased for the fifth cycle, but his delegation had observed that some recipient countries, including Pakistan, had been unable to make use of such resources during the fourth cycle, for lack of information; it therefore suggested that during the fifth cycle UNDP should expand the coverage of special programme resources to the majority of recipient countries.

37. His delegation supported UNDP's activities in the area of women in development. However, in Pakistan no substantial assistance had so far been provided for women. His Government was deeply committed to the well-being of women and other deprived groups in society and would therefore welcome new projects pertaining to women in development in Pakistan.

(Mr. Fehmi, Pakistan)

38. His Government had initiated a comprehensive programme of economic reform involving privatization, deregulation and unleashing the potential of the private sector, while encouraging the development of human resources and physical infrastructure and environmental protection. Specific incentives had been offered for industrial investment in rural locations. In line with that policy, his Government had announced exchange and payments reforms designed to eliminate counter-productive regulation, thereby creating an attractive environment for entrepreneurs.

39. In view of the importance of technical cooperation in the multilateral framework of UNDP, it was imperative to increase the Programme's resources. The increase in core resources for 1991 was expected to fall short of the 8 per cent target set by the Governing Council. Pakistan, despite its resource constraints, was among the top 10 developing countries that had pledged more than \$1 million to UNDP. It was incumbent on all countries, particularly rich countries, to contribute to UNDP, which should not be allowed to stagnate or decline during the 1990s.

40. Mr. RAZALI (Malaysia) said that UNDP would be expected to continue to make positive contributions to alleviating underdevelopment and eliminating widespread poverty in many parts of the developing world. The ultimate goal of all development efforts was the well-being of people, and human development was the sine qua non for sustained and equitable growth. His delegation shared the concerns expressed by a number of delegations from developing countries, and by the Chairman of the Group of 77, about the content of the Human Development Report 1991. There was a need to make it clear that the report was not an attempt to redefine development criteria or introduce new conditionalities, and that UNDP remained committed to the 1970 consensus.

41. In preparing and publishing the 1991 report, UNDP had not held direct consultations with the Governments and regions concerned and had failed to adhere to Governing Council decision 90/13. The report also did not adequately address the concerns of developing countries with respect to access to new markets in developed countries, capital inflows, access to productive technology, debt burdens and artificially depressed commodity prices. Instead, there was an unbalanced attempt to put the blame squarely on developing countries for their lack of progress in economic development.

42. His delegation's most serious concern with the 1991 report, however, was the inclusion of the so-called human freedom index, which had been ill considered and would cast UNDP in a questionable light in the eyes of developing countries and possibly create an unnecessary polarization between the latter and the developed countries with respect to UNDP's future usefulness. The incorporation of the so-called human freedom index had tarnished the whole report. The business of UNDP was development, not some messianic foray into areas in which it had neither responsibility nor expertise. It seemed to be the fashion for United Nations agencies to emphasize human rights and the environment, as if all other long-standing

(Mr. Razali, Malaysia)

issues had been resolved. UNDP was not a vehicle for Western societal mores and values and should understand that its programmes could operate under optimum conditions only if developing countries were certain of its non-partisanship. Far from being a catalyst for constructive debate, as was apparently intended, the human freedom index had served the opposite purpose of creating dissension and controversy.

43. Malaysia and other developing countries were committed to human rights and human freedom and did not need to be reminded of them, yet UNDP had seen fit to publish a report that placed Malaysia below, for example, Israel, a country that brutally suppressed the legitimate and inalienable rights of the Palestinians. UNDP should be non-partisan and impartial, and must not become an apologist for one-sided Western values, insulting in the process the traditions and values of others, particularly Muslim countries. If the UNDP management was so preoccupied with human freedom, his delegation demanded that UNDP consider the right of every human being to food, shelter, employment, education, health and freedom from disease, all of which were not just the responsibility of national Governments but of the whole community of nations. If UNDP could not produce a more balanced index of human freedom, without bias or prejudice, it was not worth having one at all.

44. His delegation had noted with appreciation the report on the progress of the various components of UNDP's funding strategy. With respect to funding, there was a lot more to be done in the 1990s and a huge amount of resources would be required; all Governments, particularly donor Governments, should increase their voluntary contributions to UNDP.

45. The proposal for greater use of national expertise and consultancies, as well as increased inter-country training and fellowship programmes, would not only be cost-effective but would also enable local experts and consultants to gain international experience. Malaysia wished to depend increasingly on national experts and consultants for UNDP technical assistance projects. UNDP should further strengthen its efforts to assist national capacity-building.

46. Malaysia agreed that the number of projects financed through UNDP technical assistance should be reduced and, more importantly, that administrative costs should be cut, making more funds available for UNDP to undertake programmes. Malaysia continued to value the all too modest amount of its IPF from UNDP in formulating its national policies, strategies and programmes for the future. During the fifth country programme, its emphasis would be on human resources development, science and technology, information technology and environmental development. Malaysia would continue to provide a substantial programme cost-sharing contribution during the fifth programming cycle.

47. UNDP's real resource situation had remained unchanged over the past 16 years, while there had been a marked increase in the number of UNDP personnel. The attempt at reorganizing UNDP's senior management deserved

(Mr. Razali, Malaysia)

serious study, and his delegation welcomed the proposal to reduce senior management positions, thereby reducing operating costs and enhancing UNDP's effectiveness. A longer and more comprehensive study of UNDP's organizational structure should be undertaken, with a view to cutting operating costs and raising efficiency while achieving a greater balance in the representation of donor and recipient countries and ensuring a wider geographical spread in UNDP's senior management structure. Despite the multinational character of UNDP, regional representation at all senior levels was woefully unbalanced: only 4 out of 42 resident representatives in Africa, and only 3 out of 24 in Asia, were from the region in question. His delegation urged the Administrator to correct that anomaly.

48. Some developing countries were emerging as so-called middle-income countries and now required programmes and projects in such areas as science and technology, industrial development, manufacturing, information on technology, trade and investment, and communications. UNDP should prepare itself to provide assistance in those areas.

49. Budget reductions were planned for UNDP headquarters, with Professional project posts being reduced from 48 in 1990 to 24 by 1992. The trend towards budget reductions should not be limited to headquarters alone, but must also include field offices, although without undermining the strength of UNDP field offices.

50. Malaysia set great store by regional and interregional projects, which were effective means of providing assistance to countries through the exchange of experience, information and technology for mutual benefit. UNDP should continue its efforts to build and support such projects. However, over-diversification of project areas had led to a lack of coordination. Malaysia supported national execution as the preferred mode of project execution during the fifth programming cycle; Government execution created greater commitment, ensuring institution-building and promoting self-reliance. Since the transition to national execution necessitated the strengthening of UNDP field offices, the proposal to undertake training there, as well as at headquarters, was most welcome. Such training should also be extended to government executing agencies. United Nations agencies could play a role in assisting project execution, but decision-making on such matters was best left to Governments, who were in a better position to assess their capacity to undertake project execution.

51. To sum up, in addition to its own country programme, Malaysia welcomed UNDP involvement in many issues of global concern: women in development, environment, and the roles of the private sector and NGOs in development. However, care should be taken not to duplicate the activities of other United Nations agencies, so that the limited resources of the United Nations system could be optimized for the benefit of recipient countries. Malaysia continued to support technical co-operation among developing countries but regretted that its development over the years had fallen short of expectations. The

(Mr. Razali, Malaysia)

sustainability of TCDC activities was becoming very critical, and his delegation urged UNDP to increase the funding allocated to them.

52. Mr. TALADRID (Cuba) said that according to the report on senior management structure (DP/1991/50), the Jackson Report and General Assembly resolution 2688 (XXV) had given UNDP a leadership role that had declined over time, for reasons related to the reduction in its resources. The report likewise asserted that UNDP resources would increase considerably if the structure and direction of technical assistance were changed. That was by no means the first time that such an assertion had been made. On many occasions in the past, the Council had expressed concern at the alarming decline in the rate of growth of programme resources. In 1985, it had been forced to reduce the target for the annual growth of resources from 14 to 8 per cent. The 8 per cent target had never been reached, not because of inadequate administrative structures but because some of the principal donors lacked the political will to increase their contributions. The report's proposals for ensuring the Programme's future financial health were therefore unrealistic.

53. The only guarantee that UNDP would retain its neutrality and universality lay in preserving and strengthening the Governing Council, with the active and democratic participation of all countries: donor and recipient, developed and developing. For all those reasons, his delegation categorically rejected the unfortunate proposal, in section 3.8 of the report, for a smaller "executive" Governing Council. Indeed, none of the proposals in the report was in keeping with General Assembly resolution 45/177 on the restructuring and revitalization of the United Nations in the economic and social fields. No more such reports were needed. Instead, what recipient countries needed was for donor countries to find the political will to reach the target of 8 per cent annual growth. They needed more financial resources for development, not more bureaucratic expenditures on reports or on the creation of new posts and divisions that did not provide one iota of technical assistance. The Governing Council and the UNDP secretariat should be prepared to implement resolution 45/177 in the near future.

54. With respect to the Human Development Report 1991, his delegation welcomed the fact that its authors had recognized that human beings must be at the centre of development issues. However, it had some concerns about the report itself. Exercises of that magnitude required the active participation of all Governments and their experts, so as to ensure that the results were truly transparent and had everyone's support. According to Governing Council decision 90/13, regional consultations should have been held so that the human development concerns and priorities of developing countries could be taken into account. No such consultations had been held, at least for Latin America and the Carribean. Instead, a seminar on human development had been held at Rio de Janeiro in December 1990, attended by experts in their personal capacities. That was not a meeting of Governments. It had been a mere formality anyway, since the Human Development Report had already gone to press by that time. The absence of any Latin American among the drafters of the report had been a further omission.

(Mr. Taladrid, Cuba)

55. The so-called "refinement" of the human development index should also have been discussed with government experts and specialized bodies. Cuba had dropped from thirty-eighth place in the 1990 report to sixty-second place in 1991, seemingly as a result of the arbitrary manipulation of statistics. Such inaccuracies showed that Governments should have been contacted directly so that more reliable data could have been obtained.

56. The report even ventured to put forward certain ideas about the future distribution of financial resources for cooperation that were tantamount to new conditionalities and would violate the 1970 consensus and the universality and neutrality of the Programme. His delegation found those ideas unacceptable.

57. In proposing the so-called human freedom index, the report had exceeded the mandate and capacities of its authors. Not even the Human Rights Committee had made such a proposal. The cobbler should stick to his last. His delegation could debate the issue at length, but then it would only be imitating the report by converting UNDP into something it was not.

58. In Cuba, women enjoyed full equality, which was guaranteed not only by law but also by political, economic and social realities. There was no activity in the life of the nation from which women were absent. Accordingly, his delegation was following closely the work being done by the Division for Women in Development and UNIFEM, to both of which it offered its full support. His Government was also prepared to cooperate actively in UNDP's efforts to combat HIV/AIDS.

59. In conclusion, his delegation believed that the Council should return to its practice of holding a four-week session; a three-week session was proving inadequate. It also believed that it would be violating the Council's mandate to refer issues within the Council's jurisdiction to the Standing Committee on Programme Matters.

60. Mr. BRANCO (Sao Tome and Principe) said that the annual report of the Administrator (DP/1991/10 and Add.1-4) was very useful and should serve as an important tool for countries that had to set priorities for the utilization of scarce resources. He urged UNDP to continue to take account of the views expressed by the Governing Council, and recommended the report to other United Nations agencies, Governments and non-governmental organizations for consideration. In particular, his delegation expressed its support for the Administrator's proposals concerning the management structure. The annual report provided a clear picture of the Programme and demonstrated its leading role within the United Nations system.

61. The report on the Management Development Programme (DP/1991/12) confirmed the need for good public sector management capacities in developing countries in order to overcome the problems impeding their development efforts. His country and Africa in general had demonstrated the political will to carry out

(Mr. Branco, Sao Tome and Principe)

very important economic adjustment policies and social and economic reforms. In a great number of cases, however, any hope of full recovery seemed far away. While political will was a necessary pre-condition, other factors must be taken into consideration, such as the lack of management development capacities and a human resource base characterized by a low level of basic education, poor health and poverty. Until those problems were overcome, African nations could not be said to have had true freedom of choice, which was a basic requirement for individual self-development and a measure of a country's ability to determine its destiny.

62. Most African countries had recognized the need to correct imbalances in their economies, and it seemed that the only viable way to do so was through the World Bank and the International Monetary Fund. His delegation appreciated the valuable contribution which UNDP and UNICEF had made in providing African countries with the necessary assistance to engage in a true dialogue with those institutions. It hoped that the Human Development Report and UNICEF's advocacy of adjustment with a human face would facilitate that task.

63. For those reasons, his delegation hoped that UNDP would participate in the preparation of country strategies for human development and increase the resources allocated to the Management Development Programme. In view of the lack of institutional and management capabilities in developing countries, his delegation advocated a cautious approach to national execution, based on a gradual process taking into account the specificity of each country.

64. Mr. BAHADIAN (Brazil) said that technical cooperation had been an important instrument in bringing about the much-needed turnaround in the economies of developing countries, in strengthening capacities and in promoting the cause of peace. The principles of universality, neutrality, non-conditionality and multilateralism were fundamental for genuine cooperation through the United Nations. Such principles must not be eroded and no advantage could be derived from attempts to rate countries' performance or exonerate donor countries from their responsibilities. UNDP support to developing countries through technical cooperation activities was an integral part of efforts to revitalize economic growth and social development in the developing countries. Technical cooperation activities must be geared towards better social standards, increased economic efficiency, unimpeded trade and the building of a scientific and technological capability. Development must be socially regulated, and material prosperity must not jeopardize social justice. Progress could not exist without the enhancement of human dignity.

65. His Government had reaffirmed its commitment to the modernization of the State and the promotion of social and economic development. The private sector was the force behind efforts to modernize the economy. Brazil was committed to meeting basic human needs in such areas as education, health, housing, sanitation and water supply. Nevertheless, the Government's efforts could succeed only if there was a corresponding willingness on the part of the

(Mr. Bahadian, Brazil)

international community to correct the profound distortions of the world economy, which had resulted in a net transfer of resources from developing to developed countries, protectionist policies and restricted access to technology and additional financial resources.

66. It was regrettable that the Human Development Report 1991 was based on data that, in some cases, did not take sufficient account of the social and political transformations occurring in the developing countries. Furthermore, different types of indicators were used to assess the performance of developing and developed countries. The practice of listing countries according to a human development index might lead to methodological controversies and superfluous comparisons and transform the positive idea of human development into a set of conditionalities. In the specific case of Brazil, the report did not take into account his Government's strenuous efforts to reverse social inequities.

67. Despite the financial difficulties resulting from the servicing of its external debt, his Government had created a social development fund to mobilize additional resources for projects in the social field. The measures taken by the Government showed that the promotion of human development was inextricably linked to its strategy for an effective redistribution of income that included integrated actions as well as the reactivation of economic development.

68. The great potential of the private sector was demonstrated in his country's current country programme. There were a number of ongoing projects linked to the private sector, with resources amounting to \$1.8 million from the IPF and \$500,000 as cost-sharing. That kind of innovative cooperation, the promotion of joint ventures and the formulation of strategic programmes to increase industrial decentralization to rural areas would be priorities for UNDP action during the next cycle.

69. Multilateral technical cooperation was vital to development efforts. His Government's priorities for international cooperation had always emphasized the objectives of the national development plan, institution-building and effective participation of national counterpart institutions in technical cooperation projects. Brazil placed the same emphasis on the priorities established by recipient Governments within the framework of TCDC programmes and projects.

70. The current UNDP programme in Brazil had been continuously adapted to reflect the growing importance which his Government attached to environmental issues. There were 37 ongoing projects related to the environmental sector and that trend would increase in the fifth cycle. There were 72 nationally executed projects in the country programme. The specialized agencies continued to play an important professional and technical role, which was moving away from technical and administrative support towards more substantial involvement in the technical aspects of activities themselves. His Government

(Mr. Bahadian, Brazil)

was making a great effort to mobilize additional resources in the current cycle to offset the reduction in its IPF. The total amount of cost-sharing had almost doubled between 1987 and 1991, reaching the level of \$53.5 million. That increased cost-sharing reflected the interest of Brazilian institutions in UNDP cooperation.

71. Mr. CHEKAY (Union of Soviet Socialist Republics) said that UNDP was increasingly demonstrating its effectiveness as the basic financing and coordinating centre for multilateral technical assistance within the United Nations system. The "new global consensus", which was based on the relevant resolutions of the General Assembly and the Economic and Social Council, provided clear guidelines for expanding the Programme's activities. The non-discriminatory nature of technical assistance, the leading role of the Governments of recipient countries in determining their development plans and priorities, and the coordination of technical assistance at the national level constituted the theoretical basis for UNDP's work. The introduction of any new parameters in that connection must be approved by consensus by the Governing Council and lead to concrete and tangible results.

72. Although the Human Development Report 1991 had a number of serious shortcomings, in general, the systematized approach to the socio-economic component of the system of human values and priorities was justified. With time and with full account taken of the views and interests of all parties concerned, the human development index could, provided that it was free of any politicization, become one of the criteria governing the functioning of the system of technical cooperation. The inclusion of environmental issues among UNDP's basic priorities and activities in recipient countries was fully justified. The Programme's activities in such areas as human resources development, TCDC, cooperation with grass-roots and non-governmental organizations and women in development were also to be commended.

73. His delegation understood the difficulties experienced by the specialized agencies in connection with the proposals for new successor arrangements and called for a mutually acceptable solution that was based on General Assembly resolution 44/211 and took account of the interests of all parties concerned, particularly the recipient countries.

74. The planned structural reorganization of UNDP should promote universality and enhance effectiveness. The Kienbaum report (DP/1991/50), which proposed a number of interrelated measures, could serve as a basis for practical action, provided that it received the consensus support of the Governing Council. In view of the extensive action being taken by UNDP to deal with the consequences of the crisis in the Persian Gulf and the proposed programme for Eastern Europe, consideration could be given to strengthening the UNDP Regional Bureau for Arab States and Europe.

75. Within the limits of its resources, the Soviet Union was helping to strengthen the production and export potential of third world countries. In

(Mr. Chekay, USSR)

addition to bilateral ties, it was giving greater attention to participation in multilateral programmes, including the provision of technical assistance through UNDP, UNICEF, UNFPA and other specialized agencies.

76. In its transition to market-based structures, the Soviet Union was tackling a large number of issues, including the creation of conditions for free competition, the privatization of State property, the demonopolization of production and the promotion of genuinely independent economic activity. It believed that those efforts would make it possible to participate more actively in economic, scientific and technical cooperation with developing countries.

77. The conversion of military production would free resources in both North and South for constructive purposes. Consideration should be given to the possibility of involving UNDP in large-scale measures in that connection. The Soviet Union was seeking to demilitarize its economy and use the material and intellectual potential acquired in that field for the benefit of mankind. His Government's decision to reduce military expenditures for 1990-1991 by 14 per cent was being implemented. Part of the resources thus saved would be allocated to multilateral technical cooperation.

78. Addressing the consequences of the accident at the Chernobyl nuclear power plant was a matter of particular concern for his country. General Assembly resolution 45/190 provided for serious efforts at many levels in that regard and called for coordinated action by all parties concerned, including United Nations agencies. His delegation believed that UNDP should take part in that process. The draft resolution being submitted by the Soviet Union, the Byelorussian SSR and the Ukrainian SSR on UNDP participation in international cooperation to address and mitigate the consequences of the accident at the Chernobyl nuclear power plant was practical and specific and in keeping with the relevant resolutions of the General Assembly and the Economic and Social Council. The draft resolution did not make further demands on the UNDP regular budget or in any way affect the interests of recipient countries, and his delegation hoped that the Governing Council would adopt it by consensus.

The meeting rose at 6.05 p.m.