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SUMMARY RECORD OF THE 20th MEETING

Held at the Palais des Nations, Geneva,  
on Tuesday, 12 May 1992, at 3 p.m.

President: Mr. BREITENSTEIN (Finland)

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The meeting was called to order at 3 p.m.

ANNUAL REPORT OF THE ADMINISTRATOR FOR 1991 AND PRIORITY AREAS IDENTIFIED THEREIN (HIGH-LEVEL SEGMENT) (agenda item 2) (continued) (DP/1992/12 and Add.1, 2, and 4-6)

1. Mr. RAJAGOPALAN (World Bank) said that the evolving consensus on development priorities for the 1990s had created new opportunities for development cooperation. The global attack on poverty was being intensified, concerted international action was under way through the forthcoming United Nations Conference on Environment and Development to establish a global framework for environment development policy, reforms in many developing countries were at a crucial stage, and economic transition in Eastern Europe and the former republics of the Soviet Union was high on the international development agenda.
2. The needs of developing countries had become more differentiated, resources more constrained and donor requirements for development performance more stringent. The scope for action by the international development assistance community to respond to the challenges to the multilateral institutions brought about by those changes was enormous. However, with limited aid, it was necessary to seek ways to maximize the impact.
3. Firstly, there was a need to focus efforts on priority areas at the heart of development. On the poverty front, for example, the Bank had adopted a two-part strategy: encouraging broad-based economic growth, to generate income-earning opportunities for the poor, and ensuring their access to basic social services. In implementing that strategy, the Bank prepared country poverty assessments and provided targeted support for poverty reduction. In fiscal year 1991, the Bank had financed 22 projects aimed primarily at reducing poverty and another 95 projects containing poverty-reduction measures.
4. The forthcoming United Nations Conference on Environment and Development (UNCED) offered a historic opportunity to put in place an agreed plan of action to guide global environmental policy well into the twenty-first century. The 1992 World Development Report was a contribution to that Conference and underlined the main environmental priorities and their links to other development objectives. The Bank continued to make significant progress in integrating environmental concerns into the full range of its activities and in its policy dialogue with borrowing member countries.
5. Secondly, the historic changes taking place in the former Soviet republics had become a priority concern of the international community. The needs of the countries of the Commonwealth of Independent States (CIS) were substantial, but it must be realized that those of the developing countries had not diminished. Under the most optimistic growth scenarios, poverty would persist in Africa and south Asia into the next century and external assistance would continue to be required. He wished to reassure the Governing Council that World Bank support would not be provided at the expense of its continued strong commitment to traditional borrowing countries.

6. Thirdly, a country's needs and situation were central to the preparation of the Bank's assistance strategy. Its country and economic sector work played a key role in providing a thorough understanding of a country's development problems, the need for and availability of external financing, and an analytical framework for evaluating development strategies and donor-assistance activities.

7. Fourthly, the increasing complexity of development necessitated a much greater level of intellectual and operational collaboration among the international and bilateral agencies and between them and the countries concerned. Complementarities based on comparative advantages might apply to the financing of different types of expenditure, the targeting of different investment or the supporting of start-up versus long-term programmes. As long as a coherent country strategy was the centre-piece for coordination and collaboration, assistance agencies could orchestrate their input to ensure, with the country concerned, adequate coverage of priority areas for sufficient periods of time.

8. Finally, it was increasingly clear that building national institutional capacities was fundamental to sustained development. Countries required analytical and managerial capabilities, including the ability to assess needs, identify priorities, design policies and implement and evaluate programmes. In addition, the building of institutional capacities was imperative for the internationalization of technical assistance and for effective participation in the transfer of ideas.

9. Many institutions in developing countries - including those in transition to market economies - would need to be strengthened. Technical assistance and related human-resource investments were therefore critical to the effective implementation of reforms and acceleration of the development process. Consequently, institutional development had become an area of increased importance in the Bank's assistance activities.

10. The Bank had set up a high-level task force to review its experience in technical assistance management and to suggest a number of actions to enhance the effectiveness of technical assistance operations.

11. Experience had shown that technical assistance was more likely to succeed when there was a strong commitment by the member country, when objectives were well-defined and consistent with the country's absorptive capacity, and when project design was based on an accurate assessment of needs. The Bank was therefore attempting to ensure more systematic consideration of technical assistance requirements in country strategies; strengthening of institutional development expertise in human-resource planning; and increased attention to the delivery and supervision of technical assistance. In that context, it fully supported UNDP's National Technical Cooperation Assessment and Programmes (NATCAPs) initiative.

12. Funding for project preparation and implementation was readily available through traditional sources. However, there was a gap in the Bank's tool-kit for financing technical assistance for institutional-development work associated with reform programmes and areas of special emphasis such as poverty or women in development. To fill that gap, the Bank was creating a modest \$25 million facility for a pilot period of one year to finance small, action-oriented activities in countries where institutional development was a significant country assistance objective. The Institutional Development Fund was intended to complement and not compete with UNDP, and the Bank would coordinate its activities closely with the Programme.

13. Relations between the Bank and UNDP had long been characterized by a deep sense of partnership, which had resulted in far-reaching development landmarks, contributing to the well-being of millions of people in the developing countries. The Bank and UNDP were addressing a number of development issues such as education, the environment, forestry, energy and water-resource management, financial flows and AIDS, through numerous joint activities. That partnership must remain dynamic. Together, the Bank and UNDP must continue to search for new ideas and approaches that could deepen and expand that relationship which was based on comparative advantage.

14. Mrs. GEIGER (Germany) said that, since the fortieth anniversary of UNDP, the world had experienced dramatic historical changes. The East-West détente had rendered possible the development of new, evolving forms of international cooperation. The need for a courageous reshaping of the relations between poor and rich countries was more urgent than ever. In that connection, she welcomed the eight new members of the UNDP family.

15. The number of poor countries had increased and they all, quite rightly, expected the international community to support their desire to build societies in which people could live in dignity, self-determination and freedom from poverty. The richer nations had a moral obligation to support the developing countries wholeheartedly in their efforts to achieve human and economic progress.

16. In the new "one world", global problems did not stop at national borders. Problems such as environmental degradation, uninhibited population growth, drug abuse and the worldwide threat of AIDS menaced rich and poor alike. She hoped that the discussion of the 1992 Human Development Report, which focused on the global dimensions of worldwide disparity in the distribution of opportunities and income, would help to resolve the problems facing developing countries and the world as a whole.

17. The forthcoming United Nations Conference on Environment and Development (UNCED) would have to demonstrate the new quality of international cooperation and clearly underline the importance of the United Nations and its various bodies in meeting the global challenges of the future. In the light of that importance, the steps taken by the Secretary-General to begin the reform of the operational activities of the United Nations gained an entirely new dimension. Her delegation welcomed the organizational streamlining undertaken so far in the economic and social fields. In that context, it had carefully studied the Administrator's keynote statement which had presented five ideas for a productive and effective United Nations development system.

18. Her delegation welcomed the strategies and new concepts outlined in the annual report of the Administrator for the implementation by UNDP of General Assembly resolution 44/211, which truly pointed the way ahead. The concepts might be divided into those which related to UNDP's programming function and those that regulated the internal organizational structure and external relations with other organizations of the United Nations system.
19. On the programming side, her delegation commended the Administrator on reorienting UNDP towards the concept of comparative advantage, on shifting its objectives away from input-oriented activities towards a sustainable impact of UNDP-financed programmes and, finally, on pursuing a comprehensive programme approach.
20. Given the sheer number of pressing development problems and the scarce financial resources, her Government welcomed a division of labour between UNDP and bilateral donors, in which UNDP assumed those tasks for which it held a proven comparative advantage, such as the six themes outlined in the fifth-cycle decision and activities in the areas of human development.
21. It was essential for UNDP and the Governing Council to ensure that the numerous country programmes to be dealt with at the current session met those requirements while, at the same time, taking account of national priorities. In order to achieve sustainable development, all country programmes should fully reflect the concept of women in development and endeavour to integrate gender issues.
22. UNDP's internal organizational reform was complemented by efforts to decentralize, which would shift programme responsibilities further into the field and open up opportunities for better coordination with other organizations of the United Nations system and with bilateral donors.
23. Her Government was concerned at the continued lack of coordination at both country and headquarters level. While it realized that decisions concerning national execution and support cost successor arrangements were no longer in dispute, those decisions must be given substance and enhanced use made of the national execution modality, whenever feasible. Nevertheless, it would be detrimental to the entire United Nations system of operational activities if UNDP, failing to recognize the enormous potential for change within the specialized agencies, assumed more of the execution function itself, thus undermining the utilization of the agencies' sectoral expertise. UNDP, the central coordinating and funding mechanism for the operational activities of the United Nations system, and the specialized agencies needed to harmonize their relations in order to make it possible for the developing countries to continue to rely on the global and neutral expertise of the United Nations system in the twenty-first century.
24. In order to establish the - urgently needed - improved coherence between United Nations organizations concerned with operational activities, her Government thought that it would be desirable to bring UNDP, its New York-based Funds and UNFPA closer to the specialized agencies, which had their headquarters primarily in Europe, since that would facilitate communication and help to achieve greater mutual understanding and improvement in coordination and cooperation.

25. To that end, her Government invited UNDP, its affiliated organizations and UNFPA, to move their headquarters to Germany from 1996 onwards. It was offering modern office buildings in the centre of Bonn, which would be perfectly suited to the needs of UNDP and UNFPA and would be rent free. It would also be prepared to cover the cost of relocation and related expenses. In the longer term, her Government would also welcome the relocation of other United Nations organizations to Germany. That proposal demonstrated her Government's willingness to shoulder increased international responsibility following unification. In that connection, it should be noted that there was at yet no United Nations organization based in Germany. Relocation would also bring UNDP and UNFPA much closer to the the headquarters of the European Community at Brussels and to Africa, where technical cooperation would increasingly be concentrated.

26. Her Government was aware that its offer raised a number of substantive and logistical questions which would need thorough discussion. It did not expect an immediate response but wished, at the current stage, to request all the members of UNDP to initiate a process of careful examination.

27. The CHAIRMAN thanked the Government of Germany for its generous invitation, which the Governing Council much appreciated. The matter would, in due course, be carefully examined under item 11 of the Governing Council's agenda.

28. Mr. OSMANY (Observer for Bangladesh) said that the encouraging ideas put forward in the Administrator's statement merited careful consideration. In an era of shrinking resources, enhanced organizational coordination and cost-effectiveness could not be overemphasized. More political debate and further inter-agency consultations would undoubtedly be necessary to identify the best ways of implementing those proposals. The qualitative aspects of the services rendered by the various United Nations agencies to the developing countries needed to be kept in clear focus.

29. At the current critical juncture in history, the war on poverty, hunger, ignorance and social injustice needed to be intensified. In that context, the increasingly important role of the United Nations system, and particularly of UNDP, was a source of great satisfaction, given UNDP's wide recognition as a major vehicle of development assistance.

30. Commitments to human rights issues, however, would remain empty slogans if the problems of hunger and extreme poverty could not be resolved. Speeches alone were not enough: economic and technological resources had to be brought to bear upon the environment-related projects in the developing countries. The time had come for the countries of the world to close ranks and move beyond the sterile confrontations of the past.

31. The 47 least developed countries were severely affected by global economic recession and the growing protectionism in international trade. Those conditions could be improved by a better input of economic resources and technology. Trade was increasingly recognized as a potent vehicle of economic growth. With new members in the group of LDCs, there was a need for additional resources. To that end, his delegation requested that the

targeted 55 per cent IPFs for the LDCs be adjusted upwards and preferential access of the LDCs to the regional programmes provided. In addition, the programme of action for the least developed countries in the 1990s should be fully implemented, the special measure fund for the LDCs revived and capital development funds strengthened.

32. As development priorities and social objectives in developing countries might be seriously distorted or even thwarted if aid was used as an instrument of policy intervention, both donors and the international aid-administering agencies should take into account the wider socio-political perspective of the recipients.

33. After years of grim struggle, the 108 million people of Bangladesh had succeeded in establishing a parliamentary democracy and the qualitative improvement in the new Government was appreciated and supported by its development partners.

34. Bangladesh was both prone to national disasters and highly vulnerable to them. The devastating floods of 1987-88 and the tidal wave of 1991 had destroyed hundreds of thousands of human lives and many economic assets. One single disaster could undo years of progress in economic development. The people of Bangladesh were, nevertheless, resolute and united in their brave struggle to overcome the serious consequences of such disasters.

35. Man-made disasters had, time and again, added to the country's socio-economic problems. It was currently harbouring about a quarter of a million refugees from Myanmar. In that connection, the international community had once again responded to his Government's appeal for help, both political and economic. There had also been some progress towards a peaceful solution of the problem on a bilateral basis.

36. The basic objectives of his Government's economic policies were to promote sustainable growth through more effective public investment outlay, concentrating public investment in infrastructure, human resources and the social sectors, and encouraging the development of the private sector. The issue of human-resource development was to be addressed on a priority basis. It was committed to improving the quality, effectiveness and coverage of basic human-development services, notably primary and non-formal education, rural employment, primary health care and family planning. The non-governmental organizations were being encouraged to play an important role in poverty alleviation and social-development programmes. Women in Bangladesh were being integrated increasingly into the development efforts.

37. His delegation attached high priority to UNDP cooperation in the country's development efforts. It was gratifying to note that UNDP had gained new momentum and that its central resource base had reached a record level during the current programme cycle. It was also reassuring to see that programme delivery had recorded a higher level in recent years. In that context, the new initiatives of the Administrator were most welcome, as were the new approaches and programmes for human development and the recent measures adopted to harmonize policies and procedures so as to make operations more effective and more responsive to the needs of the developing countries.

38. His Government also strongly supported the case for additional funds for technical cooperation on an interregional basis in its region, and placed increasing emphasis on an extensive national-execution system. A major role of UNDP in the 1990s should be to promote self-reliance in the developing countries through transfers of skill and competence, technology and the utilization of existing national capacities. In that context, expanded and planned TCDC and TOKTEN programme activities were recommended.

39. The employment of local rather than expatriate consultants would help to stem the brain drain. The current procedures for the selection of consultants lacked transparency and objectivity. Greater openness and participation by the beneficiary Governments in that process were strongly urged. In addition, coordination of technical assistance should remain the responsibility of the recipient Government, a range of modalities and mechanisms being adopted to ensure the effectiveness of such coordination.

40. In the field of poverty alleviation, a number of South-East Asian countries had undertaken special programmes to reach out to the poor. Poverty alleviation demanded an integrated strategy spanning all the priority areas. Improvement in the quality of life of the poorest segment of the population was closely linked to the level of productivity. Productivity could be enhanced, especially for the rural poor, through skill development, better technology and optimal use of natural resources. The issues of sustainability and resource management would involve a more pragmatic approach towards forestry, agriculture and land-use policies, and the management of watersheds and irrigation systems. Given the limitations on resources, development activities should be built around a few key themes which directly addressed poverty.

41. Lastly, the close link between environment and human survival and the threats to ecology and life support systems were universally acknowledged. New and additional resources would be required for the implementation of environmental projects. With all eyes focused on the forthcoming United Nations Conference on Environment Development (UNCED), it was obvious that the signing of agreements alone would not be enough.

42. Mr. RAHARDJO (Indonesia) said that, with international tensions and the fear of nuclear annihilation fading into the background, a new era was emerging in which the social and economic advancement of the great majority of the world's population would be given priority on the international agenda. In that connection, the United Nations as a whole, and UNDP in particular, had a pivotal role to play, and it was therefore gratifying to note from the Administrator's report that UNDP had been keeping fully abreast of current concerns and thinking on development, and was translating that awareness into operational terms.

43. The new orientation for technical cooperation, as set fourth in General Assembly resolution 44/211 and reflected in recent Governing Council decisions, reaffirmed many features of major importance to the developing countries. Of particular importance was the principle that recipient countries were responsible for formulating their own national development plans, priorities and objectives. It therefore followed that technical cooperation should be integrated into national plans.



44. His Government also supported the new emphasis on national Governments bearing the primary responsibility for development and making technical cooperation programme-oriented rather than project-oriented. National execution would contribute greatly to building up the capacities of the recipient Governments in the management and implementation of UNDP-financed programmes and projects. The recipient country would then have to decide on the timing of that modality in the light of its individual circumstances.
45. Efforts directed towards creating more coherent and integrated United Nations system operational activities at field level, under the leadership of the resident coordinator, would certainly maximize UNDP programme impact. The greatest possible decentralization of authority to the field office was therefore necessary.
46. His Government fully supported the efforts of UNDP to ensure that the new country programmes were consistent with the philosophy and prescriptions of General Assembly resolution 44/211. The fact that the substantive elements in the new country programmes were based on national priorities and developed under UNDP's guidance and focus was most satisfactory. Indonesia's fourth country programme had become an integral part of its fifth five-year development plan (REPELITA V). In that connection, UNDP should adopt an effective funding strategy to ensure the smooth implementation of the fifth programming cycle and to meet the growing needs of the developing countries, especially the LDCs.
47. One of the major initiatives in the context of country and intercountry programmes was an attempt to assist Governments in making their concerns for human development operational. A statistical study in the area of human development and poverty alleviation, initiated by UNDP, which covered 27 provinces of Indonesia, was a positive step in that direction. Furthermore, as the role of women was crucial to efforts to mobilize grass-roots participation in development, the IPF-financed project which provided women in a number of rural communities throughout Indonesia with assistance in realizing their full potential through training, access to credit and the formation of women's business groups, was most valuable.
48. In the area of aid coordination, his Government, which had been closely associated with the peace process in Cambodia, fully supported the international effort to rehabilitate that country. Given the magnitude of the rehabilitation effort, optimum coordination was extremely important to ensure that duplication and inefficiency were reduced to a minimum among all the parties and agencies involved.
49. The major initiative involving UNDP in the ESCAP region was that of environmental protection. National and regional projects had been programmed in that area, covering 34 countries. It was anticipated that, after the United Nations Conference on Environment and Development (UNCED) in June 1992, that aspect of UNDP's activity would receive greater attention.

50. Indonesia had always attached great importance to people-centred development, which had been given increased emphasis in its fifth five-year plan. That vital development period - from 1990 to 1994 - also focused on the redistributive aspect, including such elements as national capacity building, national execution and grass roots participation. In that context, UNDP's fourth country programme for Indonesia, approved in 1991, was fully supportive of that orientation.

51. The 1992 Human Development Report provided a useful reference point, particularly with regard to the international aspects of human development. His delegation endorsed the conclusion that the income gap between rich and poor countries was not only considerable but also widening, due in part to the unfavourable external environment. As stated in chapter 4 of the Report, the lack of market opportunities alone cost developing countries at least US\$ 500 billion a year. Such reversals were certain to have a negative impact on national budgets and human-development programmes.

52. While the human-development concept was an essential corrective to strategies for growth, it could achieve little success without an effectively supportive international economic environment. Furthermore, the prolonged recession and hostile economic climate had had a severe impact on the most vulnerable countries. The international community should therefore, as a matter of urgency, promote a revitalization of international economic growth and development, together with international cooperation for human development.

53. At the same time, his delegation shared the serious concern expressed by others, with regard to some of the contents of the Human Development Report, notably proposals to measure the status of the political systems of individual countries and their degree of freedom. The introduction of the political-freedom concept could run counter to the concerns of the developing countries. Moreover, preoccupation by UNDP with such issues was not only outside its mandate but also encroached upon the work of the bodies competent to deal with such questions. Such politicization on the part of UNDP would distract from crucial deliberations on major objectives in the field of technological assistance for development.

54. UNDP should thus continue to preserve its universal non-political nature and focus its attentions on areas within its field of competence of particular relevance to the developing countries, especially in the area of institution building and human-capacity development. The time had come to grapple seriously with underdevelopment, poverty, ecological degradation and inequalities, and to address the gap between the North and the South. As the main United Nations technical-assistance agency, UNDP was uniquely placed, with its vast experience and widespread networks, to contribute significantly to making the vision and aspirations of the developing countries a reality.

The meeting rose at 4 p.m.