

UNITED NATIONS  
DEVELOPMENT  
PROGRAMME



**UNDP**

Distr.  
GENERAL

DP/SR.670  
19 February 1980

ORIGINAL: ENGLISH

---

GOVERNING COUNCIL

Special meeting on preparations for the third  
programming cycle, 1982-1986

SUMMARY RECORD OF THE 670th MEETING

Held at Headquarters, New York,  
on Tuesday, 12 February 1980, at 10.30 a.m.

President: Mr. VUNIBOBO (Fiji)

CONTENTS

Preparations for the third programming cycle, 1982-1986 (continued)

---

This record is subject to correction.

Corrections should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent within one week of the date of this document to the Chief, Official Records Editing Section, Department of Conference Services, room A-3550.

Any corrections to the records of the meetings of this Special Meeting will be consolidated in a single corrigendum, to be issued shortly after the end of the Special Meeting.

The meeting was called to order at 10.50 a.m.

PREPARATIONS FOR THE THIRD PROGRAMMING CYCLE, 1982-1986 (continued) (DP/425;  
DP/GC/FEB.80/CRP.1)

1. Mr. ALBORNOZ (Ecuador), speaking on behalf of the group of Latin American States, said that the preparations for the third cycle involved important factors which could have a decisive effect on the stability and growth of the Programme. Latin America was encouraged by the introductory statement of the Administrator, who had done so much to extricate the Programme from its financial difficulties and to preserve its essential character.
2. In order to enable the Programme to respond to the growing needs of the developing countries and constant inflationary pressures, all countries, rich and poor, must maintain an average annual growth rate of 14 per cent in voluntary contributions. The contributions, made in convertible currencies, should be increased until all countries reached the 0.7 per cent target recommended by the General Assembly. The process had tangible benefits both for the donor countries and for the recipient countries.
3. The Latin American countries had made the largest increases in their contributions to the Programme. Ecuador had increased its contribution by 30 per cent in 1978 and by 14 per cent in 1980. It continued to cover its share of local costs, which represented an appreciable voluntary contribution. Several countries of the region were voluntarily moving towards net-contributor status, which had already been attained by Venezuela.
4. It was essential to uphold the three guiding principles of the Programme, namely, universality, voluntary participation and technical co-operation. According to the principle of universality, all Member States were eligible to participate in the Programme and were free to decide, without external pressure, when to join or withdraw from the system. In that connexion, the cut-off approach would be contrary to the spirit of the Charter and unacceptable to the international community. The voluntary nature of the Programme derived from the principle of universality. In joining the system, a country had to demonstrate its interest through the appropriate formulation of projects whose sum total was a valid indicator of its requirements for international technical assistance and its project-assimilation capacity. The level of expenditure of allocations was an indication of the degree of development, a factor which should be taken into account in decisions concerning allocations.
5. The emphasis on technical co-operation meant that UNDP was not designed to be an aid programme directly tackling the problems of under-development. It helped countries to help themselves, attain a level of self-reliance and cease to be a burden on the international community. It was therefore wrong, unfair and unrealistic to apply a population criterion to allocations of a technical character.

(Mr. Albornoz, Ecuador)

6. In the light of uneven income distribution and other factors, including population growth, the Latin American States had advocated in 1979 that 68 per cent of UNDP's resources should be allocated to countries with a per capita GNP of less than \$500 per annum. The Administrator had suggested 75 per cent for the lower-income countries and 25 per cent for the remaining 85 developing countries. That had failed to satisfy those advocating a virtual exclusion of countries with a per capita GNP above a certain level. They had requested the channelling of at least 85 per cent of total country IPF resources to countries with a per capita GNP of less than \$500 in 1978-1979 (DP/GC/XXVI/CRP.9, para. 2 (d)). The consensus reached at the twenty-sixth session of the Governing Council had been that 79 per cent of the total amount of country IPFs should be allocated to Group I (countries with up to \$250 per capita) and Group II (countries with above \$250 and up to \$500) (DP/GC/XXVI/CRP.30, paras. 1 and 2). The remaining 21 per cent would be allocated to countries with more than \$500. Whereas the Latin American countries had had their IPFs frozen between the first and second cycles, the countries of Group I had had their first-cycle allocations quadrupled or even quintupled. According to current projections, the IPFs for India, Bangladesh and Burma for the third cycle would be \$442 million, while the total for the 39 countries of Latin America would be \$432.7 million. All countries, rich and poor, wanted UNDP to remain an effective, universal and expanding programme promoting development and believed that the lower-income countries and the countries with the greatest needs should receive much more than the others. It was important, however, not to discriminate among participating countries. Every effort should be made to ensure that countries which managed to attain a higher level of development were not penalized for their efforts and that the higher-income developing countries increased their contributions and attained net-contributor status as soon as possible.

7. In Latin America, UNDP inputs played a seed-capital role in promoting national counterpart expenditure of up to \$10 for every UNDP dollar. The Latin American States hoped that all developing countries would join forces in supporting UNDP and entering the third cycle in an exemplary spirit of co-operation.

8. Mr. BAUCHARD (France) said that while the 14 per cent target for the average annual growth in contributions to UNDP did appear reasonable, the statements made by a number of donor countries at the twenty-sixth session of the Governing Council gave some reason for caution, particularly after the disappointing results of the 1979 United Nations Pledging Conference for Development Activities. It appeared that contributions for 1980 would increase by about 5 per cent over those for 1979. France, however, would observe the target set by the General Assembly. In 1980 it would contribute to UNDP 105 million francs, the equivalent, at current exchange rates, of \$25 million. That represented an increase of more than 50 per cent over its contribution for 1979. His Government expected to increase its contribution by a similar percentage in 1981, thus doubling it within a two-year period.

9. With respect to the over-all allocation of resources among major cost categories, his delegation was satisfied with the distribution adopted for the second cycle, namely, 82 per cent for country IPFs and 18 per cent for intercountry

(Mr. Bauchard, France)

programming. It would not, however, oppose a consensus to increase slightly the allocation for intercountry programming, as recommended by the Administrator.

10. It would be unrealistic for the Council to seek to establish at the moment too detailed a method of country IPF calculation. Any method, however, must respect the principle of universality of the Programme, which must remain accessible to all countries wishing to call on its expertise and advisory potential. The basic objective was to ensure a redistribution of UNDP resources that would benefit the lower-income countries, particularly those with a per capita income of less than \$500 per annum. That did not necessarily mean an automatic cut-off point. Countries which could afford to do so should follow the example of those which were already paying all or part of the cost of the technical assistance they received from UNDP.

11. Other means to enable the lower-income countries to receive a greater share of UNDP resources must be considered. The ceiling should be established at a reasonable level, so that additional resources might be released for those countries. The proposal concerning the floor concept made by the representative of Japan was based on the economic realities of the donor countries and should be examined closely by the Council.

12. The basic criteria for IPF calculation should continue to be per capita GNP and population. It would be unwise to adopt criteria which were over-subjective or arbitrary or which might be interpreted as interference in the internal affairs of recipient countries. Only the least-developed-country concept should be used as a supplementary criterion.

13. Changes should be progressive, so that the financial position of individual countries with regard to UNDP would not be abruptly altered. While setting an ambitious target for the redistribution of resources for the benefit of the lower-income countries, the Council might also give close attention to the proposal to make the third cycle a period of transition.

14. Mr. PREUSS (Federal Republic of Germany) said that as far as the growth target for UNDP's third cycle was concerned, most of the calculations contained in document DP/425 were based on the assumption of a 14 per cent growth rate. Considering recent developments, especially the outcome of the 1979 United Nations Pledging Conference for Development Activities, his delegation was of the opinion that a more realistic planning figure for the cycle should be found. Otherwise the Programme for the cycle might lack credibility, with possibly negative consequences for the necessary fund-raising effort.

15. The proper selection of the relevant base period seemed as important as the anticipated growth rate itself. There again, considering the outcome of the Pledging Conference, it might be advisable to take a cautious approach. Calculations based on the latest annual pledges of contributions might therefore be used.

(Mr. Preuss, Federal Republic  
of Germany)

16. With respect to the allocation of future funds to different types of activities, his Government was interested in increased activities favouring co-operation among developing countries themselves, and it therefore hoped that UNDP would place an even higher priority on such co-operation. As to the allocation of future resources to individual countries, his Government's attitude was based on five principles. First, the basic concept of universality of the Programme should be retained and all countries should remain eligible for UNDP programmes. A high per capita income did not necessarily mean less demand for technical co-operation. Secondly, the lower-income countries should get a considerably higher share of funds than in the past. Using the same criterion for lower-income countries as the World Bank/IDA (\$600 at 1977 prices) would make for a greater unity of criteria among the different multilateral institutions. It was possible, however, that the discussion had already gone too far to allow a departure from the established \$500 criterion. Thirdly, while his Government was not enthusiastic about the floor concept, it did not think that it should be rejected out of hand. Nor did it consider it advisable to retain an inflation factor. Its main concern was a greater share, and consequently an increase in resources, for the lower-income countries. If by any chance, in view of the possible future size of the UNDP programme, the maintenance of the floor concept would endanger that aim, the usefulness of that concept should be reconsidered. Fourthly, his delegation was not in favour of a cut-off for higher-income countries, which might need technical assistance as much as countries with a low GNP. Since they were financially better off, however, they could well be expected to become net contributors to the Programme when they attained a given level of GNP. As an alternative to a cut-off, serious consideration should be given to that net-contributor concept, possibly with a transitional period, so that the change would not be too abrupt. Last, the present system, including supplementary criteria, should continue to be used in the establishment of individual country IPFs. Although his delegation realized that some of the current supplementary criteria created difficulties, that fact alone should not lead to their elimination for the third cycle. It would be very unfortunate if a criterion such as income distribution, so important in country IPF calculations, were neglected in a future cycle.

17. He reaffirmed his Government's view of UNDP as the central technical-assistance agency within the United Nations system.

18. Mr. MUHITH (Bangladesh) said that although his Government would have preferred a faster pace of resource growth, it accepted 14 per cent growth per annum as a realistic target for the third cycle and was confident that it would be realized. The distribution between country IPFs and the intercountry components in the third cycle should be at the same ratio as in the second cycle. His delegation would, however, be prepared to consider limited adjustments. It would also find it acceptable to work with the basic allocation criteria of population and per capita GNP of individual countries as published in the 1978 World Bank Atlas. That was particularly important for a timely calculation of the entitlement of individual countries.

(Mr. Muhith, Bangladesh)

19. His delegation found the Administrator's recommendation to limit the supplementary criteria for the determination of country IPFs for the third cycle entirely acceptable. No attempt should be made to go beyond the accepted categorization of countries. In that connexion, his delegation endorsed the 1:9 ratio of supplementary to basic criteria recommended in paragraph 58 of document DP/425 and the point system described in paragraphs 58 and 59. As to the adoption of a set of supplementary criteria for the allocation of regional IPFs, it felt that the consideration of literacy rate, availability of doctors and share of industries in the GNP seemed quite reasonable and acceptable.

20. The most important consideration was the determination of the share of country IPF resources allocated to countries with a per capita income below \$500. He reaffirmed his Government's view that 85 per cent of those resources should be so allocated. That share must be maintained as a fixed proportion of the total country IPFs irrespective of the amount mobilized. Efforts to reach a consensus on a specific percentage of country IPFs for those countries should be intensified.

21. His delegation strongly urged countries in a position to do so to become net contributors to the Programme. An effort of will in that area would make the issue of a cut-off point irrelevant. The representative of the Federal Republic of Germany had made some heartening comments in that connexion.

22. In conclusion, Bangladesh wished to remind the Council that efforts should be made to request pledges from donors in such a way as to prevent the accumulation of non-convertible currencies.

23. Mr. CHANMUGAM (Observer for Sri Lanka) said his delegation supported the Administrator's recommendation that the target for the annual growth rate in UNDP resources should be set at 14 per cent, which was 6 or 7 per cent in real terms. Any cutback in that rate would have adverse effects on the programmes, particularly those of low-income countries. His delegation endorsed the basic and supplementary criteria to be used in the allocation of country IPFs and the proposal that the World Bank figures for 1978 should be used to determine GNP and population factors. It favoured abandoning the floor criterion, so as to make \$200 to \$400 million available for countries with a per capita GNP of less than \$500. Retention of the floor criterion would result in the perpetuation of an inequitable and outdated principle. In order to make more resources available to the low-income countries, his delegation suggested introducing a cut-off point in per capita GNP, perhaps \$1,500 above which a country would not have access to the IPF system. Naturally, provision should be made for ongoing projects in such countries to be completed.

24. He asked the Administrator to work out the individual country IPFs on the indicated basis and to make the figures available to the Council. Those figures would clearly illustrate the distortion that had resulted from the application of the floor principle and would help the Council to decide on a more equitable way of distributing resources. If that information could not be provided within a day or two, his delegation would support the proposal to allocate 85 per cent of the resources to countries with a per capita GNP of less than \$500.

25. Mr. SEBURYAMO (Observer for Burundi) said that Council members should begin expanded informal consultations as soon as possible. It was high time to put clear proposals before the Council, as a basis for negotiations.

26. His delegation found acceptable the basic criteria of per capita GNP and population. The Council's recommendations should take into account the principle of equity and should be based on the information contained in the note by the Administrator (DP/425). In view of the uncertainty about the Programme's resources for the third cycle, such recommendations should be formulated flexibly, so as to enable the Administrator to apply the principle of equity.

27. Particular care should be taken in determining the percentage of resources to be allocated to the poorer countries. Moreover, given the general feeling, reflected at several recent conferences, that such countries should receive preferential treatment, that percentage should be substantially larger than the figure envisaged at the Council's twenty-sixth session.

28. The Council should also consider other supplementary criteria which would ensure preference for the least developed countries land-locked and island developing countries, countries that had recently attained their national independence, countries with a low literacy rate and others. His delegation believed that the allocation of regional IPFs would tend to follow the pattern of the allocation of the country IPFs, particularly after agreement was reached on the supplementary criteria to be used.

29. Last, he stressed the need for Council recommendation in such a way that would enable the Administrator to make adjustments in allocations if the Programme's actual resources for the third cycle fell short of the 14 per cent target; in any event it should be made clear that such a shortfall should not affect the share given to the poorer countries.

30. Mr. VARGAS BURGERA (Observer for Venezuela) said that the results achieved at the Special Meeting would, to a large extent, determine the future of international co-operation for development. The documents before the Council were an important contribution to preparations for the third programming cycle, particularly with respect to the proposals regarding the allocation of IPFs. While his delegation endorsed the methodology proposed for calculating IPFs (the basic criteria, which were per capita GNP and population, and the supplementary criteria), it believed that too much weight was being given to the basic criteria. Moreover, it believed that supplementary criteria should not be applied equally to all countries. Each country had its own developmental characteristics, its own problems and limitations, and therefore the relative weight of each supplementary criterion should be calculated carefully in each case.

31. His delegation endorsed the general position of the Latin American Group to the effect that countries that had the least should receive the most and that more than 75 per cent of available resources should be allocated to countries with a per capita GNP of less than \$500. It was difficult to allocate equitably the resources administered by UNDP, and new formulae should be worked out to help countries whose development situation was critical. More important than the

(Mr. Vargas Burgera, Observer for Venezuela)

allocation of UNDP resources to such countries was a better co-ordination of the efforts and financial resources provided by international development agencies.

32. His delegation felt that the proposals to establish a ceiling and a cut-off point ran counter to the principle of universality and were therefore unacceptable.

33. Whatever formula was adopted should take the proposals contained in document DP/GC/XXVI/CRP.30 as its starting-point and should be based on the general principles of the Consensus of 1970. At the same time, it was of the utmost importance that there should be a substantial increase in real terms in the Programme's resources. The minimum target of a 14 per cent increase in voluntary contributions would be barely sufficient to enable UNDP to continue its activities at the present level.

34. Observing that country programmes were based upon individual countries' development programmes and priorities, he informed the Council that his Government was currently preparing its development strategy for the 1980s. That strategy was aimed at achieving participatory democracy, greater equality, greater national autonomy and greater economic efficiency. The Government's main goal was to eradicate extreme poverty within the next 10 years; to do that, it would need co-operation from the various agencies of the United Nations system, and particularly from UNDP.

35. His Government had demonstrated its sincere desire to co-operate by becoming a net contributor to UNDP in 1977 and by devoting 8 per cent of its IPF to covering its programme costs. It was now considering ways of increasing its contribution to the Programme. In that connexion, he appealed to countries which were in a position to do so to increase their contributions to the Programme.

36. In conclusion, he expressed concern at the persistent tendency among some developing countries to call ever more insistently for the introduction of selective criteria which were not consistent with the principle of international solidarity. He did not wish to read any hidden intent into such efforts and indeed believed that the adoption of a positive attitude would help to create a more propitious climate for the global negotiations on international economic co-operation which were scheduled to start during the next few months.

37. Mr. ASRANI (Observer for India) said that his delegation was in favour of retaining 14 per cent as the target annual growth rate in contributions to UNDP during the third cycle. Consideration should be given to the adjustments that would be necessary should actual contributions fall short of or exceed that target. In that connexion, his delegation would support the suggestion made by the representative of Japan to the effect that any adjustments should be made on a pro rata basis in all IPFs.

38. At the twenty-sixth session of the Council his delegation had favoured allocating at least 82 per cent of total IPFs to country programming; however, in view of the arguments it had heard since then in favour of regional and other intercountry projects which could become vehicles for technical co-operation among



(Mr. Asrani, Observer for India)

developing countries, it would be prepared to go along with whatever consensus emerged on the subject.

39. His delegation was heartened to note that almost every delegation had spoken in favour of progressivity, that is to say, the principle that a greater proportion of the total IPFs should go to the more disadvantaged countries. If progressivity was the aim, his delegation saw no need to retain the floor concept, which was quite contrary to the principle of progressivity. The ceiling concept could be discarded also, and the functional relationship of per capita GNP and IPF weight should be adjusted so as to give a minimal amount to the countries at the upper end of the income scale. While his delegation favoured the principle of universality, it could understand the problem of donor Governments, which had to explain to their peoples why some countries with a per capita GNP of thousands of dollars should receive UNDP assistance. The Council should appeal to the upper-income countries to relinquish their IPFs voluntarily to become net contributors, or to declare their decision to spend their entire IPFs on activities relating to technical co-operation among developing countries. In his delegation's view, no cut-off point should be adopted as yet. If the upper-income countries failed to respond to the Council's appeal by the twenty-seventh session, the question of a cut-off could be reconsidered.

40. India felt justified in asking the upper-income countries to make such a sacrifice. He drew attention to annex I of the note by the Administrator (DP/425), which gave the relationship between population and IPF weight and showed that for every million inhabitants beyond 100 million the weight went down to the minuscule figure of 0.0035 unit. That meant that 544 million of India's 644 million people virtually did not exist as far as UNDP calculations were concerned. While his delegation did not intend to upset the calculations at the present stage, it wished to put on record its view that the existing formula relating to population was less than fair, since a country with less than half a million people might get an IPF of \$20 per capita while a country such as India might get less than 30 cents per capita.

41. His delegation agreed with the list of supplementary criteria suggested for adoption in paragraph 57 of the note by the Administrator.

42. Last, noting that the views of Council members regarding the future financing of UNDP and the allocation of its resources were not totally irreconcilable, he called on delegations to be objective and open-minded during the negotiations, so that existing differences might be resolved.

43. Mrs. MENA (Cuba) said that her delegation endorsed the target average annual growth rate of 14 per cent in UNDP's resources suggested in the note by the Administrator (DP/425). Unless that target was achieved, the Programme would not be able to meet the growing needs of the developing countries.

44. With regard to the allocation of resources during the third cycle, her delegation agreed that the basic criteria should be population and per capita GNP but believed that supplementary criteria - specifically, the magnitude of

(Mrs. Mena, Cuba)

a country's development effort and the low price of its main export products - should also be taken into account. Consideration should also be given to the inflation factor, high external indebtedness, high unemployment and illiteracy, low levels of public health services and other indicators of growing under-development in a number of countries receiving UNDP assistance.

45. Her delegation had on many occasions expressed its whole-hearted support for the Consensus of 1970, particularly for the principle of universality. Accordingly, it strongly opposed any proposal to establish a ceiling or a cut-off point. It was absurd to claim that because a country had a per capita GNP of \$1,000, or even \$3,000, it was a developed country and did not require UNDP assistance. A country's level of development should be measured by its ability to generate steady and self-sustained economic growth.

46. Her delegation was pleased to see that the documents before the Council reflected the agreements reached at its twenty-sixth session. In particular, it welcomed the proposal that countries which were relatively less developed should be allocated a larger share of resources in the third cycle. Indeed, the note by the Administrator (DP/425) took account of the proposals made by the Group of 77 in document DP/GC/XXVI/CRP.30, and her delegation strongly supported it. In that connexion, she expressed the belief that in the third cycle the ratio of country IPFs to intercountry IPFs should be 82 to 18.

47. However, the Programme's success depended not on a redistribution of its resources but on the over-all increase of its resources. Accordingly, she announced that in 1980 her Government's contribution would come to 508,281 pesos, up 14 per cent from the preceding year; 488,281 pesos would be in the form of a voluntary contribution to UNDP, and 20,000 pesos would go to the United Nations Capital Development Fund.

48. Last, she expressed the hope that UNDP would continue to serve as the central co-ordinator of technical co-operation activities.

49. Mr. KANE (Senegal) recalled that document DP/GC/XXVI/CRP.30 had been submitted in June 1979 by the Group of 77 as a working document synthesizing a number of previous documents and embodying calculations carried out for IPFs in order to give the Council a provisional idea of what allocations countries could expect. Negotiations to draw up new documents were still in progress but those documents could not yet be considered definitive. The draft decisions to be presented at the afternoon meeting should be regarded as a working document drawn up by the countries concerned.

50. The Administrator's proposal that the 14 per cent growth in resources should be retained for the third cycle had met with a mixed response from the donor countries, some considering it a realistic figure, while others felt that the current situation justified a different view. His delegation saw the figure of 14 per cent as at best a minimum which was inadequate for the technical-assistance needs of the developing countries. According to the calculations given by the Administrator in document DP/425, the rate of real growth in contributions to UNDP

(Mr. Kane, Senegal)

over the past eight years had been approximately 6 per cent, and that low rate was liable to decline still further even if the nominal figure of 14 per cent in growth was achieved. Obviously, it would be the poorest countries which would suffer from that decline in real resources. It should be borne in mind that many of the richer countries still did not allocate 0.7 per cent of their GNP to development assistance, and the results of the recent pledging conference, in which some major donor countries had failed to pledge substantial contributions, had not been encouraging.

51. His delegation agreed with the view that if UNDP was to achieve its goals, the burden of contributions must not be left solely to a small number of donor countries. It was essential that other countries, particularly the petroleum-exporting countries, should become net contributors. Furthermore, the net contributors and other recipient countries must endeavour to make their contributions in convertible currencies, since it was especially distressing to see amounts of money left unused at a time when the Programme did not have adequate resources. His delegation felt that the Administrator should examine that question in depth and report to the Council at its next session.

52. With respect to the allocation of resources during the third cycle, he believed that the Council should continue to use the criteria previously established but that those criteria should be applied in such a way as to take into account the new situations which had arisen, particularly in the most impoverished countries. Those criteria must, of course, conform to the principle of universality and also to the principle of allocating the largest share of UNDP's resources to the poorest countries, that is to say, those with a per capita income less than \$500.

53. His delegation favoured an increase in regional, subregional and global IPFs to 19 per cent. Although the General Assembly, in its resolution 2688 (XXV), had decided that at least 82 per cent of the net resources available each year would be set aside for country programming and at most 18 per cent for intercountry programming, those figures were not irrevocably fixed and could be reviewed by the Governing Council. His delegation believed that the Council should consider the matter with an open mind and with due regard to the Administrator's proposals.

54. In Africa, where many regional and subregional co-operative organizations had been established, the value of sing the regional IPFs could be appreciated. Such regional co-operative experiments as the West African Rice Development Association (WARDA) should be encouraged by the international community as an example of technical co-operation between developing countries.

55. The Council could authorize the Administrator to consider the possibility of opening a new channel through which regional IPFs that had not been used up by the end of the cycle could be utilized in sectors of common interest in the same region or in other regions during a subsequent cycle.

56. With respect to the allocation of country IPFs, his delegation was entirely in favour of the principle of increasing the share of the IPFs allocated to countries

(Mr. Kane, Senegal)

with per capita GNP of less than \$500. Those were the countries most vulnerable to the effects of the economic depression and were therefore most in need of a real increase in the resources provided through technical assistance. For that reason, Senegal believed that at least four fifths of the country IPF resources should be allocated to those countries. In his delegation's view, population and per capita GNP should be retained as the basic criteria in allocating country IPFs. At the same time, it was clear that the supplementary criteria were playing a more significant role in IPF calculations. Those criteria must be easily measurable and objective and must take into account the relevant recommendations of the General Assembly. In particular, they should cover the least developed countries, land-locked countries, island developing countries, countries with ecological and geographical disadvantages, countries regarded as "most seriously affected" and newly independent countries. Any other criteria would be very difficult to measure and therefore open to subjective judgements.

57. The floor which the Administrator had proposed retaining for the calculation of IPFs in the third cycle must not give precedence to the principle of continuity over that of progressivity, and its application should not lead to a decrease in the share of the resources allocated to countries with a per capita income less than \$500. Similarly, the 20 per cent adjustment for inflation which the Administrator intended to apply in calculating the IPFs of certain countries must not be made at the expense of the IPFs of the poorest countries.

58. The ceiling criterion had been seen by some members of the Council as contravening the principles of universality and equity. His delegation felt, however, that application of that criterion did not imply the exclusion of any particular country from the Programme; rather, it was a way of making more resources available for the neediest countries. The ideal solution would obviously be an increase in the number of net contributors, and countries with a higher per capita income should therefore increase their contributions and become net contributors. His delegation welcomed the fact that some developing countries had agreed to forego their IPFs.

59. Lastly, his country agreed that 1978 should be kept as a reference base for the statistics used in calculating IPFs.

60. Mr. CHANDLER (Observer for Barbados) said that the voluntary nature of UNDP and the universality of its membership were basic features of the Programme, and his delegation hoped that they would be maintained.

61. The central issue before the Special Meeting was that of IPF allocations. His delegation wished to stress its continuing belief in and support for the principle that a major part of UNDP resources to be allocated to individual countries should be assigned to the poorest and least developed among the developing countries. Although that classification currently meant countries with less than \$500 per capita GNP, they were not the only ones in desperate need of technical assistance. A sufficiently large share of available UNDP resources should also be allocated to countries just above the \$500 mark and to those which, although they

(Mr. Chandler, Observer for Barbados)

had a relatively high per capita GNP level, found it extremely difficult to obtain funds for vital technical assistance.

62. Document DP/GC/XXVI/CRP.30 submitted by the Group of 77 at the preceding session of the Governing Council, had recommended specific percentages of available resources to be allocated to the countries below \$500 and to those above that mark. His delegation considered that recommendation a reasonable one and hoped that during the forthcoming negotiations all groups would be in a position to accept it.

63. The question of introducing a cut-off point in calculating country IPFs had been discussed during debates of the Governing Council. Although some countries had readily supported that idea, his delegation could not accept the proposal for a cut-off as a criterion for the distribution of UNDP resources among countries. Such acceptance would deprive some participating countries of UNDP technical assistance and would undermine the essential voluntary nature of participation in the Programme and the universality of its membership. However, his delegation did believe that participating countries which felt that they had reached a stage in their development which would permit them to forego their IPF allocation should be encouraged to take such action in the interest of making more resources available to less fortunate recipient countries. At the same time, no country should be deprived of UNDP technical assistance merely because it had a relatively large per capita GNP.

64. His delegation had carefully noted the Administrator's comments on his experience in trying to apply the supplementary criteria for calculating country IPFs in the second cycle. It believed that there was some scope for improvement in the current list of supplementary criteria, but it could not accept the suggestion that the list should simply be the one contained in document DP/377. It based its views on the context in which the supplementary criteria had been established - the need to broaden the basis for achieving an equitable allocation of resources among recipient countries. He therefore hoped that the Council would clearly take that point into consideration during its negotiations on the issue.

65. Mr. ALVAREZ SOBERANIS (Mexico) said that, within the United Nations system, UNDP was a model of efficiency in carrying out its complex and urgent tasks. His delegation was satisfied with the successes achieved so far but recognized that much remained to be done in the field of international technical co-operation.

66. As a developing country and a member of the Group of 77, Mexico was participating in the developing countries' struggle to gain full access to the resources human beings needed for their personal development. It attached particular importance to technical co-operation through organizations such as UNDP as one input which could be used by developing countries to accelerate the development process. It was essential that no country should be excluded from such assistance, and his delegation therefore wished to reaffirm its support for the principle of universality of UNDP membership.

(Mr. Alvarez Soberanis, Mexico)

67. With that principle in mind, his delegation had consistently called for a major change in the formula used to calculate country IPFs in order to ensure that a greater proportion of available financial resources was allocated to those countries whose difficulties were not fully reflected by their per capita income. Although it had accepted the present basic criteria, it was convinced that so long as there was no appropriate formula incorporating macroeconomic and social criteria which would give an objective indication of each country's state of development, the current criteria of population and per capita income might well prove to be misleading. An arbitrarily chosen income figure could misrepresent the true situation, since prices were rising sharply and steadily. His delegation therefore opposed any discriminatory proposals for a cut-off or a ceiling.

68. With regard to the growth of the Programme, his delegation had noted with grave concern the possibility that some members of the Council might reduce the percentage of their contributions. It regarded a growth rate of 14 per cent as the minimum target to be achieved in the course of the third cycle.

69. Lastly, Mexico agreed that the criterion of proportionality must be applied to allocations in order to give maximum support to the countries most in need of assistance. That factor too, however, must be subject to certain limits, and his delegation favoured the forms of equitable allocation specified in document DP/GC/XXVI/CRP.30.

70. Mr. SCHMID (Austria) observed that some delegations had expressed the view that the 14 per cent growth target for voluntary contributions to the Programme might no longer be a very realistic one, given the over-all size of the Programme and the outlook for the world economy. Austria was fully aware, however, of the need to assure a sound financial basis for UNDP, which remained the key technical-assistance organ within the United Nations system. His Government would therefore make every effort to continue to increase its annual contributions to UNDP in order to help attain the target of 14 per cent aggregate growth proposed by the Administrator.

71. He expressed again his delegation's concern at the fact that a relatively small number of countries contributed the bulk of UNDP's resources. Notwithstanding the voluntary nature of the Programme, that pattern should be changed so that UNDP's financial base could be broadened and its continuous growth ensured.

72. While his delegation supported in principle the maintenance of the current general framework for the establishment of individual country IPFs for the third cycle, it would also support some changes in the allocation of country IPFs. Even though the criteria applied in that field would never attain an absolute measure of justice and equity, it was only fair that the bulk of UNDP's resources should be directed towards the more disadvantaged among the developing countries. The present allocation of country IPFs already reflected that concern, but there was still a long way to go in shifting additional resources to meet the needs of countries with a per capita GNP of less than \$500 per annum.

(Mr. Schmid, Austria)

73. He stressed the importance of the continued universality of UNDP. All developing countries wishing to do so should be able to turn to the Programme. His delegation therefore doubted the wisdom of cutting off countries above a certain ceiling. At the present time such a sudden and premature withdrawal of UNDP inputs into national development efforts might have serious repercussions which the resulting savings would not justify. There was, however, merit in the argument that countries at a more advanced stage of development should have their IPFs gradually decreased and should increase the level of their contributions, becoming in due course net contributors to the Programme.

74. Population and per capita GNP had proved to be useful criteria in determining country IPFs and should be maintained. Although supplementary criteria could not be excluded and should continue to play their role, they should be kept as clearly defined, objective and uncontroversial as possible.

The meeting rose at 1.05 p.m.

