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

SUMMARY RECORD OF THE 674th MEETING

Held at Headquarters, New York,  
on Wednesday, 20 February 1980, at 3 p.m.

President: Mr. VUNIBOBO (Fiji)

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The meeting was called to order at 4.30 p.m.

PREPARATIONS FOR THE THIRD PROGRAMMING CYCLE, 1982-1986 (continued)

1. Mr. LINDORES (Canada), speaking as Chairman of the informal working group, read out a draft decision which had been prepared after lengthy consultations in the informal working group:

"The Governing Council,

"Recalling its decision 79/23,

"1. Requests the Administrator to provide calculations on the basis of CRP.4 as submitted by a group of countries;

"2. Further requests the Administrator to provide calculations on the basis of requests submitted by some countries at the Special Meeting of the Governing Council as contained in CRP.6; and

"3. Decides to continue negotiations on guidelines for the third cycle at the twenty-seventh session of the Governing Council in June 1980 on the basis of CRP.4 and the calculations referred to above."

The informal working group had also decided that the eight proposals now in the annex to document DP/GC/FEB.80/CRP.5 would be removed from that document and incorporated into a new document DP/GC/FEB.80/CRP.6, which would also contain a foot-note indicating that the requests for further calculations, as contained in DP/GC/FEB.80/CRP.6, had been submitted by the representatives of Canada, the Federal Republic of Germany, Japan, Sweden, the United Kingdom and the United States and that the requests for such additional calculations did not necessarily imply in any way the final positions of those six Governments on the question of guidelines for the third programming cycle.

2. The PRESIDENT said that if there was no objection, he would take it that the Council wished to adopt the draft decision prepared by the informal working group.

3. It was so decided.

4. Mr. SAMASSEKOU (Observer for Mali) said many delegations had stressed that special attention should be given to the least developed countries and to other countries with well-known special needs. The developing countries expected that UNDP's resources would be increased substantially and that the target of 14 per cent annual resource growth would be reached. Furthermore, a more just system of distributing the Programme's resources must be worked out. In that connexion, his delegation supported a figure of 81 per cent for allocation to country IPFs, with the remaining 19 per cent allocated to regional IPFs. Of the amount allocated to country IPFs, 85 per cent should be devoted to developing countries whose annual per capita GNP was below \$500. Furthermore, countries

(Mr. Samassekou, Observer, Mali)

whose annual per capita GNP was over \$1,500 should receive only technical assistance from the Programme. The IPFs of countries whose annual per capita GNP was over \$1,000 should not be changed. The particular situation of certain countries should be taken into account in calculating their IPFs, with supplementary criteria to be used as appropriate. In that connexion, he drew attention to the drought from which the countries of his region were still suffering. However, despite the difficulties experienced by his country, his Government would make a contribution of 10 million Malian francs to the development activities of the Programme. In conclusion, he said that his delegation supported the action taken by the Council with regard to assistance to Nicaragua, Equatorial Guinea and Zimbabwe.

5. Mr. BODDENS-HOSANG (Netherlands) said that his delegation had joined in the consensus on the draft decision just adopted by the Council, but it would have preferred making no reference in the decision to geographical or other groups, since, by tradition, the Council had always worked collectively without making distinctions between groups of countries. It was also his delegation's understanding that a consensus had been reached on the preparations for the third cycle and that when the matter was dealt with again at the coming twenty-seventh session of the Council in June 1980, there would not be another general debate on the subject.

6. Mr. SIOSTRONEK (Czechoslovakia) stressed the importance of the principles of voluntary contributions and the universality of the Programme. UNDP should seek to increase its flexibility and effectiveness, making maximum use of all resources, including contributions in non-convertible currencies. The universality of the Programme should be borne in mind when dealing with contributions and the provision of technical assistance. Moreover, the Programme should use the statistical data provided to the United Nations by Member States; the data of the World Bank, of which his country was not a member, were not acceptable to his delegation. In conclusion, he stressed that the Council must always act by consensus.

7. Mr. FREYBERG (Poland) said that his country did not wish the basis for calculations to be limited to World Bank data, since it was not a member of that organization. Other data should be used, in particular those provided by countries to the United Nations Statistical Office.

8. Mr. FOX (United States) agreed with the representative of the Netherlands with regard to the reference to groups in the decision just adopted by the Council concerning preparations for the third cycle.

9. Mr. CHEN Xingnong (China) said that his delegation supported the decision just adopted by the Council, which was proof of the fact that through a spirit of understanding and co-operation, a consensus on important questions could be reached. His delegation hoped that document DP/GC/FEB.80/CRP.4 would serve as a basis for further discussion, so as to maintain the vitality of the Programme and meet the growing needs of developing countries. In connexion with the need for

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(Mr. Chen Xingnong, China)

additional resources, his delegation was pleased to note that some developed countries had announced their readiness to meet the goal of a 14 per cent annual growth rate in contributions; China would also make its contribution. With regard to the various calculations of country and regional IPFs, China believed that population and annual per capita GNP should serve as the basic criteria and a reasonable proportion between country and regional IPFs should be maintained. It was also necessary to meet the technical assistance needs of developing countries that had reached a higher stage of development.

10. Certain data appearing in Programme documents with regard to China were not accurate, but, in order to facilitate the Administration's preparation of preliminary calculations, his delegation would not make any objection at the present time. It was in the interest of all to work with the Administrator towards an equitable and reasonable solution of the problem of calculating IPFs.

11. Mr. ERDÖS (Observer for Hungary) said his delegation agreed with the statements made by the representatives of Czechoslovakia and Poland that calculations should not be based on the data provided by organizations of which their countries were not members. He drew attention to the statistical data provided to the United Nations by his Government.

12. Mr. FESSENKO (Union of Soviet Socialist Republics) said that UNDP, as an international body devoted to technical assistance to developing countries, could be strengthened and improved only if all participants abided by the fundamental principles of universality and voluntariness. Each member had the right to hold and to defend its own particular views, but it should be remembered that the purpose of all proceedings in the Council was the adoption of mutually acceptable solutions in accordance with those two principles. Therefore, attempts to establish binding norms or criteria with regard to the volume or currency of contributions to the Programme, such as those referred to in paragraph 10 of document DP/GC/FEB.50/CRP.4, were inconsistent with those principles and thus were not in the interest of the organization as a whole. The Administration must be encouraged to use all available resources and to work to remove all of the largely artificial difficulties preventing the utilization of national currencies. The problem of calculating IPFs was delicate and complex. Countries seeking technical assistance were, of course, interested in having calculations based on an objective evaluation of all relevant factors. The Programme should therefore seek to develop a methodology which did not restrict criteria but sought, in a comprehensive manner, to take into account all relevant factors.

13. His delegation also wished to make an important comment with regard to the preparations for and the conduct of the current Special Meeting. Delegations must receive all relevant documents in good time so that they could study them. In that connexion, a violation of the established procedures had occurred on 14 February, when the Administration, quite unexpectedly, without consulting the Council and without preparing a document justifying its action, had departed from the agreed agenda and raised the question of an increase of \$15 million in the resources to be allocated to a particular country. A similar problem had arisen

(Mr. Fessenko, USSR)

with regard to the same country at the January 1979 session of the Council. It was important to remember that the Administration's proposal amounted to a doubling of that country's IPF, which was not in accordance with previous decisions taken by the Council, in particular decision 79/5 of 26 January 1979 to the effect that funds allocated to that country were not to exceed \$15 million and were not to exceed resources available at that time. Document DP/424 on limited borrowing from the third cycle indicated that loans to individual countries were not to exceed 20 per cent of the second-cycle IPFs of those countries. On that basis, \$3 million would be an appropriate figure for the country in question, rather than \$15 million. The Administration's statement introducing document DP/424 and the assistance increase in question constituted a revision of Council decision 79/5 without authority or justification. His delegation therefore wished to express its serious objection to such unacceptable - and, unfortunately, not isolated - departures from established practice in contravention of decisions already taken by the Council.

14. Mr. MORSE (Administrator) said that document DP/424 on transition measures to the third cycle and limited borrowing from the third cycle had been issued on 28 November 1979 and circulated to all delegations. The action recommended in paragraph 7 of that document and approved by the Council authorized the Administrator to borrow for individual countries amounts not to exceed 20 per cent of their second-cycle IPFs. The \$15 million referred to was less than 20 per cent of the IPF which the country in question would have received if the criteria applied to other countries had been applied to that country as well. It should be recalled that that country had not received an IPF during the second cycle but had benefited from a special allocation of \$15 million approved by the Council.

15. He had scrupulously sought to keep the Council fully informed of all procedures and had at no time taken or pretended to take a decision with regard to the IPF of any country, which was the exclusive prerogative of the Council.

MATTERS ARISING FROM ACTION TAKEN BY THE GENERAL ASSEMBLY AT ITS THIRTY-FOURTH SESSION

(a) Assistance to Nicaragua (continued)

16. Mr. BROWN (Deputy Administrator) said that, following consultations with a number of delegations, the Administration proposed to amend subparagraph (c) of the Administrator's recommendation (DP/427, para. 10) to read as follows: "Approve, as an exceptional measure, the borrowing of \$3 million against Nicaragua's third cycle IPF for technical co-operation activities to be undertaken in 1980-1981 and decide to review the situation at the twenty-seventh session of the Council." It was the Administration's understanding that the decision was without prejudice to any decisions which the Council might take in June 1980 regarding the criteria for the awarding of post-disaster relief. If the Council took such a decision, it would determine whether any amount so approved for Nicaragua would be set off against the borrowing.

17. The CHAIRMAN said that if there was no objection, he would take it that the Council wished to accept the Administrator's recommendation.

18. It was so decided.

19. Mr. ALBORNOZ (Ecuador) said that he was gratified at the adoption of the Administrator's recommendation and at the fact that it was without prejudice to such decisions as the Council might take in June.

20. Mr. BENDAÑA (Observer for Nicaragua) expressed appreciation for the constructive spirit in which the Council had discussed the implementation of General Assembly resolution 34/8 and for the allocation it had just approved. He also thanked those delegations which had supported his Government's cabled request, entirely consistent with General Assembly resolution 34/8, for additional assistance from the Programme Reserve. It was understandable that the Council, for procedural reasons and because it was engaged in negotiations regarding the preparations for the third programming cycle, had not been able to accede to that request. His delegation viewed the Council's decision not to use the Programme Reserve until it had established criteria on how it should be used to finance technical co-operation as an interim measure which was without prejudice to his delegation's right to ask the Council to review the implementation of General Assembly resolution 34/8 at its June session.

#### OTHER MATTERS

21. Mr. BOURGOIS (Secretary of the Committee) pointed out that, since it had been agreed that the Special Meeting should be devoted exclusively to the preparations for the third programming cycle and matters arising from action taken by the General Assembly which could not await the Council's regular session in June, it had not been possible to place on the agenda certain matters that required early consideration. Those matters included four projects to be implemented by the United Nations Revolving Fund for Natural Resources Exploration. Because of the climatic conditions in the countries concerned, postponing approval of the projects would mean postponing their implementation for a full year. Accordingly, it was proposed that the projects should be approved by correspondence.

22. Mr. FORNARI (Italy) said that although the procedure was somewhat unusual, his delegation had no objection to it. He asked what four projects were involved.

23. Mr. BOURGOIS (Secretary of the Committee) said that the projects were entitled "Mineral exploration in the Eastern Desert, Egypt," "Mineral exploration of two areas in Guyana," "Base and precious metal exploration on Samar, Philippines," and "Exploration of lateritic nickel deposits (Bonga Sector), Upper Volta,".

24. Mr. ALBORNOZ (Ecuador) said that his delegation whole-heartedly supported the proposed special procedure. It was his understanding that there was one Latin American project which could be considered. However, the present Special Meeting was not the time to discuss which projects should be included; that decision would be taken after countries had received the relevant documentation.

25. The PRESIDENT said that if there was no objection, he would take it that the Council wished to approve the special procedure.

26. It was so decided.

27. Mr. BOURGOIS (Secretary of the Committee) informed members that the twenty-seventh session of the Council would be held from 2 to 30 June and that the Administrative and Budgetary Committee would hold its first meeting on 29 May. Efforts would be made to avoid scheduling meetings of that Committee at the same time as the High Level Meeting on Technical Co-operation among Developing Countries. The item relating to the United Nations Fund for Population Activities would be considered on 16, 17 and 18 June.

28. Lastly, he pointed out that in order to conform to the General Assembly's requirement that reports of subsidiary bodies should not exceed 32 pages, the Council's report would have to be radically changed and confined to listing the documents considered, making references to the summary records of meetings and to the text of the decisions which would have to be much shorter than in the past.

#### CLOSURE OF THE SPECIAL MEETING

29. The PRESIDENT said that, while recognizing the concern of the major donors regarding the need to direct a greater share of aid to the poorer countries, he had noted that no one had been anxious to speak of the capacity to absorb aid. It was not too far-fetched to assume that if some countries were not able to absorb all available aid, the donors might legitimately argue that they could decrease their level of official development assistance.

30. It appeared that in making the preparations for the third programming cycle, the Council was also laying the groundwork for the fourth cycle, and some delegations had expressed concern at the direction developments were taking. With regard to the observation made by several delegations to the effect that it was traditional for the Council not to operate in groups but to arrive at decisions by consensus, he pointed out that at the present Special Meeting it would have been impossible to reach a consensus without first narrowing the differences among the recipients. Documents DP/GC/FEB.80/CRP.4 and WP.1 were indicative of what could be achieved when people were patient and willing to compromise.

31. He hoped that the Council would be able to reach a firm decision at its twenty-seventh session without reopening those areas which had already been discussed at the present Special Meeting. In addition, he emphasized that in the attempts to help the poorest countries and to persuade the richer countries to opt out of the category of IPF recipients, it was important not to neglect those countries that fell in the middle.

32. He declared the Special Meeting on preparations for the third cycle, 1982-1986, closed.

The meeting rose at 5.45 p.m.

