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SUMMARY RECORD OF THE 19th MEETING

Held at the Palais des Nations, Geneva,
on Tuesday, 5 June 1990, at 10 a.m.

President: Mr. POPESCU (Romania)

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Programme implementation

(a) Annual report of the Administrator for 1989

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The meeting was called to order at 10.05 a.m.

PROGRAMME IMPLEMENTATION (agenda item 4)

1. The PRESIDENT, welcomed members to the high-level segment of the session. He greeted the youngest member of the Programme, the delegation of the Republic of Namibia, and extended congratulations to it on Namibia's accession to independence.
2. The current session of the Council was being held at a time of worsening economic and social situations in many developing countries. Every effort must therefore be made to help those countries, and especially the least developed countries, to meet their specific needs. The strengthening of operational activities for development, as set out in General Assembly resolution 44/211, was an important step towards that aim, a concrete response to the appeal contained in the declaration adopted by the General Assembly at its eighteenth special session. Forty years of multilateral technical co-operation, which the Council was to commemorate shortly, had amply demonstrated the valuable contribution to the development aspirations of developing countries. That vast experience must be applied, refined and made more effective in alleviating underdevelopment in the world.
3. It was the Council's solemn duty to act together during the current session, with the aim of adopting decisions which would enable the Programme to develop further its capacity to deal with the economic and social problems confronting developing countries. The decision on the fifth programming cycle would be an expression of the Council's willingness to give further support to the efforts made by recipient countries to overcome their economic difficulties. The recent open-ended informal consultations he had held in New York on preparations for the fifth programming cycle had indicated that a wide gap still existed between the stringent demands of the recipient countries and the resources needed to meet those demands. It had become clear that further negotiations were necessary without delay. The plight of developing nations was desperate. Their struggle for better living conditions must be borne in mind as the Council entered the 1990s. In that connection, he expected that generosity and enlightened support for multilateral co-operation would prevail.
4. With respect to the other important issues before the Council, he reminded members that, as provided for in decision 90/5, he had convened two open-ended consultations of members of the Programme in May 1990 in order to undertake further analysis of the report of the Group of Experts on Agency Support Costs, with a view to submitting recommendations for consideration by the Council. Those consultations had provided an opportunity for a useful exchange of ideas and facilitated suggestions for a new support cost arrangement. He would present his report at a subsequent meeting of the Council.
5. A concerted and joint effort by each member was required at the current time, when the Council was embarking on the fifth decade of multilateral technical co-operation for development. The responsibilities facing the Programme would be not only more demanding and more complex, but would require higher and more sustained levels of resources. He was confident that the Council's work would be guided by political goodwill, mutual responsibility and a strong reaffirmation of multilateralism.

(a) ANNUAL REPORT OF THE ADMINISTRATOR FOR 1989 (DP/1990/17 and Add.1-6)

6. Mr. DRAPER (Administrator, United Nations Development Programme) said that as the Council was meeting, the forces of freedom were being unleashed all over the world. The central message of recent changes in Eastern Europe and elsewhere was that people wished to control their own political and economic future. Stimulating the productive energies of peoples and encouraging their broader participation in economic life must become more central elements in international co-operation for development. Many societies were rediscovering the truth that allowing people to make their own choices was a crucial factor in all economic development.

7. There was more to development than the mere acquisition of material wealth. The choices available to people should include such crucial considerations as the prospect of a healthier and longer life, an education, personal security, and economic and political freedom. Providing for those choices was the challenge of the 1990s. Unless social choice was built into development efforts, an exciting moment in history would be lost. What was the value of hard work without the promise of a long and healthy life in which to enjoy its rewards? What did the world-wide upsurge of political and economic freedom mean if not an opportunity to have a say in developing one's own future? In order to help countries meet that challenge and make informed decisions, UNDP had taken a fresh look at familiar facts pertaining to the quality of people's lives. It was placing those facts at the disposal of policy-makers for any conclusions they might wish to draw, which was perhaps one of the best forms of technical co-operation.

8. He was therefore proud that UNDP had prepared the document Human Development Report, 1990 on the occasion of its fortieth anniversary. He did not expect every view expressed in the report to be shared by everyone, but he did believe that it was an objective and professional analysis of how economic growth translated - or failed to translate - into improving human lives. The report showed that the record of the past three decades was not one of economic decline in the developing world, but of significant human progress. Average life expectancy had increased by 16 years. Adult literacy had risen from 43 per cent to over 60 per cent. Average nutritional levels had improved by 20 per cent. Child mortality had dropped by half. North-South gaps in basic human development levels had narrowed considerably. While the South's average per capita income was still only 6 per cent of the North's, its life expectancy was 80 per cent and its literacy rate 66 per cent of the North's. In the past 30 years, developing countries had in several cases accomplished what the industrial world had taken nearly a century to achieve.

9. However, there was no room for complacency. Immense human deprivation persisted. One billion people lived in absolute poverty; 900 million had no education at all; and 14 million children died every year before the age of five. Properly chosen priorities in the use of national budgets and international assistance could help to overcome those problems. The report demonstrated that the budgets of most developing countries could accommodate additional amounts for human development by squeezing their expenditure on the military, on inefficient State enterprises, on unnecessary government controls and regulations, and on social subsidies which benefited only the rich.

10. The prospects for curtailing military expenditure had brightened in the 1990s, in both developed and developing countries. It was an astounding fact that between 1960 and 1990, the South's share of global military expenditure had grown from 7 per cent to 20 per cent. In many poor countries, military expenditure was currently two to three times expenditure on education and health. At a time when health systems were still deficient, many developing countries had eight times more soldiers than physicians. And, at a time when developing countries had so little hard currency, 75 per cent of the global arms trade, largely a cash business, was directed towards them.

11. The 1990s offered a unique opportunity to reorder budget priorities in the poorest countries as well as in the industrialized world. All possible pressure must be exerted to ensure that countries recognized the value of human development. The external environment must become more favourable if developing countries were to take the tough decisions required to restructure their own development priorities, which they alone could do. The cause of human development was not helped if external flows turned negative. In 1989, poor nations had transferred \$32 billion to rich nations. If the developing countries were to accelerate their economic and social advancement, those flows must turn positive in the 1990s. A satisfactory debt solution was at the heart of such positive transfers.

12. It did not help the cause if aid donors allocated less and less to the social sectors. The World Conference on Education for All had emphasized the need for Governments to restore and increase the education share of their budgetary expenditure. Between 1980 and 1990, the share of education and health had declined from 17 per cent of total official development assistance (ODA) to a mere 10 per cent. It did not help if, in giving aid, attention was not paid to protecting the interests of the weak, the vulnerable and the poor. If budget deficits were to be reduced, there should be a minimum threshold for essential expenditure on education, health and nutrition for the majority of the population. All other possibilities should be explored and exhausted before that essential expenditure was touched. One of the lessons of the adjustment crisis of the 1980s was that it was short-sighted to balance budgets by unbalancing the lives of the poor. That lesson should be heeded in the 1990s, for example, through such joint endeavours as the UNDP/World Bank/African Development Bank Project on the social dimensions of adjustment.

13. Virtually all African countries which had accepted structural adjustment programmes had met their part of the United Nations Programme of Action for African Economic Recovery and Development. Unfortunately, the majority of donor countries had not met their part of the compact, an unequal situation which had been exacerbated by the catastrophic decline in the prices of certain commodities. In the past decade, six countries - Equatorial Guinea, Ghana, Liberia, Nigeria, Sao Tome and Principe, and Zambia - had slipped from the middle-income to the low-income group. If UNDP was able to foster a rediscovery of traditional values, Africa could teach some useful lessons. African societies grew and flourished from the enterprising nature of the individual, at the village, town, province and national levels. Building on individuals and free enterprise would ensure that national capacities were strengthened. A major role of Governments must be to encourage that enterprising spirit. A smaller Government was synonymous with a better Government.

14. Present at the current meeting was the first Prime Minister of independent Namibia. UNDP welcomed Namibia as the 160th Member of the United Nations. Two and a half months previously, he had been privileged to witness the culmination of Namibia's struggle for freedom and independence. The intensity of the struggle throughout the revolutionary stage and during the elections reflected the enterprising spirit to which he had referred. As Namibia moved towards a unified society, all members must devote their energies and resources to ensuring that the development aspirations of the Namibian people were fully satisfied.
15. With regard to the forthcoming Second United Nations Conference on the Least Developed Countries, he stressed the need to build national capacity. Over 80 per cent of UNDP's resources went to the low-income countries and 40 per cent to the least developed countries, the majority of which were in Africa. As stressed by the World Bank in its report on sub-Saharan Africa, it was time to take a serious approach to the question of measuring the effectiveness of technical co-operation in terms of national capacity-building and sustainable development.
16. There was wide-ranging agreement that sustainable-development strategies should meet the needs of the current generation without compromising those of future generations. Sustainable development included the maintenance of satisfactory economic growth rates and improved levels of human development. It also meant the ability to manage one's own affairs with the required operational capacity, something which UNDP could help to improve. With regard to any form of debt, the bills fell due in financial, human or environmental terms. A viable sustainable-development strategy should aim at limiting those debts. He stressed the need to formulate a basic approach to sustainable development in such a way as to unify the concerns of North and South.
17. Over the past year UNDP had been heavily engaged in assisting Governments in dealing with the causes of environmental degradation. Together, they had recognized that poverty was one of the greatest threats to the global environment. Many personal choices which degraded the environment, such as cutting down forests for fuelwood and farmland, were made in the developing countries because of the imperative of immediate survival, not for lack of concern about the future. Ninety per cent of Africa's energy came from fuelwood. Those facts should be remembered on Environment Day.
18. In order to help developing countries strengthen their national capacities to evaluate options and formulate sustainable-development strategies, UNDP had been instrumental in creating a Sustainable Development Network (SDN). Henceforth every development institution in a country would be identified. UNDP would then be ready to provide such institutions with technical assistance in order to increase their capacity to handle the environmental dimension as an integral part of their activities. Those country networks would then be linked through UNDP auspices with international information networks.
19. He was pleased to note that the United Nations Conference on Environment and Development had provided additional impetus and support to SDN. UNDP had been closely involved in the crucial preparations for the Conference because it had been recognized that the environmental issue must be included in the mainstream of the development process, in which women played a crucial role.

To facilitate co-operation at the country level, it had been agreed that the UNDP Resident Representative would serve as the representative of the Secretary-General of the Conference in his or her country of assignment.

20. Another major question claiming UNDP's attention in 1989 had been that of refugees and displaced persons. Throughout the 1980s, an unprecedented number of people had had to leave their homes and homelands. Fifteen million refugees and 14 million internally displaced persons were spread over 33 nations in the developing world and engaged in a daily battle for survival. UNDP had been active in assisting the reintegration of refugees and displaced persons in Afghanistan, Pakistan, Thailand, Central America and many parts of Africa. It was also supporting a programme of assistance to displaced persons, refugees and returnees in Central America. UNDP and the Office of the United Nations High Commissioner for Refugees (UNHCR) were devising a joint programme to ensure that durable solutions were found for refugees and returnees all over the world. In his opinion, such co-operation on that problem was crucial for world development.

21. The efficiency of UNDP's delivery system had received much attention in the Governing Council, the Economic and Social Council and the General Assembly, culminating in the adoption of Assembly resolution 44/211. There was a need for all concerned to work together to strengthen and revitalize the United Nations partnership system for technical co-operation.

22. With regard to the new support cost system which the Council was considering, the current system, which had been in place for over a decade, reimbursed the specialized agencies at a flat rate of 13 per cent on all expenditure incurred on UNDP-financed projects executed by those agencies. A major study had criticized the current system for being "volume-driven" and for having caused what some perceived as an erosion in the technical capacity of the agencies. It had recommended the establishment of a new system.

23. UNDP had been urged in many bodies to expand national execution, but limited success had so far been achieved. Universal standards needed to be adopted for national execution; otherwise, the commitment to such execution would remain rhetorical. He was convinced that a learning-by-doing approach served to achieve greater self-reliance, which was after all the ultimate objective of technical co-operation. It was against that background that he was making new proposals to the Council in order to make the collective delivery system more efficient and responsive. Three principal objectives underlay the proposals.

24. The first was to increase cost-effectiveness. Currently, the basic economic principle of comparative advantage was not applied. The agencies' comparative advantage was to provide technical expertise. In order to maximize that advantage, Governments must exercise their overall responsibility for management and control. Failure to respect comparative advantage in the past had produced distortions in the system that had led to what some perceived as an erosion in quality and, hence, in cost-effectiveness. It was clearly in the interests of all partners to identify arrangements that more fully exploited their comparative advantages.

25. The second objective was to provide technical co-operation in such a way that it directly enhanced national capacity. In response to many exhortations to build national capacity, UNDP had proposed a universal framework for all UNDP projects - namely, national execution - from the commencement of the fifth cycle. Appropriate management support for accountability must, of course, be provided. UNDP had distinguished national responsibility for execution from the process of implementation. Governments must be free to determine the elements of implementation arrangements, on the basis of the quality of services offered. The time had come to move away from administering projects out of Western capitals. Anything that could be administered locally should be so administered. No other approach was compatible with sustainable development.

26. The third objective was to strengthen the partnership between the agencies and UNDP. That partnership would fail if it was not competitive and responsive to the needs of developing countries. Reorienting the agencies to their technical roles provided the strongest possible assurance of revitalization of the system as a whole. He hoped that members would agree that it was time, on the occasion of UNDP's fortieth anniversary, to adopt measures which would improve the system.

27. Referring to the increasing demand for UNDP funds from the Programme's traditional recipients, he noted that new demands were arising continually. For example, the requirements of Eastern Europe deserved the Programme's attention, but they must not be fulfilled at the expense of poorer countries. If UNDP was to deliver programmes of exactly the same size in the fifth cycle as in the fourth cycle, it would need an increase of at least 10 per cent in its resource base. During the current year, the international community had demonstrated its generosity by its ninth replenishment of IDA resources, at a level that would permit an increase of 10 per cent per annum in capital assistance to poor countries. Unless technical assistance like that of UNDP kept pace with capital assistance like that of IDA, there would once again be a serious imbalance in the 1990s and investment in physical infrastructure would exceed the much-needed investment in human infrastructure. That must not be allowed to happen. He therefore looked forward to a decision by the Council providing sufficient resources for UNDP to do its job in the fifth cycle.

28. The decisions the Council took at the current session would be crucial for the future of UNDP. It must ensure that the Programme was prepared to meet the great challenges that would face it in the future. It must not be afraid to make the bold changes required in order to equip UNDP for the next decade, a decade of opportunity in which all people would be able to manage their own political and economic destiny.

29. Mr. HOCHLEITNER (Austria) said that in the past 40 years the world had witnessed historical and social developments that could not have been imagined at the turn of the century. The important contribution of the United Nations system to those changes was due, to a large extent, to the so-called "operational activities". The approach to technical co-operation itself had evolved, as the complexity of development issues had become more fully understood. There had always been a constant need to re-evaluate the approach, priorities and tools of technical co-operation. At the same time,

tried and proven methods had been retained. While it was aware that the system was not perfect, his Government was on the whole confident that it did operate with reasonable efficiency and that the results justified the international community's investment.

30. It must always be remembered that the ultimate objective of development co-operation was to provide adequate living conditions and a better life for human beings, particularly the poor and disadvantaged. His delegation therefore welcomed the Human Development Report, 1990, which represented a departure from the exclusively econometric point of view and reflected a more comprehensive understanding of the meaning of development. It looked forward to future editions, in which additional indicators could be introduced.

31. UNDP was conceived as the central funding body for all specialized agencies and organizations, a fundamental role to which his Government attached great importance. It believed that the division of labour between the various parts of the system was one of its strengths, allowing each agency to build and improve upon its own expertise, in close co-operation - rather than competition - with its sister agencies.

32. His Government welcomed and supported the growing emphasis on environmental preservation in the context of sustainable development. It saw no contradiction between economic and environmental objectives. The current state of the world's environment was fragile; that was an important factor which must be taken into account in any development planning. The United Nations system owed it to its constituency - practically all mankind - to adopt an extremely responsible and exemplary attitude on that issue. In all programmes and projects, the environmental side-effects must be routinely checked as a pre-condition for implementation. Environment-related projects, such as the cleaning-up of factories polluting rivers and lakes, must have first priority. His country supported all endeavours aimed at fostering international co-operation on the environment and looked forward to the Conference on Environment and Development in the hope that it would contribute to world-wide awareness of environmental issues.

33. One of the priorities in recent years had been the development of human resources, which meant strengthening the skills and capabilities of people in charge of dealing with the complexities of development. It also meant ensuring that existing human capacities were adequately used. Since the "human factor" was probably the most important single cause of the frequent failure of development efforts, his Government supported the emphasis on capacity-building and training. Continuous training should also be given priority within the United Nations itself. At the same time, it was not possible to expect miracles through that approach. Sometimes the best qualified candidate for a particular job might not be willing to do it because of financial and other conditions.

34. The Administrator's proposals relating to "national execution" seemed to reflect his belief that the developing countries as a whole had to reach the stage where they needed merely money and perhaps some minor managerial advice in order to implement any project. While a number of countries might have reached that level and many might have reached it in certain specific sectors, it appeared unduly optimistic to assume that such was the case all round. In

that context, his delegation would like to see the results of further studies on the assessment of national execution as it had existed over the past few years; those results could serve as a basis for further in-depth deliberations on the subject.

35. The question where national execution as conceived by the Administrator would leave the specialized agencies did not appear to concern UNDP. His delegation took the view that UNDP was one part of the United Nations system involved in development co-operation, while the specialized agencies made up the other. If UNDP failed to interact with the executing agencies, it would be at variance with the principle of partnership, which had to date been an intrinsic element of the relationship between the various institutions of the United Nations system.

36. The main question was how best to serve the development objectives of recipient countries. At present, the specialized agencies and UNDP offered them a wide range of services which had the benefit of expertise accumulated over many years. When a particular service was not available, subcontracting was always possible. Whether national administrations, already overburdened in many cases, would wish to shoulder the extra work, even if they received compensation in the form of support cost, remained to be seen. Nevertheless, his Government favoured the gradual expansion of the role of national execution, where the necessary conditions were met.

37. The question of successor arrangements for agency support costs had been examined in the excellent report of the Expert Group on that subject at the end of 1989 (DP/1990/9). In the subsequent consultations, however, the suggested options had been abandoned because they had not satisfied any of the parties concerned. It had also become clear during discussions that there was a need for a full picture of the financial implications of the new arrangement for agency support costs before a decision could be taken. His country was actively involved in the search for a viable solution, which must be approved by all the parties concerned, in particular UNDP and the specialized agencies.

38. With the approach of the fifth programme cycle, decisions must be taken on the system of allocation of IPFs, the continuation or elimination of the floor principle, and the distribution of available funds for regional, interregional and global programmes. The fourth cycle would not need to undergo major modifications. Allocations to the land-locked developing countries (LLDC) must be increased and global and interregional programmes enhanced, particularly in view of concern for protection of the environment.

39. Austria supported expanding co-operation between UNDP and UNHCR. The refugee problem was often a development issue too, in particular for those developing countries which, in addition to their own difficulties, were obliged to shelter large numbers of refugees. Large-scale repatriations to countries of origin likewise posed development challenges. That being the case, his delegation favoured an increased role for UNDP and the executing agencies in seeking lasting solutions to refugee problems.

40. Members had again received far too many documents to read and digest. Many of the documents could easily be merged with the Administrator's report, which would release secretariat capacity for other urgent tasks. His delegation appreciated the effort of the secretariat to send advance copies of

many documents to facilitate delegations' preparatory work. Unfortunately, many documents had not become available until the last few days before the beginning of the current session, which had made it difficult to give them the attention they deserved.

41. His Government supported the suggestion to establish a "Programme Committee" to replace the Committee of the Whole. It also wondered whether it might not be possible to find a less confrontational format for consultations that reflected the improved international political atmosphere.

42. Austria had always been a strong supporter of multilateral development co-operation and would continue its commitment to UNDP and the United Nations system as a whole. It would continue to participate in the Council's work in an active and constructive manner.

43. Mr. SHANNON (Canada) said that the Human Development Report, 1990 illustrated the central nature of population issues, and his delegation welcomed its sharp focus on the human element. The report stressed the need for more sophisticated measures of human well-being than the economic aggregates commonly employed. His delegation particularly welcomed the discussion of the choices open to Governments and the benefits of sustained and disciplined application of policies designed to promote human development. But important methodological questions still needed to be addressed.

44. As East-West tensions subsided and substance replaced posturing in the dialogue between developed and developing countries, the United Nations technical co-operation programmes had become more relevant than ever. UNDP should avail itself of the unique opportunity afforded by the convergence of political issues, in particular with regard to the fifth cycle, agency support costs and questions relating to the funding strategy, for imparting momentum to the reform process. When deciding on UNDP's future role, it was essential to recognize the interrelationship of distinct issues.

45. His delegation stressed the need for discipline so as to make the most of UNDP resources by spending money in areas where there was an advantage in multilateral financing, such as neutrality, or where there was a particular capacity that the United Nations system could offer. UNDP assistance must foster national capacities. Support for capacity for development management, including economic policy analysis and sustainable development, were particularly germane, because investments in those areas improved the quality and sustainability of wider development efforts financed from a variety of quarters.

46. Canada was concerned lest the effectiveness of technical co-operation should be undermined through dispersion in thousands of separate projects. A more programme-oriented approach was required, and Governments had a responsibility to help situate United Nations technical co-operation in the context of national programmes.

47. International co-operation included the transfer of capacity from the external environment to the national situation and thus excluded a central UNDP financing role for local goods and services. Nevertheless, indigenous capacities must be tapped more aggressively and external co-operation integrated into national activity so that it could be self-sustaining. It was in the context of development effectiveness that national execution was of

interest. If national execution promoted sustainability through greater national ownership of projects and programmes, it was worth exploring. Furthermore, more of the system's capacity must be decentralized to the country level in order to permit more substantive, co-ordinated and responsive support for national authorities.

48. The fourth-cycle decision had embodied a number of principles which should be developed further in the fifth cycle, in particular priority for the poorest and the idea of graduation for relatively better-off countries, while retaining universality of participation. In its development assistance, Canada targeted the poorest. His delegation therefore considered that, in the fifth cycle, the flow of resources to the poorest countries must be maintained. There was, however, no direct relationship between per capita income and the need for technical assistance.

49. His Government valued UNDP's universal scope. It was important that no developing region should feel left out of the Programme. UNDP was an integral element of the United Nations system for technical co-operation. Governments must assume responsibility for the management of their development programmes. The technical capacities of the United Nations system must be brought to bear to support the UNDP-financed programme. His Government attached the highest premium to quality and did not object to drawing upon expertise from any appropriate source.

50. At its thirty-seventh session, the Council would take decisions that would shape the course of UNDP for many years to come. His delegation was committed to contributing constructively to the discharge of the Council's task.

51. Mr. LEVITTE (France) said it was disappointing that the discussions held at the Council's thirty-sixth session on the role of UNDP in the 1990s had not given rise to the adoption of major guidelines and clear resolutions. It was to be hoped that that issue would be successfully addressed at the current session.

52. The fifth cycle was approaching, and UNDP must redefine its role in the development sector within the United Nations system. While safeguarding the principles of universality, which gave it its strength, UNDP must set priorities, accentuate the specific nature of its work and enhance its effectiveness. Clearly, not all developing countries had the same or equally urgent requirements. Recognizing those disparities, the United Nations system gave UNDP latitude in its response to the most dramatic needs. The least developed countries were obviously those requiring the greatest solidarity. While controversy might exist on which countries were poorer than others, the forum for such a discussion was not UNDP, but other United Nations bodies charged with considering that question.

53. France was deeply concerned about the problems of the least developed countries. UNDP must recognize that category of countries and integrate it in its work as a matter of priority, but not in an exclusive fashion. Special treatment must also be given to countries receiving refugees in their territory. Migration placed a heavy burden on the economies of those countries, and that must be borne in mind when determining future IPFs. Countries with large numbers of refugees must benefit from additional assistance in the form of a higher IPF.

54. If UNDP was to do its work, the international community must continue to increase its resources. In that context, it was important to avoid certain past mistakes of evaluation, in particular those made at the beginning of the third cycle. His delegation was in favour of a 6 per cent increase in the growth rate of contributions during the fifth cycle. Donors must be convinced that their contributions were used in accordance with the priorities set. Unfortunately, they often had the impression that their concerns were not given due account, and they had growing difficulty justifying the amounts contributed in the face of domestic criticism, whether well-founded or not, that UNDP was less efficient than other development assistance institutions. In those circumstances, UNDP must seek to meet the essential needs of the whole population of the countries concerned, even if it must establish priorities. In that connection, it would be useful to include in the wording of the projects themselves the definition of human resources proposed in the excellent Human Development Report, 1990, a document which, regrettably, was not yet available in French.

55. It was for Governments to ensure that all social groups, and especially the most disadvantaged, benefited from development. UNDP could not replace Governments or impose conditions, but must help beneficiary countries to define a coherent development policy, promote better management, see to it that all donors were well informed and improve the definition of technical assistance needs. It was on the basis of those elements that UNDP must determine its major guidelines for the fifth cycle.

56. France welcomed the realism of those developing countries that had regarded as unreasonable the proposal by the Administrator to initiate a total transfer of project implementation to Governments as from 1 January 1992. Progress must be made, but there was no need for undue haste. Before contemplating a transfer of project implementation, the capacity of the developing countries to define their overall development policy must be enhanced. Governments must attempt to identify as carefully as possible qualitative and quantitative requirements and real capacities, at both the national and, above all, the local level. Such a task, although difficult, was essential in the medium and long-term perspectives. UNDP could contribute by supporting the expertise of the executing agencies. When the time came, UNDP itself must rigorously apply the principle of the transfer of project implementation to Governments, and in that context, his delegation fully supported the call by the President of the Governing Council for the Office for Projects Services (OPS) to apply that approach. The part played by OPS in project implementation must not grow.

57. His delegation supported replacing the project approach by a programme approach. In that way beneficiary Governments would reaffirm their freedom of political decision. That approach was still very vague, and it would not solve all problems. General guidelines must be defined, and implementation, which must be pragmatic and experimental, would require time and perseverance. In that regard, the agencies could help Governments to learn to define their own programmes, decide on appropriate projects and implement the projects themselves with the help of competent outside technicians. With their irreplaceable on-site experience, NGOs must also take part in that work, as well as local organizations in the industrialized countries, whose knowledge of community-level problems was invaluable.

58. The Council could count upon France to contribute towards a consensus on UNDP's main objectives for the next five years.
59. Mr. NABLI (Tunisia) expressed gratitude to UNDP for the activities it undertook in quest of its noble goals. As a developing country, Tunisia was aware of the need to mobilize international efforts to promote development and thereby alleviate international economic disparities. The success of such efforts would be a major factor for peace in future decades.
60. Tunisia had worked with UNDP since its creation on many projects, both at the local level and in co-operation with other countries. Through its work, the Programme had helped strengthen relations among the countries of the Maghreb. It was to be hoped that UNDP would continue to support the endeavours of those countries to define a framework and plan of action for achieving their development objectives. UNDP was also co-operating on two projects with the Arab Group and two projects with the African Group. In view of the debt crisis in the third world and its adverse impact on development, it was essential to intensify UNDP assistance for international co-operation.
61. His delegation was pleased that in the Human Development Report, 1990, Tunisia had been cited as one of 15 countries having made progress in development within a democratic framework. Tunisia's efforts were based on its own domestic capacity, but that did not mean that it could forgo international financial and technical assistance. On the contrary, it needed such assistance to overcome the obstacles posed by the debt problem. In that context, his Government was in favour of expanding co-financing projects with UNDP. For its part, Tunisia would make its experts and volunteers available, within its means, to other Arab and African countries to assist them in their development efforts. In that connection, it was important to rely on local capacities and institutions, and projects should be under national control.
62. UNDP could enhance its importance in a number of ways: by developing human resources, in particular through educational programmes; by stepping up efforts to protect the environment in the developing countries; by promoting the private sector through national and international investments; and by helping those countries hardest hit by the debt crisis to obtain debt relief.
63. Mr. ROSKENS (United States of America) said that the fortieth anniversary of United Nations technical assistance and the beginning of a new decade were an appropriate time to take stock of UNDP's role in a world whose political system and economic structures were being transformed, and in which State intervention was lessening. The key to meeting the challenge of reshaping that role would be the wise use of available resources.
64. Decisions on UNDP resource allocations for the fifth programming cycle must be based on realistic projections of future resource levels and must ensure that those resources provided the best response to countries' diverse needs. Given the various current budgetary constraints, it was unlikely that the United States would be able to commit itself to substantial increases in resources to UNDP during the fifth cycle. Yet, through judicious decisions by the Council, UNDP's resources could go a long way towards assisting all members of the Programme. His delegation remained committed to the principle of universality. However, countries' needs varied with their levels of development. The United States continued to favour making the bulk of

UNDP's grant resources available to the countries most in need of those resources. It also adhered firmly to the principle of graduation. More advanced developing countries could obtain expertise through UNDP on a reimbursable basis. It was also interested in exploring ways of making increased use of global and Special Programme resources in addressing issues of primary concern to those countries.

65. His delegation endorsed the important role of UNDP in addressing cross-sectoral problems requiring co-ordinated and integrated approaches at all levels. UNDP's global and interregional programmes and the activities financed from Special Programme resources were invaluable in that area, and deserved even greater emphasis in the fifth cycle, although they required more systematic programming and more careful reviewing.

66. UNDP had an important role to play in helping countries develop an institutional capacity to manage economic and administrative reform. Its Management Development Programme, for example, was helping Governments improve management in the public sector, and was supporting policies of structural adjustment and reorientation towards greater reliance on market forces. Its contribution to private sector initiatives and the promotion of entrepreneurship as catalysts for growth were to be applauded, since experience had shown that market mechanisms extended the greatest benefits to the largest number more quickly than any other mechanism.

67. He commended UNDP for addressing environmental concerns, formulated in the context of expanded collaboration and operational co-ordination among the various agencies and aimed at enabling Governments to integrate environmental concerns into their development planning and assessing the environmental impact of alternative development strategies.

68. His delegation encouraged UNDP to collaborate fully with its partners in the United Nations system in waging the fight against narcotic drug production and abuse. UNDP was also to be commended for its sponsorship of the World Conference on Education for All and for its emphasis on human resources development. UNDP could play a most constructive role in that field by co-ordinating the resources of the United Nations system in support of national plans of action within the "Education for All" framework, within the new approaches to vocational training being developed by the World Bank and ILO, and within national assessments of human resources capacities and technical assistance requirements. UNDP had pioneered the concept of the National Technical Co-operation Assessment and Programme (NatCAP) to programme technical assistance. The United States encouraged that type of planning as a foundation for UNDP's technical assistance.

69. On the question of revitalizing the United Nations development system and building national capacity, his delegation supported UNDP's role in introducing a multidisciplinary and multisectoral approach to human development and broad-based, sustainable economic growth. An essential element in that approach was the focus on strengthening developing countries' capacity to plan and manage development policies and programmes themselves. To achieve that, however, technical co-operation must be restructured. That process had already begun, in response to the recent "Triennial policy review of operational activities for development". A key step was the move away from the traditional project-by-project approach towards a more programme-oriented approach. Another important feature of the process was the decentralization

of development support functions from headquarters of United Nations agencies and UNDP to the country level, with emphasis on national execution. Those changes would require new management procedures in order to monitor project implementation more effectively, ensure impact and maintain accountability for the use of UNDP funds. They would also require close co-ordination between all the relevant United Nations agencies contributing in their own areas of expertise. In recent years, the tripartite system of co-operation between the Government, UNDP and the agencies had fallen short of its potential. His delegation believed that the system must be revitalized, with the full involvement of the agencies' technical capacities in every phase of the programme cycle, whether or not they were executing agencies.

70. The important question of the successor arrangements for agency support costs had been the subject of careful study in the Council, among the agencies and among Governments. The Council must now fulfil its responsibility and reach a decision on the new arrangements, which had the potential to restructure the way the United Nations development system functioned in the field, increasing developing countries' capacity to manage their own development and at the same time strengthening the agencies as centres of technical excellence. His Government favoured a system of joint financing of technical staff engaged in regular programme activities and analytical and technical support for UNDP-funded activities.

71. UNDP saw human development as a process of enlarging people's ability to participate fully in individual and collective choices. Politically, that implied a pluralistic democratic system, respect for human rights, and full participation of all citizens, both men and women. Economically, it implied a free-market society and the tools necessary to take advantage of that system, including credit, training and access to information. Socially, it implied the opportunity to be educated, the ability to plan the number and spacing of one's children, access to health care information and services that were affordable. Physically, it implied command over resources that would ensure adequate food and shelter. It was the responsibility of each developing-country Government to create the policies and institutional environment within which its human potential could flourish. Those policies and that environment could not be donated, although they could and would be supported with multilateral and bilateral assistance. The United States had been moving to encourage opportunities for the expansion of human choices. The daunting complexity of the interrelationships between the social, political, economic and physical aspects of development had often led Governments and donors alike to concentrate on one facet at the expense of others, or to a polarization between competing goals and solutions. What had been missing was the focus on human choice which, in an open society, became a formidable force for positive change. UNDP's "human development index" had begun to provide a scheme for measuring the many human dimensions of socio-economic progress. However, the measure was imperfect and did not yet adequately reflect degrees of political and economic openness, which were critical to economic progress. The United States hoped that UNDP would give further attention to devising means of measuring human freedom, and welcomed the opportunity that would arise to discuss that work later in the session and to consider in detail how it should continue, having regard for the resources it would require.

72. Since 1985, UNDP had taken important steps to improve the quality of its programmes and projects, whose results had been evident in the fourth-cycle programmes. The mid-term review process had also demonstrated its value as a management tool. Continued attention to improving programme quality, sharper focus of country programmes and more systematic planning of the use of global resources were essential in order to maintain confidence in UNDP, as well as funding levels in the context of competing needs and priorities. UNDP's management structure should reflect the focus and complexity of its Programme. His delegation looked forward to a more detailed discussion of the Administrator's proposals in the context of his revised 1990-1991 budget estimates.

73. United Nations volunteers represented the United Nations in the eyes of thousands of people around the world, in schools, laboratories and refugee camps. The United Nations Volunteers programme was approaching its twentieth anniversary, and was a major source of technical expertise for many developing countries. His Government applauded the efforts of the Executive Co-ordinator and her staff to respond to the recommendations of the 1988 evaluation, by improving the management of the programme and its responsiveness to the needs of recipient Governments and the volunteers themselves. It had been pleased to co-operate in new efforts to improve the orientation of volunteers to the culture of the countries in which they served.

74. The fortieth anniversary of United Nations technical assistance also provided an opportunity to reflect on the responsibilities of the Governing Council. Improvements were undoubtedly needed; they were important to UNDP's credibility. The Council should improve the process whereby it reviewed, approved and monitored programmes. The United States valued the insight into UNDP's operations provided by the Working Group of the Committee of the Whole, particularly as UNDP moved towards a programme approach. It also looked forward to working with other members of the Council in reaching a decision on improvements in the governance of UNDP, through which member States would gain a better understanding of the work of the Programme and the Council would be enabled to provide more effective policy direction for UNDP's operations. UNDP had the capacity to make a continuing and powerful contribution to the world-wide process of development. The United States wished to co-operate in helping it continue to build a world marked by fewer and lighter burdens, and by greater opportunities in the coming decade and beyond.

75. Mr. REPNIK (Federal Republic of Germany) said that, although in 1990 the United Nations was celebrating 40 years of technical co-operation, the problems of the developing countries were greater than ever, with some 700 million people starving, more than 1 billion living in absolute poverty, and still no guarantee of food, basic education and health services in many parts of the world. Against that background, the alarming demographic, ecological, economic and social problems facing the developing countries were all the more ominous. The vicious circle of poverty, population growth and destruction of the environment had long ceased to be a threat to the third world alone; unless that circle was broken, there would be no escape for the affluent North either.

76. It was not enough to alleviate the worst and most pressing problems by mounting humanitarian operations; the root causes of poverty and under-development must be addressed. Given the increasing interdependence of the world economy and the challenges in the field of environment and resource

protection, the idea of separate development for the industrial and the developing countries must be abandoned once and for all. A responsible policy for the future should treat the world as an indivisible whole. Currently, the political scene was dominated by the ending of the East/West dichotomy and the breakdown of divisions within Europe. While the historical importance of those events should not be belittled, it was infinitely more important to break down the division of the world into a rich North and a poor South. The resources released in the wake of détente between East and West must be tapped with the aim of overcoming dangerous regional and political imbalances. As Federal Chancellor Kohl had remarked at the recent interparliamentary disarmament conference in Bonn, disarmament efforts were linked, not least, to solidarity with the less developed peoples of the earth, who must receive more aid. That meant drawing to a greater degree on resources previously used for arms. However, it was to be hoped that the arms race which had been halted in Europe would not be carried on or stepped up in other regions of the world.

77. The recent changes in Eastern Europe made particularly clear the connection between economic and political reforms. It was becoming impossible to overlook the fact that democratic social systems, open to genuine participation and socially and ecologically responsible, were a sine qua non for the efficient functioning of economic systems. Development experiments that took no account of that link were irresponsible and had no future. The present forum provided a particularly suitable occasion for taking stock. In view of the growing problems, it would be inappropriate to relapse into complacency. It must be asked why efforts to halt adverse trends and design social systems with a concrete democratic, human rights and social content had met with so little success. It was now realized how great a hindrance to comprehensive social development those political shortcomings were. Disregard of human rights, inadequate provision for democratic processes, equivocal administration of the law and shortcomings in enforcing policies had impaired a dormant development potential, especially where human resources were concerned. It was to be hoped that, with the advent of détente, the political taboo on discussing in international forums subjects such as human rights, corruption, arms, expenditure and abuse could now be ended.

78. The opportunity to make a start on new approaches to development co-operation also applied to UNDP and its activities, which must henceforth be concentrated on areas that were in line with its comparative advantage as a multilateral development aid organization. The ultimate aim must be complementarity, not competition, between the various donors. Inter alia, UNDP had the special role of supporting recipient Governments in formulating their policies, and enforcing national and international programmes in the light of the challenges of the 1990s. The fifth cycle must be geared much more closely to focal issues and to UNDP's particular efficiency. The core resources required for that purpose must be used as a multilateral central financing and co-ordinating instrument. The system of country-related programming must be tailored to the requirements of the socially-acceptable abolition of centrally-managed, planned economies and to the establishment of private-sector or market-oriented systems. The discussion on a realistic volume for the fifth cycle must not overshadow those challenges.

79. In his view, UNDP's universal character was not called in question by a stronger concentration of IPFs on the neediest countries. On the contrary, such concentration formed part and parcel of a universal solidarity.

80. The Governing Council was also responsible for the United Nations Population Fund (UNFPA). He again wished to stress the extraordinary importance his Government attached to the work of UNFPA. Greater orientation towards fighting poverty and towards family planning in the future would require more intensive co-operation in terms of programming, reporting and evaluation, so as to render joint efforts more transparent. While welcoming the quality and dedication characterizing the work of the Department for Technical Co-operation for Development (DTCD), his Government wished to recommend that an attempt be made to develop a common structure for UNDP, DTCD and Office for Projects Services (OPS). The human resources and institutions now to be found in the developing countries must be developed to the full. Those countries needed to shoulder greater responsibility for their projects and share more fully in operational execution. The Council must therefore carefully study the question of greater national execution of projects, taking account of developing countries' responsibility for development programmes and projects. In the interests of all, efficient quality control must be guaranteed for the implementation of multilateral programmes and projects. The Council must now take the necessary steps to follow up effectively the valid conclusions contained in the Human Development Report, 1990.

81. Mr. PRONK (Netherlands) said that the two main issues facing the session were the fifth cycle and the question of agency support costs. With regard to the former, the universality and neutrality of UNDP were perceived as constituting its strength. However, its financial means were limited, and the scattering of resources did not make for improved efficiency. Universality should be maintained, not merely by paying lip-service to the concept, but also by calling upon UNDP to increase its efficiency in all countries where a country programme was being implemented. In practice, the current IPF system had often led to programmes lacking in coherence and country-specific focus. That was not to say that UNDP should become another specialized agency, or that it should compete with the existing agencies, but choices must be made and strict priorities set if the impact of the country programme was to be improved. Sectoral priorities would inevitably vary from country to country. Next, UNDP must ensure that adequate attention was given to cross-sectoral themes, such as women and development, the environment, and poverty alleviation. While recipient-country sovereignty in the allocation of country IPFs was enshrined in many Council decisions, the time had none the less come to look at the rigidity of current positions on the use of IPFs and to apply some flexibility.

82. The distribution of IPFs among recipient countries was inevitably a controversial subject. With needs overwhelmingly outweighing available resources, it was natural that each country should try to obtain a larger share. It was necessary to take a fresh look at the situation. First, new ways should be found of allocating the scarce resources available to those countries where the need was greatest, and in particular the least developed among them, while ensuring a greater impact than had been achieved in the past. Secondly, proposals had been submitted to the Council whereby some countries would receive a basic IPF as seed money for programme generation. There was merit in such an approach, linked as it was to much larger and thematically-focused Special Programme resources. Thirdly, a more direct link could be established between the development criteria for distribution of IPFs and the actual use made of the IPF monies distributed. As the system was

currently applied, there was too great a discrepancy between the amount of IPF income and the objectives of IPF expenditure. Perhaps the time had come to bring the two closer together. One way of achieving that might be to use concepts contained in UNDP's Human Development Report, 1990.

83. The task of distributing IPFs would, of course, be easier if the available resources were growing more rapidly. Unfortunately, the prospects for rapid growth were not good, with many donor countries proposing nominal increases of no more than 4 to 6 per cent a year. The developing countries' needs were far greater than the financial resources at UNDP's disposal, and he himself favoured a substantial real increase in those resources. However, adopting an ambitious growth scenario did not in itself increase resources. None the less, the secretariat needed a scenario, endorsed by the Council, to plan its programme cycle. It would be disappointing if the Council were to be unduly distracted by that aspect of the fifth cycle discussions, to the detriment of the issues of effective distribution and resource allocation.

84. In the search for solutions to the problems set out in the report of the Expert Group on the Study of Successor Arrangements for Support Costs and Related Issues (DP/1990/9), the first criterion for a new system for financing multilateral technical co-operation, including a support cost system, must be the effectiveness and efficiency of assistance in the countries concerned, not stability of the support funding of the specialized agencies. The role of national execution was therefore of great importance as it increased self-reliance and strengthened recipient-government management of aid flows. The benefits of national execution resulted from the fact that the management requirements, including financial and substantive monitoring and reporting, were the same as in other forms of execution. National execution therefore placed a significant burden on the recipient country. Provided that there was full transparency and accountability, national execution would enhance competition, efficiency and flexibility and would be accomplished in accordance with current demands of self-reliance. In that connection, his delegation intended to suggest some changes in the Administrator's proposals.

85. Ms. POULSEN (Denmark) paid tribute to the Administrator for the important initiative he had taken in commissioning the Human Development Report, 1990, which had confirmed her delegation's belief that benefits did not automatically trickle down and that the development of human resources lay at the heart of the development process, both as a goal and as a means. The report fully supported the emphasis on capacity building contained in the decision on the role of UNDP in the 1990s.

86. In the view of her Government, three major elements should be stressed in the efforts of UNDP in the 1990s. The first was comparative advantage; in other words, UNDP, in conformity with the priorities of recipient countries, should direct its efforts in such a way as to maximize its advantages over other development co-operation programmes. The second major element was that UNDP should devote increased attention to national capacity building for self-reliance. The third was that there should be a sharper focus of activities supported by UNDP in order to ensure the best possible impact. As her delegation had stressed in its general statement in 1989, the challenge was to streamline and concentrate activities. Hence capacity building must be at the core of efforts during the fifth cycle and must take full account of the diversity of recipient countries. The goal should be to achieve a gradual transition to national execution, which was the best way to ensure internalization.

87. The current system, based on the 1970 Consensus, had not been effective enough in delivering technical assistance in the past and was clearly unsuited to the future. The delivery system must be geared to the expectations of hundreds of millions of deprived people in the developing countries and it was the responsibility of all parties concerned to carry out the necessary reforms of the United Nations system for technical assistance.

88. The decisions to be taken at the current session on the fifth programme cycle and on support costs would have a major impact on the content and direction of UNDP activities in the 1990s. With regard to the fifth cycle, the fact that needs and circumstances varied, sometimes considerably, among recipient countries must be explicitly recognized. The need for support for capacity building in a middle-income country with a relatively high educational standard was very different in character and scope from that of a least developed country. Central funds should to a greater extent be made available for purposes relating to internationally recognized development needs, such as the environment, women in development, poverty alleviation and the development needs of refugees.

89. The needs of the 1990s should be reflected not only in the content of the Programme, but also in the distribution of funds. Many recipient countries, mostly the poorest, were facing intractable economic and social problems. Those countries were most in need of the kind of assistance that UNDP and the United Nations system provided. The distribution of funds for the fifth cycle should therefore, to an even greater extent than during the fourth, be allocated to the poorest and especially the least developed countries. All developing countries clearly had needs far beyond what the United Nations system could reasonably meet; funds were limited and would have to be allocated according to relative needs. Her delegation also considered that, whenever it was to the advantage of recipients, the use of TCDC and, in particular, the United Nations Volunteers should be encouraged. The fifth cycle should also be based on realistic resource projections.

90. With the mandates of the Committee of the Whole and the Working Group expiring at the current session, it was essential that satisfactory arrangements should be found to ensure that member countries would continue to influence and have knowledge of the contents of UNDP activities.

91. The renegotiation of the support costs arrangement provided a unique opportunity for improving the effectiveness and efficiency of assistance provided by the United Nations system. The objective must be to develop a fair and administratively efficient arrangement which would provide incentives for: the more efficient use of resources; greater coherence within the system; concentration by UNDP and the agencies on areas where they had a comparative advantage; and the avoidance of unhealthy competition among the various parts of the system. Lastly, the arrangement must reflect UNDP's role within the system based on its comparative advantages, such as capacity building and co-ordination. In the view of her delegation, that role did not include execution on a large scale.

92. Her Government supported the developing consensus among member countries on the desirability of differentiating the support cost rates related to non-project and project-related activities. One attractive idea was that the Governing Council, according to its sectoral priorities, should allocate part of the funds for support costs among agencies; it should establish guidelines

for the use of those funds which should primarily be for headquarters activities closely related to tasks in the field. Implementation of the guidelines should be negotiated between the Administrator and the agencies. It would not, however, be acceptable to her delegation if those funds were used for tasks which had hitherto been financed out of the agencies' regular budgets. Her delegation viewed favourably the proposal to divide projects into stages, with different rates for the different stages. Such a model had the advantage of facilitating the transition to national execution, so that execution of the later stages would become the responsibility of the recipient Government.

93. The assistance programmes of the United Nations system as a whole must become more dynamic and better targeted if they were to compete effectively with other multilateral or bilateral aid programmes for ODA funds. Her Government believed that the United Nations system, with UNDP at its centre, could make a very significant contribution to meeting the development needs of the 1990s, provided that all parties concerned displayed the necessary will.

94. Mr. WHEELER (Organisation for Economic Co-operation and Development (OECD)), commenting on the role of UNDP in the 1990s, said that in December 1989 the Development Assistance Committee (DAC) of OECD, of which he was Chairman, had adopted a policy statement on development co-operation in the 1990s, which had concluded that the vicious circle of underdevelopment could be broken only through economic development strategies and policies which integrated the objectives and requirements of promoting sustainable economic growth, permitting broader participation of all people in the productive processes and a more equitable sharing of their benefits, ensuring environmental sustainability and slowing population growth in the many countries where it was too high to permit sustainable development.

95. Perhaps as much as \$15 billion of the \$50 billion in world aid was devoted to technical assistance, but neither recipients nor donors were satisfied that full value was being obtained for money. DAC was currently engaged in framing "Principles for technical co-operation", which, it was hoped, would be agreed to by both recipients and donors so that joint work could then proceed at the country level for needed improvements in the way technical co-operation programmes were planned and implemented. It was already known that the very large number of technical assistance projects could be better co-ordinated and made more effective only if developing countries themselves seized command of the process. Better aid management, significant improvement in the way institutions operated and more effective sector strategies were essential; the donors stood ready to help in strengthening those processes.

96. One vexing issue was that, in several recipient countries, civil servants had been receiving income supplements from donors to enable them to work full time on project implementation. In his view, that practice represented a conflict of interest and distorted wage systems. Nevertheless, it was also a pragmatic response to an overall structural problem in so far as, in many countries, the core civil service was underpaid. There was an urgent need for civil service reform, including significant reductions in numbers and substantial increases in pay. In sectors such as education and health, new approaches to funding teachers and workers would have to be considered. It had also been found that foreign experts too frequently were doing jobs which

ought to be done by citizens of the recipient country. Foreign experts were not intended to be a form of budget support but, rather, should be utilized in an institution-building process. The DAC's "Principles for technical co-operation" would focus on those issues, among others.

97. DAC had met in 1990 in order to consider how to implement the conclusion, reached at its High-Level Meeting, that there was an imperative need to slow population growth in the many countries where it was too high to promote sustainable development. In that connection he had had an opportunity to visit the Minister of Health and Family Planning of Bangladesh and to see the vigorous efforts being made in that country. Even if successful in its family planning efforts, Bangladesh might eventually have six times the population density of the most densely populated industrial country, the Netherlands. It already had twice the density. Bangladesh was aware that the provision of an environment where the people could work, have adequate food, be healthy and be educated depended upon a successful family planning effort. Population growth in Bangladesh had come down from 2.8 per cent in the early 1970s to a current rate of about 2.2 per cent.

98. DAC recognized that the growing demand for voluntary family planning services would require substantially increased funding and urged UNFPA to work closely with the donor community in a co-ordinated effort to respond to developing-country requests for help. He hoped that the Council would give further impetus to such an approach.

99. In its High-Level Meeting statement, DAC had declared its readiness to help developing countries strengthen their capacity to co-ordinate and manage aid and to take increasing responsibility for aid implementation. In that connection, he had noted the priority which UNDP was giving to its management development programme. To the extent that technical assistance needs best met by bilateral donors were identified, he believed that DAC members would be responsive. DAC continued to appreciate the work being done under the NATCAP system, the fundamental goal of which was improved planning and management of aid by the recipient country. DAC members stood ready to co-operate with UNDP and recipient Governments in carrying out those joint exercises.

100. Helping Governments was only part of the job. In a world which increasingly recognized the vital role of the private sector, ways must be found of providing the best possible supportive environment and, in that connection, DAC's recent publication "Promoting private enterprise in developing countries" recorded the results of work done over the past two years.

101. DAC's High-Level Meeting statement had placed new emphasis on stimulating productive energies through investment in people and participatory development. That implied more democracy, a greater role for local organizations and self-government, respect for human rights, including effective and accessible legal systems, competitive markets and dynamic private enterprise. During the 1990s donors would be seeking more opportunities to help build the institutions which would encourage human development. In that connection he commended the focus given in UNDP's Human Development Report, 1990 to the opportunities opening for both developing and industrial countries to reduce military expenditure and utilize more resources for investment in people. It was a tragedy that developing-country military expenditure had increased by 7.5 per cent per annum over the past 25 years, more than twice the rate of industrial countries.

102. Donors would also continue to encourage and provide aid through NGOs. In Bangladesh, for example, such aid was exemplified by the Grameen Bank mini-loans to village women, the Bangladesh Rural Advancement Committee's efforts to bring primary education to population groups which had been missed by the public system, and the useful work of a number of Bangladesh NGOs in providing family planning services for some 8 million people.

103. DAC continued to be concerned with gender issues through its Expert Group on Women in Development and, during the previous year, had approved revised guiding principles on women in development which, it hoped, would make an important contribution in that field. Another example of participatory development was the important work performed by some 33,000 volunteers in developing countries. The United Nations Volunteers programme was providing 1,800 volunteers, with an average age of over 38, with 10 years' experience and usually holding advanced professional degrees. They came at costs dramatically lower than full-paid experts. He hoped that current recruitment efforts would result in more women volunteers. It was also his hope that the World Summit for Children in September would give greater political support to programmes which could help the next generation build on the progress made over the past 40 years by reducing mother and child mortality, mitigating hunger and increasing literacy.

104. During the 1980s the world had come to recognize that the environment had been neglected. Many environmental issues had been identified as worldwide in scope and needing international co-operative efforts. Industrial countries must make very serious adjustments, since so far they had been the major contributors to the problems. But many of the most important environmental problems were manifested in the villages and towns of developing countries as wells became polluted or dry, soil was washed away, or people were forced to walk ever-greater distances to find fuelwood. Environmental problems were also growing in the burgeoning cities.

105. DAC had established a Working Party on Development Assistance and Environment which was reviewing best practices for country environmental studies, including national conservation strategies and environmental action plans. Both UNEP and UNDP were participating in the Working Party. Other OECD committees were studying economic and environmental issues. Consideration was also being given to the question of how DAC members could contribute most effectively to the 1992 United Nations Conference on Environment and Development in Brazil. In that connection, Resident Representatives could play a critical role as UNEP country representatives; there would be a need for improved co-ordination of efforts in the environment field.

106. DAC members had been working closely with UNDP under the leadership of the World Bank to co-ordinate support for structural adjustment in Africa. According to the World Bank's most recent report, aid levels for the 22 participating African countries had gone up some 10 per cent annually over the past three years. Improvements in quality had also been achieved through increased untying, more fast-disbursing types of assistance, and simplified procedures. The development task in Africa was still, however, at an early stage and means must be found jointly to double the annual increases in agricultural production. Those had been running at 2 per cent, or 1 per cent less than population growth, and needed to reach 4 per cent or more. For that, fertilizer strategies and the implementation of national

strategies for agricultural research were needed. There was also a need to continue the joint effort to achieve education for all, to improve management and to create infrastructure. He believed that DAC members were prepared to stay the course and to move from structural adjustment at the macro-economic level to more effort in the various sectors and then to financing the required infrastructure.

107. The least developed countries were heavily dependent on outside resources; more than half received more than 20 per cent of GNP from aid. For that group of countries, the special task was to build conditions where aid could be effectively translated into development. All the factors he had mentioned earlier applied with special force to the least developed countries, which, however, would progress only if they grasped the leadership themselves. He looked forward to a programme of action from the forthcoming United Nations Conference on the Least Developed Countries.

108. The Jomtien Conference on Education for All, sponsored by UNDP along with UNESCO, UNICEF and the World Bank, had developed a common view that achieving education for all was essential to successful development. DAC had decided to devote a future meeting to education and that would provide an opportunity to consider what the aid agencies could do.

The meeting rose at 1 p.m.