



**Governing Council
of the United Nations
Development Programme**

Distr.
GENERAL

DP/1990/SR.21
12 June 1990

Original: ENGLISH

GOVERNING COUNCIL

Thirty-seventh session

SUMMARY RECORD OF THE 21st MEETING

Held at the Palais des Nations, Geneva,
on Wednesday, 6 June 1990, at 10 a.m.

President: Mr. POPESCU (Romania)

CONTENTS

Programme implementation

(a) Annual report of the Administrator for 1989 (continued)

This record is subject to correction.

Corrections should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent within one week of the date of this document to the Official Records Editing Section, room E.4108, Palais des Nations, Geneva.

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

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

PROGRAMME IMPLEMENTATION (agenda item 4)

(a) ANNUAL REPORT OF THE ADMINISTRATOR FOR 1989 (DP/1990/17 and Add.1, Add.2 (Parts I and II), Add.3-5, Add.6 (Parts I and II)) (continued)

1. Mrs. ZADIK (Executive Director, United Nations Population Fund) said that as UNDP celebrated 40 years of multilateral technical co-operation, there was reason to be heartened by the transformation of Eastern Europe, the encouraging political changes taking place in southern Africa, the spread of democracy throughout the world and the renewed global affirmation of the indispensable value of multilateral institutions. There was also evidence that the developing countries were resolved to confront deep-seated socio-economic and structural problems; despite considerable financial difficulties, countries had striven to maintain earlier gains in such areas as per capita food supply, education, health and family planning services.
2. At the same time, many countries, especially the poorest, had registered little or no social or economic progress in the 1980s. Assistance net of debt repayments had become a negative quantity, and as a result - despite good economic growth in the developed world - many developing countries had been unable to increase their own economic capacity and self-reliance. Programmes in the social sector, particularly education and health, had often stagnated.
3. Concern had grown about the fragile state of the environment. The combination of poverty and rapid population growth had begun to cause permanent changes in the environment, including massive deforestation and desertification. Conversely, the current development process more often than not contributed to pollution and to the build-up of "greenhouse gases". At any level of development, rapid population growth placed additional burdens on the fixed resources of land, water and air.
4. The 1990s would see faster increases in human numbers than any decade in history. The world's population, currently 3.5 billion, was increasing by three persons every second, a quarter of a million every day or about 1 billion over the next decade. The fastest population growth would come in the poorest countries, with the biggest increases in southern Asia and Africa. That was making it increasingly difficult for countries to meet even basic social needs, given their current resources. While the immediate result was that ever more people would join the ranks of the poor, the hungry and the illiterate, the long term results would be far more damaging.
5. Population issues were not an isolated concern: the degradation of the planet's land, water and air, massive increases in energy consumption, the persistence of widespread poverty, the extraordinary pace of urban growth and rapid increases in population were all aspects of a continuing crisis. Since they interacted with each other, action was needed in each of those areas if a sustainable future was truly to be secured.
6. UNFPA therefore applauded UNDP's recently published Human Development Report as a contribution to a more global vision of development centred on the human being. In that connection, she was grateful to the Administrator for the strong support the Programme had consistently provided for the integration

of population considerations into all development programmes. Given the multisectoral nature of population activities, the co-ordination and participation of all sectors were vital for successful action. Effective co-ordination required regular information exchange, harmonized programme cycles and co-operative activities. It must also be based on common goals and strategies that provided an overall framework for entire sectors and stemmed from national priorities and plans. To cite just one example of improved co-ordination, WHO, UNICEF and UNFPA had agreed to make a concerted effort to assist countries with integrated comprehensive national health funds.

7. UNFPA expressed its appreciation to Mr. Blanca, the Director-General for Development and International Economic Co-operation, for his excellent triennial policy review of United Nations operational activities, the document which had triggered General Assembly resolution 44/211. UNFPA was already implementing many of the initiatives referred to in the resolution and looked forward to working with countries, all agencies in the United Nations system and NGOs in its further implementation.

8. As the findings of the agency support cost study had clearly pointed out, current arrangements for technical support had not adequately met the requirements of recipient countries. A more comprehensive support scheme would put greater reliance on national expertise and institutions, while drawing on the technical resources of the United Nations system and all other external sources of assistance.

9. A number of international meetings and instruments had stressed the importance of population issues. Many developing countries had population policies, and nearly all countries were implementing population programmes. Nevertheless, population could quickly become a controversial topic, as had been seen at the recent General Assembly special session on international co-operation. It was regrettable that population matters, as well as such social issues as the role and status of women, were still too often used as political debating points or ignored altogether. That was all the more reason for members of the Council to emphasize as strongly as possible, in all development forums, that population was a critical development issue and that improvement of the role, participation and status of women was crucial to the achievement of population and development goals. The International Development Strategy, the Conference on the Least Developed Countries and the preparatory meetings for the 1992 Conference on Environment and Development each offered important opportunities to underscore the links between population, resources and development.

10. Experience had shown that population programmes could be successful. Success in the future might be defined as achieving the goals adopted by consensus at the 1989 International Forum on Population in the Twenty-first Century and subsequently noted with appreciation by the General Assembly. That would require doubling overall programme resources by the year 2000. It would also call for programme efforts in harmony with the cultural and social settings in which such programmes were launched, and careful monitoring of their effects.

11. Restoring impetus to development demanded immediate action in at least four areas: most importantly, a shift in development priorities towards the social sectors; a direct and all-out attack on poverty itself; a shift to cleaner technologies, energy efficiency and resource conservation by all

countries, and especially the richer quarter of the world's population; and reductions in overall rates of population growth. Reducing population growth, particularly in countries with the highest growth rates, would be a crucial part of any strategy of sustainable development. The choices of the next decade would determine the shape of the twenty-first century. They would not be easy, but they were clear and must not be delayed.

12. Mr. BLANCA (Director-General for Development and International Economic Co-operation) said that the grim conditions in much of the developing world had shown little sign of significant improvement in the past year. On the contrary, the prospect was for a dichotomous world economy in which the gap between the rich and the poor would continue to grow. He shared in the general elation over the new spirit in Eastern Europe, but was unable to forget that the spirit of more and more millions of human beings in the developing countries was turning to despair and anger in the face of abject poverty. He shared the hope that economies long stagnant in the developed countries might experience a surge of productivity, but was unable to forget that the growth rates of the economies of many developing countries had stagnated or even declined in the 1980s.

13. The external economic environment of massive indebtedness, continued high interest rates, net transfers to the North, capital flight, reduced external investment, persistent trade-barrier disadvantages and the loss of traditional commodity export earnings had combined with the domestic environment of eroding internal economies and infrastructure, population growth and urban sprawl, the absence of land reform and growing resource degradation, and the overall result had been devastating. One billion persons were currently living in absolute poverty, and unless action was taken, that number would grow by another 500 million by the end of the decade. The effects on human beings of such poverty, deprivation and ecological degradation, in the form of inadequate health, nutrition and education of children, family dislocation and the under-utilized capacities of millions of adults, would be irreversible over a generation or more. The capacity to govern under those conditions had already been called in question.

14. It was against that background that the recent General Assembly special session on economic co-operation was of particular significance. The declaration adopted at that session by consensus reaffirmed the priority of development on the international agenda and reflected recognition of the fact that national development efforts were inextricably affected by the external economic environment, as well as by the quality of national policies and management. The declaration emphasized the need to resolve key problems in the areas of debt, finance and trade, supported the reform efforts of East European countries, gave a rightful place to the importance of addressing critical environmental issues and placing emphasis on human developments and the elimination of poverty, and reaffirmed the role of the United Nations in international economic affairs. The declaration was a statement of intent, but would only take on real meaning if it was translated into action.

15. The operational activities of the system could not by themselves resolve the problems confronting developing countries. The United Nations could, however, improve its capacity to help those countries make the best use of their domestic and external resources so as to be ready for the recovery that must come. There were grounds for great hope on that account. For the first

time in many years, the General Assembly had addressed in a comprehensive manner the changes required in the system to respond more effectively to the needs of the developing countries and had accordingly adopted resolution 44/211. It was a measure of UNDP's leadership that the Council had before it at the current session a wide range of proposals by the Administrator that closely responded to the resolution's provisions.

16. The resolution provided such general new policies as decentralization to the country level and decisive movement towards enabling Governments to assume full responsibility for programmes and projects. But the resolution also contained a companion perspective: specificity of response by the system to each developing country's individual circumstances and needs. It called upon UNDP to organize itself in such a way that the system's structure and composition at the country level corresponded to ongoing and projected co-operation programmes in each country, rather than to the institutional structure of the system itself.

17. National execution must not be externally imposed at some uniform pace. It must be for the Government of every developing country to decide when, how rapidly and in which programmes and projects it wished to shoulder full responsibility for implementation, in which to continue full implementation by an agency of the system, and in which to adopt one or another intermediate, collaborative modality drawing on the capacities of the system. Special attention must also be paid to other intricate aspects of change. No one wished to see an end to the historic tripartite system of co-operation that had been a hallmark of technical co-operation. To continue to respond to the developing countries' special trust in that system required a sustained but more substantive role by the specialized agencies and other entities that had traditionally executed projects. A careful reading of resolution 44/211 showed it to be in favour of more support from agencies, which must concentrate more on excellence of information and technical advice.

18. That in turn was related to the enormously complicated issue of successor arrangements for agency support costs. Member States might need to anticipate how to co-ordinate their policies in the different governing bodies. The architecture of implementation financed from voluntary contributions must be appropriately reinforced by regular budget provisions for the reinvigorated services of the specialized agencies and technical entities. Too often in the past, reforms had been adopted piecemeal, each separate intervention proving unsustainable because its necessary complementary action had not been perceived. Resolution 44/211 called for a comprehensive and coherent effort on the wide range of issues addressed in order to build an effective and lasting structure.

19. It was important to ensure continuous and well-orchestrated co-ordination between secretariats. In that connection, the member organizations of the Joint Consultative Group on Policy had already taken a major step forward in implementing resolution 44/211 by agreeing to issue a joint letter to their country representatives seeking the harmonization of their programme cycles with those of Governments. He welcomed the agreement by the Consultative Committee on Substantive Questions (Operational Activities) to launch the new experimental programme for the orientation of resident co-ordinators and other country representatives. He would make a special effort to ensure co-ordination of the complex joint work required during the three-year schedule for implementation of resolution 44/211. In his 1988 report on

operational activities, he had recommended overcoming constraints on technical co-operation among developing countries (TCDC). It made no sense for the vast populations of the South to continue waiting for more favourable economic and commercial winds from the North while neglecting the enormous opportunities for co-operation and economic integration among themselves. The developing countries must also look South, and industrial countries must assist them in TCDC, from whose fruits they too stood to gain.

20. He attached great importance to the forthcoming study of the role of operational activities in the eradication of poverty and the companion study on women in development. The whole system must gear itself to assisting countries in their response to a new motive force sweeping through the world, the efforts to empower people as the agents of their own development.

21. It was also important for UNDP to reorganize itself at the country level so that it could provide more coherent, multidisciplinary advice and assistance to Governments. That was a prerequisite for more effective action to combat poverty and under-capacity and for the most effective use of the unique resources available in the United Nations system. To that end, the United Nations resident co-ordinators must take on far more onerous responsibilities as leaders of new country teams of co-ordinators.

22. UNDP had embarked upon a process of innovation and improvement in its operational activities. That process was as momentous as any in its history. At stake was a decade of development, which must not be another lost decade for most developing countries.

23. Mrs. CHALKER (United Kingdom) said that technical co-operation was the only form of aid that could directly contribute to the growth and rapid evolution currently taking place in whole societies. Its importance far outweighed its financial cost. But an even greater challenge overshadowed the very future of the human race: the inextricably-linked issues of unabated population growth, the threat to the environment and global poverty. Even relatively sophisticated economies with a sound resource base and good government faced almost insurmountable difficulties in providing basic education and health facilities, much less employment opportunities, for their young people. Even the widespread use of new technology seemed incapable of halting the enormous problems associated with the environment: the destruction of cultivable land and natural forest through overgrazing, the search for wood as fuel and burgeoning populations that the land could no longer support.

24. The cities of developing countries were growing at an alarming rate, and the economic and social problems they faced held scant hope for the future; by 2015, the world's urban population was expected to double. Close to 90 per cent of that growth would occur in cities of the developing world. Those frightening prospects were the direct result of a failure, one or two decades ago, to recognize the long-term consequences of population growth and to grasp the opportunities for encouraging changes in social and cultural values that were needed to cut fertility levels.

25. The environmental challenges facing the world seemed overwhelming. But work to find the right responses was moving ahead in a number of international agencies, and she commended UNDP for joining the World Bank and UNEP in their assessments of action needed. It was vital for other United Nations

specialized agencies with a clear mandate in the area, such as UNIDO and FAO, to be kept abreast of that work and given access to its outcome, but that must not create even more problems of co-ordination in the United Nations system. In addition, UNDP had a clear responsibility to see that environmental-impact assessment was built into all the relevant projects and programmes it financed and to ensure that, during the discussion with each recipient country about the use of the money at its disposal, ways of building up capacity in the area were high on the agenda.

26. Of particular importance was the need for a change in attitudes towards women. All too often, they found themselves at the bottom of the economic heap, with limited rights, little access to education and no encouragement or freedom to develop and exploit their talents as producers, managers and entrepreneurs. Nations thus wasted half their human capital. The United Kingdom welcomed UNDP's recent report on human development, which brought that point out very strongly and stressed that development and growth meant little unless they succeeded in giving men and women more control over their future.

27. The heart of the work to be accomplished by technical co-operation was the creation of good Governments, sound and efficient institutions, intelligent management and the wide educational base from which all that must spring. That long-term task must be carried out most urgently in the poorest countries, which were, and ought to be, overwhelmingly the recipients of UNDP help. That had been set out in the World Bank's "Long-term perspective study on Africa" and had been shown by the setbacks experienced by those African countries and others which had led to the need for adjustment and structural change. Radical changes in institutions were a prerequisite for sound and sustainable growth.

28. UNDP and its executing agencies had a special role and responsibility in that regard. The role called for greater and purposeful streamlining of most technical co-operation into concentrated programmes of institutional revival, with sequential actions carefully planned as each stage of recovery took place. The responsibility required working with other donors, in particular those chiefly able to support the relevant countries with their intellectual and financial resources. Her Government welcomed UNDP's participation with the World Bank and African Development Bank in the new "African capacity-building initiative". But it was important for all those who handled and executed UNDP projects to adapt their own structures to needs.

29. The truth was, that 40 years after its birth, there was rising dissatisfaction among recipients and donors alike with the impact of much United Nations and UNDP assistance. If the system as a whole, and UNDP in particular, were to retain the support of donors, the time had come for radical measures. The system must adapt so as not only to deliver the goods, but to be seen to be doing so. Of course, its various agencies and bodies had their own independent existence and governance, but member States and donors had a right to expect three things from them, especially if they were to continue to spend donors' money through UNDP. First, there must be an end to the bickering over rival claims to competence in areas of common or undefined responsibility. Donors must insist on an end to empire-building, whether by different agencies or, for that matter, by UNDP. Secondly, there must be much closer and more committed teamwork on the ground, with the Resident Co-ordinator taking the lead in mobilizing all the resources of the

United Nations system - not just UNDP money - to meet a country's agreed priorities. And thirdly, there must be proper standards of planning back-up, especially country-focused back-up in the larger executing agencies, and arrangements for identifying, appraising, monitoring and evaluating UNDP-financed programmes and projects. The new system of reimbursing costs must clearly help to achieve those objectives, especially with the major executing agencies, even if the narrowly-based and highly-specialized agencies had to be dealt with differently.

30. The Governing Council must take the right decisions for the cycle due to start in 1992. Decisions of principle taken now would allow the agencies to reshape their budgets and programmes in good time to get the new system off to a flying start. One clear obligation would thus fall to Member States: namely, to back up the decisions taken by the Council by consistent instructions to their representatives in all the other bodies concerned. Naturally, there were many internal problems; but those problems must be overcome.

31. Much had been said about national execution of UNDP projects. She saw the ability to execute such projects as the aim and outcome of UNDP's efforts, rather than as the means of achieving them. Learning by doing was a commendable process, but the doing must be the output of UNDP help rather than its input. The needs of the weakest and poorest countries for such help were so great that they far outweighed the arguments for universality of benefits to all developing countries. In striking a balance between the two, the United Kingdom as a contributor saw it as very important to give much greater weight to those needs, and it expected much greater relative allocations in the fifth cycle to go to the very poorest countries.

32. Her vision of the future also implied changes and a new vision within UNDP itself. First, a more "hands-on" approach was needed to the dialogue with recipients about the use of money. That approach must be properly concerted with the plans agreed with other main donors, especially the World Bank. Secondly, a revised emphasis on capacity building, on programmes rather than projects and on cross-cutting themes would mean a different focus within management. Thirdly, a better operational system would require some changes of attitude within UNDP as well as within the agencies. And fourthly, UNDP would need a clear and uniform vision of the back-up and other services it needed from the executing agencies. It would also need the determination to insist on them, and to ensure through monitoring that it was getting what it paid for, or rather what contributors were paying for. The Administrator's resolve to improve UNDP's policies, and the fact that he had already commissioned and received independent advice on its structures, were to be welcomed. Her Government would support him in his task, so that by the system's fiftieth anniversary it would be able to look back with satisfaction on a solid decade of achievement in the 1990s.

33. Mr. KRSTAJIC (Yugoslavia) said that UNDP must formulate new development strategies in response to the new needs and development processes emerging in a rapidly changing world. Governing Council decision 89/20 and General Assembly resolution 44/211 had given UNDP a clear mandate for the 1990s regarding its central funding and co-ordinating role within the United Nations development system and its guiding principles and methods of operation. However, some aspects of UNDP's role in the 1990s had been left

for further elaboration and the Council's specific decisions, particularly the question of formulation of the UNDP funding strategy, the elements of which were outlined in document DP/1990/20.

34. His delegation basically shared the Administrator's views on the main characteristics of UNDP's future role in development processes. However, it favoured a more thorough approach in two areas: first, the Administrator's optimism regarding overall prospects for development in the 1990s; and secondly, the concept of globalization. With the exception of some environmental concerns, major development problems were still concentrated in certain parts of the world, while major development processes still tended to evolve in isolation. Against that background, the concept of globalization seemed somewhat relative and indeed questionable. It was thus of the utmost importance to design a UNDP funding strategy to which the world community would be committed on a firmer and more integrated basis.

35. With regard to the planning and distribution of resources for the fifth cycle, his delegation wished to reiterate that, without more ambitious resource allocation, there could be no genuine strengthening of UNDP's flexibility and capacity to respond to changing and growing needs. Annual growth must thus be primarily assumed in real terms in order to preserve the value of UNDP's contribution to overall development co-operation efforts. The ratio of country to intercountry IPF programmes within the fifth cycle allocation should again be 81/19. Any increase in the intercountry IPF allocation might further erode the value of the country IPFs, which had a more direct impact on the development efforts of the countries concerned.

36. With regard to the criteria for the allocation of IPF resources to country IPFs, his delegation favoured the following options considered in document DP/1990/8. First, there should be a sizeable increase in the assumed annual growth of resources, and priority should be given to low-income countries in allocating resources, in line with Council decision 89/20 and Assembly resolution 44/211. Secondly, the "floor principle" should be retained, in order to preserve the continuity, flexibility and universality of the Programme. Thirdly, fuller account should be taken of supplementary criteria in calculating country IPFs. The formula for supplementary criteria outlined in document DP/1990/8 seemed to his delegation reasonable and justified.

37. Turning to the question of programming UNDP technical assistance, his delegation supported adherence to a more programme-oriented approach, which would bring greater coherence, cost effectiveness and efficiency to the execution of UNDP's technical co-operation activities. While the established partnership with agencies should be improved, the national capacities of recipient countries should also be further enhanced, in particular, through government execution. His delegation agreed with the Administrator's proposals in that regard, and with those aimed at greater use of national experts available in developing countries and at strengthening TCDC, all of which would contribute significantly to upgrading developing countries' technical and managerial capacities, and to their self-sustained development. His delegation also welcomed the expanding role of United Nations Volunteers, particularly through wider participation of developing-country experts.

38. Ever since its inception, UNDP had made important contributions to Yugoslavia's development efforts. The Administrator had had the opportunity to become acquainted with its development policies and programme of economic reform during his recent visit. He could be assured of Yugoslavia's continuing support for UNDP's important role in the development co-operation endeavours that lay ahead.

39. Mr. ARTEAGA (Venezuela) said that structural adjustment policies and the increase in external debt were imposing great sacrifices on the developing countries, including those of Latin America, generating political and social tensions that jeopardized the future of their peoples. In recent years, however, extraordinary efforts had been made to strengthen the trend towards democracy and freedom in the region, and to ensure that that trend was irreversible. Governments were thus faced with a dilemma: how were they to reconcile the necessary adjustment of their economies with the strengthening of democracy and peace in society?

40. His delegation did not share the pessimistic view held in some quarters regarding the consequences for Latin America of the changes taking place in Eastern Europe. On the contrary, the opening-up and revival of those economies must lead to a substantial growth in demand for Latin American primary products, new export opportunities for manufacturers, and new possibilities for technological and trade co-operation.

41. In 1989, the Venezuelan economy had been subjected to severe macro-economic adjustment, intended to correct the serious structural and short-run economic imbalances which had accumulated and were jeopardizing Venezuela's growth and welfare opportunities. Given the obvious futility of persevering with worn-out schemes or confining its action to a traditional economic package, the Government was proposing to effect a major reorientation of the economy and society as a whole.

42. The reforms in the political sphere were aimed at making Venezuela's democracy more participatory and more representative. The economic programme was aimed at modernizing the economy and increasing its efficiency and competitiveness, through restructuring of the production system. In order to achieve those objectives, a package of monetary, financial, tax and trade reforms had been introduced, with the aim of stimulating participation by domestic and foreign private agents in national development. The effort Venezuela was making with its own resources was clearly insufficient to enable it to cater for basic social needs with the requisite speed to obtain sustained growth. In parallel with those economic and social efforts, the Government was modernizing its institutions with a view to more efficient management. In that process, national efforts must be combined with effective international co-operation. UNDP had played a very valuable role in Venezuela, serving as a catalyst for development co-operation programmes through means such as utilization of national capacity, greater government execution of projects and TCDC.

43. His delegation reaffirmed its support for the 1970 Consensus as the guiding principle of multilateral co-operation, which must be flexible, universal and neutral so as to permit the strengthening of national capacities. Those characteristics, which had given UNDP life in the past, now constituted its *raison d'être* and largely accounted for the successes achieved

over 40 years. To limit them now would be a great mistake and would be seen as penalization by those who had made the greatest efforts to increase their capacity to absorb international technical co-operation. It was thus unacceptable that some countries should be earmarked for UNDP support while others were excluded. The "floor principle" must be retained as one of the fundamental criteria in the fifth-cycle negotiations. The donors' commitment to the future of the Programme must be commensurate with their capacity, so as to maximize exploitation of the existing institutional infrastructure and guarantee continuity of achievement. The industrialized countries' commitment to devote 0.7 per cent of their GDP to international co-operation programmes should oblige them to step up their efforts to attain that target.

44. Members of the Council shared responsibility for the difficult decisions to be taken at the thirty-seventh session. Sound judgement and prudence must prevail and lead to specific proposals aimed at strengthening the developing world's capacity to face the formidable challenges of the present.

45. Mr. IJUIN (Japan) said that the changes and challenges that had emerged in the world in recent years were both the cause and the effect of the ever-increasing interdependence of nations, and underlined anew the importance of international co-operation. Despite the modest volume of resources channelled through it, the United Nations development system had an invaluable role to play in securing sound and sustainable development in developing countries. As part of the commemoration of 40 years of multilateral technical co-operation for development, the Japan International Co-operation Agency had held a seminar on Africa, with the participation of General Obasanjo of Nigeria and senior UNDP staff members. Japan had also steadily increased its contribution to UNDP and committed itself to continuing such support.

46. General Assembly resolution 44/211, which enunciated a set of principles and measures constituting a reform of the entire United Nations development system, contained four main policy guidelines: promotion of national execution; decentralization of authority and capacity to the field level; redefinition of the role of the agencies in technical co-operation activities; and a shift from a project-by-project to a programme approach. His delegation fully subscribed to those goals, and believed that the policy framework provided by resolution 44/211 should guide the deliberations of the relevant forums, including the Governing Council.

47. Decisions to be taken at the thirty-seventh session on the fifth programming cycle, agency support costs and national execution would be of crucial importance to the future direction of UNDP and United Nations activities in the field of technical co-operation. If the action taken at the previous sessions of the Governing Council and the General Assembly regarding those three closely-related questions could be described as the bones of the reform effort under way, the action to be taken at the current session should provide its flesh and blood.

48. On the question of the fifth programming cycle, his delegation believed, first, that the resources of UNDP should be utilized in a manner consistent with its basic characteristics and comparative advantages. Country specificity and universality were the two essential characteristics of UNDP and should be the basis for UNDP programming for the fifth cycle. Secondly, with regard to policy priorities for resource allocation to recipients and areas of activity, his delegation supported priority allocation to the poorer

countries, poverty alleviation, and capacity building in developing countries. Within that broad policy framework, a pragmatic and flexible approach should be adopted in determining the actual allocation of resources. With regard to the allocation of funds to Special Programme Resources (SPR), his delegation basically supported the proposal put forward by the Administrator. As to the allocation of country IPFs, his delegation was sympathetic to the idea of favouring the least developed countries because of their adverse situation. However, the objective of priority allocation to those countries could also be achieved through other measures, such as revision of the existing supplementary criteria. A comprehensive approach should thus be adopted in addressing the problem.

49. While recognizing that some recipient countries attached great importance to maintenance of the floor principle, his delegation was not fully convinced by the arguments adduced in previous discussions. With only a modest increase in resources forecast in the fifth cycle, maintenance of that principle might impose serious constraints on the flexibility of resource allocation. In his view, the time had come to reconsider the principle; access to funds by relatively high-income countries could be secured by other means, such as SPR.

50. It would be irresponsible to be unduly optimistic about the assumed level of resources for the fifth cycle. The relatively high rate of growth of annual contributions in the fourth cycle had been mainly due to the accidental factor of exchange-rate movement, which was unlikely to recur during the fifth cycle. While the need for grant technical assistance through UNDP was increasing, predictability was also an important element in determining a resource scenario. An over-ambitious figure would damage the credibility of the forward-planning exercise. His delegation therefore favoured a more conservative projection and hoped that it would be possible to agree on a reasonable and sound target through constructive negotiations in the weeks to come.

51. The question of agency support costs had rightly been treated not merely as a matter to be resolved by revising the financial arrangements between UNDP and agencies, but as an important element in the reshaping of the operational activities of the United Nations system. The report submitted by the Expert Group (DP/1990/9) had provided an excellent basis for further deliberations on the subject. A group of Council Bureau members and advisers had subsequently been entrusted with the task of identifying issues and refining options proposed by the Expert Group and the results of its work had now been submitted to the Council in the form of a report by the President.

52. The new arrangements for agency support costs should result in a system that reflected the general consensus on reform of United Nations technical co-operation activities as expressed in General Assembly resolution 44/211. It should, in particular, involve a mechanism that encouraged national execution, which was the best means of project execution since it demanded a sense of responsibility on the part of developing countries. In the longer term, national execution would encourage self-reliance by fostering increased experience and expertise in project management in developing countries.

53. The role of the agencies in technical co-operation should be shifted from project execution to more substantive and technical support activities. The link between support costs for agencies and volume of projects executed should accordingly be severed, while due consideration should be given to the

problems regarding predictability of income for agencies, particularly during the transitional period. In that connection, his delegation supported the introduction of the concept of technical services support proposed in the President's report as a means of encouraging the shift in agency roles and realizing a redefined tripartite partnership in United Nations operational activities. In order to determine the level of demand for such support, the process of formulating country programmes, together with the final product, must be improved.

54. The new arrangements should also ensure a greater degree of accountability and transparency both of input and output in UNDP-funded technical co-operation. The suggestions contained in the President's report for the separation of technical support by agencies between programme and project levels and distinguishing between technical and administrative services at the project level were moves in the right direction. His delegation also supported the introduction of a cost-measurement system to improve financial transparency further.

55. Although it was desirable to make the new arrangements as uniform as possible, the special requirements of some agencies, in particular small, unisectoral agencies, could not be ignored. His delegation could therefore endorse the proposal for different and exceptional arrangements with those agencies. Because of the unique nature of UNFPA activities and the Fund's operational relationship with the executing agencies, his delegation agreed to the introduction of separate arrangements for UNFPA along the lines proposed by the Executive Director.

56. Mr. KOSTOV (Bulgaria) said that because of their very nature environmental problems called for close and wide-ranging technological and economic international co-operation. Such problems were not only technical and economic in character, but very often developed political overtones. The United Nations system, and UNDP, in particular, should play a substantial role in establishing close international co-operation in that field.

57. It was a matter for regret that, in Bulgaria, questions relating to environmental protection had for decades been relegated to the background of the government policy of so-called accelerated industrialization. The unbalanced building of giant industrial complexes with poor or inefficient cleaning facilities had led to severe environmental problems in several regions. The current task was, first, to stop the further degradation of the environment and then to reverse the direction of that process. His Government had committed itself to making every possible effort in that area. It was already clear that environmental issues would be the most important element in the fifth-cycle country programme.

58. His delegation considered that UNDP's basic principles - universality, non-conditionality and its voluntary character, as established by the 1970 Consensus - were still valid and should be maintained. The Programme must, of course, be reshaped to meet the new challenges and developments in world affairs but the major principles should be maintained.

59. On the question of successor arrangements for agency support costs, his delegation would urge executing agencies to make every effort to increase their efficiency and effectiveness, thus reducing their need for additional support costs.

60. His delegation had noted with appreciation that capacities for government execution of projects had increased throughout the world and that there was a rising demand for the use of such capacities. It might, however, be wise to take a cautious approach to the issue. There might be cases in which the increased demand for government execution was related to the prospect that countries might then be able to add to their allocation the extra 13 per cent provided for executing agency costs. The illusion of increased effectiveness might therefore have a negative long-term impact. The accumulated experience of the specialized agencies should not be underestimated. His delegation was not opposed to increasing the proportion of government-executed projects but careful consideration should be given to when and where such execution should be used particularly in the less developed countries. His delegation strongly supported the tripartite nature of UNDP technical co-operation and the freedom of recipient Governments to choose from several options.

61. On the question of the resources likely to be available for the fifth cycle, his delegation considered that estimates should be based on the assumption of a 6 to 8 per cent annual growth rate for voluntary contributions; that would mean real growth at a rate of between 0 and 2 per cent. His delegation agreed that a 5 per cent share was acceptable for SPR resources, but there should be further clarification of the activities undertaken under that fund.

62. In resource distribution, account should be taken of the real situation in countries. UNDP should provide an adequate response to the efforts of countries which were engaged in major economic and social restructuring. According to information provided by the UNDP secretariat in February 1990, more than 30 countries were expected to benefit from the proposed new supplementary criteria, while the European countries which could expect benefits were no more than six in number. The responses to the changes in Eastern Europe should in no way result in a decrease in assistance to the countries of other regions.

63. It was commonly accepted that United Nations technical assistance should be aimed primarily at enhancing national capacity for economic and social development. When a country embarked on a rapid and drastic transition from one political and economic structure to another, its overall national capacity for development was clearly at stake. Such was the situation in Bulgaria. During the previous six months, there had been radical changes in his country as a result of the introduction of pluralistic democracy. The Government had developed an anti-crisis programme and economic reform designed gradually to replace a centrally-planned economy with a market-based one. The aim of the programme was to diminish the devastating effects of the huge disproportions in the national economy and to ease the introduction of long-term structural adjustments. New legislation had been adopted to ensure equality of all forms of ownership, encourage and guarantee foreign investment, and free prices. Land privatization bills were awaiting discussion in the new National Assembly. International support would be vital for the accomplishment of the programme. The Government was aware of the social cost of the reform process and was taking all possible measures to reduce the negative impact on the socially weaker groups of the population.

64. His delegation agreed with the report of the Administrator about the theoretical and empirical difficulties in constructing indicators of development. It was ready to collaborate fully in developing a universal and accessible system for monitoring economic and social development and a composite index of all aspects of human welfare.
65. Mr. RUKIKAIRE (Uganda) welcomed the interest which UNFPA continued to show in the Ugandan country programme projects, particularly the integration of the population programme with his country's decentralized district development planning and the Resistance Council System. It also appreciated the efforts of UNIFEM to stimulate policies to ensure women's involvement at all stages of planning. His delegation hoped that UNIFEM would assist Uganda in training both men and women to design, manage, evaluate and disseminate information on traditional and complementary energy systems geared to women's needs. His Government would welcome technical advice on how to ensure the access of girls and women to scientific and technical education and to promote opportunities for them to advance in those fields. It requested donors to try to encourage the efforts of national NGOs. UNIFEM might also conduct a workshop on gender awareness for incorporating women's issues in the Programme to Alleviate Poverty and Social Costs of Adjustment and other development Programmes. It was the hope of his Government that the mid-term review of the Uganda programme would lead to greater coherence between the country programme and the priorities of the Government's national plan.
66. During its second term in office, which had started in January 1990, the National Resistance Movement Government would endeavour to consolidate achievements and would continue its efforts to develop an independent, integrated and self-sustaining economy. The future role of UNDP as a central funding agency in Uganda should be seen in the context of what it could contribute to those development objectives.
67. During the previous three years Uganda had maintained a GDP growth rate of over 6 per cent and a rate of 7.2 per cent in 1988; the Government expected to maintain that steady growth in the years to come. In order to achieve that, it had been implementing a structural adjustment programme aimed principally at removing external and internal economic imbalance. Uganda was well on the way to creating a diversified export-led economy, which was the objective of its medium-term strategy. That strategy had been supplemented by a recovery programme aimed at rehabilitating the economic infrastructure, including roads, water, electricity and key industries. The international response to that development strategy had been good, as exemplified in the successful consultative group meeting held in Paris in November/December 1989, during which substantial funds had been committed by the donor community for both the structural adjustment and rehabilitation programmes.
68. A comprehensive manpower survey had recently been completed in Uganda and the Government was in the last stages of a public service reform; those activities would permit the country to start a national long-term management development programme. The Government had also initiated a NATCAP project designed to formulate a clear policy on the use of technical co-operation resources. A programme to address the social problems associated with structural adjustment was also being put in place.

69. At its current session, the Council must establish well-defined guidelines and targets for the future role of UNDP in the context of a dynamic world and the changing needs of the developing countries. It should also highlight the need for a substantial increase in total UNDP resources and for the creation of a more predictable and supportive environment for the development of the developing countries. The need for a more responsive technical assistance institution to meet the changing needs and specific requirements of the developing countries could not be over-emphasized. Indeed, UNDP should be reshaped in order to take a leading role in meeting such challenges. In that regard, the Human Development Report, 1990 was a step in the right direction.

70. Uganda was strongly committed to the promotion of TCDC. UNDP should help member States to encourage TCDC by increasing awareness of its potential. It should also help developing countries to forge links of mutual collaboration through inter-country consultations, seminars, study tours and the expansion of information systems that disseminated data and emphasized the use of institutions in those countries. Such activities called for strong financial support.

71. His Government attached great importance to the work of the United Nations Sudano-Sahelian Office (UNSO) in Uganda, but recommended that that agency, in collaboration with related institutions such as IFAD and UNEP, should in future co-operate more closely with the Central Planning and Co-ordinating Ministry.

72. The concept of technical assistance as conceived in the early 1960s was no longer relevant. The accumulated technical skills of the developing countries made it uneconomic and superfluous to continue to rely on expatriate personnel for the execution of projects and programmes. Nationally executed projects represented only 25 per cent of the country programme. National experts, local consultants and consulting firms had hitherto been a rare phenomenon in UNDP projects and in that respect UNDP had lagged behind other development agencies. His Government was encouraged to note that the Administrator was genuinely committed to national execution as the modality for UNDP-assisted projects from the commencement of the fifth programming cycle.

73. The Council should formulate concrete measures to implement Assembly resolution 44/211 and, in particular, to promote the shift to national execution. Procedures and reporting requirements should be simplified, reformulated and adapted to support government execution, while maintaining the need for proper financial accountability. Counterpart funding represented a serious obstacle to the success of development projects and it must be accepted that donors should assume the full cost of projects if their successful execution was to be ensured in the short-term. UNDP must help host countries to meet some of the financial obligations hitherto left to Governments. His Government therefore hoped that the Council would give favourable consideration to the recommendations of the Administrator contained in document DP/1990/22.

74. The creation of an effective and efficient management cadre was a critical component central to any self-sustaining development process. It was for that reason that his delegation had supported the establishment of the

Management Development Programme (MDP) at the thirty-fifth session of the Council and the allocation of \$60 million as seed money. Uganda had already embarked on an MDP-financed project for the review commission of the Ugandan civil service. It had also hosted an MDP project identification mission in preparation for the re-establishment of the Uganda Institute of Management. He hoped that the Council would agree on concrete action to mobilize additional resources for the Institute and for the financing of the various recommendations of the civil service review commission.

75. In strengthening the role of UNDP, the Council should ensure that national development plans constituted the frame of reference. In the past, country programmes had been permitted to pursue projects outside national plans and, as a result, funding gaps had continued to exist in national plans while IPF funds remained unutilized. IPF resources during the fifth cycle should therefore be fully integrated into projects within national development plans. Recent measures instituted by the Administrator had enhanced programme delivery but the timely approval process and the disbursement of resources for projects and programmes still needed to be significantly improved.

76. His Government called upon UNDP to play a lead role in the mobilization of non-core funds, especially through the round-table mechanism. Even where co-ordination was through the World Bank Consultative Group arrangement, UNDP should help Governments prepare technical development plans which would be addressed by donors in the context of the public sector investment programmes. His Government welcomed the recommendation of the Administrator that the nominal growth rate of voluntary contributions in the fifth programming cycle should be doubled from 8 per cent to 16 per cent per annum. In that connection it was instructive to note that, at the current rate of increase of 8 per cent, the real growth rate in the fifth cycle would fall below 3 per cent. No other factor had influenced the resource levels of UNDP more than the fluctuations of the dollar *vis-à-vis* other convertible currencies. His Government therefore believed that the time had come for the Council to consider mechanisms that would reduce the impact of dollar fluctuation on UNDP-assisted development programmes and projects.

77. His delegation reaffirmed its support for the existing criteria and principles for distribution of country IPFs based on the UNDP/population basic criteria. The existing supplementary criteria should be reviewed to reflect the unique economic crisis facing the least developed countries.

78. Mr. SÄVE-SÖDERBERGH (Sweden) congratulated the Executive Director of UNFPA on the constructive way in which she and her staff had utilized their experience in ways of tackling population issues. The current global scenario was well described in the Human Development Report, 1990, which had stressed the very rapid changes in the world during four decades of technical co-operation involving the United Nations system. The world had made progress in that millions of people currently lived a better life than previously. International development co-operation had contributed to those positive trends. Nevertheless, there were still more than 1 billion people living in absolute poverty and, hundreds of millions unable to read and write, homeless, malnourished and hungry. Their numbers were increasing, as was the imbalance between population and resources in many countries.

79. While the world was left with the task of sustaining what had been achieved, it was also facing new threats and opportunities. Détente and growing prospects for the peaceful resolution of conflicts were opening up opportunities to deal more effectively with the human dimension of international security. Environmental problems knew no boundaries. The poverty in the South directly affected all countries and poor people had few choices. Refugees had increased in number in the past decade and were seeking asylum and assistance. The international community had been slow to respond to those new demands. In a world of rapidly growing interdependence, more and more people wanted to migrate, simply in order to avoid poverty. Was migration to be the Council's answer to those people or was it willing to give them a chance by becoming more active partners in a renewed joint effort of multilateral co-operation? Fighting the drug trade required international co-operation. The AIDS epidemic was another example of interdependence, where it was necessary to act more decisively in a joint effort. The devastating effects of the debt problem of many poor countries was an obstacle to meeting urgent human needs. The problem also had negative effects on trade and employment in both North and South.

80. Those examples of interdependence showed that all countries were affected by events and developments which had until only recently been regarded as merely national or local. He wondered whether national leaders would realize that international co-operation in many new fields was becoming necessary and that the peace dividend should be used for joint efforts to achieve sustainable development.

81. A number of conclusions could be drawn from a study of United Nations activities in eight developing countries conducted by a joint Nordic/United Nations project. UNDP was a welcome actor in the area of technical assistance. In some countries, UNDP had an important role; in others its assistance was of marginal value. Recipient Governments recognized that the United Nations system had comparative advantages over assistance from bilateral sources and that those advantages included the provision of untied funds, the absence of political and commercial interest, and a broad resource base. Thus, neutrality was a comparative advantage of the United Nations system. However, it must be admitted that the United Nations system, according to the study, seemed to be wanting in the area of efficiency.

82. The relevance and efficiency of large systems for the transfer of resources were being examined in many countries. In the national context, studies were being made of cost effectiveness, evaluating impact and examining responsiveness to new needs of major public sector organizations and institutions. That process highlighted the importance of such concepts as accountability, transparency and governance. Those issues were also pertinent to the international system for development co-operation. The important questions to be asked were: How did nations as donors perform their proper role? Was an annual four-week session of the Governing Council an effective way in which to perform the proper governing role of member States? What was the role of UNDP in relation to the specialized agencies and recipient countries? What were the true costs of delivering technical assistance to developing countries? What would be the demand for UNDP in the 1990s when new urgent needs emerged while many old ones persisted? He hoped that the joint Nordic/United Nations study next year would present some ideas and recommendations concerning those questions.

83. In order to give member States information on the true costs of delivering technical assistance, those costs must be identified and accounted for. At the present time, members did not know the true costs. The figure of 13 per cent had been fixed arbitrarily, regardless of costs. His delegation would like UNDP to pay its way and to be able to weigh costs against benefits. A real-cost principle was therefore necessary. Subsidies of an unknown magnitude were not conducive to efficiency and proper decision-making. UNDP must be free to utilize the best sources of competence available. Where the concept of partnership was translated into a monopoly situation, efficiency was at risk. The concept of national execution was an expression of the need to accord recipient countries their due share of responsibility.

84. Those changes would considerably strengthen the incentive for the specialized agencies to be more competent in the international arena. In the field of development assistance, they would also strengthen the capacity of recipient countries to take a firmer grip on their own development.

85. The Governing Council had to decide on the resources to be made available for the fifth programming cycle and on their allocation. He was in a way sad to note that, according to the annual review of the financial situation of UNDP in 1989, Sweden, a country of 8 million people, had become the largest contributor to UNDP in that year in absolute terms. He was sad because he saw it as less of an achievement for many others than as a positive achievement for his own country.

86. It was clear that UNDP and other organizations in the United Nations family would require more financial resources. With regard to the many statements made in the Council calling for more UNDP action in many fields, he would request members to reflect on the concept of burden-sharing. The United Nations should be characterized by unity also in terms of financing. UNDP should maintain the priority of concentrating its resources on the poorest countries, where needs were greatest and access to other means of financing was limited. The yardstick for allocating resources must be simple and easily understood.

87. Mr. STAHELIN (Switzerland) said that the first 40 years of United Nations technical co-operation had provided a wealth of experience and lessons. The system had greatly evolved by seeking to adapt itself to the changing needs of recipient countries. Those efforts should be continued and strengthened if United Nations operational activities were to continue to play a significant role in international development co-operation in the 1990s. That co-operation would have to meet considerable challenges arising not only from the magnitude of the problems to be resolved with limited resources, but also from the increasing competition of other development co-operation programmes.

88. His delegation continued to regard UNDP as a key element in the system. If it was to continue to play its role as a central agency for the financing, programming and co-ordination of technical co-operation, it would have to develop a higher profile. Its future would depend greatly on the specific nature and quality of its contributions to the development of countries which had the greatest need for that type of support.

89. At its previous session, the Council had begun to work along those lines by trying to reach a clearer definition of the role to be played by UNDP in the 1990s. It had been concluded that UNDP should concentrate its activities even more on the areas in which it had, in conjunction with the specialized agencies, genuine comparative advantages, that it should focus its efforts on strengthening the development capacities of countries with the greatest need for its services, and that it should improve co-ordination of its operations with other forms of assistance. At the current session the Council had an opportunity to develop the profile of UNDP in the 1990s through several far-reaching decisions which it was called upon to take. The two most important decisions concerned future support cost arrangements between UNDP and the agencies, and the fifth programming cycle.

90. With regard to future support cost arrangements, his delegation hoped that the solution adopted would make it possible to strengthen the capacity of the recipient countries and to continue to mobilize fully the technical experience of the specialized agencies. It was convinced that the recipient countries should be more closely involved in programme management and execution. It was in that light that it viewed the increasing role given to national execution. The choice of method of execution would, however, depend in each case on the nature and circumstances of the particular project. With regard to the more general use of national execution, he wished to make a proposal which was somewhat different from that of the Administrator and consisted of three elements.

91. First, there should be a gradual increase in the proportion of projects executed by recipient countries during the fifth programming cycle. At the present time, that proportion was less than 20 per cent on average. Secondly, the majority of those projects should be executed by local private bureaux and local NGOs, acting within the mandate given jointly by the Government and UNDP. Thirdly, external technical support, which would remain necessary in a number of projects executed by national bodies, would be provided mainly by specialized agencies of the United Nations. That formula had several advantages: it reinforced national capacities without overburdening the governmental apparatus; it safeguarded governmental prerogatives while generally entrusting the private sector with operations; it preserved the cohesiveness of the United Nations operational system and promoted synergy between UNDP and the agencies.

92. On the question of support costs, his delegation favoured a clearer distinction between administrative support and technical support, and separate financing of those two categories, which would be a means of securing more substantial technical support. However, the increase in expenditure for those services should be at least partially offset by a reduction in expenditure on administrative support so that the total cost of the arrangements would not be substantially higher. In addition, his delegation favoured the establishment of differentiated conditions according to the nature of the technical services rendered. At its current session the Council should take a decision on a number of principles, and the new arrangement should be finalized by the 1991 session for submission to the General Assembly for approval the same year. That decision process should be conducted by UNDP and the Council, but the specialized agencies should be duly consulted and their views taken into account.

93. The other important decision which the Council would be called upon to take would concern UNDP resources during the fifth programming cycle and their allocation. That decision should be considered in close conjunction with other aspects of the Programme, in particular the role of UNDP in the 1990s, its resources mobilization strategy, the structure and quality of the Programme, and the role and working methods of the Council. In view of the relatively modest prospects for growth in international development co-operation in general, and the growing competition between various programmes and aid channels, the increase in UNDP's central resources was unlikely to exceed 6 per cent per annum. In those circumstances, it was essential for UNDP to concentrate resources on countries which had the greatest need of its aid, namely, the least developed countries.

94. His delegation had submitted proposals on that subject during the previous consultations on the fifth programming cycle, proposals which had been criticized as "radical" in some quarters. Those proposals had been put forward as an alternative approach. Faced with the challenges of the 1990s, his delegation was convinced that adjustments of the kind it had proposed would prove necessary if UNDP was to continue to play an important role in multilateral technical co-operation. His country was prepared to continue to contribute its share in a genuinely joint effort by all traditional UNDP donors and by all other countries in a position to increase their contribution to the Programme.

95. At the institutional level, the Council would have to take a decision concerning the future of the Committee of the Whole and its Working Group. In his opinion, the Council's structures should be further streamlined. The Council must have a body where member countries could examine in depth - without the formality of a plenary meeting - the various aspects of programmes. Consequently, if the Committee of the Whole and its Working Group were to disappear, his delegation would welcome the establishment of a "Programme committee", which would function essentially in the same manner as the Budgetary and Finance Committee, whose usefulness was recognized by all.

96. He welcomed the publication of the Human Development Report, 1990 and congratulated its authors, who had shed new light on development by focusing on the development of man at a time when the economic crisis had led members to over-emphasize micro-economic aspects.

97. Mr. GEENS (Belgium) said that the complex challenges facing the Council at its current session included: the role of UNDP in the 1990s; the fifth programming cycle, and hence the allocation of resources; the difficult subject of agency support costs; and the problem of national execution. The responses made to those challenges would largely define the future identity of UNDP. At the present time UNDP was tending to become an unwieldy institution in relation to its overall budget. The time had come to redefine the role of UNDP, which should be the central brain and major designer within the United Nations system with respect to technical assistance. It was for UNDP to provide the impetus and play the role of co-ordinator in the technical co-operation field. It therefore followed that UNDP should seek to be less of an executing agency itself.

98. With regard to its "governance", i.e. its structures, together with its method of functioning and management, UNDP should be made more flexible and efficient. In that connection, he referred to the need to streamline the work

of the Council, which held unduly lengthy meetings. He was certain that many countries besides his own faced problems in ensuring a continuous presence. Instead of the Committee of the Whole, a smaller management committee - composed on the basis of geographical distribution to be determined - should assist the Administrator between the Council's annual sessions.

99. The executing agencies had their *raison d'être*, but they should increase further their sectoral expertise in such a way as to become centres for basic information in their various spheres of activity. They should be concerned less with execution and substitution and more with the provision of advisory services. The logical result was that the UNDP should work with the agencies, in accordance with the four major principles that guided its action: universality, multilateralism, neutrality and decentralization.

100. In specific terms, his delegation urged UNDP to provide highly competent and professional assistance to the developing countries in furthering and executing their national development programmes, in creating greater institutional capacity and in improving management of their own development. Structural adjustment should not be imposed from outside but should be fully borne by the countries concerned. They should be able to design and execute it in a realistic and gradual manner, which would depend on their absorptive capacity in the economic, social and cultural fields. UNDP had a role to play in ensuring the success of that process.

101. He welcomed the Human Development Report, 1990, which had recently been published by UNDP. The report set out guidelines for the future. It gave a new dimension not only to approaches to structural adjustment, but also in the more specific areas covered by UNDP, namely, technical assistance and human resources development. His delegation was particularly interested in the definition of the human development index instead of criteria which were unduly exclusive in economic and financial terms. The performance criteria for structural adjustment should also be evaluated in the light of that index.

102. His delegation suggested the UNDP should invite the World Bank, IMF and bilateral donors to include a human development index in the performance criteria for structural adjustment, more particularly for the second phase of the Special Programme for Africa (SPA II). On the whole, it could endorse the philosophy and main recommendations contained in the report and was prepared to participate in the effort to develop further the concepts it proposed.

103. His delegation particularly welcomed the following ideas: more equitable distribution of income; the need to establish a safety net in order to prevent the degradation of the poorest groups; the link to be established between poverty alleviation, environmental protection and population growth; the need for a basic redefinition of the philosophy of technical assistance, by mobilizing local human resources where possible; and the need to reduce military expenditure in the developing countries. The debt problem also constituted a fundamental obstacle to economic, social and human progress. New and original measures would have to be taken, in particular by converting credits into socio-economic projects aimed at strengthening social structures, creating employment and renewing productive investment. There, too, UNDP had an important role to play in the definition of approaches and conditions for carrying out such operations and in strengthening the capacity of developing countries to negotiate with the World Bank, IMF and other donors.

104. His delegation fully supported the idea that development was essentially rooted in national effort. For an unduly long time, UNDP had tended to substitute itself for national bodies by executing projects in their place. After 30 years of co-operation, it had been noted that the results were not always satisfactory and that financial and other efforts had not always produced the desired progress. His country had therefore changed its approach in its bilateral co-operation and adopted the policy of "co-management", under which his Government was the site manager and intervened at each stage of the procedure to exercise its monitoring role with regard to the allocation of public funds. Belgium accordingly wished to promote the execution of programmes by the developing countries themselves, through a much greater involvement, first, of Governments, but also of NGOs, research centres and other bodies in the public or private sector.

105. It was clear, however, that Governments would still require all the expertise of UNDP and the executing agencies in order to tackle that ambitious and important task. And that approach clearly presupposed the existence of a whole set of rules, procedures and control which should enable the Administrator to exercise financial responsibility with regard to donors. National execution was closely tied in with the strengthening of management capacity in many developing countries, which should constitute one of their absolute priorities. Realistically, however, it must be acknowledged that management capacity could be acquired only gradually.

106. Pending the broad adoption of the national execution system, it would be necessary to continue making use of the sectoral experience accumulated by the executing agencies. It was essential to avoid financial crises with respect to any given executing agency, but that did not mean that justified improvements could not be effected. In that connection, he wished to stress the following points. First, the 1970 Consensus could in no circumstances be regarded as immutable, as a sort of "acquired right" of the executing agencies. Secondly, all the executing agencies should agree to sign with UNDP the agreement providing for the possibility of differentiating the agency's expenses (currently 13 per cent) according to the type of services rendered. Thirdly, the executing agencies should modify their approach with the aim of reducing their "project execution" activities in favour of more in-depth analysis of their own sphere, namely, sectoral expertise. Furthermore, they should agree to enter the mainstream of national execution, since that was the path that should be followed in order to ensure the improvement of development itself.

107. That recommendation also held true for UNDP itself. It should not replace existing national expertise or the expertise of the specialized agencies. It should ensure the early establishment of a strategy for the accelerated improvement of the institutional capacities of the developing countries, a strategy which should incorporate specific means of action such as NATCAPS, round-tables, and other macro-economic and multisectoral approaches.

108. The allocation of IPFs was a difficult and complicated exercise. The Administrator and several countries had made interesting proposals on that subject and he thanked them for their efforts. It would apparently be difficult to count on an increase of 6 per cent per annum. In any event, as far as Belgium was concerned, that objective was unrealistic given the

difficult budgetary situation at the present time. It seemed only fair that the lowest-income countries should receive proportionately more funds than those which were more fortunate. He was aware that the degree of a country's poverty measured in the light of per capita GNP should not be the only criterion for allocating IPFs. It would probably be desirable to apply the human development index on a trial basis before IPFs were definitively allocated. At the current stage, he would simply remind the Council of his country's commitment to the least developed countries and to the most disadvantaged segments of the population, to whom UNDP, through its various funds, should give greater attention than in the past.

109. Forty years of multilateral as well as bilateral technical co-operation had demonstrated that development was not solely a question of the volume of assistance but primarily one of management and mobilization of local resources in a cohesive environment, based on respect for human rights and offering the possibility for all classes of the population to participate in development. Genuine development could not be boiled down to economic growth alone. It must also create conditions for the full development of the human person in a world which was open, ecologically healthy and culturally diversified. He was therefore pleased that the new international context resulting from the changes in Eastern Europe would give rise to an international development strategy for the 1990s which would be more closely geared to human development.

The meeting rose at 1.05 p.m.