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SUMMARY RECORD OF THE 24th MEETING

Held at the Palais des Nations, Geneva,
on Thursday, 7 June 1990, at 3 p.m.

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| <u>President:</u> | Mr. HAMADZIRIPI | (Zimbabwe) |
| later: | Mr. MORALES CARBALLO | (Cuba) |
| later: | Mr. POPESCU | (Romania) |

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The meeting was called to order at 3.05 p.m.

HIGH-LEVEL SEGMENT: POLICY REVIEW (agenda item 3) (continued)

1. Mr. ESSAAFI (United Nations Disaster Relief Co-ordinator) recalled the mandate of the Office of the United Nations Disaster Relief Co-ordinator (UNDRO) and said that he would centre his remarks on two points: the joint efforts that UNDRO and UNDP were undertaking to strengthen their co-operation and the proclamation of the International Decade for Natural Disaster Reduction.
2. Two factors determined co-operation between UNDRO and UNDP: (a) the fact that at the country level UNDRO was represented by the UNDP resident representative and (b) the close relationship between disasters and development. The UNDP resident representatives were clearly well suited to represent UNDRO, and in recent years both organizations had made considerable efforts to enhance co-operation between them, in particular by launching an ambitious training programme for their staff and by jointly producing a disaster management manual. Other competent bodies within the system were involved in those efforts, which were complemented by important measures at the country level.
3. While relief and assistance operations often received generous funding, the same was not true of the more thankless tasks of disaster prevention and mitigation, despite the fact that disasters often wiped out years of efforts and investments in development. According to a recent study by UNDRO on the economic impact of disasters between 1970 and 1989, average yearly losses over those 20 years amounted to more than 2.5 per cent of GNP in the 17 most disaster-prone countries, and more than 5 per cent of GNP in six of those countries, which was considerable. Disasters therefore had an important economic dimension and in disaster-prone countries, disaster mitigation should be considered as part of the development process and be included in development plans.
4. There were two basic facts to be borne in mind. Firstly, in the next 10 to 20 years, the frequency of disasters was likely to rise for a number of reasons: population growth, a greater concentration of people and economic assets in urban areas and along coastlines, climatic changes, including global warming, with as its likely consequence, a rise in the frequency of destructive tropical storms and a rise in the sea level, etc. Secondly, disaster mitigation was both possible and feasible. It was now possible to predict, with a reasonable degree of accuracy, most natural hazards, with the exception of earthquakes. A large array of policies and measures had also been developed to reduce the vulnerability of communities to hazards. Prevention was possible, and investment was both reasonable and well worth the cost, particularly in comparison with the extremely high cost of relief.
5. The main objective of the proclamation by the United Nations of an International Decade for Natural Disaster Reduction between 1990 and 2000 was to reduce loss of human life and property by disseminating information about disasters and how to prevent them, as well as by dispelling the widespread fatalistic attitude towards disasters. It was particularly important that UNDP should lend its support to that effort by according priority to preparedness, prevention, relief and reconstruction in its operational

activities as part of current and future country plans. One specific objective was to reduce the vulnerability to disasters of UNDP-financed projects, infrastructure and other activities. In view of the considerable cost of reconstruction work following a disaster, it was vital that prevention and mitigation measures should be included in policies relating to public infrastructure and housing.

6. More than 60 developing countries regularly suffered from disasters and it was important to take the necessary measures to reduce the vulnerability of those countries. In close co-operation with UNDP, UNDR0 was currently assisting the Governments of about 15 countries in devising and implementing comprehensive disaster-mitigation strategies. However, that was still not enough, and the International Decade should provide an opportunity to cover a much larger number of countries. UNDP and UNDR0 could work closely together to ensure in that field an appropriate transfer of technology to developing countries in the years to come.

7. Particular attention should be paid to the least developed countries, which were particularly vulnerable to all kinds of hazard, and the Second United Nations Conference on the Least Developed Countries, due to be held the following September, could provide an opportunity to organize a programme of specific activities in the context of the International Decade.

8. At a time when the Governing Council was addressing the issue of the fifth programming cycle and the allocation of resources for development, it appeared appropriate to advocate a systematic effort to integrate disaster mitigation measures into development activities. In that connection, he wished to draw attention to the great potential for complementarity between the activities of UNDP and those of UNDR0.

9. Mr. XIE Qimei (Under-Secretary-General, Department of Technical Co-operation for Development) said that over the past 18 months the tripartite system of technical co-operation had been the subject of extensive study and that against the backdrop of negotiations on the fifth programming cycle, the Council's decision on support costs and implementation of General Assembly resolution 44/211 would have far-reaching implications for the tripartite system as a whole. In addition to its considerable contribution to self-reliance among the developing countries, its total commitment to the principles of universality and neutrality distinguished multilateral technical co-operation from other sources of aid. However, that commitment would be of little consequence if it were not solidly backed by the technical experience and expertise provided over the years by United Nations institutions and agencies.

10. In view of the changes taking place in the world and in the needs of the developing countries, assistance by the United Nations system to those countries should be adjusted and improved, albeit gradually, on the basis of a reassertion of the 1970 Consensus, and the preservation of everything that constituted the unique character of the United Nations system as distinct from other sources of aid, such as the private sector. The Department of Technical Co-operation for Development was fully aware of the need for continuous review of its methods of work and of what it offered to developing countries, and it had constantly adapted to their changing needs. General Assembly resolution 44/211 placed greater emphasis on national execution and on a programme approach, which were already applied by the Department in all its

activities. Without going into detail on its activities, as a report would be submitted at a later date, he said that the Department had already taken serious steps to review its organizational structure and in particular to simplify procedures and promote the delegation of authority to the field.

11. The Department would continue to support national execution, by providing Governments with appropriate assistance. However, before the Council took a decision, certain questions would need to be clarified, in particular administrative aspects of national execution. For example, the suggestion that field offices should provide all the administrative and logistical support, as well as procurement and personnel services when a Government did not wish to implement a project directly, might not be entirely in the spirit of government execution, and the Department considered that resources available for technical co-operation should be used primarily to build up capacity within States. It was also questionable whether it was to the advantage of developing countries to cast aside all the operational experience of the agencies. If a country wished to execute a project itself, but did not have the full capacity to do so, funding and executing agencies were duty-bound to help; the Department's specialists in development administration could make a valuable contribution in areas such as accounting, budgeting or auditing. In the final analysis, only Governments could decide how national execution should be applied, at what pace and to what extent, and experience in the field showed that while Governments wanted the option of national execution, they did not want it to be the only option.

2. Support costs had not yet been quantified and it would not be appropriate to make any hasty decision on the subject. Whatever arrangement was ultimately adopted, the Department thought it should lead to improvements in quality, in order to limit the additional marginal costs, to increase efficiency, strengthen the multilateral system and safeguard the interests of the developing countries by facilitating access by them to the technical support available from United Nations agencies.

3. The view seemed to be held by some that agencies either did not want or could not have access to the full gamut of expertise available worldwide, that there was a lack of adequate competition in the current system and that new arrangements would give better access to technical expertise and introduce elements of competition. He pointed out, however, that the Department, like any other agencies, sought to obtain the best expertise globally available and that there was no source of expertise that it had not tapped, at one point or another. It operated in a competitive environment and elements of competition were built into its day-to-day operations. On the basis of its experience, the current system was sufficiently competitive and the proposal that institutions and private organizations should compete with one another was not satisfactory. However, if such a system were adopted, clearly understood rules of the game would be required to ensure fair, cost-effective and efficient competition, from which Governments would derive maximum benefit.

4. He stressed the fact that the adoption of the programme approach could represent only one element of an overall aid programme and that co-ordination was the responsibility of Governments. Technical co-operation programmes must be in keeping with national planning and priorities and must be formulated in consultation with Governments, with the participation of funding and executing agencies. The Department had been left out of many programming activities, a situation that was not desirable if a programme approach was adopted. In view

of its experience in that field, it would have no difficulty in providing programming and multidisciplinary support, as requested by the Council the previous year. The United Nations system could do much to create a sound and healthy environment favourable to the promotion of international co-operation. However, the task was too big for just one body to handle, and as the developing countries needed more technical co-operation support to encourage and reassure potential contributors, it was of vital importance that the United Nations system should be perceived as efficient and stable.

15. Mr. RASAPUTRAM (Sri Lanka) said that although Asia as a whole showed buoyancy, the situation of the low-income countries in the region was not expected to improve in the near future. In contrast, the developed countries were expected to perform better than in the 1980s, a fact which, on account of the current curtailment of military expenditure and the prospect of free markets, offered reasonable grounds to hope for a marked increase in assistance to the developing countries.

16. In addition to the main problems that beset the developing countries, such as the massive outward net transfer of resources, the debt burden and the fall in commodity prices, there were other problems such as drug abuse, AIDS and man-made or natural disasters. It was a matter of deep regret that the magnitude of the problem of poverty and the tragic situation faced by many developing countries had been neither fully understood nor recognized. It was not a kind of poverty that could be tackled by the trickle-down process of economic development and there was no mathematical model that could be applied uniformly to all countries. Any development programme that had to be supported by resources both internal and external had to promote maximum development in conjunction with social well-being. If there was not to be a world upheaval by the poor against a fortified enclave of privilege and affluence, there was an urgent need to go beyond conventional economics. Programmes should be targeted to benefit the poor directly and to increase their involvement at the grass-roots level.

17. Sri Lanka was one of those countries that had made a direct assault on poverty. The Government had designed and implemented a programme whose main objective was to develop a self-reliant population capable of becoming active partners in development by strengthening the role of individual initiative. Such a programme should be supported by human resources development and by institutions to promote social change.

18. UNDP programmes echoed the deep concern of the international community with environmental issues. Both developed and developing countries were determined to come together to prevent further environmental degradation. As the report of the Brundtland Commission had shown, poverty was the major cause of environmental degradation. The best means of protecting the environment was above all to tackle poverty, and to mobilize far greater resources against it than in the past. In that connection, he said that the threat to the tropical rain forest should not be the only rallying point for the developed countries to take meaningful steps towards the eradication of global poverty.

19. Whether the problem was poverty relief, environmental protection or human resources development, his delegation attached considerable importance to the United Nations Volunteers programme. No other programme was as effective in transferring technology to the rural poor, and he supported the programme's global expansion.

20. The current international economic situation, together with the relaxation in tension marked by détente, and the reduction of arms expenditure, should make it possible to release fresh resources to assist the developing countries. UNDP, with its multilateral character, its vast network of field offices and its diversity and wealth of skills was well placed to facilitate global and national action in that direction. It was able to promote an integrated approach to development, while respecting the sovereignty of States which should be able to determine their own needs and priorities. The demand for resources would increase in the 1990s for a variety of reasons that were well known, and it was vital to bear in mind the decision of the Council that Programme activities should not decline in real terms. His delegation noted with concern that the increase in expenditure, set at \$840 million for 1990, would not be possible because of the insufficient increase in voluntary contributions. Everyone was aware that the UNDP programme was complementary to bilateral programmes and that SPR programmes addressed global issues that were of concern to donors as well. His delegation supported the target of a 12 per cent growth in resources.

21. He appreciated the efforts made by the Administrator to streamline the organization and management of UNDP and supported the recommendations set out in the annex to document DP/1990/20. In addition, improving the quality of the programme and its delivery, and placing greater emphasis on programme support projects could help in confidence-building among donors. Greater cost-effectiveness could be achieved by improving project delivery and adopting more economical modalities. More competition between executing agencies could bring down costs. A State with proper mechanisms for financial accountability, and technical backstopping by special agencies could also cut costs considerably. Often money was spent on experts, rather than on training counterpart officials who would be able to take over project implementation. His delegation recommended greater use of local expertise. It felt that a theme-oriented approach could attract resources. However, it must not be forgotten that each country had its own development needs and priorities, hence the importance of country IPFs. In calculating IPFs, the basic criteria of population and per capita income, as well as the floor principle should be maintained to prevent a decrease in country programme activities in the fifth cycle. His delegation recommended that the weight given to the different supplementary criteria used during the fourth cycle should remain unchanged.

22. It also strongly recommended that any future arrangement for the payment of support costs should ultimately be based on national execution. Such a commitment required an evolution in the role of agencies into highly specialized entities for the supply of technical advice, equipment and consultants. National capacities should be strengthened. He wished to stress that the new arrangement should maintain the full accountability of the Administrator for the funds entrusted to him. He also recommended a reduction in administrative and support costs from their current level, and greater emphasis on technical support. Mandatory technical services should be provided free of charge and should include, if appropriate, the provision of sectoral advice. Administrative costs should be reduced by decentralizing decision-making and programme management.

23. Further cost reduction should be possible if country allocations were utilized in accordance with the priorities determined by the recipients themselves. Tripartite relations could be better advanced if the choice of executing agency were left in the hands of the country concerned, in consultation with UNDP.

24. Mr. FARHAT (Libyan Arab Jamahiriya) said that without peace, stability and confidence, it was impossible to achieve sustainable development. The Libyan Arab Jamahiriya had always asserted that it was essential to promote international co-operation in accordance with the principles and purposes of the Charter of the United Nations. He took the opportunity to pay a tribute to the Palestinian people that was struggling for its independence, and said that the wishes of the Palestinian people could not be ignored and its rights should be restored in full. His delegation reasserted its unswerving support for all those who were combating racism and colonialism to recover their rights, their land and control over their country's natural resources.

25. The instability of the international economic system and the deterioration, day by day, of the economic situation of the developing countries was a source of deep concern. The international economy, which it was no longer capable of keeping pace with the changes currently taking place needed to be changed radically. For that reason, at the most recent session of the special General Assembly, the United Nations had endeavoured to give a fresh impetus to co-operation for development. Consequently, realistic strategies needed to be developed, and the Second United Nations Conference on the Least Developed Countries, the eighth session of UNCTAD and the United Nations Conference on Environment and Development should focus their attention on that important issue.

26. In spite of all the efforts being made, the debt crisis continued to deepen and to weigh heavily on the developing countries. It was a fundamental problem that could only be solved by sustained international co-operation. His delegation acknowledged that environmental conservation was a collective responsibility, although it thought that it should be assumed mainly by the industrialized countries as they possessed the necessary technical capacity to do so. For its part, Libya was prepared to do its utmost to ensure a sound environment.

27. Although the United Nations system and many Governments provided considerable assistance to Africa, that continent's economic crisis continued and deepened for reasons beyond the control of African Governments. Libya had made a generous contribution to the assistance provided to the countries of Africa and of other continents and hoped that the international community would pursue its efforts on behalf of those countries.

28. Demographic growth was another major problem that the international community had to solve. Demographic forecasts were alarming and it was essential to adopt concerted and effective measures in that domain.

29. He thought that the arrangements proposed in the report of the Expert Group on agency support costs (DP/1990/9 and 11) could provide a basis for consultations leading to a consensus. His delegation suggested that a working group should be set up to study the various arrangements proposed by the Expert Group and to put forward recommendations to the Governing Council, and was prepared to participate in the group.

30. As far as preparations for the fifth programming cycle were concerned (DP/1990/8), he preferred to adopt the second alternative, i.e. an annual growth rate in voluntary contributions of 8 per cent for the fifth cycle. Special Programme Resources should be maintained at 3.5 per cent.

31. Furthermore, his delegation reasserted the need to define objective and scientific criteria that took into consideration the actual economic situation of countries (dependence on a single expendable resource, a slump in export earnings, a high rate of inflation, etc.) in order to take a carefully considered decision regarding net contributor status.

32. With regard to the special resources for the least developed countries, his delegation strongly supported any activities likely to contribute to those countries' development. It considered that the resources in question should be devoted to the most urgent activities.

33. Lastly, care should be exercised to ensure that the execution activities of the United Nations system corresponded to the development priorities of the countries concerned and complemented them. To that end, a more effective system should be set up to rationalize expenditure and make better use of the existing expertise, in particular national expertise. The tasks of the UNDP co-ordinators in the various countries should be more clearly defined, project implementation procedures streamlined and the participation of the developing countries in all activities organized by UNDP and the other international organizations assured.

34. Mr. FERGUSON (Guyana) recalled that the eighteenth special session of the General Assembly devoted to international economic co-operation had produced an important global consensus that augured well for international co-operation in the economic and social fields. It was to be hoped that in contrast to the 1980s, during the new decade all States would work together to create a better global environment in which developing countries, in particular, could at last attain sustainable development.

35. The developing countries had always welcomed the assistance provided by UNDP and the requests submitted to it straddled virtually every field of human endeavour. In recent years, the intervention of UNDP had helped many of them to stave off economic decline and recover lost ground where possible. Consequently, technical co-operation was an indispensable factor in the recovery efforts of developing countries. He was naturally disturbed by the proposals concerning the fifth cycle programming, in particular the proposal by the Swiss delegation that could thwart the desire of many countries to use technical co-operation. The Swiss proposal would marginalize the entire Latin American and Caribbean region, which currently received approximately 9 per cent of the resources allocated to country IPFs. If the Swiss proposal were accepted, that percentage would most likely decline to under 2 per cent. The proposal would also undermine the universal character of the Programme and invalidate the 1970 Consensus, upon which the bonds of trust and respect among donors, recipients and UNDP had been built.

36. Moreover, the proposal by the Swiss delegation would entail a reduction in the allocation to the regional component of the inter-country programme. In Latin America and the Caribbean, for example, high-level consultations had taken place within the framework of ECLAC and the Latin American Economic System (SELA) to co-ordinate the use of the region's resources. Within the Caribbean subregion represented by CARICOM, the Council of Ministers, discussed the regional programme which reflected the combined interests of member States. In addition, CARICOM's regional programme had been quite successful, as UNDP had itself verified. Consequently, it was hardly possible to adopt a proposal which would emasculate regional programming. His

delegation strongly believed that the discussions on the fifth programming cycle should be approached with a less radical proposal, i.e. one that did not violate the principle of universality. It would prefer the Governing Council to use as a basis for its negotiations the proposal put forward by the representative of Trinidad and Tobago at the special session of the Governing Council in February, on behalf of the Latin American and Caribbean region.

37. The rate at which resources should grow during the programming cycle was of considerable importance, and his delegation noted with satisfaction that the Administrator had anticipated a 5 per cent increase in contributions for 1990 over the previous year. However, such an increase was insufficient to satisfy the demands expected to be made on the Programme during the fifth cycle. His delegation believed that an effort should be made to achieve a growth rate of 8 per cent, since a lower one would amount to a reduction in the size of the Programme. Donor countries were experiencing an uninterrupted period of economic expansion and moreover, the reduction in tension at the international level, including intensified disarmament, should make it possible to direct more resources to development activities. The expansion of UNDP's mandate necessitated a greater level of resources in real terms. He took the opportunity to inform the Council that Guyana had just launched, in conjunction with the Commonwealth, a Programme for Sustainable Tropical Forestry whose success would depend on the availability of the necessary financial and technical support.

38. His delegation considered that Special Programme Resources (SPRs) should focus on a small number of themes, as intended when they had been instituted. The useful role played by SPRs led his delegation to support a slight increase in the proportion of resources allocated to them.

39. With regard to various programmes due to be financed by SPRs, there appeared to be grounds for increasing allocations for natural disasters. There had been a rise in such occurrences in recent times and the need for timely intervention was crucial to limit the damage caused by them. In addition, his delegation favoured an allocation to Central America in view of the efforts made by the countries in that subregion to restore peace and stability to it. Although it had only been set up very recently, the Management Development Programme had received requests for support from at least 60 Governments. In view of that, there seemed to be no reason for the drastic reduction in the allocation to the programme under the SPR.

40. Another important issue before the Council was that of executing agency support costs. At that stage, he would merely enumerate the principles underlying his delegation's position on that matter. First, national execution should be the preferred modality of the future. The raison d'être for technical co-operation was the lack of capacity in recipient countries, and that capacity could not be acquired overnight. Interested Governments should be allowed sufficient flexibility to choose the appropriate modality of execution. Accordingly, the successor arrangement should maintain the existing tripartite arrangement. It should also be designed so that the combined assistance of the United Nations at both the programme and project levels was more efficient, without entailing increased costs for Governments.

41. Turning to the report on human development, he noted that appreciation of the dimension of the impact of human development on development was recent. Since countries were at different stages of development, human development did not have a common meaning for all countries. Consequently, it was essential to agree on what was to be measured so that a reliable and valid index could be constructed for better comparisons among countries. His delegation understood that the Governing Council did not intend to take a decision relating to the substance of the report, and concurred with that position. However, given the importance of the issue, the Council might wish to adopt a procedural decision that could provide a basis for further work. His delegation proposed that the Council should begin consultations and convene a series of seminars, perhaps at the regional level, to reach agreement as to which elements could make up a reliable and valid human development indicator.

42. Mr. Morales Carballo (Cuba) took the Chair.

43. Mr. DUNA (Observer for Turkey) congratulated UNDP on the efforts deployed during the fourth cycle to increase the efficiency of its technical co-operation activities, and urged it to continue in the future along the same path, maintaining its neutrality and universality, promoting self-reliance in the developing countries through activities that corresponded to their national development plans and priorities, and adjust the scope of those activities to take into account the profound socio-economic changes taking place in the countries of Eastern Europe.

44. Turning to the major trends in UNDP activities, he expressed his appreciation for the specific action undertaken on behalf of human development. However vital it might be, economic growth alone could not guarantee human development. Education constituted a critical element of human development and should consequently be made an integrated part of human development strategies. As the relevant report stressed, it was necessary to ensure that human development was the target of the efforts undertaken by countries to achieve development.

45. At all levels, the members of the international community recognized the important role that women played in the development process, and thus increased participation by women in economic, social, political and cultural activities was being sought. The Government of Turkey gave high priority to women's issues and in April 1990 it had set up a ministerial department to address the status and problems of women; Turkey thus had national machinery with sufficient power to promote activities oriented towards women in development.

46. Over-exploitation of natural resources, transboundary air pollution, chemical accidents and the movement of hazardous wastes threatened all countries. Environmental problems had acquired a global dimension requiring global approaches, which could be achieved only through international solidarity and co-operation. He supported the efforts made by UNDP to help Governments to acquire the technology and institutional capability necessary satisfactorily to manage and handle natural resources. He expressed the hope that UNDP, in conjunction with UNEP, would promote environmental consciousness in order to ensure that future generations lived in a prosperous natural environment.

47. With regard to project execution, doubt had been cast upon the technical competence of some specialized agencies and their access to the latest technology had been questioned. Nevertheless, Turkey would continue to call on them to execute certain projects that required highly specialized knowledge, although it undertook responsibility for co-ordinating all UNDP-financed projects in the country. Government or national execution called for a specially trained national project co-ordinator. The transition to that form of execution would impose an additional burden of work on UNDP field offices: consequently, UNDP Headquarters should reinforce the staff of its field offices and simplify the government execution system. Since the national bodies did not possess adequate expertise in all countries to ensure efficient execution, UNDP should strive to introduce government execution on a gradual and selective basis. Recourse to competition outside the United Nations should make it possible to benefit from the resources and expertise of the specialized agencies at lower cost. As the current arrangements for agency support costs would come to an end in 1991, there would then be an opportunity to review the issue and to take a definitive decision. In that connection, he recalled that General Assembly resolution 44/211 recommended that the regular programme activities of the agencies should be integrated into UNDP's field operations.

48. In view of the ever increasing technical co-operation requirements of developing countries, it was desirable to supplement traditional forms of assistance by the mutual assistance the developing countries were capable of providing to one another. The exchange of skills and technology through TCDC had been instrumental in helping some countries to acquire technology that corresponded to their actual needs. Consequently, UNDP should reinforce its Special Unit for TCDC in order to expand the range of that type of activity. For its part, Turkey had committed itself to 247 TCDC projects and supplied technical assistance to 160 of them.

49. The level of procurement in developing countries remained low, although UNDP executing agencies were striving to improve the situation. On account of its industrial capacity, Turkey, for example, was perfectly capable of increasing the participation of developing countries in procurement. He drew attention to the effectiveness of the TOKTEN programme which made use of consultants with a sound knowledge of their countries' realities, capacities and potential.

50. Regional and interregional programmes were an effective means of helping countries to exchange knowledge and skills and to share the results of research into problems which transcended national boundaries. UNDP should continue to build international networks for the exchange of information among countries participating in those programmes. Among the deficiencies of regional programmes, he mentioned the lack of sectoral co-ordination and advocated the need to adopt a programme approach rather than a project approach and to design regional projects in order to avoid duplication; moreover, regional issues should be taken into account when programming country IPF resources.

51. UNDP-supported projects in Turkey had made an essential contribution to helping the country to reinforce its institutional capacity, develop its human resources and adjust better to changes in the situation. By sharing costs, Turkey had been able to magnify the impact of the fairly modest resources allocated to it by UNDP. His Government was pleased to continue the close and fruitful co-operation it had enjoyed thus far into the fifth cycle.

52. Mr. SHALABY (Observer for Egypt) said that the recent changes on the international scene heralded a genuine détente between the super-Powers, which could lead to the solution of a number of problems that had been pending for too long. He expressed the hope that the rapprochement between the countries of Eastern and Western Europe would have beneficial repercussions on the North-South dialogue and that the structural changes, the strengthening of trade between the countries of Europe and the growth in the GNP of those countries that would ensue in the longer term would lead to a corresponding increase in the flow of resources from North to South. In the Near East, the Arab-Israeli conflict was a continuing obstacle to the development of the Arab countries. Since it was impossible to assure the economic development of the third world without previously guaranteeing peace, security and respect for the legitimate rights of peoples, Egypt had actively supported the initiative to establish a zone free from weapons of mass destruction in the Near East and would spare no effort until the rights of the Palestine people were recognized. Accordingly, Egypt supported the maintenance of assistance to the Palestinian people until it possessed its own State in Palestine.

53. At its current session, the Governing Council of UNDP was called upon to take stock of 40 years of technical assistance in the United Nations context. The developing countries were still confronted with a multitude of problems that hampered their progress and were linked to their acute balance-of-payments deficit, debt servicing, unemployment and inflation. In order to remedy that situation, UNDP should endeavour to establish a technical infrastructure in the developing countries capable of enabling them to catch up on their industrial lags and to step up the pace of their economic and social development. Specifically, it was necessary to mobilize and to make more effective use of local resources, but also to eliminate micro- and macro-economic imbalances, to increase economic incentives and to stem the brain drain. Strategies for the 1990s should be both ambitious and realistic and take into account the social dimension of development while promoting environmental conservation. The developed countries were responsible for collectively assuming their responsibility; they could do that by increasing their contributions to UNDP, by sharing the cost of programmes or by executing projects under United Nations auspices.

54. The Arab States were attempting to establish a common market in the region that should lead to economic integration. On account of the manifold difficulties that arose, the projects hitherto undertaken had involved only countries with comparable structures. There were already a number of regional groups, in particular the Gulf Co-operation Council. As Cairo was to become the headquarters of the League of Arab States in 1990, Egypt would be called upon to play a more significant role in co-ordination between those two bodies. Economists, political scientists and sociologists from various Arab countries had met in Cairo in March 1989 to participate in a seminar on development in the 1990s.

55. The Regional Bureau for Arab States had made a major contribution to the region's rural and industrial development, the development of water resources and of technical co-operation between Arab and African countries. However, the resources allocated to the programme for Egypt were no longer sufficient to meet the cost of ongoing activities and new inputs were needed to complete them and to secure their future. Generally speaking, it would not be possible to free the peoples of Africa from poverty and illiteracy or to enable women to participate more actively in development unless the countries of the region were assigned more resources.

56. As far as the consolidation of national institutional resources in particular was concerned, Egypt had been active in advanced technology: it already had a national statistical centre, 50 per cent of whose staff were women. With the assistance of outside bodies and of Egyptian expatriate or local experts, it had set up a centre to support national project execution; the centre had already achieved very promising results that could be of use to other Arab and African countries. That experience simultaneously showed the importance of the selective assistance of specialized agencies in specific areas, the execution of projects by national bodies, and also the TOKTEN programme and technical co-operation among developing countries. In that connection he regretted that the conference on TCDC held in Cairo in July 1988 had not led to more dynamic projects; he invited countries to think about the desirability of establishing their own technical co-operation fund, as Egypt had done, and expressed the hope that the United Nations Volunteers, together with Egyptian experts, would be able to play a more active role once the programme had been reactivated.

57. Mr. PARK (Observer for the Republic of Korea) said that the Republic of Korea had availed itself of the technical co-operation activities organized by the agencies that had preceded UNDP, and that since 1966, when the Programme had been established, it had been both a partner and beneficiary of UNDP assistance. Assistance from UNDP had, moreover, been instrumental in the country's economic revival following the 1950-1953 war, as well as in its subsequent development. He congratulated UNDP on the assistance it had provided to the developing countries over the previous four decades.

58. On the threshold of the last decade of the millenium, the international community should redouble its efforts to achieve international peace and prosperity. The dismal forecasts for the global economy further emphasized the need to develop new modalities for co-operation based on a shared responsibility for finding durable solutions to the socio-economic problems of the developing countries. He was gratified to note that the recipient Governments, UNDP and the executing agencies constantly united their efforts to achieve that objective. He hoped that UNDP would further involve the executing agencies in national technical co-operation assessments and programmes, as well as in NGO- and government-executed programmes and projects. At the same time, greater use should be made of national resources in UNDP-funded projects and in particular, of locally recruited project personnel, as well as of services and equipment from developing countries.

59. Further, UNDP should strive for a more active and innovative role in transferring technology. The technology gap between North and South could be narrowed only with more active participation by the private sector in international co-operation. By pleading for its projects in the developing countries, UNDP could draw the attention of the private sector in the industrialized countries to the investment opportunities and create an input of funds to supplement its limited resources.

60. He endorsed the idea of focusing on the human element in order to foster integrated development. The Republic of Korea owed its economic development partly to its relatively high investment in education, the importance of which could not be over-emphasized. UNDP should help the developing countries to implement fully the recommendations of the World Conference on Education for All, held in Thailand in March 1990.

61. A substantial increase in voluntary contributions of over 9 per cent annually, corresponding to the average rate during the previous two decades, would be needed during the fifth programming cycle. On that condition the developing countries would be able to escape from the crisis of the 1980s and UNDP activities would not contract in real terms in comparison with the fourth cycle.

62. With regard to the determination of IPFs, and more particular the distribution between country and inter-country IPFs, the Republic of Korea endorsed the proposal by the Administrator to increase the share of inter-country resources to 20 per cent, with a major portion of the increase allocated to interregional and global programmes. Many development problems had currently acquired an inter-country dimension, *inter alia*, environmental degradation, the AIDS epidemic, drug abuse, water and sanitation.

63. It would be appropriate to review the current system for determining country IPFs, which the Council had established in decision 85/16, and which allocated 80 per cent of IPFs to countries whose per capita GNP was below \$750 and 20 per cent to the others, so as to allocate more resources to the low-income countries, particularly the least-developed which should also benefit from increased supplementary points; four groups should be adopted and 70 per cent of IPFs distributed to countries whose per capita GNP was below \$375, 15 per cent to those whose per capita GNP was between \$375 and \$750, 10 per cent to those whose per capita GNP was between \$750 and \$1,500 and the remaining 5 per cent to countries whose per capita GNP was over \$1,500. Supplementary criteria should continue to be used and the floor principle to be applied, as UNDP played an extremely valuable role as a catalyst for the middle-income countries which needed to have the resources to enable them to move with greater assurance towards sustainable growth.

64. The Republic of Korea attached great importance to the mid-term review which made it possible to monitor the implementation of programmes and projects, to acquire knowledge systematically and to enable both UNDP and recipient countries to readjust programmes which were normally prepared five to seven years prior to the time of implementation. Following the mid-term review evaluation process carried out at the request of the Council (DP/1990/38/Add.1), he hoped that new guidelines would strengthen the review to enable programme planning to move in the right direction.

65. The Republic of Korea had always been aware of the importance of co-operation with other countries in development issues. In 1987 it had set up an economic development co-operation fund to provide soft loans for implementing projects in the developing countries, and it had also set up a co-operation fund with ESCAP and a special trust fund with UNIDO. In 1990, the Korea Youth Volunteers were to take part in the activities of the United Nations Volunteers programme and the Korean National UNESCO Commission was making arrangements to send its first Korean volunteers to developing countries by the end of the current year.

66. Mr. TALADRID SUAREZ (Cuba) considered it vital to draw attention to the fact that, when the Council began preparations for the fifth programming cycle, it should beware of departing from the principles of the 1970 Consensus; during the informal consultations held in May 1990 in New York, the Chairman of the Latin American and Caribbean Group had recalled that the 33 countries comprising the region considered the principles of universality,

neutrality and flexibility established in the Consensus continued to be essential. Those countries still attached the same importance to the floor principle, which should be maintained during the fifth cycle. His delegation unreservedly endorsed that position and consequently, would not support those proposals made by the Administrator for the fifth cycle which tended to depart from the 1970 Consensus.

67. With regard to the volume of resources required for the fifth cycle, his delegation nevertheless supported the proposed annual increase of at least 16 per cent, i.e., 10 per cent in real terms. The international community, and above all the major donor countries should spare no effort to ensure that such an increase was well and truly achieved. Moreover, the Administrator should submit to the members of the Council different scenarios reflecting different rates of growth in the volume of contributions; that would make it possible to ascertain the country and regional IPFs in each case.

68. As far as resource allocation was concerned, his delegation was in favour of the ratio adopted for the fourth cycle: 81 per cent of resources should be allocated to country IPFs and 19 per cent to regional, interregional and global IPFs. Eighty per cent of the resources available for country IPFs should be allocated to countries whose per capita GNP in 1988 had been \$750 or less and the weighting should benefit low-income countries with a per capita GNP of \$375 or less. With regard to the remaining 20 per cent, the weighting should benefit countries whose per capita GNP was between \$751 and \$1,500. Countries with a per capita GNP of less than \$3,000 in 1988 and small island States with a population of less than 1 million and a per capita GNP of between \$3,000 and \$4,200 in 1988 should benefit during the fifth cycle from an increased IPF to ensure they received a level of resources not less than that allocated to them for the fourth cycle. All countries whose per capita GNP had been higher than \$751 in 1988 should receive resources that were not lower than their fourth cycle IPF. Of the resources allocated to inter-country programmes, 79.5 per cent should be devoted to regional programmes, 8 per cent to the interregional programme and 12.5 per cent to the global programme.

69. The method used to determine each IPF should remain unchanged, i.e., 75 per cent in terms of the basic criteria and 25 per cent in terms of the supplementary criteria adopted for the fourth cycle, as that was the most convenient arrangement. The new proposals made by the Administrator would require very detailed consideration, whereas the Council was required to take an immediate decision on fifth cycle programming.

70. With regard to Special Programme Resources, which the Administrator wished to increase to \$300 million, his delegation found that figure extremely high and had not yet decided upon its position as it felt that there were grounds for increasing the volume of resources earmarked for disaster mitigation, co-operation among developing countries, strengthening of management capacity and assistance to Palestine. Furthermore, it was appropriate that support should be continued for a further three years to the Special Plan of Economic Co-operation for Central America.

71. The Administrator recommended that the resources allocated to Special Industrial Services should be "frozen" at \$15 million. His delegation considered that at least \$25 million should be allocated to the SIS. However, as far as the sectoral support programme was concerned, his delegation

supported the Administrator's proposal. It also supported his recommendation that administrative and programme support costs should be maintained in real terms (i.e., a 6 per cent increase in line with the assumed rate of inflation) and that the operational reserve be reduced to 20 per cent of the estimated contributions or expenditure for the year, as the matter was reviewed yearly by the Council. With regard to the UNDP unit of account, his delegation agreed that for the time being the Administrator should not make use of special drawing rights or of a basket of currencies.

72. The Council should decide that if voluntary contributions increased or decreased in comparison with the objective, a proportional and uniform increase or reduction in all IPFs should be made, as appropriate, to the exclusion of any other consideration.

73. As far as the reimbursement of agency support costs was concerned, his delegation thought that the terms of General Assembly resolution 42/211 should be complied with, to the effect that Governments of the recipient countries should be entrusted with overall control for project and programme execution. However, as it was still too early to achieve that objective, a sufficiently flexible transitional calendar should be envisaged to allow countries to prepare to take on that responsibility, failing which, they would themselves wish to return to the system of agency execution.

74. He drew attention to the United Nations Volunteers programme whose dynamism and flexibility had been underscored by the Administrator in his report (DP/1990/57). The resources allocated to it should be increased, since the programme made full use of UNDP activities in the field. His delegation also supported the increase in funds for UNFPA and in that connection made an appeal to the donor countries, in particular the Governments of the developed countries.

75. Mr. M'MAITSI (Kenya) said that the current session of the Council marked a new decade and 40 years of technical co-operation. The time was thus ripe to take stock and to reflect on the future policy of UNDP. He recalled that at its forty-fourth session, the General Assembly had carried out a triennial policy review of the operational activities for development of the United Nations system, and resolution A/44/211, adopted by consensus following that review, provided the fundamental principles that should guide UNDP in identifying the directions it should take. He referred, in particular, to those concerning decentralization of authority and capacity of operational activities to the field country level, the promotion of national execution of projects and programmes, the redefinition of the role of executing agencies in technical co-operation activities and the change from a project to a programme approach.

76. The UNFPA reports submitted to the Council and the introductory statement by the Fund's Executive Director showed the importance that should be attached to demography in development activities. Kenya, which, in 1967 had been the first African country to implement a national family planning programme, was at last reaping the rewards. The mobilization of public opinion by national leaders and the adoption by Parliament of population policy guidelines followed by a genuine national population strategy were now paying off. The cultural values placed on fertility in Africa perhaps accounted for the slower pace of positive results, although the importance of those values might have

been exaggerated. Education, access to health facilities, the progress made in employment and consequently in income, had undoubtedly had a major impact. The investment and effort required in those spheres should therefore receive greater importance.

77. Technical co-operation among developing countries could also contribute much to the development of their potential and UNDP should not relax its efforts on behalf of TCDC. Moreover, Kenya supported the Administrators' proposals for greater emphasis on human resources development and also supported efforts to strengthen the role of women in development as well as the role of the non-governmental organizations.

78. The summary record of the second part of the meeting appears as document DP/1990/SR.24/Add.1.

