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SUMMARY RECORD OF THE 25th MEETING

Held at the Palais des Nations, Geneva,
on Friday, 8 June 1990, at 10 a.m.

President: Mr. POPESCU (Romania)

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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.1-6)
(continued)

1. The PRESIDENT announced that the representatives of UNESCO, UNCTAD and Honduras had offered not to deliver their statements in view of the considerable number of speakers yet to be heard. Those statements would however be circulated for the information of delegations.
2. Mr. WALKER (Australia) congratulated the Administrator on his initiative in publishing the recently released Human Development Report, 1990. Even though it was still in a rudimentary stage, the human development index and the analysis and policy dialogue which had generated it, represented an attempt to return to the concept of people-centred development.
3. For some time past UNDP had been seeking to redefine its role and to reinvigorate its mandate as the central technical assistance co-ordinating authority within the United Nations system. The various proposals before the Governing Council offered a clear choice of either moving towards the position envisaged under General Assembly resolution 44/211 or retaining a system that, while it had made significant progress towards improving the welfare of vast numbers of people in developing countries, could do better.
4. His delegation strongly endorsed UNDP's thematic approach to development. Poverty alleviation must continue to be a major challenge. Where possible, UNDP must be active in encouraging recipient Governments to shape their development strategies in such a way as to alleviate basic poverty and to improve the welfare of their neediest citizens, the majority of whom were women.
5. Environmental challenges would become increasingly important in the 1990s. Sustainable development - the concept of meeting the needs of the present generation without jeopardizing future economic growth rates and improving levels of human development - must become a fundamental feature of UNDP planning; to that end his delegation would encourage UNDP to co-operate closely with other competent United Nations agencies.
6. His delegation welcomed the Management Development Programme and its emphasis on human resource development. Human development was of particular concern to the countries of the Pacific region, where well-recognized development problems, such as geographical isolation, scanty resources, and transport and communication difficulties, were compounded by the lack of skilled and experienced managers in both the public and private sectors. His delegation therefore urged UNDP to give high priority to the issue of human resource development and to recognize the need for special attention to the small island economies of the Pacific and Indian Oceans.
7. The full integration of women's issues was imperative for effective development. Gender awareness had become a fundamental aspect of Australian development aid planning and programming. Mainstream multilateral development activity still had far to go to ensure that the benefits of progress reached all members of the community.

8. Referring to two specific issues concerning UNDP's mandate and activities, his delegation endorsed the United Nations Volunteers programme, which was a very cost-effective way of stimulating development while at the same time building popular support and awareness of United Nations programmes. In that connection, his delegation was pleased to inform the Council of the recent inauguration of an Australian Junior Professional Officer programme, which would complement the Australian Volunteers Abroad project. His delegation also endorsed the point made by the French delegation when it had called for special attention to be given to IPF allocations for the countries of first asylum for refugees.

9. Turning to the role of UNDP, his delegation believed that UNDP should continue to concentrate on fulfilling its mandate in the areas of co-ordinating, central financing and monitoring of United Nations operational activities. Co-ordination must include leadership, through the Resident Co-ordinators, in the common development effort of the United Nations system. As an example of such co-ordination and leadership, his delegation welcomed recent Round Tables convened in Geneva for Fiji, Western Samoa and the Cook Islands. The coincidence of the Round Table consultations with the fifth cycle allocation debate provided a further opportunity for emphasizing the special needs of those small island economies.

10. It followed from the emphasis on co-ordination that UNDP must exploit its comparative advantage of universality and neutrality. Its assistance could and should be better focused, with emphasis on the social sectors. Given the likelihood of a continuing scarcity of resources for UNDP, his delegation would support greater stress on choice of sectors and avoidance of proliferation of activities which could reduce the effectiveness of technical assistance. While UNDP's resources should continue to be made available to all developing countries, its grant assistance should be directed more towards regions of critical poverty. In that regard, his delegation considered that the Council should again endorse the graduation line drawn in the Council's landmark decision 85/16.

11. As to the various options for successor arrangements to the existing support cost relationship, his delegation shared the view that the "ultimate modality" for programme or project activity should be through national execution which must be the final objective of all technical co-operation. The speed with which UNDP could move towards that objective must, however, be geared to demonstrated capacities in each recipient country. The proposed mechanism that would allow institutions outside the United Nations system to participate where appropriate in development would, his delegation believed, be a beneficial refinement to the existing system.

12. In conclusion, he wished to make special mention of a series of recent contacts between UNDP and Australia which, he hoped, would build the image of UNDP in his country, where it was not yet widely recognized. Those contacts had included a visit to Australia by the Director of UNIFEM, who had launched the Australian UNIFEM Committee, and Australian participation in a joint consultative group on policy mission to several Asian countries.

13. Mr. SALAZAR-SANCISI (Observer for Ecuador) said that, on the threshold of the twenty-first century, the countries of Latin America and the Caribbean were hopeful that the current radical changes on the world political scene

which had characterized the development of those countries during recent decades continued unchanged, impoverishment would further increase, with unforeseeable social consequences. Ways must be found to attract major financing for priority projects in government plans and to transfer a substantial proportion of the resources currently devoted to foreign debt service to servicing the social debt, which could no longer be left unpaid. The negative impact of economic policy must no longer be offset at the expense of social policy. Social expenditures must reach the poorest sectors of the population in a cost-effective manner through the expanded use of the initiative and creativity of the people themselves. Such activities had often been frustrated in the past by bureaucratic and technocratic action. Adequate and sustained financing must also be ensured.

14. In the Latin American and Caribbean region, internal and external factors had combined in such a way that the current economic situation was equivalent to what it had been 15 years earlier, with the result that some 45 per cent of the population were currently impoverished. There were 204 million poor in the region and 80 million lacked adequate nutrition. That meant that in 1990 the total number of poor was 50 per cent greater than in 1960 and, what was of even greater concern, 25 per cent greater than only five years earlier. In terms of basic needs, it had been estimated that inhabitants of 40 per cent of homes fell short of the minimum calorie level; unemployment and underemployment affected 44 per cent of the total labour force, while 68 per cent of dwellings could be regarded as inadequate. Per capita income reflected a growing gap between those in the highest income brackets and those at the bottom of the scale.

15. The problem of extreme poverty was therefore of particular concern in Latin America and the Caribbean, as was reflected in the fact that one of the four targets of the third regional programme (1987-1991) was "Critical poverty, equity and employment", representing 18 per cent of the total programme. It was planned to continue giving priority attention to that problem in preparing for the next period (1992-1997). The overall situation had been further aggravated by the fact that, since 1982, the region had been a net exporter of capital. The magnitude of the problem was reflected in the fact that UNDP's contribution to the region during the previous year represented only 0.02 per cent of the region's external indebtedness, which was in excess of \$420 billion.

16. At preparatory meetings in Brasilia and Caracas earlier in the year, the countries of the region had reiterated their support for the 1970 Consensus and, in particular, for the principle of universality, a significant increase in real resources for the Programme and the maintenance of the "floor principle".

17. Turning to the question of global resources, he pointed out that the United Nations system provided only about 7 per cent of total development assistance for the developing countries. A peace dividend consequent upon the relaxation of international tension should make it possible to make a start on remedying current injustices. It was essential that the developed countries should fulfil the obligation which they had freely accepted more than a decade earlier to devote at least 0.7 per cent of their national product to economic assistance to the developing countries. The Council must adopt decisions and practical measures to reinvigorate development activities. He appealed to members to increase their voluntary contributions to UNDP significantly.

18. His delegation had noted with great concern that resources for IPFs were declining. For a number of reasons IPFs must be increased. National programmes included an increasing percentage of projects lacking finance, so there was currently a great waste of human and financial resources. Regional programmes as well as those covered by Special Programme Resources usually encouraged exploratory and/or preparatory activities and ended by becoming national projects. The Latin American and Caribbean region had the highest project execution rate, which demonstrated its readiness to cope with execution. That fact must be translated into a concern to increase financial and technical co-operation. IPFs reflected concern for the priorities of the development plans of Governments. The reduction of appropriations was contrary to the 1970 Consensus and, in particular, to the principle of neutrality. IPFs had fallen to a level which ruled out any further cut-back.
19. The proportions of global, interregional and regional programmes, namely, 12.5 per cent, 8 per cent and 79.5 per cent, should be maintained. The main goal of the global and interregional programmes was the promotion and development of activities leading to solutions that could be adapted locally. The function of regional programmes was to promote regional integration and co-operation with a view to strengthening regional development. The problem of the concentration of programmes in regional economic headquarters would have to be overcome. Regional programmes should also be properly integrated with national programmes.
20. Special Programme Resources should remain at the percentage fixed in decision 85/16 and continue to meet the needs which had given rise to their establishment. In other words, they should serve as a source of new ideas and formulations, as pilot projects which, if they produced favourable results, would in the future be included by the Governments concerned within regional and national projects. His Government attached special importance to disaster relief programmes and to technical co-operation among developing countries (TCDC). It also supported the Special Plan of Economic Co-operation for Central America.
21. His delegation had serious misgivings about the use of the per capita income and population indices as the only two basic criteria for the allocation of resources. Consideration should be given to additional criteria, in particular the debt situation. With respect to supplementary criteria, account should be taken of additional factors such as the fall in the prices of export products, structural changes, income distribution, balance-of-payments deficit, and unemployment. Greater importance should be attached to the number and seriousness of the problems affecting a country's population than to the size of that population.
22. The issues of development and extreme poverty were indissolubly linked with problems of the environment. Consequently, any genuine progress presupposed an overall approach to those questions and their causes and consequences. His Government recognized the need to adopt environmental protection measures, without encroachment on the sacrosanct right of development. The deterioration of the environment had occurred essentially as a result of the activities of the developed countries, which should therefore bear responsibility, in proportion to the damage they had caused, for providing funds to reverse that suicidal trend.

23. Under decision 85/16, 80 per cent of resources were allocated to countries with a GNP of less than \$750. For the purposes of calculation, the decision took account only of GNP and population as basic criteria. The decision also included as an additional criterion the classification of "least developed country". That decision, adopted by consensus in 1985, continued to constitute an appropriate framework for providing special and significant assistance to the least developed countries within the framework of UNDP. It was true that those countries required greater assistance. In order to help them, there were a whole series of arrangements and methods that were much more appropriate than those which involved taking resources from some developing countries and granting them to others.

24. His delegation considered that the United Nations Volunteers (UNV), which did important work, should be encouraged during the fifth programming cycle. Greater use must be made of properly trained technicians. It was therefore important that UNV should have adequate financial resources to carry out its task, particularly in the field.

25. With regard to support costs, his delegation firmly supported the execution of projects by the Governments of developing countries and hoped that appropriate measures would be taken during the current session of the Council. It was also important that the Council should express its views on the question of follow-up. The establishment of follow-up mechanism should include technical and political representation at the highest level, so that the parties involved would take the proper political decision. Clearly, that mechanism should be in conformity with the views expressed at the current session, as well as the time-limits and spirit of Assembly resolution 44/211.

26. Mr. EBEJER (Observer for Malta) said that the United Nations and its specialized agencies and programmes had played a vital role in creating the new political environment, with its reduced confrontation between East and West. In the past 12 months, the world had seen the United Nations mobilize its resources in the search for consensus-building approaches whereby the interests of all Members were being taken into account. However, there was yet to be a change in the economic and social environment. Sound economic assistance measures for developing countries must keep pace with the political shifts. That was perhaps where the United Nations and the agencies could strengthen their roles and help effectively to bridge the growing economic disparities between the developed and developing countries. UNDP and its executing agencies, with their vast experience and expertise, had a special role to play in the economic and social development of developing countries.

27. UNDP had been one of the first multilateral technical co-operation organizations with which his country had signed an agreement after its independence 25 years previously. Since then, the Programme had provided Malta with substantial technical assistance, which had made a significant contribution to its economic and social development. In accordance with decisions adopted at previous Council sessions, technical assistance allocations to recipient countries had been determined on the basis of a formula in which per capita income and population were primary factors. His Government had for years voiced its concern about those criteria, which hindered due recognition of the handicaps facing small island economies.

28. During the preparations for the fourth programming cycle, there had been difficult negotiations before the Council had recognized the unique vulnerability of island developing countries. At that time, Malta had been able to secure a limited allocation of approximately \$US 1.5 million for the current five-year programming cycle (1987-1991). In spite of that financial limitation, UNDP technical co-operation projects had made a valid contribution to Malta's development. In that connection, he mentioned some of the most significant UNDP projects in Malta during the current cycle.

29. It should be noted that the \$1.5 million allocated to Malta had generated capital investment of much larger proportions in the infrastructural, social and productive fields. For example, the master plan for the development of telecommunications was expected to generate an investment of \$US 240 million. Furthermore, his Government made sure that the wider regional dimension, and in some cases even the interregional context, were taken into account when embarking on new projects and programmes. The International Institute on Aging was a case in point. An evaluation of UNDP projects in Malta would show that it had the capability of integrating assistance into its economic and social systems and could absorb technical or financial assistance effectively and efficiently. It would also show that through its national efforts other countries, within its region and beyond, had benefited from the small but valuable assistance allocated to Malta through UNDP. The support UNDP provided to the International Institute on Aging underlined the goodwill of the Programme towards Malta. His Government had agreed to provide, out of its regular UNDP allocation, an amount of \$US 100,000 to support the Institute's activities. Mention should also be made of Malta's participation in the UNDP Regional Programme for Europe. His Government played a leading role in a number of regional projects and had been designated as the lead centre with regard to the economic and financial aspects of telecommunications within the framework of the regional project on European telecommunications development. The regional programme mirrored the endeavours of his Government to pursue its stated policy of encouraging the development of functional co-operative activities by Mediterranean countries. The number of UNDP regional projects with a Mediterranean dimension could be expanded, particularly in connection with UNDP's Euro-Arab Co-operation Programme.

30. It was clear that his Government had put to good use and expended wisely its small IPF. It was also clear that with additional financial and technical assistance, Malta could contribute more to its economic and social development and also undertake outreach activities on behalf of other developing countries, particularly those in the Mediterranean region. His Government was conscious of the importance of the cost-effective use of its limited resources and was also aware that technical co-operation could not continue to be a one-way transfer of technology. It had therefore been working assiduously to improve its capability of increasing such co-operation. It accordingly urged UNDP, the specialized agencies and other programmes to assist it in utilizing the absorptive capacities which Malta possessed for the benefit of other developing countries.

31. In response to the appeal by the Administrator for an increase in its contribution to the UNDP regular budget, Malta's contribution had grown by an average of 14 per cent a year, an exemplary effort given its dependence on external sources of wealth. It was therefore with some apprehension that his delegation noted the considerable reduction in his Government's IPF for the fifth programming cycle. It urged that the IPF allocated to Malta in the

fourth cycle should be fully maintained. The floor, as currently established, should also be maintained for other small island developing countries like Malta.

32. His delegation supported the proposal to increase the funds available for Special Programme Resource (SPR) activities. For a country like Malta, the SPR programmes provided a good opportunity to develop areas of concern to it, areas which could be regarded as new initiatives at the national and global levels aimed at resolving specific problems such as the protection of the global environment, measures against trafficking in drugs, disaster relief and the involvement of the private sector. Human resources development should also continue to be a priority issue.

33. If the floor and ceiling principles were maintained, his delegation would support the proposal to increase the share of total inter-country programme resources for the fifth cycle. It would also support the proposal to retain the 80:20 ratio of resources for low-income and other countries. It believed that because of their unique difficulties, small island developing countries should be exempted from net contributor obligations.

34. His delegation was aware of the difficulties facing the Council, particularly with regard to the allocation of IPFs for the fifth cycle. The balance of interests achieved in determining IPF for the fourth cycle should be maintained so that the universal character of the Programme, which guaranteed predictability and continuity between cycles, could be fully preserved.

35. Mr. COLOMBI (Observer for Argentina) said that an analysis of economic indicators over the decade just ended revealed a gloomy picture. His country had recorded alarming negative GNP growth rates of minus 4 per cent per annum for the period between 1987 and 1989. The situation was also characterized by high rates of unemployment, infrastructural deterioration - particularly in health and education, a sharp drop in investment rates, limited access to international credit and rampant inflation.

36. Argentina's heavy external debt jeopardized the results of its international trade and produced a net transfer of resources outside the region; that affected his country's socio-economic growth and made it impossible to carry out an autonomous development programme without substantial international co-operation. The picture was not significantly different in the other countries of Latin America from the standpoint of participation in international trade, negative GNP growth rates and the transfer of resources outside the region.

37. His delegation recognized the important work done in producing the Human Development Report, 1990; however, much else remained to be done before the figures in the report could be said to reflect national realities. The indices based on statistics from previous years, with evaluation criteria that were not always homogeneous, distorted the facts. He drew attention to the contradictory situation of countries with medium and high indices which revealed a sharp inequality in the distribution of income and the presence of significant and growing areas of poverty. In the case of Argentina, for example, the report indicated a per capita GDP of \$4,647, a figure calculated according to questionable criteria. Paradoxically, while the report classified Argentina as having a high development index, the country's young

professionals were emigrating in search of employment, higher incomes and a better quality of life, and growing sectors of the population were living in conditions of extreme poverty. Consequently, the report's indicators did not reflect actual socio-economic situations or the need for co-operation and should not be utilized as criteria for the allocation of co-operation resources.

38. Furthermore, an analysis of the distribution of UNDP resources indicated that when co-operation programmes for development began with the first cycle, the resources allocated to the region as country IPFs had represented 21 per cent of the total, while in the fourth cycle they amounted to only 9 per cent. The figures for regional IPFs had been 32 per cent for the first cycle and only 10 per cent for the period 1987-1991. Those percentages, provided officially by UNDP, demonstrated the dramatic fall in the share of Argentina and the region in the system of multilateral co-operation. In view of the difficult experiences of Latin American economies during the 1980s, he failed to see why it had been considered that the countries of the region did not need international co-operation.

39. His delegation recognized the requirements of the least developed countries and stressed the need to develop, through the multilateral co-operation systems, programmes which resolved the situation of those countries. However, it called for a re-examination of the situation of Latin America, whose development through the multilateral co-operation system was in serious danger of being jeopardized. The resources allocated for his region and his country must not be reduced.

40. His country had demonstrated that it was making optimum use of multilateral co-operation. With its low IPF, it was executing cautious programming and establishing priorities for the basic development of the nation. Its projects constituted sufficient proof of the Government's decision to execute a programme in accordance with the views of countries which saw development through the reform of the structures which had caused backwardness and poverty in Latin American countries. Of no less importance were the results of programmes aimed at increasing technological development and improving the productive capacity of the private sector. His country had made a commitment to carry out programmes concerning the environment, the situation of women and the alleviation of poverty, which in many areas of Argentina constituted a threat to the general well-being and political stability of the nation.

41. The national share of the cost of programmes approved in 1989 had been 76 per cent, which clearly showed Argentina's desire to be an active participant in the financial aspect of co-operation programmes, but it must not be forgotten that its efforts were limited by adverse economic circumstances and austerity policies. Programmes using special central financing resources were an additional and extremely important source for countries like Argentina, which intended to carry out responsible programming in accordance with the parameters agreed within UNDP.

42. His country was making a great effort, using its full potential, to overcome the inertia of the process which had engulfed it in its present relatively backward state. In those circumstances, today more than ever, Argentina and the Latin American region needed invigorating multilateral

co-operation. In that connection, the Council must devise innovative formulas in order to adapt the meagre resources available to countries' manifold needs.

43. Argentina was determined to carry out project programming, execution and evaluation within a framework of transparency which combined the highest degrees of efficiency necessary for development with the objectives of international co-operation.

44. Mr. FAN Guoxiang (China) said that although the developed countries had recorded sustained economic growth, many developing countries were still suffering from famine, poverty, unemployment, heavy debt burdens and environmental degradation. The gap between the North and South was widening. If the economic situation of the developing countries continued to deteriorate and negative capital flows were not reversed, the economic development and social stability of those countries would suffer and global economic prosperity would be more difficult to attain. Development required joint efforts by all countries to reform current unjust international economic relations, and establish a new international economic order based on equality and mutual benefits. It was to be hoped that the developed countries would increase their efforts to promote economic recovery in the developing countries.

45. Over the past four decades, UNDP had provided substantial technical assistance to developing countries and regions throughout the world, improving North-South relations and enhancing South-South co-operation in the process. The developing countries had welcomed the multilateral technical co-operation activities financed by UNDP and had appreciated its effective guidelines and policies. In the 1970 Consensus, a system was defined whereby the use of UNDP assistance was planned by the recipient countries according to their own development priorities. Experience had shown that approach to be in keeping with the needs of the developing countries, and it should therefore be continued.

46. UNDP's multilateral technical co-operation had also won widespread support because it was based on universality, neutrality, impartiality and voluntary contributions. Guided by those principles, each member State, regardless of its social system, ideology, size, religion or cultural tradition, could contribute to and benefit from multilateral technical co-operation activities on an equal footing in accordance with its financial capabilities and needs. Allocation of assistance was not influenced by political factors in the recipient country. The amount of funding was determined primarily on the basis of population and per capita GNP and other economic factors. Those criteria must be maintained.

47. Active fund-raising was one of UNDP's main tasks. In recent years, and despite improvements in the Programme's fund mobilization, the resource growth rate had not reached the target set by the Council. It was to be hoped that fifth-cycle resources would grow substantially, and his delegation appealed to the developed countries to help improve North-South relations by considerably increasing their contributions. The basic criteria of per capita GNP and population for resource allocation had proved in practice to be fair and reasonable and should continue to be used. It was important not to overlook the enormous development requirements and difficulties of countries with large populations, in particular those with a population of more than 100 million.

UNDP technical assistance must continue to emphasize meeting the needs of low-income developing countries and especially the least developed countries. It was therefore to be hoped that the IPFs for the least developed, land-locked and island countries and countries with a low IPF would increase in real terms. The recent developments in East-West economic relations must not adversely affect the interests of the developing countries or the assistance provided to them.

48. With regard to resource allocation ratios, UNDP's assistance must concentrate on country programmes. The method used in the fourth cycle could be taken as a frame of reference in determining specific ratios for the fifth cycle. Within intercountry programmes, both resource use and project selection should become more rational, and management of the intercountry programme should be improved to ensure that the recipient Governments had the authority to take decisions in defining programmes and projects.

49. The Administrator's request to raise the fifth cycle Special Programme Resources to 5 per cent from 3.5 per cent in the previous cycle was inadvisable. UNDP's resources must be used primarily for country programmes, and the Special Programme Resources would best be maintained at the level of the previous cycle. The flow of those resources should be more rationally directed, with an appropriate increase in allocations for disaster relief and TCDC, and the inclusion of environmental protection.

50. His Government welcomed the reform of agency support costs as a response to the needs of United Nations multilateral technical co-operation. The reform must aim above all to satisfy the changing multilateral and technical co-operation requirements of the developing countries, strengthen the self-reliance capabilities of recipient countries, improve the economic impact of UNDP-supported programmes and projects, continue to reflect the tripartite relationship among UNDP, recipient countries and specialized agencies, and make full use of their technical advantages. The various parties should conduct in-depth consultations before agreement on reform was reached.

51. The most important challenge of the 1990s was the revitalization of the economic growth and development of the developing countries. UNDP should continue to be guided by the 1970 Consensus and the 1975 resolution on the new dimensions in technical co-operation, respect the sovereignty of recipient countries and provide practical development assistance geared to the specific situation of each recipient country. It was to be hoped that UNDP would continue to strengthen its role in mobilizing and providing resources, steadily expand its core programme resources, further decentralize activities and simplify procedures, and improve the efficiency of programme implementation.

52. National execution enhanced the self-reliance capabilities of recipient countries and represented the direction of future development. As implementation capabilities varied, specific implementation procedures should be chosen by recipient-country Governments, in accordance with their own needs.

53. In order to meet the challenge of the 1990s, each country must decide upon a suitable development strategy and economic model in line with its own realities. No one had the right to criticize the development policy of other countries. After more than a decade of modernization, reform and increased contact with the outside world, China had changed dramatically. The political

and social situation was stable, and the national economy was developing well, thus laying a sound foundation for co-operation with UNDP. His Government stood ready to make its contribution to promoting international economic co-operation and development and the economic revitalization of the developing countries.

54. Mr. HANNAH (Observer for New Zealand) said the Administrator's remarks on the need for Governments to choose proper priorities in the use of their national budgets and the assistance they received had been most appropriate. The escalation in developing countries' military expenditure cited by the Administrator was very discouraging, as was the impact of the trade protectionism of the industrial countries, which, according to a 1988 World Bank report, had cost developing countries, in terms of national income, twice the amount they had received by way of aid. That picture had hardly changed since. A successful outcome for the Uruguay Round took on even greater urgency in that light.

55. Like the Netherlands and a number of other countries, New Zealand saw national execution as an integral part of national capacity-building, which was at the heart of UNDP's mission. The challenge facing the thirty-seventh session was to devise the means to ensure full transparency and accountability at the operational level. The Council should also provide a framework for the Administrator to undertake detailed negotiations on the complex issue of agency support costs.

56. The starting-point for negotiations on the fifth programming cycle should be the current methodology as embodied in the compromise decision 85/16. His delegation did, however, support moves to sharpen the focus of UNDP's programming on the poorest, the bulk of whom lived in Asia. In setting the basis for the fifth cycle, it was also important to consider the potential effectiveness of UNDP programming during the period and to take account of absorptive capacity, including the ability to benefit from technical co-operation. It was essential to build in flexibility so that UNDP would be able to respond to new and increasing needs that might emerge in the next few years, for example in Indo-China and southern Africa.

57. Fairness required that UNDP treat appropriately those countries facing special constraints on their development. The current supplementary criteria took some of those factors into consideration. His delegation referred in that context to the problems confronting island developing countries, especially those in the South Pacific, which suffered from their small size and remoteness, a lack of resources, diseconomies of scale and vulnerability to natural disasters. A gap existed between appearances and reality when the GNP of those countries or the aid they received per capita was used as a criterion. The Cook Islands, for example, with a population of 18,000 living on 12 islands scattered across 2 million square kilometres of the South Pacific, were seeking assistance in obtaining an inter-island transport vessel estimated to cost about \$US 1.5 million. That worked out at more than \$US 80 per person. Such a vessel unfortunately cost the same, regardless of whether a country had a population of 18,000 or 18 million. Nor would that expenditure represent consumption. The vessel was to provide a vital element of the country's infrastructure that would help underpin not only its economic viability and the access of its population to education and health services, but the very existence of the Cook Islands as an entity.

58. Despite those special needs, island developing countries in the South Pacific had fared rather modestly in the allocation of country IPFs. Their total country IPFs in the fourth cycle had been little more in nominal terms than the total they had received in the second cycle, which had begun more than 13 years previously. UNDP's efforts in the South Pacific were greatly appreciated, and the Programme's work was well integrated in the planning of South Pacific Governments. The floor principle was regarded by the countries in the region as one of the stabilizing factors in their development planning.

59. New Zealand supported the Administrator's proposal for an increase in Special Programme Resources (SPR) for the fifth cycle to \$US 300 million. South Pacific countries valued the uses to which those resources were put. His delegation also welcomed the Administrator's proposal to maintain the level of the Pacific Multi-Island IPF at a minimum level of \$US 2.93 million. That was an integral part of UNDP's programming in the region. The initial IPF had been fully programmed for activities mainly in the fields of environmental protection, women in development and the promotion of the private sector, and a number of promising projects were already under way.

60. His Government welcomed the increasing co-operation between New Zealand and UNDP in the area of co-financing. New Zealand was working on projects in Africa and China as well as in the South Pacific and looked forward to opportunities to expand that co-operation. His delegation was also pleased to record that New Zealand's Volunteer Service Abroad, which co-operated with the United Nations Volunteers programme, had in the past two years achieved its target of increasing the recruitment of UNV specialists and currently proposed to double that target.

61. His Government expressed appreciation for the Human Development Report, 1990. The human development indicator appeared to have the potential to make a major contribution to more effective development co-operation.

62. Mr. HRACHOVINA (Observer for Czechoslovakia) said that in its future activities UNDP must draw upon the principles set forth in the 1970 Consensus. Universality and neutrality had proved their worth, but the varying economic levels of countries constituted a factor that must not be disregarded. A new consensus must be reached between the advanced and the developing countries on the forms of future global action and co-operation on the basis of a new concept of sustainable development, one that took environmental considerations into account in economic and sectoral development policies. Sustainable development could only be attained through fundamental changes in human attitudes towards the environment and in patterns of behaviour and consumption, as well as the establishment of democratic institutions and processes.

63. In the 1990s his Government intended to continue supporting UNDP's efforts to improve technical co-operation by increasing the self-reliance of the developing countries. Increased attention was being paid to human resource development as the driving force of future economic and social development. With regard to follow-up to technical assistance rendered, it would be useful to progress from individual projects to the stage of linking responsibility for programme and project implementation with the upgrading of the ability of institutions in beneficiary countries gradually to assume responsibility for the execution of national projects.

64. The concepts of "economies in transition" and "net transfer of resources" should be added to the supplementary criteria when calculating IPFs, because such factors would have a considerable impact on development activities in many countries and could help produce a more objective picture of current economic conditions.

65. The UNDP Regional Programme for Europe was vital for enhancing the existing and emerging economic, social and managerial capabilities of the countries concerned. Such temporary assistance would support institution-building and personnel training, thereby increasing management transparency, and at a later stage it would help initiate a new means of transferring the experience gained by the Central and Eastern European countries during the transition period to developing countries through regional and other projects. To that end, in 1989 his country had contributed 10 million Czechoslovak koruny in voluntary contributions, 4.75 million of which had been for UNDP activities.

66. Czechoslovakia was currently undergoing a difficult conversion to a market-oriented economy. His Government had held intensive discussions with UNDP on possibilities for expanding the scope of co-operation with the Programme and had requested assistance in the fields of privatization, public administration, and the retraining of managers and experts in environmental protection, telecommunications, social policy and employment strategies. His country was not seeking to divert UNDP funds from the developing countries. On the contrary, the assistance it obtained under UNDP projects would be offset by the contributions it would make to UNDP funds either in cash or in kind within regional or interregional projects. Those were the conditions on which his Government had asked to be included among the IPF countries for the rest of the fourth programming cycle and the fifth cycle, and that situation would be terminated as soon as the country's economic situation stabilized. In view of the relatively high standard of national institutions and the expected benefits from other sources of assistance, the requested negative net contributor status would be of a strictly temporary nature.

67. The current expansion of co-operation with neighbouring and other European countries, which had not yet been adequately developed on a non-discriminatory basis or to the level warranted by their economic standing and geographical and cultural proximity, did not mean that his Government intended to diminish or halt its mutually advantageous relations with developing countries. On the contrary, once it had adjusted to the new situation and secured the requisite economic growth, there would be no obstacles to further co-operation with developing countries at an even higher level.

68. The allocation of additional resources to promote change in Central and Eastern European countries would increase their potential for working in a still more active manner to resolve the social and economic problems of the developing world.

69. Mr. GRAEWE (Observer for the German Democratic Republic) said that despite the enormous problems facing his country, it would not forget the needs of the developing countries. His Government was aware of its share of responsibility in finding solutions to the urgent problem of development and would give top priority to abolishing poverty and structural injustice.

70. His Government was in the process of redefining its development policy. The capital it intended to make available for economic co-operation was not financial in nature, but took the form of human resources and technical know-how. Co-operation would be free from ideological constraints. The transition from confrontation to co-operation in East-West relations offered an excellent opportunity for all countries to join forces in solving current development problems. Any development strategy must embrace a whole range of economic and financial relations with the country or countries concerned and must involve the population, NGOs and private initiatives. Development must further the cause of peace and security, and help forge a common sense of responsibility in North and South. The current unjust structural imbalances between the North and the South were the crux of the problem. Relations between unequal partners must not be based solely on market economy considerations, but must aim to help the economically weaker partner. In the long run, an unselfish attitude on the part of the economically stronger partner would be to the benefit of all.

71. He wished to confirm that the political and economic development process taking place in Europe, and particularly unification of the two German States, would have no adverse consequences for the countries of the third world. Reunification would result in the merging of the two Germanys' commitments to the third world. The fact that the Democratic Republic had been active in countries where the Federal Republic had had little or no involvement, and the ending of rivalries between the two, would have benefits for the third-world countries. Existing assistance programmes provided by the Democratic Republic would be continued, and if possible extended, one example being the assistance promised to Nicaragua.

72. His country's determination to contribute to intensified development co-operation also extended to the payment of voluntary contributions to UNDP. It considered that the imminent monetary union, which would result in its currency becoming freely convertible, would improve the efficiency of its performance in development co-operation, with regard to both unused contributions and future payments. His Government would promote the disarmament process, with a view to channelling the resources thereby released towards solving mankind's global problems and contributing to the development of the third world.

73. Its development policy would assign priority to fields in which it was capable of making a genuine contribution to countries welfare, such as training and education, health and agriculture, fields in which it had an abundance of experts, and of highly-motivated and well-trained young people who had formerly not been permitted to work in developing countries for political reasons. It was ready to become involved wherever it could contribute most efficiently to the strengthening of national capacity. It was also ready to devote all its energies to continuing to support multilateral development co-operation, conscious of the fact that the tasks ahead would involve higher contributions to UNDP and the commencement of contributions to the United Nations Population Fund, in view of the urgency of the population issue.

74. Mr. Han Chang ON (Observer for the Democratic People's Republic of Korea) said that the key to fostering national capacity was the provision of national technical personnel. It was thus right that UNDP should be orienting its efforts towards human development and national capacity-building in a sound

environment during the 1990s, with a view to helping developing countries secure self-reliant national economies. In that regard, his delegation attached importance to full implementation of General Assembly resolution 44/211, with its emphasis on decentralization to the country level and assistance to Governments in assuming full responsibility for implementation of programmes and projects. National execution had a key role to play in increasing the cost-effectiveness of UNDP resources as well as the management capacity of nations. The advantages of national execution had been confirmed by his country's 10 years' experience of co-operation with UNDP. Full introduction of national execution would permit more systematic implementation of technical co-operation at the programme level rather than a piecemeal project-by-project approach, to the overall economic and technical benefit of the nation. His country would significantly raise the proportion of nationally-executed projects in its country programme during the fifth cycle. In so doing, it would also tap potential areas of co-operation through fuller utilization of Transfer of Knowledge through Expatriate Nationals (TOKTEN) and Short-Term Advisory Services (STAS). It would also contribute to multilateral TCDC through active participation in United Nations Volunteers activities.

75. With regard to the criteria for allocation of country IPFs for the fifth cycle, his delegation favoured maintaining the floor principle, with population and per capita GNP as the basic criteria. Due consideration should also be given to environmental issues, since a sound environment was indispensable for maximum utilization of the limited resources available for fostering the national capacity of developing countries.

76. Mr. MBUNZU-TE-NATE (Zaire) said there was reason to hope that the marked improvement in East-West relations would be paralleled by a strengthening of North-South relations. To achieve that aim, not only must the United Nations strive to establish a new, fairer international economic order, but each State must also work to achieve harmonious economic development taking account of the fairer distribution of income needed to improve its people's standard of living. At its forty-fourth session, the General Assembly had called for a more systematic approach to national capacities, for a direct onslaught on poverty, for more effective use of sectoral capacities by the United Nations system, and for a more unified response to Governments' analytical questions. The Executive Council of Zaire endorsed those concerns.

77. In the past, UNDP activities in Zaire had often been executed by international experts, without sufficient involvement of national personnel. More recently, greater use had been made of national capacities in the execution of projects financed jointly by UNDP and Zaire. That new trend reflected the objective of the Khartoum Declaration, which set out to place human resources at the centre of Africa's development efforts. However, the United Nations system as a whole was not allocating Zaire financial resources commensurate with its real development needs, having regard to its size and population. It was to be hoped that the situation would improve in future programming cycles.

78. The failure to make full use of UNDP funds allocated to projects in developing countries was not attributable to human incompetence, but rather to a lack of precise information on the part of beneficiaries about the mechanisms and operation of the various organs of the United Nations system, and about the use to which their funds could be put in the field. At

independence, the emergent African nations had been offered development models based on those of the Western countries, which had subsequently proved unsuited to their needs, capacities and structures. The developing countries believed that, with aid from the international organizations, it was not too late for them to rectify those initial mistakes, which were not entirely the fault of those who had accepted the models proposed. One example of such aid was the seminar on the formulation, evaluation and follow-up of projects held by UNDP in Kinshasa in September 1989, which had helped to improve the situation. His delegation hoped that UNDP and other United Nations organs would contribute to the organization of more training and seminars on implementation of co-operation programmes, with a view to associating recipient countries more closely with execution of the assistance provided to them.

79. With regard to the United Nations Population Fund (UNFPA), his delegation proposed the establishment of an operational aid mechanism in collaboration with other United Nations organs and NGOs, for the welfare of the population in general, and also for populations displaced as a result of development programmes or natural disasters. Population policy would thereby become one of the key elements in programming development and defining major social objectives.

80. With particular reference to the UNDP/Zaire co-operation programme, he reiterated his Government's commitment to ensure that the remainder of the programme was executed as envisaged at the preparation stage. A high-level group had been set up for that purpose, as recommended in the mid-term review.

81. During the next United Nations Development Decade, the strategy to be adopted should provide a frame of reference for multilateral co-operation, propose ways of correcting the negative trends of previous decades, and revive growth and development, particularly in the developing countries. In the light of the continuing severe imbalances between North and South, his delegation proposed the following specific measures in the field of economic management: first, intensification of action to secure lasting and equitable economic growth; secondly, a better awareness of the resources available for socio-economic development; and thirdly, an improvement of the macro-economic policy of the major industrial countries so as to reduce monetary instability, a matter of universal concern in an increasingly interdependent world.

82. With regard to agriculture and industry, his delegation proposed: improving the quality of technical training of national management staff; provision of advanced scientific material and equipment; involvement of communities in the preparation of projects at the grass-roots level, so as to secure lasting impact; participation in the form of grants by external partners in the promotion of industry and agro-industry, with preference given to the private sector for the creation of processing plants and small integrated production units; protection of the environment through reduction of soil erosion, deforestation and desertification; and lastly, agricultural and industrial growth targets of 4 and 5 per cent per annum for the 1990s, gradually rising to 7 to 8 per cent, with all other sectors increasing from 4 to 6 per cent, as envisaged by the Economic Commission for Africa.

83. In the field of transport and communications, steering plans for transport should be prepared. With regard to preparation and execution of projects, all programmes should be integrated in a management process involving the stages of planning, programming, management, follow-up and evaluation. Certain projects should be the subject of programme contracts in partnership with entities such as a region, a department, a health zone or an NGO, in which mutual objectives and commitments were specifically stipulated. The question of equipment should be borne in mind throughout execution of the project, as should the role of women and the family. His delegation trusted that its suggestions would be of value in the implementation of the fifth cycle.

84. Mr. AL-SAIEDI (Observer for the Republic of Yemen) said he was addressing the Council on behalf of the Government of a unified Yemen. Unification of the two Yemens represented a victory for the collective will of the Yemeni people, and a strengthening of democracy, freedom of opinion and openness towards the outside world; it also promoted stability and peace in the region, friendly co-operation and mutual interest, and respect for the rights of others, all of which principles had been embodied in the Constitution and laws of the fledgling State and would continue to guide it in all fields. Since its inception, the Yemeni State had adopted a mature, humanitarian approach in which objectives and priorities could be outlined, and had acted as a torch-bearer for the values of good and peace. One example of that approach was the study to be undertaken on halting arms contracts, with a view to channelling the resources thereby released into economic and social development.

85. Though faced with many problems of its own, his country attached great importance to global problems such as the environment and human rights, an interest reflected in its institutions and legal system. A partial and fragmented approach to those problems could provide short-term solutions, but could not avert what his country saw as impending catastrophe. Three approaches were indispensable if the most important sources of environmental imbalance, namely, the population explosion in the developing countries and their inability to safeguard the environment, were to be addressed before their effect became permanent and irreversible. First, cultural and educational standards in the developing countries must be raised. Secondly, living conditions must be improved. Thirdly, the role of women in economic life must be reaffirmed, and their economic and social rights safeguarded. Of course, effective economic and social development could not be achieved through the use of local resources alone. The role of the developed countries in supporting development in the developing countries, and especially the least developed countries, was thus crucial to protection of the environment and the ultimate survival of the planet. His delegation believed that the will existed among the developed countries; however, the problems must be seen in the right perspective.

86. Yemen favoured giving suitable weight to the criteria regarding institution-building and the development of human resources as supplementary criteria concerning the allocations of recipient countries in the fifth programming cycle. However, it was extremely important that the supplementary criteria should not be fixed in a uniform manner for all countries. Such a generalized approach would contradict the basic purpose of supplementary criteria: to ensure that decisions were taken regarding allocations to different countries on the basis of their actual needs. That contradiction

could clearly be seen in cases where a country's need was exceptional and non-recurrent, and thus did not qualify as a basic criterion. To cite just one example, in the context of reunification, Yemen had urgent need of wide-ranging support from UNDP in order to assist it in its efforts to achieve comprehensive institution-building and restructure its economy. It thus called on all countries participating in the Council to ensure, when it came to the stage of allocating Yemen's share of resources for the upcoming programming cycle, that its share should be greater than that previously allocated to the two Yemens.

87. Yemen supported the right of recipient countries to manage their own projects funded by UNDP resources, and the right of every country to direct implementation, or to choose its implementing and executing partners and determine the level and method of co-operation with the specialized agencies in the light of its own needs. It also supported the floor principle, which, in its own case, meant that the minimum allocation would at least equal the sum of the two former Yemens' allocations. He reiterated his delegation's hope that that minimum would be substantially exceeded in view of his country's exceptional needs and circumstances.

88. His country faced many of the problems and challenges confronting all countries of the developing world, and furthermore the two predecessor Yemens had been among the least developed countries in the world. In addition, the new republic shared many of the experiences of the countries of Eastern Europe and thus required similar assistance. However, it should be borne in mind that its technical and economic level was lower than that of those countries. Its need for support was thus greater, if it was to survive a critical transitional stage. Yemen had suffered more than most countries from the international economic situation, on account of its heavy reliance on remittances from Yemeni expatriates, which had diminished five-fold since the 1970s, imposing a heavy burden on the balance of payments. It was also unique among developing countries in having to shoulder the burdens associated with unification, which involved integration of two of the world's least developed countries.

The meeting rose at 12.55 p.m.