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SUMMARY RECORD OF THE 36th MEETING

Chairman: Mr. VERCELES (Philippines)
later: Mr. ter HORST (Venezuela)

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The meeting was called to order at 3.25 p.m.

AGENDA ITEM 72: SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE (continued)
(A/C.2/36/L.38 and L.46)

1. Mr. DAVIN (Gabon), introducing draft resolution A/C.2/36/L.38, said that document E/1981/115 indicated that Liberia's economy had deteriorated sharply and that serious financial difficulties, basically due to a large foreign trade deficit, had led to strict budgetary restrictions. The State no longer had the resources necessary to prevent unemployment, combat illiteracy and reduce infant mortality, the rates of which were still very high. Without resources, it was impossible to undertake a single effective programme for the reconstruction, rehabilitation and development of Liberia.
2. Massive and emergency external financial assistance was needed more than ever for the Government to provide essential health, educational and other important social and public services. The sponsors of the draft resolution hoped to make the international community aware of the situation in Liberia, and for that reason they urgently appealed in paragraph 1 to all Member States, the specialized agencies and organizations of the United Nations system and international development and financial institutions to contribute generously to the reconstruction, rehabilitation and development of Liberia. In paragraph 9 the draft resolution requested Member States and the organizations of the United Nations system to accord Liberia, in view of its critical economic situation, a special measure of assistance similar to those accorded to countries included in the list of the least developed countries, pending the examination of its situation by the Committee for Development Planning. In paragraph 11 it requested the Secretary-General to ensure that adequate financial arrangements were made for the organization of an effective international programme of assistance to Liberia and for the mobilization of international assistance. The sponsors hoped that the draft resolution would be adopted unanimously.
3. Mr. HADID (Algeria), introducing draft resolution A/C.2/36/L.46, said that Benin was a least developed country whose development efforts had been jeopardized by the unfavourable world economic situation, drought and other problems. The preambular paragraphs took note of those problems, called for special measures to provide effective support of Benin's development efforts and referred to the fact that the Government of Benin wished to organize a round-table conference of providers of funds in 1982. In paragraph 3 the draft resolution appealed to all Member States to provide ample and appropriate assistance in order to enable Benin to implement fully the special economic assistance programme recommended in the report of the Secretary-General on the matter. The draft resolution also requested the appropriate bodies and programmes of the United Nations system to maintain and expand their programmes of assistance to Benin (para. 5), urged Member States and appropriate United Nations agencies to provide all possible assistance to help the Government to meet the critical humanitarian needs of the population (para. 7), and addressed specific requests to the Secretary-General for action in support of Benin's development efforts (para. 9). The sponsors hoped that the draft resolution would be adopted by consensus.

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AGENDA ITEM 70: OPERATIONAL ACTIVITIES FOR DEVELOPMENT (continued) (A/36/3/Add.12 and Corr.1 and Part II and Add.29, A/36/101 and Corr.1 and Add.1, A/36/478 and Corr.1; E/1981/48, E/1981/61)

4. Mr. MI GUO-JUN (China) said that two problems which should be discussed were the financial difficulties confronting the developing countries in their development and the lack of resources for United Nations operational activities for development. Many newly independent developing countries faced the urgent need to build themselves up, achieve economic independence gradually and raise the levels of living of their peoples. The third world countries had scored remarkable results in that direction through painstaking efforts. However, the old international economic order still inhibited the economic development of the developing countries, with the result that their economic situation had been deteriorating instead of improving. In order to change that situation, the third world countries proposed to improve fundamentally the international environment for their economic development and to accelerate that development. Once their economic development had been achieved, the entire world economic situation would improve, which would facilitate the economic recovery of the developed countries.

5. Today, most developing countries, particularly the least developed among them, lacked financial resources for development and were burdened with heavy foreign indebtedness. In some cases, debts tended to accumulate because new loans could not help to liquidate them. In those circumstances, it was unrealistic to ask those countries to rely entirely on self-sufficiency. On the other hand, total dependence on private investment and loans could have an adverse effect. For that reason, many developing countries had called for an increase in official development assistance and loans provided on favourable terms by international financial organizations, easier terms for the transfer of technology and a reduction of their debt burden. His delegation considered those demands to be reasonable. The international community, particularly the developed countries, should show a renewed political will and assume more commitments to help the developing countries, particularly the least developed countries, to overcome the problem of the alarming inadequacy of funds and technology that obstructed their development.

6. United Nations organizations and agencies had major responsibilities in regard to technical co-operation for development. In the past few years they had done what they could, but the problem they all faced was a lack of resources which had jeopardized implementation of their plans. In order to solve that problem, resources should be increased and expenditure reduced. His delegation hoped that the developed countries would substantially increase their voluntary contributions to various United Nations funding agencies in order to ensure that the targets for resource growth were met. Since 1982 would be the first year of the third programming cycle, it was to be hoped that UNDP would lay a sound foundation for the entire cycle so that the Indicative Planning Figures adopted at the twenty-seventh session of the Governing Council could be reached.

7. With regard to the reduction of expenditure, or "doing more with less" as the Administrator of UNDP had put it, efforts could be made in several areas. Relevant bodies within the development system, including executing agencies, should formulate concrete, practical measures to reduce administrative and support costs as far as

(Mr. Mi Guo-jun, China)

possible. Agencies in which administrative expenditure was restricted to zero growth could economize still further through careful saving and strict budgeting. The money thus saved could be channelled into financing the most needed assistance activities. Existing bodies, their professional staffs and technical experts should be allowed to play their full role, and the expansion of bureaucracies and staffing should be avoided. Programme resources should be utilized efficiently. In identifying programmes and projects, agencies should improve co-ordination of their assistance activities at the national level, fully respect the sovereignty and wishes of the recipient countries and organize activities in accordance with each country's development priorities. In the implementation of programmes, agencies should always bear in mind the interest of the developing countries. Experts should be recruited only after careful selection and at minimum cost. Work contracts must not be extended unnecessarily. The equipment procured should be of high quality, in sufficient quantities, reasonable in price and delivered on time. Suppliers who delivered used or defective goods must be subject to economic penalties. The number of personnel sent to execute programmes should be strictly controlled in order to save on travel costs. Every effort must be made to ensure that projects were finished on schedule to avoid unnecessary losses through inflation.

8. Under the auspices of UNFPA, the Asian Conference of Parliamentarians on Population and Development had been held in Beijing in October 1981. It had highlighted the fact that a harmonious relationship between population and development would be conducive to social progress, economic prosperity, cultural development and the improvement of levels of living. The Conference had achieved its goals, and its main result was embodied in the unanimously adopted Beijing Declaration on Population and Development, which opened up new prospects for the solution of population and development problems in Asia.

9. Mr. RAKOTONAIVO (Madagascar) said that his country attached particular importance to operational activities for development because they constituted tangible proof of multilateral co-operation and contributed, in a practical manner, to the economic and social development of developing countries.

10. The most serious problem currently facing the international community was the mobilization of resources. His delegation was somewhat worried by the sizeable drop in the voluntary contributions to the United Nations agencies responsible for operational activities and shared the concerns of the Administrator with respect to the seriousness of UNDP's Resource situation for the third programming cycle. In his delegation's view, that situation was due to the centrifugal forces exerted in international economic relations which resulted in the erosion of the system of multilateral economic co-operation. The results of the recent Pledging Conference seemed to confirm the Administrator's concerns. Even a partial reduction in the over-all programme of UNDP would have a drastic impact on the development efforts undertaken, with UNDP support, by the majority of developing countries because the implementation of their development plans depended to a great extent on UNDP programmes. The objectives of the International Development Strategy and of the Buenos Aires, Vienna and Paris programmes of action might not be attained. His delegation agreed that there was an urgent need to attain those objectives and ensure adequate growth, in real terms, of the programme resources. That need had been widely recognized in decision 80/90 of the UNDP Governing Council and in General Assembly resolution 35/81. In that connexion, his delegation welcomed Economic and Social Council decision 81/38.

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(Mr. Rakotonaivo, Madagascar)

11. Statements of intent were not enough; what was important was how to secure the means. The international community should reaffirm its support of the guidelines laid down in the relevant resolutions of the General Assembly in order to maintain the spirit of confidence which had always characterized relations between the relevant components of the United Nations system and the respective Governments. In that connexion, he recalled General Assembly resolution 2688 (XXV), resolution 3405 (XXX) and chapter V of the Annex to resolution 32/197. The key role played by UNDP in international co-operation had to be recognized. The future of the technical co-operation agencies depended essentially on the way in which the fundamental principles described in those resolutions were applied in all aspects of their operational activities.

12. In the short and medium terms, great efforts should be made to mobilize the resources which were absolutely necessary for the success of the new programming cycle. Given the real economic potential of the developed countries, and the enormous amounts they allocated annually to military expenditure, the level of contributions required was insignificant. He supported the efforts to utilize available resources more effectively and welcomed the Administrator's decision not to increase in real terms UNDP's administrative expenditure during 1982-1983 and to limit, as far as possible, their increase in the following years.

13. His delegation had taken note of the report of the Intergovernmental Study Group on Future Financing of the Programme (DP/451); a more detailed study had to be made and the Group should be reconvened. It also welcomed the decision of the Economic and Social Council providing for a special high-level study of new specific measures for mobilizing resources on a predictable, continuous and assured basis.

14. Mr. LAZAREVIC (Yugoslavia) said that the annual debate on operational activities for development offered an opportunity to analyse the problems and difficulties which various programmes, funds and organizations were facing in rendering assistance to the developing countries. The international community had an interest not only in maintaining the level of multilateral co-operation but also in raising it further and in seeking to make it more responsive to the needs of developing countries and a genuine tool of international co-operation.

15. His delegation was seriously disturbed by the trends which threatened to arrest the development of multilateral co-operation, reduce it and subject it increasingly to bilateral and other considerations. Those trends should not be permitted to take root in the United Nations system because they ran counter to the raison d'être of the United Nations and other intergovernmental organizations. Member States should do much more than declare their support for multilateral co-operation; they should provide adequate financial support on a predictable, continuous and assured basis. Although that principle had been agreed upon at the seventh special session of the General Assembly, it had yet to be put into practice; contributions to operational activities in the past two years had been below the desirable funding level and consequently the funds and programmes had been unable fully to honour their commitments to developing countries. Although his delegation supported the concentration of United Nations development expenditure on the least developed and other low-income countries, developing countries which had higher levels of

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(Mr. Lazarevic, Yugoslavia)

economic and social development should take appropriate measures to become, as soon as possible, net contributors to the resources for operational activities. They would thus become direct partners in assisting less fortunate developing countries and thereby make the United Nations system for operational activities a true instrument of greater partnership for all countries. His delegation had some doubts as to accuracy of the figures quoted in Table 1 on page 7 of document A/36/478, regarding total contributions to operational activities for development in 1979 and 1980 since it was explicitly stated in paragraph 30 that negotiations for the replenishment of IDA and IFAD were in progress.

16. The achievements of UNDP in assisting the developing countries had been recognized by developed and developing countries alike but now seemed to be in danger as a result of the economic difficulties facing many major contributors. Although his delegation was aware that many developed countries were facing uncertainties as a result of their economic performances, their difficulties could not be compared with the enormous problems and hardships facing the majority of developing countries. For that reason, no developed country should permit such difficulties to affect its contribution to UNDP adversely. He was deeply concerned at the effects which the dismal results of the Pledging Conference would have on the third programming cycle; the recipient countries would be disappointed because resources would fall far short of expectations. In that context, he commended the Administrator of UNDP for his untiring efforts to alert the Governments of all countries to that trend which threatened the ability of UNDP to carry out its tasks.

17. He was encouraged by the fact that all countries had recognized the useful role which the Capital Development Fund could play in promoting the development of developing countries, primarily the least developed among them. From the very beginning, Yugoslavia had been a contributor to the Fund and had advocated that the Fund's resources should be oriented primarily towards the least developed countries, and its position remained unchanged. In the light of the results of the Conference on the Least Developed Countries, the resources of the Fund should be totally committed only to the least developed countries and his delegation had decided to co-sponsor a draft resolution to that effect. He hoped that other countries would join the 30 Governments which had announced contributions to the Fund at the recent Pledging Conference.

18. The United Nations Fund for Population Activities had already become a major institution with the prospect of playing a greater role in synchronizing population growth with the economic and social development of many developing countries. It was to be hoped that the Director of the Fund would continue his efforts with the same vigour as he had done so far; he would have the support and understanding of the entire international community.

19. The thrust of UNICEF's activities should continue to be field and action-oriented projects to help developing countries in implementing their long-term development programmes of direct benefit to children. UNICEF deserved the full appreciation of the international community for successfully carrying out its additional activities, especially as lead agency in the follow-up to the International Year of the Child in the past two years. His delegation also attached great importance to UNICEF's role in helping women in developing countries, since

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(Mr. Lazarevic, Yugoslavia)

the well-being of children depended primarily on the well-being of their mothers, and therefore noted with satisfaction that UNICEF had already taken action in that respect in several developing countries. That activity should be continued on a longer-term basis in the future.

20. He deplored the fact that, owing to difficulties in mobilizing planned resources for the General Fund, the Executive Board had revised its financial plan on the basis of a low-income projection; the rate of real increase in the programme of assistance would be 1 per cent annually in the coming two years if the financial situation did not improve, which was in direct contradiction with the increased needs of developing countries. He highly appreciated the efforts being made by the Executive Director to raise special contributions for the General Fund. Although his Government was facing economic difficulties, it had decided to increase, within its limited possibilities, its regular contribution to UNICEF for 1982 in dollar terms.

21. Yugoslavia had supported the World Food Programme from its inception and was convinced that it would continue to play an important role in providing assistance to developing countries in the key area of food production. His delegation hoped that at the 1982 Pledging Conference the new target of \$US 1.2 billion in World Food Programme resources would be attained.

22. Mrs. GARCIA (Cuba) said that promoting development and raising the standards of living of the developing countries without reciprocal economic or political obligations and without infringing on their sovereign rights were the basic premises which should govern the United Nations operational activities for development. The fact that a high percentage of United Nations operations was concerned with those activities attested to the will of peace-loving peoples. In that connexion, her delegation welcomed the support of the agencies which carried out those activities and whose basic principles were in the universality of financing and the offering of services without strings attached. Cuba, within its modest means, had tried to provide resources to help other peoples and had also received substantial aid in terms of operational activities for development which it had used appropriately to overcome its under-development in a world facing a crisis caused by the prevailing economic system. An indication of success in the development effort was the statement in the note by the Secretary-General (A/36/478) that the net transfer of concessional resources for development and the subsidizing of expenses continued to increase. Her delegation was pleased to note that the need for a massive transfer of additional resources for development to those countries that needed them most had been recognized.

23. Cuba hoped that, in the budgets to be submitted at the next session, developing countries would continue to see greater increases in development aid especially for those countries which were newly independent and struggling to consolidate their economic independence. In that connexion, she noted that some countries, such as Nicaragua, Mozambique and Viet Nam, had suffered from tied aid because of the positions they had taken. Food aid had also been used as a weapon for political purposes. Increasing aid to developing countries and reducing expenses for bureaucratic purposes were basic prerequisites for the establishment of a more rational and equitable distribution of the resources available.

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(Mrs. Garcia, Cuba)

24. The arms race was becoming more and more alarming; her delegation deplored the spending of millions of dollars for the purpose of creating weapons to destroy humanity particularly at a time when the United Nations was striving to attain goals of industrial development and alleviate hunger. The arms race was an obstacle to the development of humanity because, inter alia, it generated inflation, was harmful to the environment and a waste of natural resources. She made an urgent appeal to all peace-loving countries to join together in order to stop the arms race which could lead to the destruction of humanity. It was only after that objective had been achieved that operational activities for development could be carried out on a predictable, continuous and assured basis. The resources previously devoted to armaments could then be switched to the operational activities for development of the United Nations system, which at present did not have sufficient resources.

25. Mr. BRUNI (Italy) said that two main issues dealt with in the report (A/C.2/36/478) — the financing of operational activities and the efficiency of the execution of programmes and projects by components of the United Nations system — were closely interlinked. It was increasingly obvious that no improvement could be expected in the over-all trend in contributions unless the organizations concerned also improved their efficiency and co-ordination. In the current critical economic situation, countries which, like Italy, had made every effort to increase their contribution regularly could not go on asking their public and taxpayers for further sacrifices unless they could report that the contributions were being utilized in the best and most efficient way possible.

26. The information on over-all trends in contributions clearly showed that the situation in the last three years had not been encouraging. The outcome of the recent Pledging Conference had also been disappointing. Despite the efforts of a limited group of countries, both developing and industrialized, the prospects for 1982 were dim and the budget projections for the coming year of some of the most important United Nations bodies active in development, such as UNDP and UNICEF, might have to be revised. The downward trend in voluntary contributions, due mainly to a decrease in real terms of the contributions of some major donors, the effects of inflation, and the problems posed by exchange-rate adjustments, were all matters of concern.

27. His delegation believed that efforts should be made in three directions. First, it was important to establish a policy of central funding which would permit the most effective use to be made of the limited resources available. The proliferation of new special purpose funds should therefore be avoided as far as possible. Secondly, in addition to an increase in contributions from countries which had not contributed in the past at a level commensurate with their possibilities, the major donors should try to keep the level of their contributions at least constant in real terms and to increase them whenever possible. Thirdly, the industrialized countries of Eastern Europe should urgently reconsider their position, with regard to the volume of their assistance and to making their contributions in convertible currencies.

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(Mr. Bruni, Italy)

28. The most important question dealt with in the report, however, was the efficiency and effectiveness of operational activities. It was to be regretted that the bodies concerned had made only limited progress in their efforts aimed at a real improvement in co-ordination, planning and management procedures. The Director-General for Development and International Economic Co-operation had stressed the complexity of the problem and had said that progress could only result from the establishment by the General Assembly of over-all strategies, policies and priorities on issues of system-wide concern. His delegation looked forward, therefore, to a careful examination of those issues during the next comprehensive policy review in 1983.

29. In the meantime, progress could be achieved in two directions. The report of the Joint Inspection Unit (A/36/419) contained several interesting suggestions and recommendations aimed at enhancing the co-ordinating role of the Director-General. By adopting some of those recommendations, the Director-General and his staff could ensure better co-ordination and more efficient management of all economic and social, including operational, activities. It would also be useful to have a clearer picture of the way in which the agencies were responding to the recommendations of resolution 35/81. In that connexion, his delegation supported the suggestion by the representative of Canada that the General Assembly should ask for written reports from the specialized agencies on progress in the implementation of resolutions 32/197 and 35/81. The reports could be annexed to the Secretary-General's report to the thirty-seventh session and would help to prepare for the next policy review.

30. The Administrator of UNDP had given a clear picture of the seriousness of the resource position as far as UNDP's third programming cycle was concerned. During the past three years, Italy had significantly increased its contribution to UNDP and had become one of the major donors. His delegation was pleased to note that UNDP had substantially improved its activities and organization and stressed the importance and efficiency of the network of UNDP offices in the field, as well as the role played by the resident representatives in their capacity as Resident Co-ordinators of the United Nations system in developing countries. It would be unfortunate if current economic difficulties were to result in a reduction of the field network, and it was to be hoped that the next session of the Governing Council would be able to find ways and means of enabling the largest of the central funding organizations to continue to deliver its technical assistance programmes in developing countries at the maximum level. He noted that UNDP had been called upon to play an important part in implementing the decisions of the Conference on the Least Developed Countries. The relevant intergovernmental bodies should take the central funding and co-ordinating role of UNDP fully into account in considering programmes and funding arrangements for technical co-operation.

31. At the recent Pledging Conference, Italy had reaffirmed its support for the Capital Development Fund by increasing its already substantial contribution. The Fund had a unique role to play within the framework of operational activities in providing capital assistance not provided by other international organizations and its activities were particularly relevant for the development of the least developed countries. He supported the recommendation of the Economic and Social Council that the Fund should be authorized to meet the administrative and support costs pertaining to its activities from its own resources.

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(Mr. Bruni, Italy)

32. In the past three years, Italy had also become a major donor to UNICEF. In addition to the contribution to general resources announced at the Pledging Conference, his Government also intended to contribute substantially, to the extent of about \$7 million, to projects already adopted by UNICEF in order to help it overcome its current financial difficulties. As most delegations had stressed at the recent meeting of the Executive Board of UNICEF, it was of the utmost importance that UNICEF should continue to concentrate on those activities in favour of children and mothers in which it excelled, and that it should abide by its original mandate. In view of the tragic situation of so many children in developing countries, it was imperative that UNICEF's limited resources should continue to be directed towards alleviating the suffering of mothers and children through field programmes.

33. Mr. PIRSON (Belgium) said that in his excellent report to the General Assembly at its previous session (A/35/224), the Director-General for Development and International Economic Co-operation had recalled the four objectives of the restructuring exercise with which the United Nations system of operational activities for development ought to comply. They were: a real increase of resources on a predictable, continuous and assured basis, conformity of the assistance provided with the national priorities and objectives of the recipient countries, the orientation of those activities and the allocation of available resources with full regard for the priorities laid down by the General Assembly and the Economic and Social Council, and the achievement of optimum efficiency and the reduction of administrative costs. Subsequently, in the Economic and Social Council and in the Second Committee, three positive developments had been welcomed. First was the execution of national projects by recipient Governments with the technical support of the institutions of the system. That was one of the essential aspects of the new dimensions of technical co-operation for development, in which UNDP was actively involved. Second was the participation of the regional economic commissions in the implementation of intersectoral projects at the interregional, regional or subregional level, after careful consultation with the States of the region concerned. There again, progress had been made. Third was the involvement of the Resident Co-ordinators in helping Governments to attain the objectives and priorities they had set for themselves by integrating inputs from the United Nations system, and he noted in that connexion that seventy-eight Resident Co-ordinators had already been appointed by the Director-General.

34. After completing its comprehensive review of operational activities for development, the General Assembly had requested the Director-General to provide information to the current session on the progress achieved in improving management procedures, reducing administrative and other support costs, and enhancing over-all efficiency in the execution of programmes and projects with a view to increasing the proportion of resources available to meet the assistance requirements of developing countries. Accordingly, the Committee had expected to hear specific recommendations from the organs, organizations and bodies of the United Nations system on measures to reduce administrative and other support costs and in particular to harmonize their procedures. It had also expected the Director-General's own recommendations on that point. Unfortunately, the report had not fulfilled those expectations. No doubt it was difficult with present structures to increase

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(Mr. Pirson, Belgium)

efficiency and reduce administrative and support costs, but that meant that there was a structural problem that must be addressed. The report stated that several organizations bore an important part of the real support costs of operational activities out of their regular budgets. Did that mean that current administrative and support costs, which were already 30 per cent of contributions, taking into account only the overhead costs of UNDP and the executing agencies, represented only part of the real support costs? Whether those funds were taken out of the regular budget or from extrabudgetary funds, they came out of limited total resources. Furthermore, must delegations go on agreeing to the establishment of independent funds, despite the fact that resolution 32/197 on restructuring had proposed a single governing body?

35. The disappointing results of the recent Pledging Conference indicated that the growth in real terms of resources for operational activities would probably be very small in the coming years, not because States were not aware of the needs but because most industrialized countries were undergoing virtually insurmountable budgetary difficulties on account of the continuing economic crisis. If there was to be a real growth of available resources on a predictable, continuous and assured basis, therefore, the greatest care must be taken to ensure that the system allocated maximum resources to actual projects by cutting non-essential costs.

36. The report stated that, in the opinion of the Administrative Committee on Co-ordination, the concept of maximum efficiency and reduction of administrative costs raised complicated problems, and that the spirit of co-operation among the organizations of the system must be strengthened and the pooling of technical and administrative resources encouraged. All the units of the system should be urged to take steps in that direction. The secretariats of the various agencies sometimes tended to take refuge behind intergovernmental bodies, although in practice it was the secretariats which should be imbued with the spirit of interagency co-operation.

37. Before governmental bodies were asked to agree on new guidelines, the Director-General should be carefully consulted. The Joint Inspection Unit confirmed in its report (A/36/419) that that was not at present the case. It was very important that the new guidelines should not lead to duplication. In order to move ahead, it was also essential, as the Director-General himself had suggested, that the General Assembly should establish over-all strategies, policies and priorities on issues of system-wide concern, and formulate possible common approaches taking into account the views and concerns of the agencies in question. In his next report, to be submitted in 1983, the Director-General should be asked to make specific proposals in that connexion. He hoped that, after considering the JIU report, the Assembly would take steps to strengthen the role of the Director-General in operational activities.

38. In the last two years, Belgium had devoted about \$600 million a year to official development assistance, or almost the total value of all UNDP programmes. Three quarters of that assistance had been directed to countries with a per capita income of less than \$400 in 1977. Despite an extremely difficult budgetary situation, the Government intended to maintain and, if possible, increase its *official development assistance*, and had committed itself to attaining the target of 0.15 per cent of GNP for assistance to the least developed countries by 1985 at the latest.

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(Mr. Pirson, Belgium)

39. In respect of the more developed developing countries, his Government intended to give more scope to forms of co-operation other than official development assistance, such as transfers of technology, trade co-operation and direct investment. For purposes of increased medium-term predictability, a five-year indicative programming system had been introduced for a number of recipient countries. A Fund for Development Co-operation had also been set up, which should lead to better co-ordination. Belgium's total public and private support for the developing countries had increased considerably in 1980: the rise to \$2,882,000 or 2.43 per cent of the Gross National Product, put it in third place among the Western industrialized States.

40. Mr. LAWLESS (United Kingdom), referring to the two basic issues to which attention was drawn in document A/36/478, said that, as far as quality and effectiveness were concerned, his delegation welcomed the steps being taken by some agencies, as reported in section III, through the use of medium-term plans, programming by objectives, improved project design and monitoring and evaluation.

41. Reduction in administrative and support costs was not the sole component of efficiency, and he looked forward to the analysis to be included in the report of the Director-General for Development and International Economic Co-operation to the thirty-seventh session of the General Assembly, in accordance with paragraphs 8 and 18 of General Assembly resolution 35/81. While he could understand the concern of some agencies about the critical relationship between the level of administrative and support costs, on the one hand, and the maintenance of effectiveness and quality of output at field level on the other, it was clear from the many relevant General Assembly resolutions and from the protracted debates of the Working Group on Support Costs that member Governments had been equally concerned at the increasing amount of resources which such costs diverted from field programmes. He hoped that agencies would strive to execute projects within the prescribed limits, while endeavouring to keep administrative costs incurred in executing their own programmes to a minimum. By eliminating waste, and by effective and judicious deployment of their staff resources, organizations could help to ensure that the scarce resources were used to the maximum benefit of the developing countries. He endorsed the comments of other representatives concerning the wasteful duplication of bureaucracy at the field level, and expressed the hope that, in his report the following year, the Director-General could report on the extent to which the placement of the Resident Co-ordinators had reduced such administrative duplication.

42. Referring to the statement by one agency to the effect that it was the responsibility of its governing body to decide the nature and scope of its response to General Assembly resolution 35/81, he said that that reaction emphasized the wisdom of the pragmatic approach in trying to achieve maximum uniformity and harmonization of administrative, financial, budgetary, personnel and planning procedures. In view of the large number of organizations within the United Nations system, having differing functions, and in some cases, specific interests, such an approach could be both costly and counter-productive. His delegation therefore welcomed the comments of the Director-General for Development and International Economic Co-operation concerning efforts to identify the issues which had system-wide dimensions, and which might be susceptible to common approaches.

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(Mr. Lawless, United Kingdom)

43. The Director-General's report to the thirty-seventh session of the General Assembly would also cover growth in real resources on a predictable, continuous and assured basis. There was, however, no automatic correlation between predictability, continuity and assuredness on the one hand, and the desirability of increasing resources on the other. The price of achieving predictability might have to be a revision of assumptions about continued growth. If the two concepts proved incompatible, it would be for the various governing bodies of the organizations in the United Nations system to decide which path to take. Multi-year pledging which was what predictability involved had been considered by the governing bodies of many organizations over the years. In addition to analysing some of the preconceptions that existed over the link between growth and predictability, the Director-General might also analyse some of the very real obstacles identified to multi-year pledging, such as the economic constraints on the small group of donors which traditionally provided the bulk of the system's resources, burden-sharing, and the unsuitability of the multi-year pledging concept to some sectoral funds where the attitudes of contributors might be expected to vary in the short term. The report could also usefully examine the effect of the proliferation of special funds in recent years, notwithstanding the central role of UNDP specified in the consensus. Experience had clearly shown that new funds did not generate additional resources but simply drew resources away from other funds and reduced the level of their effectiveness. Since each new fund required its own administrative machinery, scarce resources which ought to be spent on projects were absorbed by bureaucracy.

44. Clearly, resources were the lifeblood on which the operational activities of the United Nations system depended. Despite its own economic constraints, the United Kingdom had continued to maintain a substantial programme of overseas aid in 1979 and 1980. Only four industrialized countries had provided more bilateral official development assistance, and the United Kingdom had also remained a substantial contributor to the United Nations development system. Unfortunately, the only reference in the report to the value of bilateral aid was somewhat pejorative. Paragraph 32 referred to a disturbing shift by some major donors away from multilateralism to bilateral support. He stressed that all development assistance, bilateral or multilateral, was based on the partnership principle. Both forms of aid were responsive to the needs of the recipient countries and both had as their common objective the development of economic self-sufficiency among developing countries. He hoped that due weight would be given to that fact in the Director-General's report to the thirty-seventh session.

45. In regard to burden-sharing, he noted that the small group of major donors which had provided the greater part of resources for development since the inception of operational activities could not continue to maintain such a disproportionate share. He joined previous speakers in renewing the appeal to the non-Western industrialized countries to increase their aid and to provide it in a readily useable form not tied in any way to the supply of particular equipment or expertise. Hitherto, that reasonable appeal had been greeted not by increased contributions but by increased rhetoric, which was perhaps an indication of the attitude of those countries to development itself.

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(Mr. Lawless, United Kingdom)

46. In his recent statements, the Administrator of UNDP had painted a pessimistic picture of future resource income. In such a situation, the quality and effectiveness of aid were more important than ever. His delegation hoped, therefore, that the Director-General would analyse the effectiveness of the deployment of existing resources throughout the system, including a commentary on the absorptive capacity of recipients.

47. In conclusion, he congratulated the Administrator on the steps taken in the last two years to enhance the quality and effectiveness of UNDP's development assistance and his success in ensuring that the second cycle resource planning target was achieved. He was confident that UNDP would continue to deliver a high quality, effective and efficient programme to the recipient countries and the United Kingdom would continue to support that programme within the limits of its resources and aid priorities. He also paid a tribute to the management and staff of UNICEF, UNFPA and the United Nations Volunteers for their valuable work throughout 1981.

48. Mr. ter Horst (Venezuela) took the Chair.

49. Mr. SOBHAN (Bangladesh) said that his delegation was in general agreement with the views expressed in the report of the Director-General for Development and International Economic Co-operation (A/36/478) and with the statements made by the Director-General and the Administrator of UNDP.

50. The appointment of the Resident Co-ordinators went a long way towards promoting the effective and co-ordinated deployment of resources from the United Nations system and was likely to bring optimum returns by minimizing waste and duplication. Although the restructuring efforts and the recent decision to increase substantially the resources at the command of the United Nations system reflected a desire to alleviate misery in the developing countries — the first pre-condition for which was that adequate resources be available — the situation was anything but encouraging and it was evident that almost all United Nations agencies would have severe resource constraints which would result in serious dislocations in the planning process of the recipient countries.

51. The situation was particularly disappointing in view of the decision taken by the UNDP Governing Council to programme for the third cycle on the basis of a 14 per cent annual growth rate. In 1982, the first year of the third cycle, the growth rate would be a meagre 5 per cent. Other factors such as exchange-rate fluctuations and high inflation rates had combined to cause a negative growth in UNDP resources of 25 per cent in real terms in the three-year period 1980-1982 as compared with 1979. The proposal to establish a ceiling of 80 per cent because of the deteriorating resource situation had already adversely affected implementation of Bangladesh's country programme as well as those of other countries and had dealt a severe blow to the central role of UNDP in meeting the technical assistance needs of developing countries. Having recognized the catalytic role which UNDP had been playing and could go on playing, the international community must take steps to ensure a flow of adequate resources on a predictable, continuous and assured basis.

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(Mr. Sobhan, Bangladesh)

52. His delegation had been greatly disappointed to hear the resource projections made by the Executive Director of UNICEF. It was essential that the Executive Director should have adequate resources so that country programmes which had already been approved could be implemented without change. The hardest hit were the population and related programmes. Indeed, the Executive Director of UNFPA had pointed out that his agency would have to abandon new programmes in the years to come. That was unfortunate, particularly since many developing countries, considered as priority countries by UNFPA had finally reached the point where they were ready and willing to undertake population planning on a large scale. Given the drastically reduced resources, some very useful projects would have to be terminated or scaled down.

53. His delegation was perplexed by another development concerning resource mobilization. It had often been said that the proliferation of funds was not advisable since it merely resulted in a fragmentation of efforts. His delegation could have understood it had there been an increase in the resources of the Special Measures Fund for Least Developed Countries at the expense of the other funds. In effect, however, the resources of the Capital Development Fund, the United Nations Volunteers programme, the United Nations Fund for Natural Resources Exploration and the Special Measures Fund had all declined at the same time.

54. Accordingly, he appealed to all developed donor countries — particularly the major donors who had yet to announce their pledges — and to those developing countries in a position to do so to make adequate resources available to UNDP, UNICEF, UNFPA and other funds. The centrally planned economies of Eastern Europe could not shy away from their responsibilities in that regard.

55. Turning to the question of efficiency and the reduction of administrative and support costs, he said that the newly-appointed Resident Co-ordinators would contribute to increased efficiency. However, he sounded a note of caution concerning reductions in administrative costs, pointing out that the redirection of resources following decision 80/30 of the Governing Council had resulted in uneven programme growth and had thus required the strengthening of some Resident Representative offices to enable them to cope with the increased responsibilities. Accordingly, the proposal to reduce administrative costs should be viewed in light of the rationalization process necessitated by implementation of decision 80/30.

56. Furthermore he drew attention to the danger that the quality of services might deteriorate should administrative expenses be cut back excessively. The arguments in favour of reducing support costs deserved closer examination and his delegation had noted with keen interest the recent deliberations on the question of government execution of UNDP projects and could see much merit in that idea. Not only would government execution enable developing countries to increase their technical capability but, more importantly, it would increase resources for development activities in so far as the resulting savings in support costs would be made available to the countries concerned.

57. Finally, he said that he wished to place on record his Government's appreciation for the useful work being done by UNDP, UNICEF and UNFPA.

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58. Mr. HANSPAL (India) said that the report of the Director-General (A/36/478) and the results of the recent Pledging Conference reflected the increasing negative trends in multilateral economic co-operation. The decline in the level of concessional resources in real terms was a matter of grave concern to his delegation which had repeatedly emphasized the need to ensure a more stable and predictable system of financing operational activities. The resource picture was very bleak for, not only had targets for voluntary contributions been almost universally ignored but, in the case of many developed industrialized countries, a reverse transfer of resources was taking place. His Government was gravely concerned at the situation for India was facing increasing difficulties as more and more development projects were having to be drastically scaled down or abandoned because of the crushing pressure of mounting import bills.

59. While it was too early to assess the results of the implementation of the latest International Development Strategy, current trends in the financing of operational activities for development threatened to make a mockery of the laborious efforts which had been made the previous year to formulate and adopt the Strategy. Measures must be devised to ensure greater automaticity in the funding of operational activities on a multi-year basis and to monitor the attainment of targets.

60. Although the role of donor countries was particularly important, the effectiveness of the operational activities of the United Nations system would depend, to a large extent, on how well technical assistance activities dovetailed with national development plans and priorities.

61. At the same time he drew attention to the importance of ensuring a close linkage between research and analysis and the operational activities of the United Nations system. The result of research must be translated into operational terms at the field level. In that context it was imperative to allow Governments rapidly to assume responsibility for project execution.

62. The question of continued improvement in efficiency of the United States system must be viewed in the context not only of better management but in the light of an increase in programmes and activities and of the resources required to implement them. The increase must be commensurate with the needs of the developing countries.

63. Finally, he pointed out that India had been a major contributor to several voluntary funds and continued to provide a large number of experts for various technical co-operation programmes. While appreciating the assistance it had been receiving, it was hardly a matter for satisfaction to find that India, whose per capita income was less than \$US 200, contributed more for technical assistance programmes than several developed industrialized countries.

64. Mr. NHAT (Socialist Republic of Viet Nam) said that his delegation had noted with interest the report of the Director-General for Development and International Economic Co-operation (A/36/478). Recent trends in contributions to the various organizations of the United Nations development system were not promising. Not only had the target of 0.7 per cent of GNP for official development assistance not been reached but, although economic conditions in the developing countries had deteriorated progressively and their financial requirements had increased, some

(Mr. Nhat, Socialist
Republic of Viet Nam)

developed market-economy countries were planning to reduce their aid, arguing that they had already contributed too much. His delegation agreed with those who felt that the amount of aid given by those countries was insignificant compared to the profits which they had derived from their colonies for hundreds of years. Moreover, such assistance was in the interest of developing and donor countries alike. In a recent issue of The New York Times it had been pointed out that for every dollar of foreign aid which the United States had bestowed it had earned a cumulative return of \$2.50 from the resulting exports. In order to achieve the objective set in General Assembly resolution 32/197 of a real increase in the flow of resources on a predictable, continuous and assured basis, the major developed market-economy countries must make fundamental changes in their policy towards the developing countries.

65. The distribution of available financial resources was generally carried out on the basis of the Charter irrespective of a country's political system. His Government was grateful for the valuable assistance it had received from many agencies and organizations of the system. However, he drew attention to the trend, in certain major capitalist countries, towards using economic aid as a political weapon in their bilateral economic relations and their efforts to extend that policy to multilateral aid channels. They had used their influence to exert pressures on some international agencies to cut off or curtail assistance programmes to developing countries, particularly progressive ones such as Angola, Cuba, Ethiopia, the Lao People's Democratic Republic, Nicaragua and Viet Nam. In that connexion he pointed out that the United States Senate had recently passed a resolution urging that future United States economic assistance to non-aligned nations should be weighed against the pattern of voting by those countries in the United Nations.

66. Taking his country as an example, he said it was a well-known fact that the United States imperialists, having failed to bring Viet Nam to its knees by military means was now resorting to economic weapons. The United States had engaged in all forms of destabilization and had urged other countries to end their economic relations with Viet Nam. When the UNDP Governing Council had considered the country programme for Viet Nam, at its recent session, the United States and some other countries had made every effort to prevent the programme from being approved and it had repeated the same tactics in the Committee on Food Aid Policies and Programmes and in the World Food Council.

67. Many international agencies and organizations were resolutely opposed to the unreasonable position adopted by the United States and his delegation thanked them sincerely for their valuable support. UNDP, UNICEF and FAO were generally considered to be non-political agencies and should not be used as instruments of pressure. Viet Nam was considered to be one of the most seriously affected countries and was fully entitled to the assistance of those organizations. The approval, by consensus, of General Assembly resolution 32/3 on assistance for the reconstruction of Viet Nam and the sympathy and support of the majority of Member States for the various agencies' assistance programmes to his country were a clear demonstration of that fact.

(Mr. Nhat, Socialist Republic
of Viet Nam)

68. His delegation had raised that matter in order to uphold a fundamental principle of the Charter and because the United States had adopted a similar policy towards other newly-independent countries in Asia, Africa and Latin America. If it was not stopped, many more countries would fall victim to that policy and other reactionary forces would be encouraged to use the assistance of the United Nations system to further their own political purposes. Accordingly, the United States should adopt a more practical policy and end all actions that ran counter to international law and morality.

69. Mr. OLZVOY (Mongolia) said that, because of the importance it attached to technical co-operation, his delegation favoured the quantitative and qualitative strengthening of operational activities for development in the United Nations system, based on principles of universality and voluntary participation. Those principles accounted for the uniqueness of international technical co-operation, whereby States voluntarily pooled their efforts to promote the social and economic progress of mankind.

70. His delegation had noted with concern the efforts made in recent years to violate those principles, on which the 1970 consensus and the resolution on the new scope of activities had been based.

71. It understood the desire of the developing countries for an increase in the financial resources of UNDP and other organizations concerned with technical assistance activities, and it associated itself with the appeals for a reduction in the excessive administrative and overhead costs and the cost of international experts.

72. Full use should be made of all available resources, regardless of the currency in which they were provided. Furthermore, his delegation was concerned at the enormous sums being spent in producing weapons of mass destruction. Active steps should be taken to end the arms race and adopt effective disarmament measures, thus releasing resources for development.

73. On the eve of the UNDP cycle of activities for 1982-1986, consideration should be given not only to the financial aspect, but also to the quality of projects and programmes. That was particularly important given the economic and social challenges of the International Development Strategy for the 1980s. The projects and programmes should be used for helping to eliminate the causes of the economic backwardness of liberated countries and for strengthening their economic independence. The economic and social development of those countries could greatly benefit from projects designed to promote their sovereignty over their natural resources, particularly through the expansion of the public sector and control of the activities of the transnational corporations. The recent trend towards the promotion of private capital, in co-operation with Western financial organizations, was incompatible with the goal of eliminating the vestiges of colonialism and neo-colonialism.

74. It was essential to promote an exchange of experience in economic and social development among countries with different social structures. His delegation

(Mr. Olzvoy, Mongolia)

attached great importance to the establishment of pilot projects in various sectors of the economy, and in particular to projects for establishing co-operatives and organizing seminars to study the experience of various countries.

75. UNDP had, in recent years, been acting as the lead agency in the implementation of General Assembly resolutions dealing with the role of qualified national personnel in the economic and social development of developing countries. The Administrator of UNDP was not only empowered to implement General Assembly resolution 35/1980 but had also been given the necessary resources to do so. He hoped that a progress report on the subject would be submitted to the General Assembly at its next session. One of the priority tasks of UNDP and other relevant bodies should be to promote the training of qualified national personnel and the right of children to education.

76. His Government attached great importance to its co-operation with UNDP, UNICEF, the United Nations Fund for Population Activities and other relevant bodies, and was confident that such co-operation would be intensified in the future.

77. Mr. MAYIRA (Rwanda) said that his Government had considered it fitting to make its third five-year development plan coincide with the third UNDP programming cycle, 1982-1986, since UNDP resources represented a substantial part of Rwanda's official development assistance. He welcomed the approval by the Governing Council of UNDP at its twenty-eighth session of the programme of assistance requested by his Government for 1982-1986. The programme included priority activities in agriculture, stock raising, forestry and fisheries; industrialization; education and training; development of natural and energy resources; planning of the transport and communications infrastructure; and assistance in development planning and administration.

78. The smooth implementation of that programme depended on the volume of resources received by UNDP for the period concerned. His Government also hoped for substantial support from friendly countries and organizations, in addition to that given by UNDP. For that purpose, it was planned to hold a round-table on external aid towards May 1982, to which it was intended to invite all traditional and potential contributors of funds prepared to assist Rwanda in implementing its five-year plan for 1982-1986.

79. The results of the recent Pledging Conference for Development Activities for 1982 were disturbing, and his delegation fully shared the concern expressed by the Administrator of UNDP on the subject. It was to be feared that UNDP might be unable, for lack of adequate resources, to fulfil its primary role of assisting the developing countries.

80. The Administrator had drawn attention to a serious problem: the conversion of funds received in other currencies into United States dollars. During the current year, UNDP had lost 11 per cent of its resources owing to exchange-rate fluctuations. In order to help in overcoming that problem, he urged Governments to pay their voluntary contributions in United States dollars.

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(Mr. Mayira, Rwanda)

81. He reiterated his delegation's support of Governing Council decisions 1980/30 and 1981/16 on the preparations for the third programming cycle, 1982-1986, and in particular the objective of a cumulative average annual growth rate for voluntary contributions of 14 per cent. His delegation continued to be concerned at the lack of flexibility shown by countries which paid their voluntary contributions to UNDP in non-convertible currencies. The constant accumulation of unused funds of that type was a serious handicap to the effectiveness of UNDP activities.

82. While greatly appreciating the assistance given by UNDP, his Government would like that body to explore the possibility of reducing the excessive share of technical assistance in project expenditure, with a view to increasing as far as possible the amount of financial resources to be invested in Rwanda. In that spirit, and with a view to increasing the effectiveness of assistance, his Government had requested UNDP to endorse the principle of co-management of the programme, to decentralize the decision-making powers in favour of the Resident Co-ordinator and to study the machinery for moving from the pre-investment level to the investment phase as such. The basic reasons for those suggestions had been explained to the Governing Council in June 1981.

83. With respect to the United Nations Fund for Population Activities (UNFPA), his delegation welcomed the statement made by the Executive Director of the Fund, and renewed its support for that body. It had noted with satisfaction that over 90 per cent of the Fund's programmes had been implemented in 1980. Rwanda, which was a heavily populated country, recognized the value of UNFPA assistance and welcomed the recent appointment of a Resident Representative of the Fund at Kigali. His Government was satisfied that that official would help to strengthen co-operation with Rwanda, particularly by accelerating the project approval procedures and by regular monitoring of project execution. Africa's needs in population matters were immense, and UNFPA should take account of the priority that should be accorded to Africa in the objectives proposed for the decade 1980-1990.

84. His delegation reiterated its support of the United Nations Volunteer programme but regretted that the recruitment of Rwandan Volunteers had so far taken place outside the national territory. That had the disadvantage of depriving Rwanda of their services when their contracts with the United Nations terminated. His delegation therefore urged the Co-ordinator of the United Nations Volunteers to endeavour, as far as possible, to promote good relations between the Volunteers and their country of origin.

85. With regard to the Special Fund for Land-locked Developing Countries, he drew attention to the statement made by the Administrator of UNDP on the subject at an earlier meeting to the effect that the needs of those countries, most of which were among the least developed, were evident. There was no lack of resources for meeting those needs, since a special fund had already been established for the purpose.

86. Ms. KAMAL (Secretary of the Committee) said that the delegations of India, Burundi, Ecuador and China had become co-sponsors, respectively, of draft resolutions A/C.2/36/L.26, A/C.2/36/L.35, A/C.2/36/L.37 and A/C.2/36/L.46.

The meeting rose at 6.30 p.m.