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SUMMARY RECORD OF THE 37th MEETING

Chairman: Mr. FAOWORA (Nigeria)

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The meeting was called to order at 10.50 a.m.

AGENDA ITEM 72: OPERATIONAL ACTIVITIES FOR DEVELOPMENT (continued) (A/37/3 (Part II), A/37/333, A/37/445 and Add.1; E/1982/16/Rev.1, E/1982/17; DP/1982/9 and Add.1, DP/1982/37, DP/1982/40)

- (a) OPERATIONAL ACTIVITIES FOR DEVELOPMENT OF THE UNITED NATIONS SYSTEM: REPORT OF THE SECRETARY-GENERAL
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1. Mr. AL-SHAMA (Iraq) said that, although his delegation had not taken the floor on other items, it considered it necessary to speak on operational activities for development in view of the fact that the alarming world economic situation and the increasing downward trend in multilateral co-operation had seriously impaired those activities. The developing countries found themselves in unprecedented circumstances, which might even grow worse in the coming years; meanwhile, the countries which could have helped to overcome those circumstances had done nothing and had no intention of collaborating in a spirit of international responsibility. It was disheartening to see the attitude of those countries towards the global negotiations, which were regarded as the key to a radical change in the world economic structure. The danger that the situation might become intolerable was a threat not only to the developing countries but to the whole world, and it was therefore essential to undertake effective operational action to solve the most serious problem, namely, the economic situation of the developing countries.

2. The lack of financial resources could jeopardize operational activities, which had thus far been the most effective means of solving those problems and which should be given priority in any United Nations assistance programme.

(Mr. Al-Shama, Iraq)

3. His delegation wished to thank the Director-General for Development and International Economic Co-operation for his excellent report (A/37/445), which clearly indicated the gravity of the financial situation and the possibility that organizations would be unable to maintain the present level of their operational programmes, not only in real terms but even in nominal terms. While contributions from a number of countries were falling short of the targets set in relation to their GNP and two thirds of the world population was threatened with starvation, more and more billions of dollars were being spent on armaments.

4. Iraq had always pursued a responsible economic policy towards other developing countries and had given massive financial assistance, both multilaterally and bilaterally. In 1980, despite the war, it had contributed 5.6 per cent of its GNP to development assistance, but continuance of the war had forced it to reduce that percentage substantially in the past two years. It was to be hoped that, when peace was restored, Iraq would be able to resume its positive role in international economic life and to fulfil its commitments to the third world.

5. Despite its difficult situation, Iraq had participated in the Gulf Arab Development Foundation for the United Nations (AGFUND), established two years previously by seven Gulf Arab countries, which provided supplementary assistance to the countries of the region under United Nations auspices. Although for the first year the Foundation had operated on a trial basis, the member States intended to increase their contributions and to obtain additional financial resources from private enterprise, and large contributions had already been obtained through the efforts of Prince Abdel Haziz of Saudi Arabia. He would point out that the figure of \$22 million given in table A-4 of document A/37/445 was understandable in view of the fact that the Foundation had begun operations at the beginning of 1982. For that year, contributions from AGFUND would constitute a large percentage of the total resources of most organizations.

6. Mr. HAJNAL (Hungary) said that he would concentrate on two major issues: mobilization of resources and the efficiency and effectiveness of operational activities.

7. As other speakers had said, resources for operational activities were extremely modest in contrast to the huge amounts spent on armaments. Indeed, the halting of the arms race and the implementation of effective disarmament measures would drastically improve the resource situation for development activities. However, while available funds were inadequate to meet the apparent needs of the developing countries, United Nations operational activities had been playing a major role in promoting economic and social development in those countries, and that was the reason why Hungary contributed on a regular basis to several programmes and funds set up for the financing of operational activities. It was regrettable that, in addition to being inadequate, resources were fragmented owing to the proliferation of funds within the United Nations system. In document DP/1982/5, paragraph 3, the Administrator of UNDP stated that the proliferation of funds had resulted in "overlapping and duplication, lack of coherence and cost-effectiveness". In the view of his delegation, such proliferation was against

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(Mr. Hajnal, Hungary)

the true interests of the developing countries and tended to make contributions more country-specific and sector-specific, reflecting the preferences of the donors and injecting more rigidity into the system of operational activities. Hungary looked upon UNDP as the central funding organization and the most important channel of multilateral co-operation within the United Nations system.

8. Another important question in connection with the resource situation and growth targets was the adoption of rigorous measures to ensure an increase in contributions.

9. International assistance schemes, technical or economic, bilateral or multilateral, must be voluntary, in the full sense of the word, and he did not believe that technical co-operation would be promoted by the introduction of assessed contributions, whether direct or in the form of some replenishment arrangement. However, Hungary's adherence to the principle of voluntary contributions did not imply any reluctance to provide assistance, and in 1981, from being a net recipient, it had become a net donor.

10. The endeavours to place the funding of international technical co-operation on an assured basis were understandable, since the recipient countries, particularly those with small IPFs, could find themselves in a difficult situation if they had to make cutbacks on projects in which a certain amount of inputs had already been invested. Inputs into every project must have a certain threshold value below which they were ineffective.

11. In order to place UNDP on an increasingly predictable, continuous and assured basis, some delegations had raised the idea of multi-year pledging, but he wondered whether that was feasible. The majority of Governments, including his own, could not commit themselves to multi-year pledging, and there was a danger that it might be counterproductive to the cause of operational activities.

12. His delegation fully agreed, however, that the payment of contributions should be made as early as possible in the financial year so as to reduce uncertainty and ease resource management problems (A/37/445, paragraph 34). As a rule, Hungary paid its contribution towards the end of the first quarter, in order to facilitate the maintenance of a solid financial position by the programmes and funds.

13. Although many useful ideas had been raised about further increasing the effectiveness and efficiency of the system, both in the preparatory documents and in the statements, his delegation would confine itself, owing to the lack of time, to mentioning some of its main concerns. Efforts must be made to ensure that the operational activities of the United Nations contributed to the implementation of the national development objectives and the elaboration of the country programme should be the primary responsibility of the recipient country. There must be close co-operation between the UNDP resident representative and the competent organs of the recipient country in the project formulation process.

(Mr. Hajnal, Hungary)

14. Although it might be impossible to adopt a single set of procedures for all organizations of the United Nations system, there was room for greater uniformity in the operations of the various international organizations, for example, in the area of project formulation and evaluation.

15. Agency support costs paid by UNDP should cover all expenses incurred in connection with the execution of development projects. With regard to technical co-operation, his delegation wished to reaffirm its continued support for the principles set forth in the Consensus of 1970 and in General Assembly resolution 3405 (XXX) on new dimensions in technical co-operation since the restriction of technical assistance on political grounds was inadmissible. The principles of universality and voluntary participation in UNDP activities must be upheld.

16. Hungary's position with regard to the currency of contributions was unambiguous. It considered that contributions should be voluntary both as regards quantity and as regards currency. If the sources of UNDP inputs were properly diversified it would be easy to use the contributions of every country irrespective of whether they were made in convertible or non-convertible currencies. He was pleased to report that UNDP had no accumulation of Hungarian forints from previous years.

17. He drew attention to a need for speedy project approval and programme delivery. That might be one way of counteracting the prejudicial impact of inflation.

18. Turning to UNICEF, he said that, like other delegations, his delegation felt that although UNICEF was a humanitarian organization it could contribute towards the attainment of the goals of the International Development Strategy for the 1980s.

19. With regard to UNFPA, he endorsed the idea put forward in UNDP Governing Council resolution 82/20 that although all developing countries were entitled to UNFPA assistance, UNFPA should concentrate on those with the most urgent population problems.

20. Mr. TURJANSKIY (Ukrainian Soviet Socialist Republic) said that among operational activities for development his delegation attached particular importance to the activities of UNDP. As was clear from the report of the Director-General (A/37/445) and the statement by the Administrator of UNDP to the Second Committee, those activities had positive as well as negative aspects. Among the positive aspects mention should be made of the recent increase in the level of resources to be used for assistance to developing countries, the increase in allocations for global and interregional programmes and the allocation of greater resources to the least developed countries. At the same time, in some cases unequal and inadequate use was made of the funds allocated through the Indicative Planning Figures system. In many cases, operational activities were planned without taking due account of the financial basis, and administrative and overhead costs continued to be far too high. Another serious deficiency was the fact that UNDP generally focused its attention on executing projects that were linked to the

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(Mr. Turyanskiy, Ukrainian SSR)

creation of infrastructure rather than to the development of a country's material production. In the final analysis that one-sided orientation of the bulk of the programmes established with UNDP assistance benefitted foreign monopolies since it enabled them to obtain huge profits with a relatively small investment; it also benefitted, on the whole, those sectors of the developing countries' economy concerned with the acquisition and processing of raw materials. A characteristic of many projects financed by UNDP continued to be an imbalance between pre-investment activities and direct investment, in other words, initial expenditure did not always lead to a subsequent injection of funds. There were also, in many cases, inadequacies in the preparation and implementation of projects, inadequate supervision at the implementation phase and inferior professional calibre of specialists participating in projects. One reason for those inadequacies that was worth mentioning was the strong reliance placed by the UNDP administration on a small group of mainly Western countries with respect to the granting of subcontracts for programme execution and hiring of experts and staff to fill vacancies at headquarters. At the same time, insufficient use was made of the services of specialists, subcontractors and experts from the socialist countries. The UNDP administration must take effective steps to ensure the observance, in practice, of the principle of equitable geographical representation since that would allow for fuller use of the experience of countries with different socio-economic systems.

21. The effectiveness of UNDP activities would depend, above all, on the steadfastness with which the basic principles of universality and voluntariness of assistance were applied. Those principles were enshrined in the Consensus of 1970 and in subsequent resolutions of the General Assembly and the Economic and Social Council. At the twenty-ninth session of the UNDP Governing Council, attempts had been made to violate that principle. The position of the Ukrainian SSR concerning the establishment and mandate of the Intersessional Committee of the Whole had been reflected in the joint statement signed by eight socialist countries during the second regular session of 1982 of the Economic and Social Council. It was inadmissible that the technical assistance machinery of the United Nations should be used to help transnational corporations and other organs of private monopolistic capital to penetrate the economies of the developing countries. Likewise, there was a strong tendency to convert UNDP into a commercial body by increasing the influence of various financial and credit institutions controlled by the Western countries on operational activities. In the view of his delegation, co-operation within UNDP should be directed primarily towards helping the developing countries to use their economic potential to establish real economic independence and to raise the material and cultural living standards of the broad masses of the population.

22. It was important that the Governments concerned should participate fully in the drawing up of United Nations programmes for the various countries. Accordingly, when United Nations missions were sent to countries under UNDP auspices or under the auspices of specialized agencies in order to carry out specific or sectoral tasks or to prepare reports and recommendations, their work should be based on the priority objectives established in the economic development plans of the countries

(Mr. Turyanskiy, Ukrainian SSR)

concerned. Maximum use must be made of the material and human resources of the developing countries in executing pre-investment projects financed by UNDP and in the subsequent capital investment process.

23. Frequent reference was made at the United Nations to the so-called problem of how to use voluntary contributions to UNDP made in the donor countries' national currencies. His delegation was convinced that that was an artificial, fabricated, problem that was being used as a way of denying some countries, including the socialist countries, the opportunity of providing effective assistance to the developing countries through international organizations. Practice had shown that voluntary contributions for development paid in national currency could be used satisfactorily. Naturally, if they were to be used satisfactorily, the administration of UNDP and the other competent bodies must show good will and understanding. One possibility in that connection was that of organizing such activities as seminars, courses, symposiums and workshops in the donor countries. For example, with the aid of Ukrainian contributions to UNDP and to the United Nations regular technical assistance programme, courses to train experts from developing countries had been held in the Ukrainian SSR. In the past year seminars had been held on modern drilling methods, on methods of extracting minerals and on water resources planning and development for experts from the ESCAP and ECA regions. Seminars and practical courses for engineers and technicians had been held for many years in co-operation with UNIDO. His Government also participated actively in providing assistance to the developing countries through the Soviet Union's bilateral agreements with those countries. His country provided such assistance by participating in the construction of industrial and other projects in the developing countries and by sending Ukrainian experts to those countries. In 1981 equipment for 149 enterprises had been installed in 28 developing countries. In the period 1971-1981 approximately 14,000 experts had been sent to over 40 developing countries. His country's assistance to developing countries also covered the areas of secondary and further education. Thousands of Asian, African and Latin American experts had been trained at Ukrainian institutes of further and technical education. All those facts provided evidence of his country's great contribution to development assistance and showed how Ukrainian contributions to UNDP could be put to better use.

24. Implementation of the major tasks in the field of international economic relations, including those being carried out through UNDP, depended to a great extent on the progress made in the endeavour to curb the arms race and achieve general and complete disarmament. At the second special session of the General Assembly devoted to disarmament, the Soviet Union had undertaken new initiatives in that area. Implementation of the proposals in question would make it possible to curb the arms race and reduce military budgets, thus freeing resources that could be used to assist the developing countries.

25. Mr. ANWAR (Tunisia) said that his Government attached particular importance to operational activities for development and was seriously concerned at the unsatisfactory outcome of the recent Pledging Conference. On the basis of pledges already announced, the Administrator of UNDP had indicated that voluntary

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(Mr. Antar, Tunisia)

contributions for 1983 in support of operational activities for development channelled through UNDP would amount to a maximum of \$665.6 million, or \$1 million less than in 1982. The nominal value of contributions had been dropping steadily since 1979, which meant that the organizations involved would be unable to reach the targets set for 1982 and 1983. The Administrator of UNDP had also pointed out in that connection that, in current terms, there had been an increase of approximately 2.8 per cent in contributions for 1980, in comparison with 1979. In 1981 contributions had fallen by 6 per cent, and previous levels had not been regained since then. In view of that alarming situation, his delegation was concerned about the future of operational activities for development.

26. It was no secret that for a number of years the whole world had been going through one of the most critical periods since the Second World War. Although all countries were aware of the seriousness of the situation, they did not seem to be willing to implement measures to deal with the economic problems in question, which were becoming steadily more pronounced. Moreover, regardless of the causes of and reasons for that situation, his delegation preferred joint action and a concerted approach to fair words. Therefore, despite its limited resources, the difficult economic situation and budgetary constraints resulting from the priority given to national economic and social development activities, his Government had decided to raise its contributions in support of operational activities for development for 1983 by approximately 10 per cent in comparison with 1982.

27. His delegation wondered whether there actually was a shortage of resources for implementation of certain development activities and whether the argument that there was an economic crisis was not merely a pretext that was being used to conceal other factors such as a lack of political will. In the address he had delivered before the General Assembly on 28 September 1982, the Minister for Foreign Affairs of Tunisia had said that the deterioration in the financial situation of UNDP was not only threatening to hamper implementation of the developing countries' projects and programmes but also jeopardizing the very principle of multilateral co-operation, which was an absolute necessity for the international community, particularly the developing countries. At the twenty-ninth session of the UNDP Governing Council the leader of his delegation had said that it was essential to prevent a shift away from the multilateral approach to technical co-operation for development and reaffirmed the support of the Government of Tunisia for that system, whose purpose was not to replace bilateral co-operation but, rather, to provide an effective complement to such co-operation by fulfilling certain specific functions that no other system could carry out. His delegation believed that the 1970 consensus should be reaffirmed and that the international community should do everything within its power to put it into effect. It was essential that there should be a regular increase in UNDP resources on a predictable, assured and substantial basis in order to ensure that operational activities continued.

28. The humanitarian activities carried out by UNICEF for the benefit of children throughout the world deserved not only praise but also support from the international community.

29. Mr. BARREIRO (Uruguay) reaffirmed his delegation's consistent support for the operational activities for development of the United Nations, which had yielded extremely positive and tangible results. Quite apart from the benefits that his country had derived from those activities in the past and was likely to derive in the future, his Government regarded the activities in question as a particularly effective way of attaining the fundamental goals of the Charter of the United Nations. One of the basic prerequisites for genuine, lasting, peace among nations was the establishment of an international economic system that would provide all mankind with the necessary material basis for a decent life. However, the number of people living in poverty, without the most elementary means of subsistence, had grown steadily over recent years, in both relative and absolute terms. The serious crisis in international co-operation was therefore a matter of great concern.

30. The situation was particularly serious in the case of UNDP, since that body provided approximately 50 per cent of the funds available within the United Nations system for technical assistance. At the end of the 1982 Pledging Conference for Development Activities the Administrator of UNDP had said that, in view of the outcome of the Conference, he could only advise Governments to reduce the indicative figures for the current five-year planning cycle to approximately 55 per cent of their previous level. The international community should therefore make an in-depth analysis of that situation with a view to identifying its causes and setting multilateralism on a sound basis once again. It was believed that the chief reasons for the reduction in resources were the economic difficulties affecting a number of the principal traditional donors and the doubts expressed in some quarters with respect to the efficiency of the operational activities of the United Nations system.

31. In that general context of reduced resources, it should be noted that although budget allocations for technical assistance were normally included in social development assistance, in fact they were essentially different from general economic aid. Specifically, resources earmarked for technical assistance were often perceived as one more kind of transfer payment, particularly when they were channelled through a multilateral organization. Such a view was erroneous, since national and international transfer payments were based on the presumption that the beneficiary would not provide any economic equivalent in exchange, and such payments were generally made for humanitarian reasons. Technical assistance was normally channelled, directly or indirectly, to production sectors. The expansion of the recipient country's economic capacity clearly improved its ability to increase its imports, thus contributing to overall economic prosperity. Technical assistance tended to be concentrated in high-technology areas, which led to the constant absorption of equipment, normally provided by countries with a high degree of scientific and technological advancement. In countries at an intermediate level of development, technical assistance had a special multiplier effect enabling them in the medium term to become net contributors to the system rather than recipients. Thus funds used for technical assistance could be regarded not as a transfer payment but as a long-term or medium-term investment which not only benefited the recipient but also stimulated the economy of the donor country.

(Mr. Barreiro, Uruguay)

32. The reduction in the resources available for technical assistance provided for under earlier agreements suggested that earlier commitments would not be honoured, as for example, UNDP Governing Council decision 80/30, which provided for an increase in UNDP's resources at a cumulative rate of 14 per cent, with the aim of avoiding any decrease in the Programme's resources in real terms. Furthermore, the decrease in funds affected development planning in the recipient countries. In their planning activities, States took into account the technical assistance which they would receive over a given period. A reduction in technical assistance contributions would seriously compromise their programme objectives. It should be borne in mind that recipient countries, in planning and in establishing their aims and objectives, used external technical assistance only in areas which were fundamental to their development. If that technical assistance, which had been envisaged for areas of vital importance where it would have the maximum multiplier effect on the economy as a whole, was withdrawn or reduced, the negative repercussions would be infinitely greater than the cost of the aid not received.

33. Considerations pertaining to the effectiveness and efficiency of the system must always be based on the principle of programme execution by the recipient Governments. That did not prevent simultaneous use of all the means available within the system to demonstrate its usefulness to the international community. UNDP's procedures and policy manual provided for tripartite revision by representatives of the recipient Government, the executing agency and UNDP. That procedure revealed whether the objectives established were being achieved as the project was executed and also made it possible to improve the effectiveness of executing procedures. Of interest in that regard were the recommendations contained in paragraph 122, in particular subparagraph (a), of the report of the Secretary-General (A/37/445), for improvements in the national capability of recipient Governments to evaluate projects, since it was those Governments that would play the principal role in that regard.

34. Innovative means of improving the effectiveness of the system should be sought, taking account of the special circumstances of countries at an intermediate level of development, in which technical assistance had a massive multiplier effect. One field of particular interest in the future would be the support given by the international community to technical co-operation among developing countries, since countries at an intermediate level of development were able to offer considerable assistance in that field.

35. When drawing distinctions between developing countries with regard to technical assistance, no account was now being taken of the fact that one of their common denominators was the need to increase their scientific and technological capacities. On the basis of that position of principle, the current planning cycle should fully respect the 1980 Consensus, which had been based on five fundamental principles: the voluntary nature of the Programme, universal access to the Programme for all developing countries, emphasis on the relatively least developed countries, maintenance of a minimum programme in all countries at the level of the period 1976-1981, and an annual cumulative rate of increase of 14 per cent in the Programme's resources.

(Mr. Barreiro, Uruguay)

36. In seeking solutions, it was important to obtain more reliable and secure financing, so that developing countries could have firm prior knowledge of the resources of the United Nations system which would be available to them. It was to be hoped that the Intersessional Committee of the Whole, which had been established with the objective of considering solutions and recommendations for UNDP's long-term financing, could arrive at solutions which would resolve the Programme's current resources crisis.

37. His delegation had, on other occasions, indicated its interest in UNDP's programme of studies. That programme should be pragmatic in nature, realistically analysing those matters which related to technical co-operation activities and avoiding purely conceptual formulations.

38. His delegation reaffirmed its support for the United Nations Fund for Population Activities. The technical advice given by the Fund was important in enabling recipient countries to tackle the problems arising in that delicate area. In that connection, it should be borne in mind, that Uruguay had defined its position on the matter at the World Population Conference, held at Bucharest in 1974. In accordance with the principles stated on that occasion, he said that the views attributed to his country in the 1981 report of the Executive Director of UNFPA did not reflect his Government's position.

39. Mr. MULLER (German Democratic Republic) said that the adoption of 74 country programmes at the twenty-ninth session of the Governing Council of the United Nations Development Programme (UNDP) had once again demonstrated the importance of UNDP within the United Nations system and its constructive role in promoting development and international economic co-operation. However, some forces at that session had attempted to introduce a policy of confrontation and of political and economic pressure into operational development activities as well, as had been readily apparent in connection with UNDP activities relating to Argentina and Viet Nam. It should also be recalled that the Governing Council had not adopted any measures to provide aid to the People's Republic of Kampuchea. His delegation demanded that UNDP funds for Kampuchea should be made available to the legitimate Government of the People's Republic of Kampuchea, and it condemned all attempts to block technical aid to that country.

40. His delegation held the view, already stated by numerous other delegations, that UNDP's strength and effectiveness were largely dependent on continued application of the basic principles of the Consensus adopted in 1970. Those principles reaffirmed the universal and voluntary nature of contributions and acceptance without discrimination of technical aid on the basis of sovereign decisions taken by Member States.

41. The documents before the Committee concerning agenda item 72 and the introductions to the reports of the Administrator of UNDP (DP/1982/6) and the Director-General for Development and International Economic Co-operation (A/37/445) all demonstrated that UNDP had reached a decisive stage in its development, particularly with respect to its financial situation, which was characterized by

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(Mr. Müller, German
Democratic Republic)

the stagnation or reduction of contributions. The crisis in the capitalist economic system was having a very negative impact on the availability of resources for UNDP, and the annual report of the Administrator of UNDP indicated that in 1981 alone fluctuating rates of exchange had produced a loss of \$US 77 million. He wondered whether the current campaign of discrediting voluntary contributions from socialist States was intended to distract attention from the negative effects which the capitalist crisis was having on UNDP or from the reduced contributions made to UNDP by a number of capitalist countries that were among the instigators of the campaign. The UNDP Administrator's annual report indicated in that connection a figure of more than \$US 50 million for the period 1980-1981.

42. At the thirty-sixth session of the General Assembly, the German Democratic Republic had drawn the attention of the Second Committee to the fact that more than 8 million marks in voluntary contributions from the German Democratic Republic had been blocked and had not been used to benefit developing countries. The annual report of the UNDP Administrator revealed that that situation had not changed during the past year, even though assistance needs had increased. The attempts to discredit the voluntary contributions of the German Democratic Republic and other countries, simply because they were made in national currencies were without any justification. Those contributions were backed by the production capacity of the socialist countries and their capacity to provide technical know-how and training. It was therefore absurd to suggest that those contributions should be made in convertible currencies.

43. The facts demonstrated that the contributions made in national currency by the German Democratic Republic could be used to benefit developing countries. The voluntary contributions of the German Democratic Republic to United Nations bodies and agencies such as IAEA, UNIDO, UNEP and UNICEF had been used for years to implement programmes in developing countries. UNDP itself had fully utilized in 1979 and 1980 the voluntary contributions made by the German Democratic Republic, thereby demonstrating that, if there was the will to do so, it was possible to make use of voluntary contributions in national currencies, in accordance with the principles which UNDP had adopted by consensus in 1970. In order to facilitate the work of making the blocked voluntary contributions available to developing countries, a part of the contribution originally envisaged for UNDP for 1983 would be diverted to UNIDO, which effectively utilized the contributions of his country to meet the urgent needs of developing countries.

44. UNDP failed to make sufficient use in its projects of the goods and services provided by the socialist countries, and instead continued to favour companies in various Western countries. The annual report of the UNDP Administrator showed that companies in eight Western countries had received 70 per cent of all orders for the supply of equipment. In that connection, his delegation suggested that, henceforth, the statistical part of the annual report of the UNDP Administrator should include a list of the main contractors to UNDP.

(Mr. Muller, German
Democratic Republic)

45. Some countries were attempting to facilitate, through UNDP, the penetration of private capital and transnational corporations into developing countries and to step up the neo-colonialist exploitation of their resources. There were also attempts to make UNDP dependent on international financial institutions controlled by monopoly capital. In the interest of developing countries, UNDP should not be converted into a dependency of the World Bank, the International Monetary Fund, or any other institution. UNDP must not be used to serve private capital.

46. His delegation wished to express its satisfaction at the activities carried out in 1981 by UNICEF, especially the assistance which that organization provided for the children of the Peoples Republic of Kampuchea and the Palestinian and Lebanese children. The German Democratic Republic attached great importance to the work of UNICEF and, for that reason, in addition to the voluntary contributions made by his Government, its citizens had, since 1978, made donations through the Solidarity Committee of the German Democratic Republic for the children of Africa, Asia and Latin America amounting to over 186 million marks.

47. The annex to the letter dated 20 October 1982 from the Permanent Representative of the German Democratic Republic to the United Nations addressed to the Secretary-General (A/C.2/37/5) outlined the underlying principles and forms of the assistance provided by the German Democratic Republic to developing countries and indicated that in 1981 that assistance had totalled 1,529.7 million marks, which was 0.78 per cent of the 1981 national income. Assistance to developing countries would continue to be a priority objective of the German Democratic Republic.

48. Mr. KUMARAKULASINGHE (International Labour Organisation) said that the current economic crisis affected all countries but was felt particularly in the developing countries, which had seen their per capita incomes fall for two consecutive years, while their foreign debt had increased to over \$600 billion. In the developed countries, there were 30 million persons in search of employment and for the past five years economic growth rates had declined steadily. That situation had caused emphasis to be placed on short-term concerns at the expense of the long-term interests of global co-operation. Nevertheless, no country or group of countries could recover in isolation. Had the non-OPEC developing countries reduced their imports of manufactured goods when oil prices increased in 1973-1974, the OECD countries would have had an additional 3 million unemployed. The 1982 Pledging Conference for Development Activities had demonstrated that the flow of development capital to developing countries had also begun to decrease.

49. ILO was aware of the importance of operational activities for development in the United Nations system. Those activities were underestimated, yet technical co-operation activities were fundamental to the development process. In 1981, the Director-General of ILO, together with the Secretary-General of the United Nations and other executive heads of the organizations and entities of the United Nations system, had expressed their serious concern at the declining level of concessional resources for technical co-operation and other development activities and had

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(Mr. Kumarakulasinghe, ILO)

alerted the General Assembly to the need to support, for the benefit of all, the efforts of the developing countries. They had also indicated that overcoming the crisis in co-operation was a test of the validity of the multilateral system in general and the United Nations in particular. Yet there had been little improvement in the past year.

50. The report of the Director-General for Development and International Economic Co-operation (A/37/445) provided a conspectus of views on resource mobilization for operational activities. He supported the call in that report for measures to ensure greater predictability in resource mobilization. An increase in the resources provided would constitute no more than an insignificant part of the growth of the GNP of donor countries, especially in view of the massive outlays for armaments. Governments were increasingly aware of the need to strengthen the co-ordination of assistance policies and programmes, the growing importance of the role of a multilateral interlocutor and the fact that the primary responsibility for the integration of operational activities within the process of national development planning lay with the Governments themselves. For its part, ILO was also conscious of its responsibility and, in conformity with the guidelines set forth in the report of the Director-General for Development and International Economic Co-operation, would focus its attention on the following areas. ILO had redoubled its efforts to enhance the efficiency and effectiveness of its operational activities for development. There was a need to ensure the full responsiveness of operational activities to the requirements of developing countries. ILO endorsed the view that it must be the organizations themselves that increased their efficiency and effectiveness. It was necessary to augment the flow of resources to developing countries by strengthening co-operative arrangements with bilateral and other programmes. Greater efforts must also be made to utilize scarce resources more imaginatively and promote self-reliant development in developing countries. There was a need to maintain the balance between the roles of the funding and the executing agencies and to promote action at the field level through the use of resident co-ordinators. There should also be an optimal level of harmonization of procedures within the United Nations system. Co-ordination must be regarded not as an objective in itself but as a means of better utilizing resources. Finally, monitoring and evaluation policies should be refined with a view to optimizing the impact of operational programmes.

51. Mrs. KAIM (World Health Organization), expressing appreciation for the annual report of the Director-General for Development and International Economic Co-operation on operational activities for development of the United Nations system (A/37/445), said that the World Health Organization (WHO) attached the greatest importance to technical co-operation activities and to improving the efficiency of those activities for development in general, for human-centred development in particular, and for health as its essential ingredient.

52. The main purpose of the Global Strategy for Health for All by the Year 2000 was to promote capacity-building and self-reliance in developing countries. WHO was therefore continuing to review its approaches and practices, particularly in technical co-operation, to enhance the quality, relevance and impact of its

(Mrs. KAIM, WHO)

programmes, recognizing that at times of severe resource constraints, particularly for development assistance, those concerns took on special urgency.

53. WHO would continue to develop its country programmes in close co-operation with national Governments and in harmony with the programmes of other agencies of the United Nations system, and was making joint planning of activities in support of primary health care a priority.

54. The plan of action for the implementation of the Global Strategy devoted particular attention to the mobilization of resources and the rationalization of their transfer. New approaches, through such mechanisms as the Health Resources Group for Primary Health Care, which brought together developing countries, multilateral and bilateral agencies and international and non-governmental organizations, were proving fruitful.

55. Health resource reviews, carried out at the country level with the assistance of WHO, would make it possible to attract resources for priority health programmes in developing countries and to generate the necessary political will and support within the countries themselves.

56. In the context of the ongoing review by the Administrative Committee on Co-ordination of operational activities for development, WHO would share its expertise in influencing the flow of resources outside its direct control towards internationally agreed goals, believing that priority aims could be achieved by complementary action at the country level with funds from a variety of sources.

57. A most valuable source of support for health development within the United Nations system had been the resource input and multi-sectoral stimulus provided by UNICEF and UNDP. The importance of close co-operation between WHO and UNICEF in a wide variety of programmes to benefit mothers and children needed no emphasis.

58. WHO noted with deep concern, however, a decline in the voluntary contributions which were necessary for such co-operation, particularly to UNDP. UNDP's support of health was most important not only in project development and inter-country activities, but also because of its partnership in global co-operative programmes.

59. In the interest of the developing countries whose immense needs the operational activities of the United Nations system attempted to meet, WHO hoped that the current trend away from multilateral development assistance could be reversed.

60. Mr. SAAD (Egypt) said that, at the recent United Nations Pledging Conference for Development Activities, many speakers, from the Administrator of UNDP to the representatives of developed and developing countries, had expressed their concern and disappointment. His delegation believed, however, that the current situation went beyond such expressions. The continuous deterioration in multilateral funding reflected, in some quarters, a real conceptual shift away from collective international co-operation. To keep repeating that there was a world economic crisis and other such arguments to explain that deterioration would be merely to fool oneself and waste time.

(Mr. Saad, Egypt)

61. In the annual report of the Director-General for Development and International Economic Co-operation (A/37/445) it was noted that there was a widely-held but mistaken view that technical co-operation and other operational activities were "free goods". Although his delegation agreed that that view existed, it believed that assistance, if not prompted by interest, was a mere act of charity from rich countries to poor countries and consequently should depend on the desire of the donors. But what was needed now, as had been recognized in economic circles in most parts of the world, was a disciplined and peaceful structural recovery of the world economy.

62. The annual report did not make clear what had caused the decline in contributions to UNDP. UNICEF had been the only organization which had reached its targets for contributions in 1981. Determining the real reasons for the general decline in contributions would be the only practical way of genuinely improving the overall performance of the system. The report also pointed to a growing tendency among donors to attach special conditions to the use of their contributions. The reasons for that attitude were likewise not explained.

63. The report made some useful suggestions concerning increased resource mobilization. In that context, the developing countries had always favoured the establishment of targets because of the obvious advantages of that approach for both developing and developed countries.

64. In reviewing different aspects of the relationship between the level of costs and the size of field programmes, the report made some very useful suggestions on ways of achieving optimum efficiency and reducing administrative costs. As a developing country, Egypt attached particular importance to full use of national capacities by the organizations of the United Nations system in operational activities. It also believed that the use of national bodies as executing agencies of projects of the United Nations system should be encouraged.

65. Egypt welcomed the measures taken by the United Nations organizations, and particularly by UNDP, to contain the growth of administrative costs. It also supported the Joint Consultative Group established by UNDP, UNFPA and UNICEF for regular consultations on policy issues and co-ordination at headquarters and in the field.

66. Uniformity, harmonization and improvement in the programming and execution procedures of the organizations could be a revolutionary step towards enhancing the efficiency and the effectiveness of the United Nations system. His delegation nevertheless agreed with the opinion expressed in the report that the interests of the recipient countries should be paramount at all times.

67. The evaluation of operational activities was of critical importance in judging the performance of the United Nations system in general, and therefore all possible steps should be taken to strengthen the internal evaluation systems in all the organizations.

(Mr. Saad, Egypt)

68. The report stated that the manner in which built-in evaluation as an integral element in the project cycle might be reconciled with the need to provide independent evaluation reporting to governing bodies needed further examination. In that context, his delegation held that evaluation of the project by organizations and assessment by the governing bodies of performance and the results accomplished should not be confused. The first was a technical process, whereas the second had some political aspects.

69. Mr. AKAKPO (Togo) thanked the Director-General for Development and International Economic Co-operation for his excellent annual report (A/37/445) and the Administrator of UNDP for his important introductory statement to the Committee concerning operational activities for development of the United Nations system.

70. Both statements contained warnings regarding the disturbing decline in financial resources provided by Member States to multilateral institutions of the United Nations system. Unfortunately, it would seem that Member States had not yet heeded those warnings since they had not seized the opportunity provided by the recent Pledging Conference for Development Activities held at New York, to reverse the slow decline in financial resources for multilateral co-operation.

71. There were three reasons for the decline: inflation, the increased value of the dollar in relation to other convertible currencies and, above all, the deliberate policy of some developed countries to look first to their own difficulties at a time of international economic crisis. The developing countries, in general, and the least developed countries, in particular, were hardest hit by the crisis.

72. Some ongoing projects had been, or would be, halted owing to the lack of resources and other projects already approved would be postponed or abandoned altogether. Those projects were vital to the developing countries and the long-term development of those countries was essential for the well-being of the world economy.

73. For all those reasons, he asked the major donor countries that had not yet announced their pledges owing, primarily, to the peculiarities of their budget cycle, to take due account of the words of the Administrator of UNDP and of other executive heads of various agencies responsible for operational activities for development.

74. The disturbing decline in development resources was a reflection of the serious crisis through which multilateral co-operation for development was going. The Director-General for Development and International Economic Co-operation had drawn attention to the review being carried out by the Intersessional Committee of the Whole of the UNDP Governing Council with a view to proposing the introduction of a system of negotiated replenishment of resources of certain operational programmes. His delegation was confident that the General Assembly would give that method the attention which it deserved.

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(Mr. Akakpo, Togo)

75. He paid tribute to the Administrator of UNDP and conveyed to the latter's colleagues, particularly those in Togo, the gratitude of his Government for their participation in the implementation of its economic and social development policy. The significant - almost 30 per cent - increase in Togo's contribution, announced at the recent Pledging Conference, testified to the Government's support for UNDP activities.

76. His Government thanked the Executive Director of UNFPA for the considerable assistance UNFPA had provided during the recent general population census of the country and it thanked the Executive Director of UNICEF for the role UNICEF had played in protecting mothers and children in the developing countries.

AGENDA ITEM 71: DEVELOPMENT AND INTERNATIONAL ECONOMIC CO-OPERATION (continued)
(A/C.2/37/L.41, A/C.2/37/L.25 and 64 and A/C.2/37/L.40)

(c) TRADE AND DEVELOPMENT

77. Mr. SIIWAL (Nepal), introducing draft resolution A/C.2/37/L.41, on specific action related to the particular needs and problems of land-locked developing countries, announced that the Central African Republic, Uganda and Upper Volta had joined the sponsors of the draft resolution.

78. The perpetual handicaps suffered by the land-locked countries were a formidable obstacle to the efforts of those countries in Africa, Asia and Latin America to achieve economic and social development.

79. The draft resolution hardly differed from General Assembly resolution 36/175 but contained two additional paragraphs. Operative paragraph 9 recommended to UNCTAD to take further specific actions related to the particular needs and problems of land-locked developing countries, and operative paragraph 10 requested the Secretary-General to submit a report on the progress made in the implementation of the resolution.

80. He hoped that the draft resolution would be adopted by consensus.

(i) ENVIRONMENT

81. Mr. DHARAT (Libyan Arab Jamahiriya), introducing draft resolution A/C.2/37/L.25 concerning the remnants of war, drew attention to the administrative and financial implications of the draft resolution contained in document A/C.2/37/L.64. He announced that Afghanistan, Ethiopia, Kuwait, the Maldives, Nicaragua, Oman, Saudi Arabia, the Syrian Arab Republic and Tunisia had joined the sponsors of the draft resolution.

82. It was unfortunate that, despite the resolutions which had been adopted by an overwhelming majority in both the General Assembly and UNEP, no progress had been made towards solving the problems posed by the remnants of war owing to the resistance and manoeuvres of a few countries. The time had come for the United Nations to play a more effective role and to request the Secretary-General to prepare a study of the problem for submission to the General Assembly at its next session. The people of the countries in the region had suffered tremendous material and psychological

(Mr. Dharat, Libyan Arab Jamahiriya)

damage because of the sea and land mines, the countries responsible for laying those mines were bound, on humanitarian and legal grounds, to provide technical assistance and to pay such compensation as might be necessary. He trusted that the draft resolution would be adopted by consensus as soon as possible.

(p) NB7 INTERNATIONAL HUMAN ORDER: MORAL ASPECTS OF DEVELOPMENT

83. Mr. VERCELES (Philippines), introducing draft resolution A/C.2/37/L.40 on a new international human order: moral aspects of development, said that it reflected the specific measures which his delegation proposed to the General Assembly to assist in the building of the better world which the founders of the United Nations had had in mind. The draft resolution appealed to the international community to adopt a humanistic and moral approach in order to achieve real economic and social development and to establish international social justice in view of the unequal international economic relations. It also pointed out that the lack of political will had been the main cause of failures in the development field. Political will in the context of development meant that those who were in a position to provide assistance should accept moral responsibility for providing assistance to those who needed it.

84. It was necessary to appeal to the conscience of mankind in order to create the necessary moral will to help the poor and needy from the developing countries.

85. The appeal made to the international community in operative paragraph 1 to contribute substantially to global economic and social development acquired particular importance in view of the unsatisfactory outcome of the recent Pledging Conference. His delegation wished to make an amendment to operative paragraph 2 and to delete the words "fair-sharing" in the fifth line. His delegation had held extensive consultations with the Secretariat concerning the group of experts proposed in operative paragraph 3 and an understanding had been reached that the group of experts would consist of five members although that was subject to modification, depending on the views of the Secretary-General. Concerning paragraph 4, which took note of the offer of the Government of the Philippines to contribute to the cost of that undertaking, he announced that his Government planned to contribute \$50,000 for that purpose. Referring to operative paragraph 5, which requested Governments to submit their comments on the question of a declaration of a new international human order on or before 31 July 1983, he said that the comments should refer to the question of a declaration rather than to the declaration itself which would not be ready by then. As for operative paragraph 6, his delegation said that since it was a new item and delegations were still considering the main aspects of the resolution perhaps they could submit their comments on the subject in 1983 after having received the report of the Secretary-General which would contain the draft declaration. His delegation hoped that the Committee would adopt the draft resolution by consensus.

The meeting rose at 1.15 p.m.