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SECOND COMMITTEE
38th meeting
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Wednesday, 17 October 1982
at 10.30 a.m.
New York

SUMMARY RECORD OF THE 38th MEETING

Chairman: Mr. FAFOWORA (Nigeria)

later: Mr. BAKALOV (Bulgaria)

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The meeting was called to order at 10.55 a.m.

AGENDA ITEM 74: SPECIAL ECONOMIC AND DISASTER RELIEF ASSISTANCE (continued)
(A/37/3 (Parts I and II), A/37/121-134 and Corr.1, A/37/135-140, 198,
209 and Add.1, A/37/508 and Add.1 and A/37/583; A/C.2/37/L.9, L.34 and L.50

(b) SPECIAL PROGRAMMES OF ECONOMIC ASSISTANCE

1. Mr. BEN-HASSIN (Algeria), introducing draft resolution A/C.2/37/L.50 on special economic assistance to Benin, said that the delegations of Afghanistan, Uganda and Upper Volta had joined its sponsors, who were acting within the framework of General Assembly resolutions 35/88 and 36/208.
2. The preambular part of the draft resolution stressed how unstable Benin's economy was as a result of its vulnerability to the effects of the world economic crisis, which was aggravated by a geographical location that made the country an easy prey to the whims of nature. Owing to climatic conditions the northern region of the country was prone to desertification, and floods had recently laid waste to the southern area, which had had a disastrous effect on the country's agriculture and socio-economic infrastructure.
3. The representative of Benin had already described his country's alarming economic situation to the members of the Committee (A/C.2/37/SR.30). The sponsors of the draft resolution recalled that situation and referred to the report of the Secretary-General submitted following the review mission that had visited Benin in July 1982 (A/37/134), which indicated that encouraging progress had been made in that country as a result of the measures adopted by the Government and in response to the appeal made by the Secretary-General.
4. In paragraph 9 and following paragraphs the sponsors requested Member States and various organizations and bodies to continue to provide assistance for the development of Benin through an appropriate international programme. They believed that such a programme of assistance should be based on the round-table conference of partners in the development of Benin scheduled in early 1983.
5. The sponsors of the draft resolution endorsed the appeal made on 15 October 1982 before the General Assembly by the Minister for Foreign Affairs of the People's Republic of Benin, in which he had invited Member States and organizations concerned with development to participate in the round-table conference to be held at Cotonou.

(c) IMPLEMENTATION OF THE MEDIUM-TERM AND LONG-TERM RECOVERY AND REHABILITATION PROGRAMME IN THE SUDANO-SAHELIAN REGION

6. Mr. RAMOS (Cape Verde), introducing draft resolution A/C.2/37/L.34 entitled "Implementation of the medium-term and long-term recovery and rehabilitation programme in the Sudano-Saharan region", announced that Upper Volta had joined its sponsors. The prolonged and serious drought in the countries of the Sahel had

(Mr. Ramos, Cape Verde)

claimed the international community's attention over the past ten years. In that period the General Assembly and the Economic and Social Council had adopted a number of resolutions aimed at mobilizing international support for the States members of the Permanent Inter-State Committee on Drought Control in the Sahel. Support from the international community had played a major role in the endeavour of the States members of the Inter-State Committee to control the effects of drought. However, the magnitude of the problem and its pernicious effects called for a more appropriate and continuous response.

7. The food situation of the countries of the Sahel region had been an acute problem owing to the lack of sufficient rain to sustain food production. The draft resolution requested the international community to give special attention to the critical food situation in the countries in question, particularly in Cape Verde, Chad, Mali and Mauritania.

8. Since co-operation between the executing agencies and the beneficiaries was an important element in achieving success in the action undertaken, the States members and secretariat of the Permanent Inter-State Committee on Drought Control in the Sahel had always endeavoured to maintain close co-operation with the United Nations Sudano-Sahelian Office. Paragraph 6 of the draft resolution stressed the need for further strengthening of that co-operation.

9. His delegation and the sponsors of draft resolution A/C.2/37/L.34 were confident that, since it was similar to the draft resolution adopted the preceding year, that document would not present any problems and would be adopted by consensus.

AGENDA ITEM 72: OPERATIONAL ACTIVITIES FOR DEVELOPMENT (continued) (A/37/3 (Part II), A/37/333, 455 and Add.1; A/1982/16/Rev.1 and E/1982/17; DP/1982/9 and Add.1, DP/1982/37 and 40)

- (a) OPERATIONAL ACTIVITIES FOR DEVELOPMENT OF THE UNITED NATIONS SYSTEM
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10. Mr. NGAIZA (United Republic of Tanzania) said that his delegation wished to join previous speakers in reiterating its concern at the global economic crisis, within the framework of which the United Nations had to perform its responsibilities with respect to the social, cultural and economic development of developing countries. The importance that his Government attached to the operational activities for development of the United Nations system was manifested in the modest contributions it made in support of some of those activities, despite its limited financial capability.

11. His delegation especially commended the United Nations Development Programme (UNDP) for its activities and wished to express the sincere appreciation of the Government of the United Republic of Tanzania for the continued assistance provided by UNDP in implementing many activities to develop the country. While examining the major contributions made by that Programme he wished to express his disappointment at the outcome of the United Nations Pledging Conference for Development Activities, which represented a substantial reduction in comparison with preceding years. At a time when multilateral development co-operation was more necessary than ever, the decline in multilateral resources would have an adverse effect on the development activities of the United Nations system. UNDP, which provided 50 per cent of the funding for the system's multilateral technical co-operation, had been seriously affected. As pointed out by the President of the World Bank in his statement before the Committee, the International Development Association (IDA) had also been forced to cut its programme for the 1982 financial year by some 35 per cent. That trend was a matter of great concern to the developing countries.

12. It was obvious that the decline in multilateral financing would have a negative impact on implementation of the Substantial New Programme of Action for the 1980s, which would result in prolonged uncertainty in the countries involved. His delegation commended the countries that had made contributions to the United Nations Special Measures Fund for the least developed countries. However, it was disappointing to note that at the Pledging Conference less than ten countries had announced contributions to that Fund. It was the duty of Member States to safeguard the credibility and effectiveness of United Nations organs. His country renewed its appeal to those members of the international community that had as yet not pledged contributions in support of development activities to do so.

13. Mr. BHANDARI (Bhutan) said that the United Nations system was an indispensable source of technical assistance for the developing countries and it was therefore regrettable that multilateral technical co-operation was currently undergoing a crisis of confidence. It was a matter of great concern that voluntary contributions to United Nations funds and programmes had continued to stagnate in recent years. The Pledging Conference that had just taken place confirmed that unfortunate trend. Without the agreed rate of increase in voluntary contributions from all countries, particularly from some of the major developed countries, there was a serious danger that multilateral co-operation channelled through the United Nations would gradually collapse.

14. Although all development activities were affected by the current shortage of resources, UNDP was experiencing the most serious difficulties. His delegation

(Mr. Bhandari, Bhutan)

agreed with the statement made by the Director-General for Development and International Economic Co-operation that, if the current trend continued, a crisis was approaching. It was regrettable that UNDP should be obliged to curtail its activities. The Administrator of UNDP had announced that, in view of the outcome of the recent Pledging Conference, programme delivery would have to be reduced to approximately 55 per cent of the indicative planning figures for the 1982-1986 programming cycle. Such a reduction in IPFs would undoubtedly have a devastating impact both on the recipient countries and on the development activities of the United Nations system.

15. The least developed countries would suffer most from the resource crisis. Bhutan, which belonged to that category of countries, had had an IPF of \$36.5 million for the 1982-1986 cycle. Since his country relied on the United Nations system for a significant portion of the resources it required for development, the reduction in its IPF would create serious planning difficulties. In view of the least developed countries' resource requirements, as reflected in the Substantial New Programme of Action for the 1980s, the situation might be more serious than it appeared at first glance.

16. If the negative trend in multilateral economic co-operation was to be reversed, first and foremost, there must be the necessary political will, especially on the part of the major donor countries, to translate expressed intents into commitments and to make voluntary contributions to funds and programmes at the agreed level. The developing countries should also continue to increase their voluntary contributions in support of operational activities for development. Furthermore, every possible effort should be made to improve the efficiency, cost-effectiveness and evaluation of operational activities in developing countries and to strengthen system-wide co-ordination. Moreover, the effectiveness of the annual Pledging Conference for Development Activities should be reviewed. Many major donor countries were unable to announce their contributions at the Conference itself, and it was therefore difficult to predict the level of resources that would be available the following year. In that connection, his delegation welcomed the establishment by the UNDP Governing Council of the Intersessional Committee of the Whole and hoped that it would be able to put forward specific suggestions with respect to the mobilization of resources on a more predictable, continuous and assured basis. Although the negative attitude adopted by some developed countries at that Committee's first session in September of the current year gave cause for concern, his delegation was confident that some progress could be achieved at the second session, which was to be held in February 1983.

17. With a view to promoting multilateral co-operation, the adverse affects of exchange-rate fluctuations on contributions and late payment of pledged contributions should also be considered. Similarly, if there were important factors that were preventing major donors from raising their voluntary contributions in support of operational activities for development, they should be discussed candidly in the appropriate international forums.

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(Mr. Bhandari, Bhutan)

18. With regard to the activities of funds and programmes for operational activities other than UNDP, the United Nations Children's Fund (UNICEF) had continued to make a remarkable contribution to the alleviation of the problems of women and children in developing countries. For example, in Bhutan its activities had had an impact in various social and economic sectors and had brought about qualitative changes in primary health care and drinking water supply and sanitation and other areas. The endeavour made by UNICEF to reduce child mortality was particularly commendable. His delegation wished to express its appreciation to UNICEF and to the donor countries and organizations that were enabling that agency to respond effectively to the critical social and economic needs of the developing countries. With regard to the administration of UNICEF, his delegation welcomed the fact that the Executive Board had been expanded to 41 members and believed that a more representative Board would contribute to the strengthening of UNICEF activities.

19. His delegation was also pleased at the way in which the United Nations Fund for Population Activities (UNFPA), the United Nations Capital Development Fund and the United Nations Volunteers programme were carrying out their development activities. It also approved decision 82/20 of the UNDP Governing Council, which, inter alia, endorsed the modified criteria for determining which countries should receive priority attention with respect to UNFPA assistance. Operation of the United Nations Capital Development Fund in accordance with the partial-funding system had enabled the Fund to expand its activities considerably. It was essential that that Fund should be provided with a greater volume of resources than that announced at the Pledging Conference. Lastly, the United Nations Volunteers programme was to be commended for its major achievements in the endeavour to provide the developing countries with the technical assistance they required.

20. Mr. MAYIRA (Rwanda) said that his delegation shared the views expressed by previous speakers with regard to the serious problems facing the world economy and their causes. In his statement before the Committee, the Administrator of UNDP had spoken forthrightly of the critical financial situation of UNDP in recent years. UNDP resources were falling year by year, despite the decisions of the UNDP Governing Council and the relevant resolutions of the General Assembly aimed at mobilizing a greater volume of resources for development. Moreover, that falling volume of resources was being even further eroded by inflation and exchange-rate fluctuations. For that reason alone, in 1981 there had been a drop of \$96 million in UNDP income, which was more than double the illustrative indicative planning figures (IPFs) for Rwanda for the third programming cycle, 1982-1986. His delegation was also concerned at the fact that the outcome of the recent Pledging Conference for Development Activities had not been encouraging. That situation was jeopardizing the programmes approved for the third programming cycle, 1982-1986. Programme cuts and a reduction in the resources allocated to IPFs must be avoided, since they would spell failure for many countries' development efforts, particularly those of the poorest countries. His delegation supported those delegations that had insisted that the indicative country planning figures should be maintained at the planned levels.

(Mr. Mayira, Rwanda)

21. His country was going to launch its third national economic, social and cultural development plan, 1982-1986. The purpose of that plan was to achieve a level of development that would lead to attainment of the following goals: food self-sufficiency, creation of employment, promotion of education, construction of housing and an improvement in the population's health. The plan would call for mobilization of considerable financial and human resources, which would to a great extent be obtained from external bilateral and multilateral sources. In that connection, in December his Government would be holding a round-table conference of partners in the development of Rwanda, at Kigali, in co-operation with UNDP. The purpose of that round-table conference, which was the third since 1972, was to establish a frank dialogue between Rwanda and its development partners in order to make the best possible use of external contributions in support of Rwanda's development. His Government wished to express its gratitude to UNDP, particularly to the Director of the Regional Bureau for Africa, for the assistance provided in that connection, as well as its appreciation to all those Governments and organizations that had accepted Rwanda's invitation.

22. His delegation again reaffirmed its adhesion to the fundamental principles of universality and of the voluntary nature of UNDP. Rwanda would like to co-operate in mobilizing greater resources for development. Unfortunately, in view of the fact that Rwanda was classified among the poorest countries, it could not at the present time support any proposal which departed from the fundamental principles of UNDP.

23. World opinion was extremely critical of the United Nations, not only in connection with its work in the area of the maintenance of international peace and security but also in connection with its role in development. The standstill reached in connection with the launching of global negotiations on international economic co-operation and the threat hanging over UNDP programmes owing to the lack of resources were two examples of negative elements which helped to tarnish the image of the United Nations. Nevertheless, the United Nations had many opportunities for improving its image and preserving the trust which millions placed in it. His delegation therefore appealed to the donor countries to increase significantly their voluntary contributions to UNDP and to other funds and programmes which deserved to see their financial resources increased.

24. Mrs. RODRIGUES (Mozambique) said that her Government attached great importance to operational activities for development since such activities were one of the fundamental ways of eliminating underdevelopment, promoting self-sufficiency and encouraging international co-operation. In Mozambique operational activities were an integral part of the indicative plan for the 1980s. She expressed concern at the decline in resources available to the United Nations, particularly to UNDP. The recent Pledging Conference for Development Activities had confirmed the gloomy picture which the Director-General for Development and International Co-operation had presented in his annual report (A/37/445). On the one hand, it was encouraging to see that some of the least developed countries, such as Mozambique, were increasingly ready to finance from their own resources the services provided through the United Nations system; on the other hand, it was regrettable to see the

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(Mrs. Rodrigues, Mozambique)

passive attitude of the main donors concerning official development assistance (ODA) whether bilateral or multilateral. Because of that situation, the capacity of the developing countries to implement their national development programmes on time was shrinking.

25. With regard to the annual report of the Director-General, she would like to see future reports continue to use the method of review and evaluation of the mobilization of resources for operational activities which had been used in the present report. At the same time, the governing bodies of some of the funds and programmes which had participated in the Pledging Conference should study the possibility of establishing targets for the purpose of forward planning of resource mobilization and allocation.

26. Her Government was grateful to UNDP for having responded favourably to the programme requested by Mozambique for the period 1982-1986 and allocating it the highest IPF in Africa. The activities being carried out within the framework of that programme were related to many important projects which were part of the Indicative Plan of Mozambique to which she had already referred. The main goal of the projects which were to be supported by UNDP was agricultural development and development of the fisheries, education, health, transport and communications, public works and housing sectors. Any difficulties that might arise during the execution of those projects would be overcome easily in accordance with the proposals contained in the report of the Governing Council of UNDP (E/1982/16/Rev.1) and the measures to promote efficiency and effectiveness of operational activities outlined in the report of the Director-General (A/37/445).

27. Mr. OLZVOY (Mongolia) said that his Government attached great importance to the operational activities for development in the framework of the United Nations system and was in favour of enhancing their efficiency and effectiveness. Mongolia was seeking to make the best possible use of the resources it received from UNDP, UNICEF and UNFPA and it was paying great attention to selecting development projects properly. His delegation shared the concern expressed by other delegations at the decline in the overall volume of voluntary contributions for technical co-operation. Accordingly, it endorsed the proposals designed to effect a reasonable cutback in administrative costs and the utilization of experts and to make full use of available resources, including resources in non-convertible currencies. The increase in the number of funds was one cause of UNDP's current crisis. His delegation was opposed to changing the fundamental principles of UNDP, particularly the principle of its voluntary nature. The Governing Council of UNDP and the Intersessional Committee of the Whole must adhere strictly to the principles which had been established in the Consensus of 1970.

28. Technical co-operation was necessary in order to strengthen the economic independence of the developing countries and to counteract the negative impact of private capital on those countries. The growing co-operation between UNDP and Western financial institutions was leading to neo-colonialist exploitation of the developing countries. Some circles used discriminatory criteria in evaluating country programmes as had been demonstrated at the twenty-ninth session of the UNDP

(Mr. Olzvoy, Mongolia)

Governing Council in the case of the country programmes for Argentina and Viet Nam. His delegation had examined with interest the report by the Administrator on the role of qualified national personnel in the social and economic development of developing countries (DP/1982/9 and Add.1). That report was very important for it contained information on national and international experience in the area of training qualified personnel. Paragraph 67 of the report explained why there was a need to disseminate information on the national experience of countries with different socio-economic systems in training qualified personnel. The United Nations should encourage further dissemination of information in that area. General Assembly resolution 35/80 called for the implementation of the recommendations contained in the said report by the Administrator of UNDP and referred to the main elements which national systems of training qualified personnel should include. Experience had shown that effective training of qualified personnel depended, to a large extent, on taking into account the needs of the country, establishing the best possible relation between the various levels of personnel training and strengthening the technical component of general education. The United Nations must draw up general guidelines on the principles, tasks and structure of national systems of education and training.

29. The report by the Administrator of UNDP on the role of qualified national personnel in the social and economic development of developing countries (DP/1982/9/Add.1) did not fully reflect the information provided by Mongolia on the principles, methods and structure of Mongolia's education system. Moreover, the report referred to only a few countries and dealt basically with the activities of international organizations thus diverting attention from the main aim of the report which was to exchange experience between countries. Moreover, paragraph 18 of the report contained some errors. The second sentence of the paragraph should read: "Today in Mongolia for every 10,000 inhabitants there are 141 students in higher education establishments, 113 students in specialized secondary education establishments, 133 students in vocational training schools and 2,372 students in general education schools".

30. Mr. KAZEMBE (Zambia) recalled that in the 1970 consensus concerning UNDP it had been agreed that the Programme was to assume a central role in co-ordinating technical assistance within the United Nations system. His delegation believed that that continued to be the case.

31. A central factor in the problems of operational activities was the declining resources available to UNDP. As recently as 8 November, the Pledging Conference for Operational Activities had shown that, even though they recognized the clear utility of technical assistance, especially to developing countries, most Member States were still reluctant to give adequate support to multilateral activities. It was to be hoped that the results of the Pledging Conference were an exception rather than the rule. The United Nations Special Fund for Land-locked Developing Countries was of special interest to his delegation. Since its establishment in 1975, the Fund had been beset with the problem of lack of resources. Economic and Social Council decision 1981/173 would no doubt have made Member States familiar with the acute problems of land-locked developing countries.

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(Mr. Kazembe, Zambia)

32. One could not forget the twin significance of the valuable contribution of UNFPA and UNICEF. It was essential that adequate resources should be made available to those important Funds, to enable them to continue their present activities and expand in areas where they were needed most.

33. In connection with technical co-operation activities undertaken by the Secretary-General, there was a great need to strengthen the Department of Technical Co-operation for Development of the United Nations Secretariat. The Department should be enabled to achieve greater flexibility through an appropriate administrative structure, including qualified personnel and adequate finance.

34. Zambia was concerned at the level of contributions to the World Food Programme (WFP). Although those countries which lacked adequate food resources should work hard to achieve them, the international community had a responsibility to assist those in need of assistance. The results of the Pledging Conference of WFP in March 1982 had not been encouraging. If the Programme was managed efficiently, it could contribute to the elimination of the food crisis in developing countries.

35. The report of the Director-General for Development and International Economic Co-operation on operational activities for development of the United Nations system was categorical in its assessment that performance so far in the attainment of targets had been relatively poor and that prospects could not be viewed with confidence (A/37/445, para. 24). While some funds had performed relatively well for the period 1977-1981 their future survival was in question if the pledges at the recent Pledging Conference could be taken as a barometer. In such circumstances, as indicated in the report, the General Assembly might wish to consider whether additional measures were required in order to give further political impetus to the mobilization of the required resources.

36. His delegation had fully supported the initiative of the Administrator to convene an Honorary Advisory Committee of the Development Study Programme and the proposed seminars to be organized in pursuance of the objectives of the Programme.

37. Operational activities for development encompassed, among other things, development co-operation activities that sought to mobilize or increase the potential and capacity of countries to promote economic and social development; that was the essence of multilateralism. His delegation had accordingly agreed at the last session of the Governing Council of UNDP that an Intersessional Committee of the Whole should be established with the mandate to study, on a priority basis, options and recommendations for long-term financing of UNDP. His country's participation in the Intersessional Committee would be guided by the belief that mobilization of adequate resources for the financing of UNDP was of paramount importance.

38. Zambia also believed that adequate machinery already existed for project identification and selection and that it would not be in the Governing Council's interest to seek to take on functions other than those stated in the annex to General Assembly resolution 2688 (XXV).

(Mr. Kazembe, Zambia)

39. It was his delegation's hope that at future sessions the Second Committee would devote more time to addressing more relevant issues, particularly those relating to the mobilization of adequate resources for operational activities and the strengthening of the Governing Council of UNDP.

40. Mr. PIRSON (Belgium) said that the main purpose of the Committee's present debate was to contribute to the study due to be completed in 1983, of measures to be taken to alleviate the difficulties facing the international community in general and the agencies of the system in particular and of new directions for operational activities.

41. Pursuant to General Assembly resolution 35/81, the Economic and Social Council and the General Assembly would be undertaking in 1983 a comprehensive review of the orientations of operational activities for development. In that connection his delegation wished to make some preliminary comments with the aim of enhancing the effectiveness of multilateral assistance.

42. His country, as it had made clear at the recent Pledging Conference, contributed financially to development assistance, particularly from official sources. In 1981, Belgian official and private resources transferred to developing countries had totalled more than \$2.8 billion, equivalent to 2.93 per cent of the country's gross national product.

43. The problem of the effectiveness and financial viability of operational activities was particularly acute and pressing because the economic crisis was making it harder for States to contribute, which meant a reduction in resources.

44. Neither the United Nations system nor donor and recipient States had adequate information about the effectiveness or results of the operational activities undertaken by the agencies of the system.

45. The Economic and Social Council had requested the Administrative Committee on Co-ordination to establish a data bank containing such information within one year, taking into account as much as possible the needs of the final users of the information, primarily States and, more specifically, the authorities concerned in the recipient States.

46. It would be necessary to collect regular information on programmes and projects, indicating the fields in which they were being carried out, the personnel working on them, the costs of supplies and equipment and the results achieved.

47. Following the execution of projects, agencies should evaluate the results. Such an internal evaluation was mandatory and, if properly carried out, would indicate how effective the project had been and serve as a guide for designing future projects.

(Mr. Pirson, Belgium)

48. Such standardized information would make it possible to determine more accurately the degree of co-ordination required at the level of the Secretariat, of agencies and of States, so that the focus of operational activities would reflect the strategies and priorities established by the General Assembly and the Economic and Social Council.

49. Such co-ordination would be ensured at the intergovernmental level by a single governing body. At the country level, the resident co-ordinator would play a more prominent role in order to ensure the integration of operational activities with national development plans and to enhance the quality, relevance and results of operational programmes.

50. At headquarters, the UNDP Administrator had made considerable efforts to reduce expenditure, but much remained to be done. For example, UNDP was to reduce the amounts of its projects by 45 per cent the following year. If the management and administrative costs of project execution were not reduced even further, they would absorb an unacceptable percentage of the resources provided by States. In that connection, his delegation shared the views of the Swedish delegation.

51. At present, the UNDP Administration absorbed 15 per cent of the Programme's resources, 13 per cent of the balance, or \$94 million, excluding the Office of Project Execution, were earmarked for the management costs of executing agencies. The institutions and agencies concerned stated that, in 1981, they had spent \$64 million from their regular budgets to cover the surplus of real overhead costs over reimbursed costs.

52. According to the Administrative Committee on Administrative and Budgetary Questions, in 1981 the United Nations system, with the exception of the World Bank and the International Monetary Fund, had employed about 22,000 staff working exclusively on extrabudgetary programmes at a total cost of \$2.4 million, not including approximately 1,000 staff members involved in projects covered by extrabudgetary funds, whose cost in 1981 had been defrayed by the regular agency budgets.

53. According to the annual report of the Director-General for Development and International Economic Co-operation (A/37/445), in 1981 extrabudgetary contributions for operational activities for development had totalled \$2,241 million. It was thus confirmed that expenditure for some 20,000 staff would be covered by extrabudgetary funds. The question arose as to whether such a large number of staff was necessary. The General Assembly at its next session would have to look into those posts and related costs.

54. It would also be necessary to consider whether agencies should continue to use the same type of expert to which they had had access during the past 20 years, whether such a level of experts was sufficient for the most developed among the developing countries and whether it would be advisable to study new ways of recruiting highly competent consultants for short periods of time and of motivating the Governments of beneficiary States to provide for the continuation of activities.

(Mr. Pirson, Belgium)

55. In the case of the least developed countries, given the high cost of international experts, it might be better to recruit experts from other developing countries. In any case, it was essential to find ways of providing expert services at lower cost.

56. As stated in paragraph 119 of the report (A/37/445), the absolute level of evaluation activity remained low, in an obvious reference to internal evaluation. Actually, little progress had been made in that area and, unless project implementation was followed by an independent and serious evaluation of the results obtained in terms of the objectives set, it would not be possible to evaluate the effectiveness of operational activities. Only through a systematic external evaluation could States determine how effective those activities were and whether their contributions were put to good use, since internal evaluation was only one factor. Paragraph 122 of the report contained a summary of the relevant JIU recommendations, which were very sound but had not yet been applied.

57. Without knowing how effective they were, it would be difficult in the following year to undertake a comprehensive study of operational activities for development. It might therefore be appropriate to entrust the task of conducting a systematic evaluation of operational activities to an intergovernmental committee, made up of competent persons from the governing bodies, which would bring together experts from donor and beneficiary States.

58. Not only should it be determined whether high costs in general absorbed too many resources, but also whether the operational activities produced results proportional to the efforts made. The answer to that question would help to solve the second important question mentioned in the report of the Director-General, the mobilization of resources for operational activities.

59. The limited success of the 1982 Pledging Conference was due in part to the economic crisis and the increased value of the dollar, but also probably to a temporary lack of interest and a crisis of confidence in the effectiveness of the system. It might thus be necessary to review current procedures and the role of UNDP and to avoid the present proliferation of projects.

60. That trend of declining contributions might be explained by the desire of States to set sectoral priorities and to make both bilateral and multilateral contributions in the form of tied aid.

61. UNDP should confine itself to providing general guidance on operational activities and to receiving and distributing funds among the executing agencies - agencies, regional commissions and States - so that it could focus on the external evaluation of implemented projects and so that the role of the resident co-ordinators in different countries could be strengthened.

62. With regard to the contribution of resources, it would be helpful to make a medium-term (five-year) indicative forecast, without affecting the voluntary nature of contributions or the principle of annual budgeting which many Governments were

(Mr. Pirson, Belgium)

obliged to follow. Lastly, it was to be hoped that the agencies in the system would be able to do more with fewer resources and demonstrate to Governments the effectiveness of programmes with a view to encouraging them to mobilize additional resources for multilateral assistance.

63. Mr. MARDOVICH (Byelorussian Soviet Socialist Republic) wished to refer primarily to the activities of UNDP, which was the main co-ordinating body of the United Nations system in the area under consideration. The documents submitted to the Committee showed that its contribution to development had increased in such important sectors as industry, the mining of natural resources, the training of national specialized staff and the improvement of agriculture, with resulting advantages for the economies of developing countries, which were thus helped to remedy the socio-economic backwardness that they had inherited from their colonial past. There had also been an increase in the effectiveness of the use of resources earmarked for world and interregional projects, and in the assistance lent to the national liberation movements of southern Africa and the Middle East.

64. The execution of country and regional projects and the programming of operational activities continued to be very costly, however and it was alarming that preference was being given to the group of Western countries for executing technical assistance projects and that efforts were being made through UNDP to get decisions taken that would facilitate the penetration, with United Nations help, of private capital and transnational corporations into developing countries. It would be dangerous if agencies such as the World Bank and the International Monetary Fund, which were controlled by certain Powers seeking to protect their own interests, gained control of UNDP. Propaganda was being made in those countries concerning the "advantages" of the market economy, and there were attempts to introduce private capital and create favourable conditions for the exploitation of natural resources, thereby perpetuating the dependent status of the developing countries in the world economy. It was those very trends that had led to the establishment of the Intersessional Committee of the Whole of UNDP, whose function it was to ensure the integrity of UNDP's functions and mandate.

65. Lack of resources for project execution was increasingly being discussed at pledging conferences; in practice, however, funds were not being fully expended, especially those of the socialist countries, which were earmarked for the financing of direct assistance to the developing countries and the rational use of which could help to solve their pressing problems, as had been demonstrated in the case of UNIDO and UNICEF.

66. In conformity with the principle of the voluntary and universal nature of contributions and with the Consensus on UNDP's activities, donor States could determine the quantity, structure and periodicity of their contributions and the currency in which they were made; those who opposed that principle consequently did so in their own interests, which had nothing to do with increasing UNDP's efficiency and effectiveness. It was to be hoped that the UNDP Administration would take the necessary steps to utilize all its resources.

(Mr. Mardovich, Byelorussian SSR)

67. The principle of equitable distribution of posts for technical assistance experts and within UNDP offices was likewise imperfectly applied in UNDP. When technical assistance was furnished, moreover, the nature of contemporary political and economic development should be taken into account and the aims should be the economic independence of the recipient countries and the full satisfaction of the material and spiritual needs of their populations; as for those purposes, the experience of countries with different socio-economic systems, particularly that of the socialist countries, was very useful.

68. General Assembly resolution 36/199 recognized that "a substantial part of resources, material as well as human, continued to be diverted to armaments with detrimental effect on international security and on efforts to achieve the new international economic order, including operational activities for development of the United Nations system". It was the duty of all States to bring about true disarmament which would allow more resources to be devoted to economic and social development, especially in the developing countries.

69. Mr. Quinlan (Australia) said that his country's contributions to all the major bodies under consideration had grown by significant proportions - in the case of UNDP, by 45 per cent.

70. It was to be hoped that the excellent report of the Director-General for Development and International Economic Co-operation (A/37/445) would enable policy-makers in both recipient and donor countries and those entrusted with the task of multilateral programming throughout the United Nations system to see more clearly where the system was actually heading and where it might better be headed. The Director-General's reporting was to culminate in the comprehensive policy review of operational activities for development which, pursuant to General Assembly resolution 35/81, both the Economic and Social Council and the General Assembly were to conduct in 1983.

71. The two principal issues covered in the report were the mobilization of resources and the efficiency and effectiveness of operational activities, and they were interdependent. While the gravity of the current financial situation should not be underestimated, it had to be borne in mind that the more effective programming was the greater would be the resources found in the competitive environment in which development activities were conducted. In that context, the measures to enhance the system's efficiency and effectiveness outlined in section III of the report were interesting.

72. The extensive inter-agency consultations which had enabled the Director-General to produce his report were commendable, as were the efforts of the agencies to harmonize and co-ordinate their activities more closely through a number of measures, which should be continued. One point to be clarified was the role that the regional commissions, which were best equipped to assess real needs, would play in the new system of resident co-ordinators. It would be useful to learn the results of the consultations between the co-ordinators and government

(Mr. Quinlan, Australia)

representatives, so that the arrangements for the exercise of the functions of resident co-ordinators could be reviewed and general measures taken regarding the system's operational activities at the country level.

73. While he could not comment on all the salutary innovations proposed by the Director-General, he felt bound to refer to the subject of administrative and support costs; he agreed that they were not the sole component of effectiveness and that "system-wide action to enhance the efficiency and effectiveness of operational activities should lead not only to reduced costs but also to improved quality and responsiveness of programmes to national needs". In any event, those costs must be kept to a minimum if the confidence of donors was to be maintained. The existing effort to separate management expenditures from field programme outlays were welcome and should be brought to a conclusion in the interest of system-wide budget transparency. He shared the general concerns expressed by the delegations of the Nordic countries about the various formulas used for reporting the support costs of the executing agencies. The description of action currently being taken to that end by UNDP, UNFPA and UNICEF and the establishment of a joint consultative group of those three bodies were encouraging.

74. Even at the time of General Assembly resolution 35/81, which had asked for annual reports on operational activities, there had been signs that the current financial situation was in the offing; unfortunately, it seemed unlikely to improve in the immediate future. Existing resources could, however, be used creatively, and resources from areas outside the public multilateral sector could even be drawn upon when that seemed useful and appropriate. The President of the World Bank had recently spoken of ways of maximizing the impact of available resources and of attracting additional resources through co-operation with other organizations; examples were the successful co-operation between the World Bank and other organs of the United Nations system, including UNDP itself.

75. In existing circumstances, co-operation should not, in his view, be limited to regular inter-agency co-operation; new financing channels should be sought and new kinds of joint co-operative arrangements set up, exploring all the possibilities in the system of multilateral and bilateral assistance. Constraints were being felt in the bilateral aid sector too, and his country, whose official development assistance amounted to some \$US 700 million for 1982/83, had been obliged to contemplate alternatives involving multilateral co-operation; that was the situation in which it had attempted to explore with UNDP the possibilities that existed for multi-bi-financed energy audits in several countries which had been traditional sources of development assistance. Other similar pools of potential funding co-operation undoubtedly existed and should be utilized. Although great emphasis was placed at Headquarters on preserving the purity of multilateral assistance and on the integrity and impartiality of United Nations operational activities, he believed that, in the interests of the system itself and of the recipient countries which were so dependent on it, the opportunities offered by what might be termed "creative financing" should be explored more carefully. The United Nations Interim Fund for Science and Technology for Development, despite its transitional status, had sought to do that by supplementing core resources by other

(Mr. Quinlan, Australia)

"none-core" resources, and the UNDP Governing Council itself had done likewise through the same Fund, the UNCDF and the United Nations Sudano-Sahelian Office for an experimental period of one year; the results would be very interesting to analyse.

76. It was to be hoped that, as had happened during the 1970s when the traditional donors had come to the rescue in a similar situation, some means of overcoming the financial difficulties would again be found. The work of the Intersessional Committee of the Whole would be crucial in that respect.

77. In conclusion, he referred to his country's support for UNDP, as attested to by the 45 per cent increase in its contribution, and expressed the hope that, following the example of other agencies, UNDP could do more with less. He also mentioned UNICEF's important work in Lebanon - for whose reconstruction programme his country had recently made a special-purpose grant of almost \$5 million - and the work of UNFPA. His country's pledge to UNFPA for 1983 was 45 per cent above that for 1982. His country was prepared to play its part in seeking solutions to the current critical situation.

78. Mr. Bakalov (Bulgaria) took the Chair.

79. Mr. MIYAKAWA (Japan), referring to the annual report of the Director-General for Development and International Economic Co-operation (A/37/445), said that his delegation shared the serious concern expressed by previous speakers at the disquieting trends of stagnation and decline in the flow of concessional resources through the multilateral institutions of the United Nations system, in particular the funds and programmes dependent on voluntary contributions. Many factors had been mentioned as possible causes for that critical situation, but there was unanimous recognition that the basic underlying factor was the global economic difficulties affecting all countries. Economic stagnation, unemployment, exchange rate fluctuations and inflation had forced most Governments to reduce their expenditures and most people to curb their demands. However, many speakers had also attributed the funding crisis to an alleged "lack of political will" of the major traditional donors, reflected in their performance with regard to the targets established by various intergovernmental bodies. His delegation did not agree with that explanation. It was more inclined to endorse the frank statement of the Austrian delegation, which had described the problem as "a crisis of expectations" and had aptly pointed out that the target of a 14 per cent annual increase in contributions to UNDP for the third programming cycle, like almost all the targets in the International Development Strategy for the Third United Nations Development Decade, had been set in an environment of relatively high economic growth, when inflation had been expected to continue, and on the basis of economic activity in the 1960s and 1970s. Although it was true that the targets had been adopted by consensus, many delegations, including his own, had warned at the time that they were too ambitious in the light of the trends in the world economy. Indeed, UNDP Governing Council decision 80/30 had included provisions for possible flat, across-the-board reductions of IPFs in the event that contributions fell short.

(Mr. Miyakawa, Japan)

80. In his delegation's judgement, few Governments would refuse to demonstrate their will or commitment to the cause of international development by increasing their voluntary contributions if they were in a position to do so. Many had simply been forced to cut back their public spending in order to combat economic difficulties and restore their national economies. His own Government was no exception. Its most urgent task was to restructure the national budget, to correct the huge budgetary imbalance and to restore the economy to health. His Government's general guideline for drawing up the 1982 budget had been to achieve nominal zero growth and the guidelines for the 1983 budget were even more severe. Despite those difficulties, it was the continuing policy of his Government to expand and improve its official development assistance and to increase its contributions to the operational activities of the United Nations system. Having long recognized the important catalytic role played by UNDP, his Government has done everything possible to increase its contributions to that programme. During the second programming cycle, the average annual increase in its contribution had been more than 20 per cent and in 1981 its contribution had been \$47 million. His country's contribution to UNDP central resources for the fiscal year 1982 was \$51.4 million, which represented a 12 per cent increase over the previous year's figure. In addition, his country had pledged contributions of \$33.5 million to UNFPA, \$2 million to the United Nations Revolving Fund for Natural Resources Exploration and \$1 million to the United Nations Capital Development Fund. The Director-General's report (table A-3) showed the increase in his country's contributions, which had amounted in 1981 to \$99.5 million for the funds and programmes covered by the United Nations Pledging Conference and \$595 million for all the operational activities of the United Nations system, thereby making his country the second largest donor in the world. So far as budgetary constraints allowed, his Government would maintain that positive attitude towards its contributions to operational activities in the years to come.

81. The problem of resource mobilization should be considered within the broader context of the overall prospects of official development assistance and therefore future reports should continue to include - and perhaps expand on - the resource prospects of IDA, IFAD and WFP.

82. The report contained a comparison of resource mobilization targets actual performance. It should be remembered in that connection that the various targets had been set as recommendations subject to certain assumptions and that, although they could be useful for the forward planning efforts of the countries and organizations concerned, reservations had been expressed as to their validity and time frame. Accordingly, they could not be taken as a rigid, legal commitment. Moreover, the report failed to mention that, when targets were not reached due to the unfavourable development of the various factors which had been used in calculating them, it was common practice to adjust the targets downwards. If such a possibility was ruled out from the outset the pragmatic advantage of target-setting was lost. As to the suggestion that the governing bodies and executive heads of funds for which no explicit targets had been established should be invited to establish such targets, he said that account must be taken of the unsatisfactory performance of some funds and the undeniable fact that many

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international institutions tended to compete with one another in their claims for competence and funds in various fields of economic and social development and that that was the main reason for the problem of co-ordination. For those reasons, his delegation considered that the suggestion would not produce any positive results.

83. The report of the Director-General showed that whereas UNDP and UNFPA would fall short of their implicit planning figures for 1982, UNICEF expected to attain its projected level of income. Many factors had undoubtedly contributed to those differences but, in his view, UNICEF had the advantage of a long record of achievements in humanitarian activities benefiting children and mothers, closer involvement in the daily lives of the people and a long record of support from non-governmental organizations. The admirable decision taken by the UNICEF Executive Board in November 1981 to adjust its projection of income downward in consonance with global economic realities might also have had a favourable impact on the capitals of the contributing countries.

84. His delegation shared the concern and opposition which had been expressed regarding the proliferation of special-purpose funds on the grounds that the creation of such funds outside the UNDP framework tended to disperse funds which might otherwise have augmented UNDP resources and to increase administrative costs and co-ordination difficulties. However, it was necessary not to lose sight of the attraction which such funds had for both donors and recipients, particularly when the mandate of such funds was relatively limited and offered the possibility of responding directly to new needs of developing countries. When such funds were managed under the UNDP umbrella, the negative aspects of administrative cost effectiveness were further reduced and their complementary value must not be ignored. However, it was necessary to discourage creation of new funds at the expense of UNDP.

85. As other speakers had already pointed out, the basic principles of UNDP were that of universality and the voluntary nature of the Programme. Any proposal to change those basic principles by introducing mandatory assessments would run the risk of destroying the very foundation of UNDP's operations. Apart from that problem of principle, there would be other legal constraints and difficulties for many participating nations, including his own. It was common knowledge that within the United Nations system, compulsory assessments, even those provided for in the Charter or corresponding basic legislation, had met with difficulties. Moreover, multi-year pledging would raise problems for Japan similar to those which had been pointed out by the representative of France and others. Such proposals did not offer real solutions. His delegation was prepared to join in any effort to defend and enhance the integrity, credibility and effectiveness of UNDP by finding alternative and additional ways of financing development assistance while striving to put available resources to the best use. In that connection, his delegation expressed its appreciation to those recipient countries which had wholly or partially relinquished their IPF's for the benefit of less fortunate countries. It hoped that a similar spirit would be infused in the search for a solution to the longstanding problem of contributions in non-convertible currencies.

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86. Enhanced co-ordination of operation activities was required at the level of over all strategy, policies and priorities and also at the country level. The report of the Director-General for Development and International Economic Co-operation (A/37/445) did not mention that the proposed medium-term plan for the period 1984-1989 provided a useful framework for system-wide co-ordination. There seemed to be no systematic review of resource distribution by major programmes of the United Nations system. At the recent joint meeting of CPC and ACC, his delegation had suggested that ACC should prepare a critical review of the manner in which the resources available to the United Nations system were distributed. It looked forward to receiving the comments of ACC on that suggestion. His delegation endorsed various suggestions concerning co-ordination at the country level contained in the report, in particular those relating to the establishment of multi-agency programmes, use of UNDP country programming as a frame of reference, and joint programming and review of projects and activities between the organizations of the system. In that connection, the role of the resident co-ordinators was of vital importance and should be strengthened. His delegation welcomed the steps to be taken with regard to the informal consultations at the country level during the programming cycle for the purpose of exchanging relevant information and experience.

87. He welcomed the measures which had been adopted to reduce costs and improve the efficiency of UNDP, in particular the cutbacks in staff, and endorsed the proposals made by the representative of the Netherlands concerning administrative and support costs.

88. His Government was concerned at the pace of the evaluation process. It looked forward with interest to the publication of the study currently being prepared on the establishment of an independent evaluation unit which would report directly to the Governing Council of UNDP.

89. His delegation was pleased to see that there had been positive development during the past year in the activities of the United Nations Revolving Fund for Natural Resource Exploration. The Fund's plans to expand its support for projects in the field of geothermal energy constituted an important step forward in the implementation of the Nairobi Programme of Action for the Development and Utilization of New and Renewable Sources of Energy. Unfortunately, the financial position of the Fund remained uncertain since only a few countries had pledged contributions to it. His Government was considering the possibility of contributing to the Fund in 1983 and he urged Member States to give greater support to the Fund.

The meeting rose at at 1.20 p.m.