

1555th meeting

Tuesday, 13 November 1973, at 10.50 a.m.

Chairman: Mr. Zewde GABRE-SELLASSIE (Ethiopia).

A/C.2/SR.1555

AGENDA ITEM 49

Operational activities for development (*continued*) (A/9003 and Corr.1, chap. VI):

- (a) United Nations Development Programme (E/5256 and Corr.1, E/5365/Rev.1);
- (b) United Nations Capital Development Fund (A/C.2/L.1306);
- (c) Technical co-operation activities undertaken by the Secretary-General;
- (d) United Nations Volunteers programme (E/5342);
- (e) United Nations Fund for Population Activities;
- (f) United Nations Children's Fund;
- (g) World Food Programme (A/9003/Add.1 (part IV); A/9031, A/C.2/L.1298)

1. Mr. FACK (Netherlands) said that the results of the 1973 Pledging Conference on UNDP and the United Nations Capital Development Fund¹ were extremely encouraging, at a time when there was widespread concern about future resources for development assistance. It seemed that Member States had increasing confidence in UNDP and the major reorganization of the Programme during the past few years could clearly be regarded as a success. The results of the Conference represented a breakthrough which, in his delegation's view, could lead to a further substantial increase in contributions which could have far-reaching implications for the future operational activities of the United Nations development system.

2. In 1973, the Governing Council of UNDP and the Economic and Social Council had taken two steps which would be decisive for the future of UNDP. First, in pursuance of its resolution 1768 (LIV), the Council would undertake an in-depth review of operational activities. His delegation looked forward to that review with interest. Secondly, under the same resolution, the Economic and Social Council sought to carry out effectively the functions originally entrusted to it under the Charter of the United Nations, in particular with regard to co-ordinating the activities of the specialized agencies and other organizations within the United Nations system. In that respect, the review of the agreements between the specialized agencies and the Council was of the utmost importance. Those two decisions of the Council were closely interrelated and could have a very favourable impact on the capacity of the United Nations development system.

3. The new interest in the United Nations Capital Development Fund shown during the Pledging Conference was also important. For the first time, his Government had contributed to the Fund and he wished to explain its reasons for doing so. The Capital Development Fund, established seven years previously, had never really become operational largely because of lack of interest among the developed countries. However, his delegation felt that the changes that had taken

place since the establishment of the Fund opened up new possibilities for vitalization of the Fund.

4. In the first place, he wished to recall the recommendation of the third session of UNCTAD concerning the orientation of the Fund first and foremost for the benefit of the least developed countries. That recommendation had been confirmed by subsequent decisions taken by the Governing Council of UNDP and more recently by the Economic and Social Council at its fifty-fourth session. At its twenty-eighth session, the General Assembly should reaffirm Economic and Social Council resolution 1753 (LIV), particularly the paragraphs relating to the Fund and dealing specifically with the need to provide the least developed countries with additional assistance.

5. Secondly, there seemed to be scope for complementary activities in the sphere of investment. Efforts should be made to promote activities which would enhance the developing countries' capacity for self-reliance and the participation of the poorest sectors of the population in the development process. The Fund could finance such activities through integrated rural development projects, even though they might not be profitable from a strictly economic point of view. Thus the Fund could fill the existing gap between UNDP's present pre-investment activities and the investment activities of IDA and other financial institutions and could develop into an investment institution of particular importance for the least developed countries.

6. Thirdly, by providing assistance through the national financial infrastructure of the developing countries themselves, the Fund could meet a special need while enhancing the self-reliance of the developing countries. Such indirect financing by the Fund could supplement the technical assistance provided by UNDP within the framework of country programming.

7. Fourthly, it would be possible to promote the financing of small enterprises in the agricultural sector and complementary activities such as agro-industries, handicrafts and services through specialized credit institutions which would provide capital and technical and administrative advice.

8. Lastly, he noted that, during the past few years, the institutions of the World Bank Group had concerned themselves increasingly with financing through development banks and similar institutions in developing countries and had provided technical assistance with a view to strengthening those institutions. In view of the considerable potential in that sector, the activities of the Fund and the World Bank group could be complementary in the field of development.

9. The Fund could therefore legitimately be expected to play an important role. Obviously, those who had established the Fund seven years previously had probably had different ideas about its role, but institutions must be adapted to new conditions and ideas. He hoped that his comments would encourage other delegations

¹ See A/CONF.59/SR.1 and 2.

to submit their views, which would be thoroughly studied by the Administrator and the Governing Council of UNDP. Both developed and developing countries and the United Nations agencies concerned should make a joint effort to turn the Capital Development Fund into a truly effective and fully operational body.

10. His delegation also wished to reaffirm its full support for the United Nations Fund for Population Activities (UNFPA). His Government had submitted to Parliament a proposal to raise its contribution for 1974 to the equivalent of \$5.5 million. Furthermore, the Netherlands continued to support UNICEF, which during the past few years had shown a remarkable capacity to react quickly to natural and man-made disasters in various parts of the world. His Government intended to increase its contribution to UNICEF for 1974 to 4 million Netherlands guilders, subject to parliamentary approval.

11. In conclusion, he introduced draft resolution A/C.2/L.1306 and expressed the hope that the Committee and the General Assembly would reach a unanimous decision on the text.

12. Mr. DIALLO (Upper Volta) said that his delegation welcomed the increase in UNDP resources. It was a proof of the international community's confidence and a clear indication to the Administrator of the path to be followed. His delegation also welcomed the fact that the Netherlands and Norway had decided to make their first contribution to the United Nations Capital Development Fund. Such a decision gave reason to hope that the developed countries as a whole would change their attitude with regard to the Fund, taking into account that it must be first and foremost for the least developed countries.

13. The level of contributions pledged to UNDP for 1974 should encourage the Governing Council to review the assistance provided to certain countries, particularly the least developed and the land-locked countries, and to intensify UNDP assistance for regional, subregional and international projects. The Governing Council should consider an immediate increase in assistance to the least developed countries, without waiting for a disaster to force the international community to take emergency action. The least developed countries must be helped to conquer their poverty as soon as possible, if their development was not to be permanently jeopardized. UNDP had the infrastructure and the necessary competence to succeed in such an undertaking.

14. The review of regional and subregional projects, aimed at eliminating those which were no longer valid, was timely. UNDP could subsequently give greater attention to other regional and subregional projects, particularly in Africa, which had the largest number of independent countries and the largest number of least developed and land-locked countries. Those countries were aware of the importance of regional and subregional co-operation as being the only way in which they could solve their common problems.

15. The Upper Volta was participating in the activities of the Working Group on Technical Co-operation among Developing Countries, established by the Governing Council of UNDP² in accordance with

General Assembly resolution 2974 (XXVII). There was no doubt that the developing countries wished to co-operate among themselves and his delegation looked forward to the decisions to be taken by the Working Group on the practical arrangements for such co-operation.

16. So far as global projects were concerned, UNDP should concentrate on the drought-stricken countries of the Sudano-Sahelian region. In particular, the efforts to develop new varieties of cereals better adapted to arid regions should be intensified. Work at the Hyderabad and Mexico research institutes should take into account the needs of the Sudano-Sahelian region. His delegation hoped that the financial situation would permit the establishment of a Sahelian institute, as the countries in the area had requested.

17. His country continued to support United Nations technical co-operation activities, despite their uncertain administration, since they were a useful complement to those of UNDP.

18. The Upper Volta recognized the important role played by UNICEF in general, and in particular in times of natural or other disasters and in the least developed countries. UNICEF also alerted international public opinion to the plight of young children and mothers and should devote itself to solving their problems before it was too late. He hoped that UNICEF would continue its efforts with the support of the world community.

19. The developing countries had appreciated the action taken by the World Food Programme during the drought in the Sudano-Sahelian region and were also grateful for its normal activities. He regretted that WFP could have only a limited effect because of its limited resources.

20. Turning to draft resolution A/C.2/L.1298 entitled "Target for World Food Programme pledges for the period 1975-1976", he asked whether the \$440 million target for voluntary contributions took into account the shortages in a number of areas and particularly in the Sudano-Sahelian region. He hoped that WFP would revise that estimate in the light of the FAO study. He appealed to the developed countries to contribute generously to the replenishment of WFP resources.

21. He stressed his delegation's support for the other programmes, including UNFPA, the United Nations Volunteers programme and the Revolving Fund for Natural Resources Exploration.

22. Mr. MUELLER (Austria) said that the operations of UNDP were of particular importance among the United Nations operational activities for development. UNDP's performance in recent years testified to the usefulness of the reform initiated three years previously. The central issue currently facing UNDP was the need to obtain adequate financial support. Accordingly, his delegation had been gratified to note that pledges for 1974 were 18 per cent higher than for 1973, thanks not only to an additional effort by the developed countries but also to substantial support from developing countries. It was of particular importance that the number of net contributors continue to grow, for the readiness of a number of the present net recipients to become net contributors would be conducive to the stronger involvement of all countries, especially the

² See *Official Records of the Economic and Social Council, Fifty-fifth Session, Supplement No. 2*, para. 332.

main contributors, in a constantly expanding programme.

23. The present distribution of resources was not entirely satisfactory. His delegation had been among those which had stated in the UNDP Governing Council that the criteria for the calculation of indicative planning figures must result in a larger share for the least developed and other low-income countries. His delegation had also proposed that, in addition to the *per capita* income and the size of the population, other criteria should be taken into account, including a country's economic structure, its efforts to promote its own development and its willingness to co-operate with other developing countries. Many of those factors were not easily quantifiable, but his delegation hoped the criteria finally selected would be both precise and sufficiently flexible.

24. He welcomed the proposal to reorient the United Nations Capital Development Fund in favour first and foremost of the least developed countries. Care would have to be taken to ensure that the Fund's activities did in fact correspond to the requirements of those countries and to avoid overlapping with the efforts of UNDP on the one hand and those of the World Bank Group on the other.

25. He expressed general support for the main provisions of draft resolution A/C.2/L.1306 introduced by the representative of the Netherlands, on the understanding that the information requested would provide the Committee with the basis for the reconsideration of the Fund's general policy.

26. His delegation attached special importance to the United Nations Volunteers programme which, in its view, was an outstanding example of the dedication of youth to the objectives of development based on the spirit of human solidarity and international co-operation. Although the scope of the programme was still limited, its impact was constantly increasing. The success of the programme depended not only on an increase in its resources but also, and perhaps more importantly, on the quality of the service it provided to developing countries. He welcomed the strengthening of the existing links between the programme and the International Secretariat for Volunteer Service, for the latter's experience would be of benefit to the United Nations Volunteers programme in its efforts to ensure a high standard for its volunteers. He wondered, however, whether the formation of multinational teams would prove satisfactory in all cases. The members of such teams often came from very different backgrounds and their training might pose some problems. Note should also be taken of the need to increase the number of volunteers from developing countries. The nature of volunteers' assignments, as well as the guidance they would receive in the performance of their duties, would have a considerable bearing on the effectiveness of their work and, consequently, on the attitude of Governments and organizations towards the concept of volunteer service. His delegation was, however, confident that the United Nations Volunteers programme would be able to resolve those problems and generate the support it required in order to play the important role assigned to it in the United Nations system.

27. He paid a tribute to UNICEF for its efforts to alleviate the plight of the millions of children suffering from malnutrition, disease and lack of education. His

Government shared the view that UNICEF could solve those enormous problems only if it was supported by Governments and non-governmental organizations. That was why it had increased its contribution to UNICEF and, with other Governments, had recently contributed to a special long-term multilateral/bilateral project.

28. The call for a world food conference and the formulation and implementation of the concept of minimum world food security highlighted the need for an urgent solution to the serious food problems facing the international community. Ways would have to be found of meeting future food needs for both disaster relief and development in general. Austria would make every effort to contribute to the solution of all those problems.

29. Mr. ČABRIĆ (Yugoslavia) recalled that his delegation had constantly underlined the gravity of UNDP's financial situation and criticized those developed countries which, on various pretexts, evaded their financial obligations. Accordingly, it could not but welcome the positive results of the latest Pledging Conference. The 18 per cent increase would enable UNDP to prepare with greater optimism for the Second United Nations Development Co-operation Cycle to begin in 1976. In view of the fact that not all countries had yet complied with resolution 2973 (XXVII), in which the General Assembly had invited Governments to increase their contributions by at least 15 per cent, the financial situation of UNDP could no doubt be further improved to enable it to increase the efficiency of its future activities.

30. Furthermore, the agreement reached at the sixteenth session of the Governing Council of UNDP (see E/5365/Rev.1, para. 90) with regard to the establishment of criteria for the calculation of indicative planning figures for the Second United Nations Development Co-operation Cycle was another important factor which would help to strengthen the role of UNDP. His delegation welcomed the fact that the criteria adopted were based on the views which it had itself expressed during recent years in various organs, primarily at sessions of the Governing Council. Those positive results would permit the Programme to deal in new ways with the question of how best to assist the developing countries to achieve greater economic independence. The Administrator of UNDP had shown in his introductory statement that although UNDP had initially been concerned essentially with concrete matters, it had become an organization which, through the identification of the crucial issues of the present-day world, was endeavouring to discover ideas which would be useful for its future activities. UNDP must be sufficiently flexible to be able to adopt new ways of providing assistance. The theses advanced by the Administrator were extremely valuable, not only for UNDP, but also for the entire United Nations development system.

31. With regard to the financial situation of UNDP, the Yugoslav delegation wished to underline once again the necessity of distributing subcontracts on a broader geographical basis. Participation in the execution of subcontracts was currently limited mainly to a few developed countries, which were thus enabled to recover a considerable portion of their contributions; a number of those countries were even becoming net beneficiaries. It was therefore important that there should

be greater involvement of the developing countries in the execution of subcontracts.

32. As far as regional, interregional and global projects were concerned, his delegation felt that all developing countries, and not only low-income countries or the least developed countries, should be able to benefit from such projects. The special importance of those projects lay in the fact that they afforded the possibility of utilizing the latest scientific and technological advances—which could not be used rationally within the confines of any one country—over broader geographical regions. They also made it possible to strengthen co-operation between developing countries.

33. Referring to the question of the United Nations Capital Development Fund, he stressed that the Fund's resources came mainly from contributions from the developing countries, including Yugoslavia. It had taken seven years for Norway and the Netherlands—the first two developed countries to adopt such a course—to decide to join the developing countries in financing the Fund's activities. It was to be hoped that other Governments which were aware of the needs of the developing countries would follow their example. Increased resources would enable the Fund to discharge fully the task entrusted to it, which had been set out in General Assembly resolution 2186 (XXI) and was reaffirmed in draft resolution A/C.2/L.1306 introduced by the representative of the Netherlands. It was well known that the Administration of UNDP had attached little importance to the Capital Development Fund and that it had agreed to administer the Fund temporarily, only after much resistance. The time had come for the Administrator, in his capacity as Managing Director of the Fund, to take the appropriate measures to ensure the effectiveness of the Fund. His delegation hoped that draft resolution A/C.2/L.1306 would be adopted by all the members of the Committee.

34. His delegation felt that UNICEF and UNFPA had achieved very positive results during the past year. His delegation had been a sponsor of Economic and Social Council resolution 1821 (LV) concerning the convening of a special pledging conference for UNICEF, for which a target of \$100 million had been set.

35. He joined with the representative of the Netherlands in stressing the importance of the in-depth review of operational activities to be carried out the following year. That review would provide an exceptional opportunity for identifying more clearly, on the basis of the experience acquired over recent years, the various operational activities of the United Nations system, without, however, ruling out the possibility of implementing essential structural reforms.

36. Mr. KRYGER (Denmark) said that his delegation had always stressed the importance of the role which it felt the United Nations system should play in channeling technical and pre-investment assistance to the developing countries. His delegation had reaffirmed that position at the latest Pledging Conference on UNDP.

37. He was gratified to note that the reorganization of UNDP, initiated after the adoption of the 1970 Consensus,³ had been for the most part completed by 1972, thanks to the personal initiative and dynamic approach of the Administrator. The time had now come for that reorganization to be reflected in a stabilization

of administrative costs, in particular at Headquarters. His delegation had consequently been pleased to learn that the Administrator had expressed his intention of reducing costs as far as possible and of absorbing the costs of inflation and fluctuations in exchange rates as far as his budget would allow. His delegation also hoped that the measures to be taken to reduce those costs would in no way slow down the implementation of projects.

38. In the view of his delegation, the Administration of UNDP might consider exercising more often its right to direct the execution of projects and perhaps, like the United Nations Fund for Population Activities, make greater use of local and regional resources. He noted with satisfaction that the quality of country programmes had improved, but felt that there was still room for improvement in co-ordination between UNDP and the development assistance programmes administered by other United Nations bodies. It was to be hoped that the efforts made, principally by the resident representatives, would produce some improvement in that situation. The co-ordination of UNDP assistance with that from other sources—both bilateral and multilateral—would make it possible not only to prevent duplication of effort, but also to strengthen and supplement, on a mutual basis, the aid provided. Complete co-ordination was difficult to achieve and it was evident that, at the country level, such co-ordination must be the responsibility of Governments. In the view of his delegation, that fact should not prevent UNDP resident representatives from providing the fullest possible assistance to the Governments of the countries concerned in co-ordinating the aid which they received.

39. One of the most important issues before the Governing Council of UNDP during the past two years had been the question of determining the criteria to be used in calculating indicative planning figures. It appeared that final conclusions would soon be reached and that it would shortly be possible to begin planning the development activities of UNDP for the period 1977-1981. The decisions taken on that matter at the sixteenth session reflected several of the views previously expressed by the Danish Government. In particular, it was important that the 25 least developed countries should receive at least 25 per cent of the resources available for country programmes and that the position of all other countries at the lower end of the *per capita* gross national product (GNP) scale should as a whole be improved. Those two conditions were essential. His delegation was aware that the decision reached was the result of a delicately balanced compromise, and he did not intend to reopen discussion of the matter. Further consideration of it should be left to the Governing Council at its seventeenth session.

40. The results of the latest Pledging Conference had been encouraging and he hoped that, in the future, contributions would increase by at least 9.6 per cent a year. He also expressed the hope that, in the years to come, UNDP would receive broader financial support from those countries which were traditionally net donors and from those which, although classified as developing countries, has a relatively high *per capita* GNP.

41. He looked forward to the results of the Administrator's calculation of the indicative planning figures, to be submitted to the Governing Council of

³ *Ibid.*, Forty-ninth Session, Supplement No. 6A, para. 94.

UNDP at its seventeenth session and hoped that they would enable the Council to reach a decision acceptable to all.

42. His delegation noted with appreciation the technical co-operation activities undertaken by the Secretary-General, especially the emphasis placed in the programmes on the needs of the least developed among the developing countries. It also welcomed the progress achieved by the United Nations Volunteers programme during the past few years and hoped that the programme would continue its good work. His delegation also supported UNFPA and noted with satisfaction that it had broadened the scope of its activities. His delegation was in favour of co-ordinating the activities of UNFPA with those of UNDP and it had therefore welcomed resolution 3019 (XXVII), by which the General Assembly had decided that the Governing Council of UNDP should be the governing body of UNFPA. The Governing Council's deliberations concerning the Fund at its sixteenth session (see E/5365/Rev.1, chap. VI) had in general been satisfactory and augured well for the discharge of its new responsibilities in that important field of activity.

43. His delegation wished to pay a tribute to UNICEF for the work it had done thus far and to express support for the activities planned for the future, particularly in the Indochina peninsula. He stressed the importance of UNICEF's endeavours to improve the prospects of the less fortunate children in different parts of the world and felt that it might be desirable for UNICEF to concentrate its efforts on the least developed countries.

44. Finally, his delegation was satisfied with the work carried out by the World Food Programme, particularly in the field of disaster relief assistance. Co-operation between WFP and other United Nations organs, especially UNDP, was being conducted in an exemplary way.

45. Mr. ELIASHIV (Israel) said that he had noted with interest the organizational changes in UNDP effected under the leadership of the Administrator and welcomed the statement by the Administrator that the Programme had given high priority to improving its operational ability and, in particular, was attempting to recruit the best qualified young people from developing countries. Those and other changes augured well for a more effective response by UNDP to the needs of developing countries. However, the resources available to UNDP were clearly insufficient and it should therefore receive increased support from Governments. He noted with satisfaction that the Governing Council had recognized the need to deal with the social aspects of development and welcomed the Programme's increasing concern with the effects of unemployment and mass poverty. Projects likely to lead to follow-up investment and those which had a multiplier effect should receive top priority. Consideration should be given to the availability of counterpart personnel, the follow-up potential of projects and the adaptation of projects to a wider sectoral framework within the national economic development plan. What considerably enhanced the impact of UNDP assistance was its catalytic effect in mobilizing Government funds in recipient countries. It was encouraging to note that UNDP-assisted pre-investment activities had attracted more than \$3,000 million in follow-up investment, which was twice as much as the preceding year.

46. His delegation felt that there should be greater complementarity between bilateral and multilateral aid projects. Bilateral and multilateral technical co-operation programmes should make greater use of the experience and ability of the more advanced developing countries and enable them to use their expertise to help other developing countries. His delegation fully supported the efforts being made by the Working Group on Technical Co-operation among Developing Countries to identify modalities for the conclusion of such arrangements between developing countries. His Government stood ready to share with the Group its own experience in the matter.

47. It was to be hoped that the trend towards innovation and experimentation would continue. One could not over-emphasize the benefits being derived from global and regional efforts, as was demonstrated by the research into the development of a variety of high-protein maize in Mexico. It was therefore gratifying to learn that UNDP had increased the number of its global and interregional projects. However, more attention should be paid to identifying, formulating and implementing such projects, which should focus increasingly on the application of science and technology to development.

48. UNDP should be one of the main channels for the transfer of technology adapted to the developing countries, in order to substantially improve the living conditions of the people. Well-chosen projects were most helpful in that regard and it was gratifying to note that the Governing Council had endorsed policy changes that would permit more innovation. His delegation felt that specific efforts should be directed to projects in such areas as water desalination, solar energy, malnutrition, the development of arid zones, agriculture, fish farming and the development of local building materials.

49. The developing countries should not underestimate their own development capability and rely solely on the highly industrialized countries. Greater emphasis should be placed on mutual assistance between developing countries. The fact that Israel, itself a developing country, was sharing with other countries the lessons it had learned as a result of international advice and assistance, demonstrated the multiplier effect of development assistance. Thus, since the inception of its international technical co-operation programme, Israel had sent more than 4,000 experts to other developing countries and had trained more than 15,000 students and trainees, in addition to those who had attended courses organized by Israel in various developing countries. Some projects were trilateral ventures, Israel acting as technical adviser, the host Government defraying some of the expenditure and an international agency providing the necessary capital. Each of those projects stressed the importance of developing human resources and was designed to train local personnel who could take over the project.

50. The need in donor-recipient relationships to stress equality of obligations and privileges on both sides had long been established. The objective should now be to train and prepare the masses of the population to absorb the changes arising from modern development, while preserving local, regional and national characteristics. Thus, it would be desirable to introduce limited changes in well-defined areas, changes which should be

gradual and commensurate with the local capacity for change. At the same time, the feeling of identity should be preserved by bringing in traditional leaders and existing institutions to participate in the process of modernization.

51. Governments, especially the Governments of industrialized countries, should continue to provide multilateral assistance programmes with the needed support, and the developing countries should continue to re-evaluate the ways in which they were using multilateral funds.

52. His delegation supported the special measures to help the least developed among the developing countries. In order that more resources could be devoted to those countries, Israel had informed the Administrator that, after 1976, it would no longer seek UNDP assistance. Nevertheless, Israel still regarded itself as a developing country, which faced enormous development tasks, and it would therefore intensify its relations with UNDP and the specialized agencies. At the same time, it would continue its efforts to promote international co-operation in the field of development on both a bilateral and a multilateral basis.

53. Mr. FERNANDEZ VILLAYERDE (Spain) said that the report of the Governing Council of UNDP dealt, *inter alia*, with special measures in favour of the least developed among the developing countries. Progress on that problem was slow and difficult; indeed, when the scarcity of available or foreseeable resources was complicated by a lack of precision concerning the substance of the question, it was not surprising that the idea of increased assistance to those countries had not yet become a reality. However, UNCTAD, the Economic and Social Council, UNDP and the General Assembly had affirmed that there existed in the world a category of developing countries whose economic situation was unacceptable and which were incapable of developing by themselves in the normal pattern of economic relations. They therefore needed special conditions offered by the international community in the financial, technological, trade and other fields. International organizations had begun to work on the problem, and his delegation welcomed the decision taken by UNDP at the sixteenth session of the Governing Council to allocate \$35 million to those countries during the current programming cycle and to give special attention to their situation when the indicative planning figures for the new programming cycle were reviewed. That would be a first step in favour of those countries.

54. It was also gratifying that the Committee on Planning and Development had, in its review of the list of the least developed countries, held that the inclusion of a country in that list was not at all definitive but was rather part of a dynamic process. Since the preparation of that list,⁴ in fact, there had been numerous disagreements concerning its accuracy; an example of the natural trend towards "unblocking" that immutable category was the situation of the "marginal" countries, that is to say, countries which did not differ very much from those currently described as the "hard-core" of the least developed countries. From the very existence of that category, two general conclusions could be drawn. First, since the situation of the developing countries was highly variable, a multiple development study

should be conducted to define the characteristics of each such country and the measures needed to remedy existing problems. A division of the world into the two basic categories of developed and developing countries, with a subcategory of hard-core least-developed countries, was a refusal to face reality. Secondly, the idea of a "hard-core" could not justify the adoption of a uniform development policy which would leave vague the possibility of additional assistance to the least developed countries. Those countries should receive from international organizations not merely additional assistance but preferential assistance intended specifically for them.

55. With regard to UNDP's institutional provisions concerning measures in favour of the least developed countries and the possible establishment of a special fund, his delegation believed that what had to be decided was not so much whether or not to establish a fund but how to reorient assistance policy towards the least developed countries. Whatever institutional arrangement was finally adopted would have to take account of two principles. First, it would have to be capable of stimulating an increase in the flow of assistance to the category of countries that was to benefit from it. Although some felt that past experience justified a certain degree of optimism, his delegation had its doubts on the subject. Secondly, the establishment of a new fund should never be an excuse for failing to reorient the policies of existing organizations in favour of the least developed countries.

56. In his delegation's view, the establishment of a new fund did not seem at all advisable, and it seemed wiser to accelerate the transformation of UNDP in favour of the least developed countries. At the same time, bilateral and multilateral assistance should be reoriented.

57. After a first reading of draft resolution A/C.2/L.1306, his delegation was interested in the proposal and would study it in the light of the considerations he had just stated.

58. Mr. HALÁSZ (Hungary) said that his country, which was both a donor and a recipient country, laid special emphasis on two essential principles of UNDP: universality and voluntariness. It was convinced that UNDP should be the main source for the financing of development projects executed by the United Nations.

59. Country programming should help make UNDP more rational and equitable; his delegation welcomed the increase in the share allotted to productive sectors, including industry, in UNDP. It was also heartening that relations between the Administration and the Governing Council had become more active.

60. His delegation hoped that the Governing Council at its seventeenth session would finish working out the criteria to be followed in calculating indicative planning figures. It welcomed the decision to allocate at least 25 per cent of the available resources to the least developed countries. However, the criteria could not be definitive and would have to be readjusted as the situation developed.

61. The key issue continued to be the question of resources. For that reason the Hungarian People's Republic had increased by one third its voluntary contribution to UNDP from 1971 to 1973; it had also announced an increase of 50 per cent in its 1974 contribu-

⁴ *Ibid.*, Fifty-first Session, Supplement No. 7, para. 66.

tion. Other countries should follow that example, especially since action was needed to counteract the harm caused by the currency crisis of the capitalist countries and by inflationary tendencies. The responsibility for the financial problems of UNDP lay with the donor countries, and they would have to draw the necessary conclusions. The more or less arbitrary classification of the recipient countries and the obligations and the time-table imposed on them could hardly bring any improvement in the situation. At the same time, those factors gave a somewhat peculiar interpretation of the voluntary nature of the contributions and might result in a politically undesirable division among the recipient countries.

62. More efficient utilization of resources would also be necessary. In that connexion, he pointed out that in too many cases the executing agencies were not implementing General Assembly resolution 2975 (XXVII) as they should. A great deal of improvement was needed in co-operation between UNDP and the executing agencies, which were failing to pay due attention to what was said in the Governing Council and were not always giving the Council the necessary information about their activities.

63. In its resolution 2974 (XXVII) the General Assembly had stated that it was convinced of the need to make the fullest use of the capacity and experience of "all Member States". Yet the Governing Council had heard much justifiable criticism on the distribution of subcontracts and the recruitment of specialists. It often happened that a developing country's needs could be better met through the products and technology of another developing country than through those of a highly industrialized country; nevertheless, most subcontracts were assigned to industrialized countries. Similarly, the specialists of the developing countries and the socialist countries were often better able to assist the less developed countries, and it was therefore hard to understand why UNDP did not make fuller use of their capacities.

64. His delegation wished to emphasize once again its reservations concerning the UNDP programme for Israel. Countries such as Israel which continued to flout the Charter of the United Nations and the relevant resolutions of the Organization should not be eligible for assistance from UNDP. In addition, Israel was not a developing country; what was more, it had been repeatedly condemned by the United Nations for its policy of aggression and was shipping arms to South Africa, Portugal and Southern Rhodesia. It was exploiting the natural resources of the occupied territories and forcing its Arab neighbour countries to devote a significant portion of their resources to defence needs, thereby retarding their economic development.

65. Mr. CHATENAY (International Bank for Reconstruction and Development) said that the World Bank Group welcomed the initiatives and statements of the Netherlands Government concerning international assistance in favour of the poorest countries. Draft resolution A/C.2/L.1306 would make it possible to adopt a new form of assistance designed first and foremost for the least developed countries. The experience acquired by the World Bank Group, especially by IDA, showed that the development problems of those countries were particularly difficult, had characteristics that were peculiar to them and required special efforts on the part of the sources of assistance. The World Bank Group had investigated the matter and worked out realistic solutions which should make it possible to serve the interests of those countries; it would be glad to make its experience available to those who would consider the application of the new activities of the United Nations Capital Development Fund, in such a way that the Fund's activities could either reinforce the work already being done or meet needs not covered by multilateral assistance. He was sure that UNDP and IBRD would co-operate fruitfully in that field as they had in other fields.

The meeting rose at 12.55 p.m.

1556th meeting

Tuesday, 13 November 1973, at 3.20 p.m.

Chairman: Mr. Zewde GABRE-SELLASSIE (Ethiopia).

A/C.2/SR.1556

In the absence of the Chairman, Mr. González Arias (Paraguay) took the Chair.

AGENDA ITEM 49

Operational activities for development (continued)
(A/9003 and Corr.1, chap. VI):

- (a) United Nations Development Programme (E/5256 and Corr.1, E/5365/Rev.1, A/C.2/L.1307);
- (b) United Nations Capital Development Fund (A/C.2/L.1306);
- (c) Technical co-operation activities undertaken by the Secretary-General;
- (d) United Nations Volunteers programme (E/5342);
- (e) United Nations Fund for Population Activities;

- (f) United Nations Children's Fund;
- (g) World Food Programme (A/9003/Add.1 (part IV); A/9031, A/C.2/L.1298)

1. Mr. CZARKOWSKI (Poland) reaffirmed his delegation's support for a consolidated discussion of all operational activities for development. That approach allowed for an exchange of experience among those related activities and contributed to eliminating many of the drawbacks resulting from their dispersion among many funds and programmes. The process of continuous creation of new funds and programmes should be checked since it contributed too much to the increase of overhead and administrative costs and too little to the real needs of the developing countries. The technical co-operation activities undertaken by the Secretary-