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*Chairman:* Mr. Moraiwid M. TELL (Jordan).

## AGENDA ITEM 49

Operational activities for development (A/6303, chap. XII, sect. I and II; E/4150, E/4219):

- (a) Activities of the United Nations Development Programme (A/6450, A/C.2/231, A/C.2/L.917, DP/L.2 and Corr.1);
- (b) Activities undertaken by the Secretary-General (A/6446)

1. Mr. HOFFMAN (Administrator of the United Nations Development Programme) said that progress towards the goals of the United Nations Development Decade had been distressingly slow. The growth rate of most developing countries had been less than 4 per cent a year; the annual flow of international assistance had increased but little; and the aid-giving countries had become disenchanted with "foreign aid". Yet there were solid reasons for optimism. Much good work had already been done in the administration of assistance programmes and the foundations had been laid for more rapid progress in the remaining years of the Development Decade. The developing countries were facing the task of building viable economies with increasing realism. In the industrialized countries there was a growing awareness that the development process required more than money and must involve all the disciplines. The poverty of the developing countries was due not to lack of resources but to their under-utilization. It was therefore understood that the main effort must be to strengthen their economic, social and political structures rather than to transfer skills and equipment haphazardly. The most potent reason for encouragement was the excellent progress made by a number of developing countries.

2. Since the General Assembly had approved the consolidation of the Expanded Programme of Technical Assistance (EPTA) and the Special Fund (resolution 2029 (XX)), no effort had been spared to endow the United Nations Development Programme (UNDP) with a new dynamism, an increased capacity and greater efficiency. The enlarged Governing Council had provided splendid leadership and he trusted that the General Assembly, in taking note of documents E/4150

and E/4219, would be expressing its approval of the Council's action. It was gratifying that the Council now included so many highly skilled experts, for in the coming sessions it would have to consider such major issues as the further streamlining of UNDP activities, the possibility of project budgeting for the technical assistance component, the appraisal of future pre-investment needs, and problems of recruiting international experts.

3. The United Nations Development Programme had strengthened its ties with the participating agencies and, in the new Inter-Agency Consultative Board, the executive heads of the agencies had conducted useful exchanges of views and provided helpful advice. He welcomed resolution 31 (IV) of the Trade and Development Board and General Assembly resolution 2152 (XXI) which decided, respectively, to make the Secretary-General of the United Nations Conference on Trade and Development and the Executive Director of the United Nations Industrial Development Organization full members of the Inter-Agency Consultative Board.

4. In the field, collaboration had increased so as to provide integrated programmes of assistance from the whole United Nations family. A new agreement had been signed with FAO incorporating, within the office of the UNDP Resident Representative and under his over-all authority, the functions relating to field programmes formerly exercised by FAO country representatives. At the same time, UNDP had streamlined its organization at Headquarters.

5. As financial resources had increased the area of operations had expanded. The Governing Council had already approved projects for building pilot plants and demonstration works. Governments had indicated growing interest in projects aimed at improving rural life and in directing the energies of younger people into constructive channels. The Programme was approaching such opportunities eagerly and with flexibility, bearing in mind the need to respect the national sovereignty of Governments and to provide the best possible advice in negotiations with them. He had recommended that the General Assembly should maintain the tradition of respecting recipient Governments' wishes by leaving open to them the possibility of securing the services of operational experts in 1967 and 1968.

6. In 1966 expenditures and contractual commitments would exceed income for the first time. Actual programme expenditures should reach more than \$158 million. With the recent approval of \$110 million for technical assistance in 1967-1968, more than \$1.6 million worth of UNDP-supported projects were currently operational or about to start. The Programme

was providing roughly 42 per cent of their cost and the developing countries the remainder. No less than \$83 million had come from bilateral and other multi-lateral sources.

7. After quoting some of the encouraging results achieved in such major fields as industry, minerals, trade and tourism, and agriculture, he recalled that UNDP had sponsored the training of no less than one third of a million nationals of the poor countries. Those efforts to mobilize human capital would be energetically continued.

8. In 1965 he had reported that twenty-two of the pre-investment projects had stimulated \$1,063 million of investment. That figure had increased 50 per cent. Only thirty-one of the surveys and feasibility studies had thus far produced \$1,541 million of investment.

9. In the introduction to his annual report on the work of the United Nations (A/6301/Add.1), the Secretary-General urged that the annual resources for the Programme should reach a level of not less than \$350 million by 1970. Even though there had been larger pledges in 1966, so far the total for the coming year had reached only \$170 million. He therefore joined with the Secretary-General in entreating all Governments to review the amount of their pledges for 1967 and to raise them to the \$200 million target for that year. For 1968, UNDP would probably receive sound and urgent requests which would call for at least \$250 million of programme financing. He therefore appealed to the richer countries to give to the developing countries a slightly larger share of their skills and resources so as to spur the pace of global development and thereby help the majority of the earth's people achieve the lives of decency and dignity to which they were entitled.

10. Mr. HOO (Commissioner for Technical Co-operation) said that one of the most significant features of 1965 had been the emergence of the Governing Council of UNDP as the inter-governmental body which the Economic and Social Council and the General Assembly had made responsible for technical supervision of all United Nations operational activities. Those concerned with the administration of the regular programme would be happy to provide the Governing Council with the information required for reviewing the programme and looked forward to receiving guidance on ways of making assistance to developing countries as effective as possible.

11. Since 1946, when the United Nations had undertaken its first technical assistance activities, the scope of the regular programme had been extended gradually to include activities in economic and social development, public administration, advisory services in connexion with human rights, and narcotic drugs control, and it was anticipated that, in the future, assistance would be given to promote the teaching, study, dissemination and wider appreciation of international law. In 1965 assistance had been provided to 118 countries and territories and obligations had reached a total of \$34 million. The sum of \$14.1 million had been disbursed on projects for which the United Nations acted as executing agency for the Special Fund; in fact, the marked expansion of the regular programme in recent years was largely attributable

to the growing number of Special Fund projects for which the United Nations was the executing agency.

12. Trends in the programme naturally reflected the priorities assigned by Governments and the emphasis placed by regional economic commissions on certain projects or activities. Accordingly, if there had recently been an increase in economic and social development projects and a decline in obligations for public administration projects, that trend probably reflected the relative importance of fields of activity selected for special emphasis during the United Nations Development Decade. The over-all value of regional projects (excluding Special Fund projects) had, however, declined slightly in 1965, although 43.3 per cent of regular programme operations were devoted to regional and inter-regional projects.

13. A very high level of efficiency in programme planning and implementation under the regular programme was indicated by the fact that, of the 1965 appropriation of \$6.4 million, only \$6,704 had remained unused. It was hoped to achieve the same success in 1967, for which a similar appropriation had been recommended by the Governing Council and endorsed by the Economic and Social Council.

14. The United Nations ranked second among the ten agencies participating in the activities of the Special Fund component of the UNDP and had been appointed executing agency for 135 of the Fund's projects in 72 countries. Of those projects, forty-eight were concerned with the development of mineral resources, forty-one with engineering operations, seventeen with industrial research, training and pilot projects, and twenty-nine with planning and training. Assistance continued to be provided to Governments in connexion with public administration projects. The largest United Nations expenditures during the current year would be those on experts, equipment, contracts and study grants for nationals on projects in progress, on which between \$15 million and \$20 million would be spent.

15. United Nations expenditures under the regular and expanded programmes of technical assistance totalled \$15.5 million in 1965, as compared with \$17.1 million in 1964; the decline in obligations was, however, due to the fact that the greater part of the implementation of the Expanded Programme of Technical Assistance projects could normally be expected to occur during the second year of its 1965-1966 programming cycle. Of the funds available in 1965 under the regular, expanded and funds-in-trust programmes, 34.8 per cent was spent on projects in Africa, 24.7 per cent on projects in Asia and the Far East, 20.6 per cent on projects in the Americas, 13.1 per cent on projects in Europe and the Middle East and 6.8 per cent on inter-regional projects. Other financial resources available to the United Nations, in addition to those provided by UNDP, the regular programme and the funds-in-trust arrangements, were those authorized for the special educational and training programmes for South West Africa and the territories under Portuguese administration, those available from the World Food Programme and the United Nations Children's Fund and such special funds as might be contributed for activities in con-

nexion with industrial development, regional planning, housing and social defence.

16. It should be noted that 1965 had been a period of relatively modest growth in the level of resources available to the United Nations for its technical co-operation activities. The emphasis in United Nations programmes, however, continued to be on helping the Governments of developing countries to build the necessary infra-structure and to provide the basis for policy formulation which was essential to all other aspects of their development.

17. Continuing efforts were being made to bring about a closer relationship between the World Food Programme and other development programmes. The joint United Nations/FAO seminar on the use of food aid in support of economic and social development projects being held in Colombia and the inter-agency mission which had surveyed the feasibility of relating food aid to rural co-operative projects in Mexico were instances of such co-ordination of effort. It was therefore gratifying that the World Food Programme was to be continued indefinitely and that United Nations participation in the Programme was increasing continuously.

18. The increase in the use of inter-regional and regional advisers had made it possible for the United Nations to respond quickly to requests for short-term and emergency assistance, to meet unforeseen needs and to assist in the formulation of requests for assistance. The Governing Council had, however, felt that an evaluation of experience in the use of such advisers might be desirable and a report on the subject would be prepared for a future session of the Council.

19. General Assembly resolution 2034 (XX) authorized the Secretary-General, within certain limits, to draw on the Working Capital Fund in order to provide emergency assistance in cases of natural disaster. Assistance under that resolution had so far been granted to Western Samoa, Mongolia and Turkey. Copies of a manual on the resources and procedures of the United Nations family in dealing with emergency action following natural disasters had been supplied to all Resident Representatives of the UNDP.

20. The significant contribution made by United Nations technical co-operation programmes to the establishment of regional development banks was illustrated by the assistance provided in the case of the Asian Development Bank. Throughout the entire preparatory period, the expenses of the consultative committee and the preparatory committee, the project director and his staff, and other special personnel were borne by the regular programme and UNDP contingency funds.

21. In conclusion, he said that those concerned with United Nations programmes of technical co-operation were constantly aware that, while the needs of Governments were great, the resources available to meet them were limited. It was therefore gratifying that the three pilot evaluation teams which had visited Chile, Thailand and Tunisia during 1965<sup>1/</sup> had re-

ported that the technical co-operation programmes could be viewed with satisfaction. The evaluation teams had, however, found it necessary to make a number of recommendations for improvements in the main operational phase of projects and programmes; those recommendations were being studied by the United Nations and the specialized agencies and consideration was being given to the development of methods and techniques of evaluation.

22. Mr. CHAMMAS (Lebanon) thanked the administrator of UNDP and the Commissioner for Technical Co-operation for their valuable and informative statements. He proposed that the statements should be issued as official documents of the Committee.

*It was so decided.*<sup>2/</sup>

23. Mr. FRANZI (Italy) said that the Special Fund and EPTA had been consolidated for the purpose of administrative reorganization and satisfying the new requirements that had emerged in recent years. The enlarged membership of the Governing Council of the UNDP had not slowed down the tempo of its work and it had been able to take all its decisions by consensus without voting. It had concentrated on the innovations and changes to be made in the system rather than on the pre-investment programme submitted for its approval.

24. The most important new element was the desire of the Governing Council to play a bigger role in the selection, examination and execution of projects. It had also welcomed the submission of industrial pilot projects, thereby endorsing the views of the Second Committee that UNDP activities should be extended to financial assistance. A further new development was the request of the Governing Council for a report on the technical assistance activities of the specialized agencies financed with their own funds. On the basis of such a report, the Governing Council might possibly formulate recommendations or directives to the specialized agencies and thus become the central organ for all United Nations assistance activities. He hoped that the Committee for Programme and Co-ordination of the Economic and Social Council would be informed of that innovation.

25. The Administrator of UNDP had informed the Committee that UNDP pre-investment projects had generated 50 per cent more investment capital than a year before. Such figures should encourage Member States to approach the target of \$200 million set for 1967.

26. Mr. ROOSEVELT (United States of America) expressed the satisfaction of his delegation with the work of UNDP, to which the United States attached great importance as a major instrument for assisting developing countries. The increasing number of pre-investment and feasibility studies was an important prerequisite for accelerating capital investment in those countries, and the untiring efforts of the UNDP administration deserved the full gratitude and confidence of the international community.

<sup>1/</sup> Official Records of the Economic and Social Council, Forty-first Session, Annexes, agenda item 15, documents E/4151/Add.1-3.

<sup>2/</sup> The complete text of the statements made by the Administrator of UNDP and the Commissioner for Technical Co-operation was subsequently circulated as documents A/C.2/L.920 and A/C.2/L.921.

27. The United States shared the Administrator's concern over the gap between rising expectations and results: unless there was a substantial increase in pledges, which had fallen far short of the \$200 million target for 1967, the Governing Council would be unable to consider a number of projects to which recipient countries attached priority. He therefore urged Member States to respond to the call for a substantial increase in voluntary contributions, as the United States had done.

28. The thorough consolidation and co-ordination of the two components of the UNDP would lead to greater efficiency and release more resources for programme operations. It was to be hoped that the details of the new arrangement whereby the functions of FAO country representatives would be incorporated into the office of the Resident Representatives would be made available to the Governing Council at its next session, and that other similar agreements would soon be ready for its consideration.

29. The authorization to use funds from the former Expanded Programme of Technical Assistance for the provision of operational personnel had proved useful to a number of newly independent countries. His delegation hoped that the Committee would endorse the extension of that authorization and vote for draft resolution A/C.2/L.917. Despite the general recognition that more resources were needed to meet pre-investment needs, the fact that UNDP still had more than \$100 million in allocated funds, as well as the substantial gap between earmarkings and expenditures, indicated that the absorptive capacity of UNDP machinery was inadequate. It was therefore to be hoped that the study of the administrative capacity of UNDP and the executing agencies to meet priority needs, which his delegation had requested at the second session of the Governing Council, would be completed as soon as possible.

30. Since the activities undertaken by the Secretary-General in the matter of technical co-operation were reviewed by the UNDP Governing Council and by the Economic and Social Council, the Committee's agenda should in future include that item only when special problems which required its attention arose.

31. Mr. VIAUD (France) said that the Committee's function was to lay down guide-lines for the UNDP Governing Council, rather than to analyse the work of UNDP in detail. The difficulties involved in consolidating the former Special Fund and EPTA had not yet been fully overcome, and the technical assistance component of the UNDP, in particular, must be reconsidered to ensure its complete absorption into the new system and the proper allocation of technical assistance activities. In that connexion, he hoped that there would be increasing co-ordination between the regular programme of technical assistance—which should, in his delegation's view, eventually be abolished—and UNDP. There should be no administrative or constitutional difficulties to prevent the United Nations from acting as an executing agency for the technical assistance component of the UNDP, as it already did for the Special Fund component. The membership of the Governing Council was indeed highly qualified, but since representatives in the

Governing Council were administrators, they should be neither too expert nor too political.

32. The French delegation supported the recommendation to extend the authorization of funds for the provision of operational personnel and would vote in favour of draft resolution A/C.2/L.917.

33. Liaison between UNDP and its executing agencies in Europe was not always satisfactory and could perhaps be improved by establishing permanent liaison offices at the headquarters of the agency concerned, or at least a central liaison office in Europe.

34. While there was clearly a need for larger contributions to UNDP, it must not be forgotten that projects undertaken by the Special Fund component often benefited also from bilateral assistance. If the sum of such assistance was added to contributions from Member States, total resources would amount almost to the target of \$200 million. The aim of the Special Fund component was to assist developing countries through pre-investment studies, but inadequate consideration had been given to the question of how those studies were to be followed up. If a project was found to be feasible, the administration must be able to give effective and objective advice to the Government concerned on whether the project should be financed from public or private funds, and through multilateral or bilateral assistance. It was therefore to be hoped that the administration would submit to the next session of the Governing Council a set of criteria for following up pre-investment studies. The French delegation favoured the idea that the cost of the pre-investment studies, which were essential for investment proper, should be fully reimbursed to the Special Fund component by the organization subsequently concerned with such investment.

35. Mr. Shen-fu CHANG (China) noted that every effort must be made to increase the resources available to UNDP, in order to avoid reducing the number or scope of its projects, and expressed appreciation for the Administrator's efforts to streamline procedures and to derive the maximum benefit from the limited resources available. Programme evaluation should be continued and refined, and the results obtained utilized by executing agencies and recipient countries. The linking of follow-up financing with pre-investment activities was also of vital importance, and his delegation welcomed the Administrator's efforts to establish co-operation with potential investors during the preparation of projects.

36. His delegation attached great importance to pre-investment support for agricultural training, especially for farm extension workers, and was co-operating closely with many developing countries in Asia and in Africa in the introduction of new techniques for increasing agricultural production. China therefore welcomed the strengthening of agricultural demonstration activities by extension workers, and was ready to share its experience with other countries.

37. The shortage of international experts, which often delayed the implementation of approved projects, could perhaps be eased by recruiting more experts from developing countries. Such recruitment would have the added advantage that the experience of such experts might be of more practical use to Governments of

other developing countries than that of experts from highly advanced countries.

38. The regular programme of United Nations technical co-operation activities had evolved satisfactorily, and its flexible nature had enabled it to respond promptly to the needs of Governments. The efficiency of the system was indicated by the fact that programmes in 1965 had absorbed almost 100 per cent of available resources. The level of appropriations from the regular budget of the United Nations for technical co-operation should be maintained at \$6.4 million.

39. Mr. OLSEN (Denmark) said that his delegation supported the changes suggested for UNDP. Denmark had substantially increased its pledge for 1967 and, if other Governments did likewise, available resources

would not be far below the target of \$200 million. The growing experience and competence of UNDP were encouraging and would no doubt lead to better utilization of its resources.

40. The Danish delegation supported draft resolution A/C.2/L.917.

41. Mr. DELGADO (Senegal) said that the Italian representative's statement reflected the views of the UNDP Governing Council as a whole, particularly those of its African members.

42. The Italian Government deserved thanks for the generous hospitality it had provided for the Governing Council's session at Milan.

*The meeting rose at 1.5 p.m.*

