



# **UNITED NATIONS DEVELOPMENT PROGRAMME**

## **REPORT OF THE GOVERNING COUNCIL**

### **SEVENTH SESSION**

**(9-23 January 1969)**

### **ECONOMIC AND SOCIAL COUNCIL**

### **OFFICIAL RECORDS : FORTY-SEVENTH SESSION**

**UNITED NATIONS**

#### NOTE

Symbols of United Nations documents are composed of capital letters combined with figures. Mention of such a symbol indicates a reference to a United Nations document.

E/4609

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## ABBREVIATIONS

UNDP, the Programme	United Nations Development Programme
FAO	Food and Agriculture Organization of the United Nations
IACB	Inter-Agency Consultative Board
IAEA	International Atomic Energy Agency
IBRD	International Bank for Reconstruction and Development
ICAO	International Civil Aviation Organization
ILO	International Labour Organisation
IMCO	Inter-Governmental Maritime Consultative Organization
ITU	International Telecommunication Union
UNCTAD	United Nations Conference on Trade and Development
UNESCO	United Nations Educational, Scientific and Cultural Organization
UNICEF	United Nations Children's Fund
UNIDO	United Nations Industrial Development Organization
UPU	Universal Postal Union
WHO	World Health Organization
WMO	World Meteorological Organization

## INTRODUCTION

1. The Governing Council held its seventh session at United Nations Headquarters, New York, from 9 to 23 January 1969.
2. The present report was adopted by the Governing Council at its 151st meeting, on 23 January 1969, for submission to the Economic and Social Council at its forty-seventh session, in accordance with paragraph 4 of General Assembly resolution 2029 (XX).

## CHAPTER I

### ORGANIZATION OF THE SESSION

#### Attendance

3. The duly accredited representatives to the seventh session are listed in annex I to this report.

#### Election of officers

4. In accordance with rule 11 of the rules of procedure, the Governing Council, at the opening meeting of its seventh session, elected the following officers: Mr. Agha Shahi (Pakistan), President; Mr. Jaakko Iloniemi (Finland), First Vice-President; Mr. Antonio Patriota (Brazil), Second Vice-President; Mr. Constantin Ene (Romania), Third Vice-President; and Mr. Abdel Halim Badawi (United Arab Republic), Rapporteur.
5. Members of the Council expressed their gratification at the continuation in office of the Administrator and Deputy Administrator of UNDP following consultations between the Secretary-General and the Council at its special session on 9 December 1968.

#### Agenda

6. The agenda adopted for the seventh session was the following:
  1. Opening of the session.
  2. Election of officers.
  3. Adoption of the agenda (DP/L.37/Rev.1 and Rev.1/Add.1).
  4. UNDP(SF) programme recommendations of the Administrator:
    - (a) Consideration of individual projects of the UNDP(SF) programme in private meetings;

(b) Approval of UNDP(SF) programme recommendations:

DP/SF/R.7 and Corr.1 and 2; DP/SF/R.7/Add.1-5; DP/SF/R.7/Add.6 and Corr.1; DP/SF/R.7/Add.7 and Corr.1; DP/SF/R.7/Add.8; DP/SF/R.7/Add.9 and Corr.1; DP/SF/R.7/Add.10 and Corr.1; DP/SF/R.7/Add.11/Rev.1 and Corr.1; DP/SF/R.7/Add.12/Rev.1; DP/SF/R.7/Add.13/Rev.1; DP/SF/R.7/Add.14/Rev.1; DP/SF/R.7/Add.15-18; DP/SF/R.7/Add.19/Rev.1 and Corr.1; DP/SF/R.7/Add.20-23; DP/SF/R.7/Add.24/Rev.1; DP/SF/R.7/Add.25-32; DP/SF/R.7/Add.33 and Corr.1; DP/SF/R.7/Add.34; DP/SF/R.7/Add.35 and Corr.1; DP/SF/R.7/Add.36; DP/SF/R.7/Add.37/Rev.1; DP/SF/R.7/Add.38; DP/SF/R.7/Add.39/Rev.1; DP/SF/R.7/Add.40; DP/SF/R.7/Add.41 and Corr.1; DP/SF/R.7/Add.42 and Corr.1; DP/SF/R.7/Add.43-47; DP/SF/R.7/Add.48 and Corr.1; DP/SF/R.7/Add.49 and Corr.1; DP/SF/R.7/Add.50; DP/SF/R.7/Add.51/Rev.1; DP/SF/R.7/Add.52; DP/SF/R.7/Add.53/Rev.1 and Corr.1; DP/SF/R.7/Add.54-58; DP/SF/R.7/Add.59/Rev.1; DP/SF/R.7/Add.60-62; DP/SF/R.7/Add.63 and Corr.1; DP/SF/R.7/Add.64/Rev.1 and Corr.1; DP/SF/R.7/Add.65-69; DP/SF/R.7/Add.70/Rev.1; DP/SF/R.7/Add.71; DP/SF/R.7/Add.72 and Corr.1; DP/SF/R.7/Add.73; DP/SF/R.7/Add.74/Rev.1; DP/SF/R.7/Add.75; DP/SF/R.7/Add.76/Rev.1; DP/SF/R.7/Add.77/Rev.1; DP/SF/R.7/Add.78/Rev.1; DP/SF/R.7/Add.79/Rev.1 and Corr.1; DP/SF/R.7/Add.80-86; DP/SF/R.7/Add.87/Rev.1; DP/SF/R.7/Add.88 and 89; DP/SF/R.7/Add.90 and Corr.1; DP/SF/R.7/Add.91-99; DP/SF/R.7/Add.100 and Corr.1; DP/SF/R.7/Add.101-108; DP/SF/R.7/Add.109 and Corr.1; DP/SF/R.7/Add.110-115; DP/SF/R.7/Add.116 and Corr.1; DP/SF/R.7/Add.117 and Corr.1; DP/SF/R.7/Add.118/Rev.1; DP/SF/R.7/Add.119/Rev.1; DP/SF/R.7/Add.120/Rev.1; DP/SF/R.7/Add.121 and 122; DP/SF/R.7/Add.123/Rev.1;

(c) Proposals for preliminary operations (DP/L.93).

5. UNDP (Technical Assistance) programme:

(a) Revised estimates of resources and earmarkings for 1969 (DP/TA/R.2 and Corr.1);

(b) New arrangements proposed for regional and inter-regional projects (DP/TA/L.21);

(c) Approval of project recommendations of the Administrator:

(i) Regional and inter-regional projects (DP/TA/L.19/Rev.1 and Rev.1/Add.1);

(ii) Projects to be financed from the Danish restricted contribution (DP/TA/L.20 and Add.1);

(d) Report by the Administrator on country programmes (DP/TA/P/L.1 and Add.1, Add.1/Corr.1, Add.2, Add.3, Add.3/Corr.1, and Add.4 and 5);

- (e) Approval of initial estimates of resources for 1970 and their distribution, including country and regional targets (DP/TA/R.2 and Corr.1).
6. Financial matters (DP/L.100):
- (a) Contributions (DP/L.98; DP/SF/C/L.59 and Corr.1 and DP/SF/C/L.60 and DP/TA/C/L.59 and Corr.1 and DP/TA/C/L.60);
  - (b) Financial report on the Revolving Fund (DP/L.98 and Corr.1);
  - (c) UNDP financial regulations and rules (DP/L.90 and Add.1 and 2);
  - (d) Local costs of Special Industrial Services projects;
  - (e) Audit reports.
7. Administrative and budgetary matters:
- (a) Budget estimates for the administrative and programme support services of UNDP for the year 1969 (DP/L.89 and Add.1 and A/7453);
  - (b) Progress report on the Capacity Study (DP/L.91 and Add.1);
  - (c) Report on technical field advisers (DP/L.95).
8. Question of data storage and retrieval (DP/L.99).
9. Information papers on action taken in 1968 by organs of the United Nations and related agencies on matters relating to UNDP (DP/L.97 and Add.1).
10. United Nations regular programme of technical co-operation (DP/RP/6 and Add.1).
11. United Nations Capital Development Fund (DP/L.96 and Corr.1).
12. Date and provisional agenda for the eighth session of the Governing Council.
13. Other matters (DP/L.92 and DP/L.94).
14. Draft report of the Governing Council to the forty-seventh session of the Economic and Social Council.

#### Summary records of meetings

7. The summary records of the meetings of the seventh session were issued as documents DP/SR.135-151.

#### Private meetings

8. Three private meetings were held on questions arising in connexion with the UNDP (Special Fund) programme recommendations.

## CHAPTER II

### PROGRAMME RECOMMENDATIONS OF THE ADMINISTRATOR: UNDP (SPECIAL FUND)

#### Analysis of requests received between 1 April and 30 September 1968

9. As reported to the Governing Council of UNDP at its sixth session, 1,534 requests for project assistance had been submitted to the UNDP (Special Fund) by Governments up to 31 March 1968, calling for an expenditure of approximately \$1,498 million in international resources. <sup>1/</sup> Between 1 April and 30 September 1968, a further 120 requests were received, bringing the total number of requests received to 1,654 and the total amount requested to approximately \$1,610 million.

10. The 120 new requests were in the following fields of activity:

Table 1

Subject area	No. of requests	Amount requested
		(US dollars)
<u>Surveys</u>		
Mineral and geological . . . . .	6	4,920,000
Water power, hydraulic and meteorological . . . . .	4	6,487,000
River basin . . . . .	1	954,000
Land and water use . . . . .	14	14,015,000
Transport and communications . . . . .	9	8,068,000
Forestry . . . . .	2	1,938,000
Other . . . . .	10	8,502,000
Sub-total	46	44,894,000
<u>Research</u>		
Agricultural, forestry, veterinary and fishery . . . . .	19	14,669,000
Manufacturing, mining and power . . . . .	10	9,590,000
Other . . . . .	3	1,449,000
Sub-total	32	25,708,000
<u>Training</u>		
Agricultural, forestry, veterinary and fishery . . . . .	6	5,124,000
Industrial . . . . .	13	10,429,000
Transport and communications . . . . .	8	5,458,000
Secondary school teacher . . . . .	4	6,346,000
Public administration and other . . . . .	9	13,380,000
Sub-total	40	40,737,000
<u>Economic development planning . . . . .</u>	2	1,008,000
TOTAL	120	112,337,000

<sup>1/</sup> See Official Records of the Economic and Social Council, Forty-fifth Session, Supplement No. 6A (E/4545), para. 7.



11. The distribution of these new requests by economic sector was as follows:

Table 2

Economic sector	No. of requests	Amount requested (US dollars)
<u>Agriculture</u>		
Multi-purpose agriculture <sup>a/</sup> . . . . .	11	10,532,000
Land and water use . . . . .	9	10,347,000
Plant production and protection . . . . .	9	5,347,000
Animal production and health . . . . .	4	3,045,000
Rural institutions and services . . . . .	5	5,166,000
Forestry . . . . .	1	622,000
Fishery . . . . .	2	1,502,000
Sub-total	41	36,639,000
<u>Industry</u>		
Industry, general <sup>a/</sup> . . . . .	15	11,507,000
Mining . . . . .	4	3,926,000
Other individual industries . . . . .	10	9,235,000
Sub-total	29	24,668,000
<u>Public utilities</u>		
Power . . . . .	3	3,708,000
Transport . . . . .	13	3,875,000
Communications . . . . .	5	4,651,000
Water supply and sewerage . . . . .	5	3,919,000
Sub-total	26	21,153,000
<u>Housing, building and physical planning</u> . . . . .	1	745,000
<u>Multi-sector</u>		
General planning <sup>b/</sup> . . . . .	1	739,000
River basin development . . . . .	1	954,000
Other . . . . .	2	951,000
Sub-total	4	2,644,000
<u>Health</u> . . . . .	1	7,727,000
<u>Education and Science<sup>b/</sup></u>		
Primary . . . . .	2	996,000
Secondary . . . . .	2	5,350,000
Technical . . . . .	1	1,590,000
University . . . . .	1	1,200,000
Other . . . . .	1	914,000
Sub-total	7	10,050,000
<u>Social welfare</u>		
Community development . . . . .	1	1,549,000
Labour administration . . . . .	2	1,073,000
Sub-total	3	2,622,000
<u>Public administration and other services</u>		
Public administration . . . . .	3	1,211,000
Technical services . . . . .	5	4,323,000
Sub-total	8	6,039,000
TOTAL	120	112,337,000

a/ Covers activities in more than one sub-sector.

b/ Assistance to a specific sector or sub-sector is classified under the sector or sub-sector concerned.

12. The geographical distribution of the new requests, as well as the cumulative total of all requests received, is shown below:

Table 3

Geographical area	Requests received 1 April to 30 September 1968	Requests previously received	Cumulative total to 30 September 1968
Africa . . . . .	49	524	573
Asia and the Far East . . . . .	30	384	414
The Americas . . . . .	28	384	412
Middle East . . . . .	6	129	135
Europe . . . . .	5	110	115
Inter-regional . . . . .	<u>2</u>	<u>3</u>	<u>5</u>
<u>TOTAL</u>	<u>120</u>	<u>1,534</u>	<u>1,654</u>

13. Of the 350 requests under consideration (120 new requests mentioned above, 226 requests pending as of 31 March 1968 and 4 resubmitted requests), 104 were recommended for approval at the January 1969 session of the Governing Council, 26 were withdrawn by the requesting Governments and, in one case, the Government concerned was informed that its request was not being kept under review. As of 30 September 1968, therefore, 219 projects were under consideration for possible inclusion in future programmes to be recommended to the Governing Council. In addition, there are some 160 further requests with unofficial status, and some 70 instances of "advance information" concerning possible requests for Special Fund sector assistance which are under consideration.

### Programme recommendations

14. The Administrator recommended that the Governing Council approve 104 projects and 19 supplementary earmarkings 2/ (see annex II to this report). This programme totalled \$226,828,000 of which \$99,754,300 represented UNDP (Special Fund) earmarkings and \$127,073,700 contributions by recipient Governments.

15. The distribution of recommended projects by principal field of activity, by economic sector, and by geographical region, both for the recommended programme and cumulatively, was as shown in tables 4, 5 and 6 below.

### Features of particular interest in the new programme

16. The Administrator drew the attention of the Governing Council to certain features of particular interest in the new programme:

(a) The size, scope and diversity of the Special Fund programme, which was the largest to date, reflected the lively response by requesting Governments to the introduction of more rapid and flexible procedures in the initiation and preparation of requests for assistance.

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2/ For Afghanistan: supplementary assistance to training and demonstration in animal health and animal husbandry; for Algeria: supplementary assistance to technical service and instructor training centre for adult vocational training, Algiers; for Cyprus: supplementary assistance for vocational training and management development, Nicosia; for Ecuador: supplementary assistance to the Mechanical Engineering Department, National Polytechnic School, Quito; for Ethiopia: supplementary assistance in strengthening the Awash Valley Authority; for India: supplementary assistance to the national apprenticeship scheme; supplementary assistance to the Power Engineering Research Organization, Bhopal and Bangalore; for Iran: supplementary assistance to the establishment of the industrial estate, Ahwaz, and the development of small-scale industries; for Ivory Coast: supplementary assistance to the Secondary School Teacher Training Institute, Abidjan; for Jamaica: supplementary assistance to the Survey Department; for Kenya: supplementary assistance to the Faculty of Engineering, University College, Nairobi; for Liberia: supplementary assistance to the Department of Planning and Economic Affairs; for Mali: supplementary assistance to the Secondary School Teacher Training Institute; for Morocco: supplementary assistance for selected feasibility studies in the Sebou Basin and Western Rif Region; supplementary assistance to the Secondary School Teacher Training Institute, Rabat; for Nigeria: supplementary assistance to the Secondary School Teacher Training College, Zaria; for Peru: supplementary assistance to forestry research and training; for Somalia: supplementary assistance to the highway development programme; and for the United Republic of Tanzania: supplementary assistance to the industrial studies and development centre, Dar-es-Salaam.

Table 4

Distribution of projects by principal field of activity

Field of activity	Previous programmes		Present programme		Cumulative	
	Number of projects	Earmarking (US dollars)	Number of projects	Earmarking (US dollars)	Number of projects	Earmarking (US dollars)
<u>Surveys</u>						
Mineral and geological	62	57,053,286	8	6,954,600	70	64,007,886
Water power, hydraulic and meteorological	30	26,190,374	3	4,197,600 <sup>a/</sup>	33	30,387,974
River basin	32	36,544,281	1	1,163,900 <sup>b/</sup>	33	37,708,181
Land and water use	114	99,831,255	9	7,491,000 <sup>c/</sup>	123	107,322,255
Transport and communications	47	35,764,109	5	8,264,700 <sup>c/</sup>	52	44,028,809
Manufacturing industries	5	4,888,000	-	429,900 <sup>d/</sup>	5	5,317,900
Fisheries	28	30,553,700	3	3,644,000	31	34,197,700
Forestry	34	29,333,088	2	1,997,600 <sup>e/</sup>	36	31,330,688
Other	25	18,848,756	6	5,241,900 <sup>a/</sup>	31	24,090,656
Sub-total	377	339,006,849	37	39,385,200 <sup>a/</sup>	414	378,392,049
<u>Research</u>						
Agricultural, forestry, veterinary and fishery	108	106,780,117	17	14,439,400	125	121,219,517
Manufacturing, mining and power	56	51,005,369	4	3,364,800 <sup>f/</sup>	60	54,370,169
Other	33	30,017,429	1	1,317,700	34	31,335,129
Sub-total	197	187,802,915	22	19,121,900 <sup>f/</sup>	219	206,924,815
<u>Training</u>						
Agricultural, forestry, veterinary and fishery	70	70,676,706	12	12,697,100 <sup>g/</sup>	82	83,373,806
Industrial	151	153,427,957	13	10,096,800 <sup>h/</sup>	164	163,524,757
Transport and communications	37	39,452,760	6	4,480,700 <sup>i/</sup>	43	43,933,460
Secondary school teacher	34	42,515,300	4	5,176,800 <sup>j/</sup>	38	47,692,100
Public administration and other	38	36,273,900	7	5,997,300	45	42,271,200
Sub-total	330	342,346,623	42	38,448,700 <sup>g/</sup>	372	380,795,323
<u>Economic Development Planning</u>						
	21	39,502,900	3	2,798,500 <sup>j/</sup>	24	42,301,400
TOTAL	925	908,659,287	104	99,754,300 <sup>a/</sup>	1,029	1,008,413,587

(foot-notes on following page)

- a/ Includes a supplementary earmarking of \$92,800 for Ethiopia: assistance in strengthening the Awash Valley Authority, a project approved at the fourteenth session of the Special Fund's Governing Council in June 1965 (see document SF/R.11/Add.12).
- b/ Includes a supplementary earmarking of \$252,600 for Morocco: selected feasibility studies in the Sebou Basin and the Western Rif Region, a project approved at the second session of the UNDP's Governing Council in June 1966 (see document DP/SF/R.2/Add.30).
- c/ Includes a supplementary earmarking of \$441,000 for Somalia: highway development programme, a project approved at the thirteenth session of the Special Fund's Governing Council in January 1965 (see document SF/R.10/Add.49).
- d/ Represents a supplementary earmarking for Iran: feasibility studies for the establishment of an industrial estate, a project approved at the tenth session of the Special Fund's Governing Council in June 1963 (see document SF/R.7/Add.19).
- e/ Includes a supplementary earmarking of \$179,400 for Jamaica: assistance to the Survey Department of Jamaica, a project approved at the thirteenth session of the Special Fund's Governing Council in January 1965 (see document SF/R.10/Add.29).
- f/ Includes supplementary earmarkings of \$265,300 for India: Power Engineering Research Organization, Bhopal and Bangalore, a project approved at the third session of the Special Fund's Governing Council in December 1959 (see document SF/L.26/Add.16) and \$516,600 for the United Republic of Tanzania: industrial studies and development at Dar-es-Salaam, a project approved at the thirteenth session of the Special Fund's Governing Council in January 1965 (see document SF/R.10/Add.59).
- g/ Includes supplementary earmarkings of \$426,100 for Afghanistan: training and demonstration in animal health and animal husbandry, a project approved at the first session of UNDP's Governing Council in January 1966 (see document DP/SF/R.1/Add.1) and \$324,700 for Peru: forestry research and training project of the Universidad Agraria, a project approved at the eighth session of the Special Fund's Governing Council in May 1962 (see document SF/R.5/Add.26).
- h/ Includes supplementary earmarkings of \$275,500 for Algeria: technical service and instructor training centre for adult vocational training in Algiers, a project approved at the twelfth session of the Special Fund's Governing Council in June 1964 (see document SF/R.9/Add.3); \$536,400 for Cyprus: vocational training and management development, Nicosia, a project approved at the tenth session of the Special Fund's Governing Council in June 1963 (see document SF/R.7/Add.13); \$150,100 for Ecuador: National Polytechnic School, Quito, a project approved at the sixth session of the Special Fund's Governing Council in May 1961 (see document SF/R.3/Add.10); \$221,800 for India: national apprenticeship scheme, a project approved at the fourth session of the UNDP's Governing Council in June 1967 (see document DP/SF/R.4/Add.18); and \$793,500 for Kenya: Faculty of Engineering, Royal College, Nairobi (training of engineers for East Africa), a project approved at the eighth session of the Special Fund's Governing Council in May 1962 (see document SF/R.5/Add.35).
- i/ Includes supplementary earmarkings of \$72,000 for Ivory Coast: Secondary School Teacher Training Institute, Abidjan, a project approved at the sixth session of the Special Fund's Governing Council in May 1961 (see document SF/R.3/Add.20); \$279,700 for Mali: Secondary School Teacher Training Institute, Bamako, a project approved at the seventh session of the Special Fund's Governing Council in January 1962 (see document SF/R.4/Add.18); \$797,900 for Morocco: Secondary School Teacher Training Institute, Rabat, a project approved at the eighth session of the Special Fund's Governing Council in May 1962 (see document SF/R.5/Add.20); and \$417,500 for Nigeria: Secondary School Teacher Training College, Northern Region, a project approved at the seventh session of the Special Fund's Governing Council in January 1962 (see document SF/R.4/Add.21).
- j/ Includes a supplementary earmarking of \$543,900 for Liberia: assistance to the national planning agency, a project approved at the twelfth session of the Special Fund's Governing Council in June 1964 (see document SF/R.9/Add.22) and at the second session of the UNDP's Governing Council in June 1966 (see document DP/SF/R.2/Add.26).

Table 5

## Distribution of projects by economic sector

Economic sector	Previous programmes		Present programme		Cumulative	
	No. of projects	Earmarking (US dollars)	No. of projects	Earmarking (US dollars)	No. of projects	Earmarking (US dollars)
<u>Agriculture</u>						
Multi-purpose <sup>a/</sup>	69	75,942,497	15	16,934,100 <sup>b/</sup>	84	92,876,597
Land and water use	107	95,788,201	5	3,603,200	112	99,391,401
Plant production and protection	32	31,856,100	6	5,731,900 <sup>c/</sup>	38	37,588,000
Animal production and health	53	49,725,300	7	5,041,000 <sup>c/</sup>	60	54,766,300
Rural institutions and services	17	14,611,875	6	4,449,700 <sup>d/</sup>	23	19,061,575
Forestry	54	46,836,601	1	1,317,500 <sup>d/</sup>	55	48,154,101
Fishing	26	26,680,200	3	2,871,700 <sup>b/</sup>	29	29,551,900
Sub-total	358	341,440,774	43	39,949,100 <sup>b/</sup>	401	381,389,874
<u>Industry<sup>a/</sup></u>						
General	114	106,046,292	15	11,638,900 <sup>e/</sup>	129	117,685,192
Mining	64	57,047,905	6	4,782,000	70	61,829,905
Other individual industries	58	53,667,325	7	6,337,400	65	60,004,725
Sub-total	236	216,761,592	28	22,758,300 <sup>e/</sup>	264	239,519,892
<u>Public utilities</u>						
Power	22	19,670,474	3	4,462,900 <sup>f/</sup>	25	24,133,374
Transport	62	55,436,785	11	13,075,100 <sup>g/</sup>	73	68,511,885
Communications	29	26,663,084	1	739,100	30	27,402,184
Water supply and sewerage	15	13,608,000	2	1,749,600 <sup>f/</sup>	17	15,357,600
Sub-total	128	115,378,343	17	20,026,700 <sup>f/</sup>	145	135,405,043
<u>Housing, building and physical planning</u>						
Multi-sector	16	15,132,424	1	763,600	17	15,896,024
General planning <sup>h/</sup>	14	26,045,923	-	543,900 <sup>i/</sup>	14	26,589,823
River basin development	30	36,540,600	1	1,163,900 <sup>j/</sup>	31	37,704,500
Other	11	10,979,402	1	780,200 <sup>j/</sup>	12	11,759,602
Sub-total	55	73,565,925	2	2,488,000 <sup>j/</sup>	57	76,053,925
<u>Health</u>						
Health	8	7,283,500	1	210,500	9	7,494,000
<u>Education and Science<sup>h/</sup></u>						
Primary	1	1,701,300	1	1,203,600 <sup>k/</sup>	2	2,904,900
Secondary	33	40,814,000	3	3,973,200 <sup>j/</sup>	36	44,787,200
Technical	26	29,474,600	-	150,100 <sup>j/</sup>	26	29,624,700
University	22	28,205,200	-	793,500 <sup>j/</sup>	22	28,998,700
Other	1	1,294,600	-	-	1	1,294,600
Sub-total	83	101,489,700	4	6,120,400	87	107,610,100
<u>Social welfare, public administration and other services</u>						
Social welfare, public administration and other services	41	37,607,029	8	7,437,700 <sup>n/</sup>	49	45,044,729
TOTAL	925	908,659,287	104	99,754,300 <sup>b/</sup>	1,029	1,008,413,587

(foot-notes on following page)

- a/ Covers activities in more than one sub-sector.
- b/ Includes a supplementary earmarking of \$252,600 for Morocco: selected feasibility studies in the Sebou Basin and the Western Rif Region, a project approved at the second session of the UNDP's Governing Council in June 1966 (see document DP/SF/R.2/Add.30).
- c/ Includes a supplementary earmarking of \$426,100 for Afghanistan: training and demonstration in animal health and animal husbandry, a project approved at the first session of the UNDP's Governing Council in January 1966 (see document DP/SF/R.1/Add.1).
- d/ Includes a supplementary earmarking of \$324,700 for Peru: forestry research and training project of the Universidad Agraria, a project approved at the eighth session of the Special Fund's Governing Council in May 1962 (see document SF/R.5/Add.26).
- e/ Includes supplementary earmarkings of \$275,500 for Algeria: technical service and instructor training centre for adult vocational training in Algiers, a project approved at the twelfth session of the Special Fund's Governing Council in June 1964 (see document SF/R.9/Add.3); \$536,400 for Cyprus: vocational training and management development, Nicosia, a project approved at the tenth session of the Special Fund's Governing Council in June 1963 (see document SF/R.7/Add.15); \$221,800 for India: national apprenticeship scheme, a project approved at the fourth session of the UNDP's Governing Council in June 1967 (see document DP/SF/R.4/Add.18); \$429,900 for Iran: feasibility studies for the establishment of an industrial estate, a project approved at the tenth session of the Special Fund's Governing Council in June 1963 (see document SF/R.7/Add.19); and \$516,600 for the United Republic of Tanzania: industrial studies and development at Dar-es-Salaam, a project approved at the thirteenth session of the Special Fund's Governing Council in January 1965 (see document SF/R.10/Add.59).
- f/ Includes a supplementary earmarking of \$265,300 for India: Power Engineering Research Organization, Bhopal and Bangalore, a project approved at the third session of the Special Fund's Governing Council in December 1959 (see document SF/L.26/Add.16).
- g/ Includes a supplementary earmarking of \$441,000 for Somalia: highway development programme, a project approved at the thirteenth session of the Special Fund's Governing Council in January 1965 (see document SF/R.10/Add.49).
- h/ Assistance to a specific sector or sub-sector is classified under the sector or sub-sector concerned.
- i/ Represents a supplementary earmarking for Liberia: assistance to the national planning agency, a project approved at the twelfth session of the Special Fund's Governing Council in June 1964 (see document SF/R.9/Add.22) and at the second session of the UNDP's Governing Council in June 1966 (see document DP/SF/R.2/Add.26).
- j/ Includes a supplementary earmarking of \$92,800 for Ethiopia: assistance in strengthening the Awash Valley Authority, a project approved at the fourteenth session of the Special Fund's Governing Council in June 1965 (see document SF/R.11/Add.12).
- k/ Includes supplementary earmarkings of \$72,000 for Ivory Coast: Secondary School Teacher Training Institute, Abidjan, a project approved at the sixth session of the Special Fund's Governing Council in May 1961 (see document SF/R.3/Add.20); \$279,700 for Mali: Secondary School Teacher Training Institute, Bamako, a project approved at the seventh session of the Special Fund's Governing Council in January 1962 (see document SF/R.4/Add.18); \$797,900 for Morocco: Secondary School Teacher Training Institute, Rabat, a project approved at the eighth session of the Special Fund's Governing Council in May 1962 (see document SF/R.5/Add.20); and \$417,500 for Nigeria: Secondary School Teacher Training College, Northern Region, a project approved at the seventh session of the Special Fund's Governing Council in January 1962 (see document SF/R.4/Add.21).
- l/ Represents a supplementary earmarking for Ecuador: National Polytechnic School, Quito, a project approved at the sixth session of the Special Fund's Governing Council in May 1961 (see document SF/R.3/Add.10).
- m/ Represents a supplementary earmarking for Kenya: Faculty of Engineering, Royal College, Nairobi (training of engineers for East Africa), a project approved at the eighth session of the Special Fund's Governing Council in May 1962 (see document SF/R.5/Add.35).
- n/ Includes a supplementary earmarking of \$179,400 for Jamaica: assistance to the Survey Department of Jamaica, a project approved at the thirteenth session of the Special Fund's Governing Council in January 1965 (see document SF/R.10/Add.29).

Table 6

Distribution of projects by geographical region

Geographical region	Previous programmes		Present programme		Cumulative	
	Number of projects	Earmarking (US dollars)	Number of projects	Earmarking (US dollars)	Number of projects	Earmarking (US dollars)
Africa	338	336,958,404	41	38,392,100 <sup>a/</sup>	379	375,350,504
Asia and the Far East	233	232,037,012	25	23,039,700 <sup>b/</sup>	258	260,076,712
The Americas	223	219,688,713	21	19,532,400 <sup>c/</sup>	244	239,221,113
Europe	63	63,710,242	6	5,546,500 <sup>d/</sup>	69	69,256,742
Middle East	67	52,398,911	10	7,454,500	77	59,853,411
Inter-regional	1	3,866,000	1	739,100	2	4,605,100
<u>TOTAL</u>	<u>925</u>	<u>908,659,287</u>	<u>104</u>	<u>99,754,300<sup>a/b/c/d/</sup></u>	<u>1,029</u>	<u>1,008,413,587</u>

a/ Includes supplementary earmarkings as follows: \$275,500 for Algeria: technical service and instructor training centre for adult vocational training in Algiers (see document SF/R.9/Add.3); \$92,300 for Ethiopia: assistance in strengthening the Awash Valley Authority (see document SF/R.11/Add.12); \$72,000 for the Ivory Coast: Secondary School Teacher Training Institute, Abidjan (see document SF/R.3/Add.20); \$793,500 for Kenya: Faculty of Engineering, Royal College, Nairobi (Training of Engineers for East Africa) (see document SF/R.5/Add.35); \$543,900 for Liberia: assistance to the national planning agency (see documents SF/R.9/Add.22 and DP/SF/R.2/Add.26); \$279,700 for Mali: Secondary School Teacher Training Institute (see document SF/R.4/Add.18); \$252,600 for Morocco: selected feasibility studies in the Sebou Basin and the Western Rif Region (see document DP/SF/R.2/Add.30); \$797,900 for Morocco: Secondary School Teacher Training Institute, Rabat (see document SF/R.5/Add.20); \$417,500 for Nigeria: Secondary School Teacher Training College, Northern Region (see document SF/R.4/Add.21); \$441,000 for Somalia: highway development programme (see document SF/R.10/Add.49); and \$516,600 for the United Republic of Tanzania: industrial studies and development (see document SF/R.10/Add.59).

b/ Includes supplementary earmarkings as follows: \$426,100 for Afghanistan: training and demonstration in animal health and animal husbandry (see document DP/SF/R.1/Add.1); \$265,300 for India: Power Engineering Research Organization, Bhopal and Bangalore (see document SF/L.26/Add.16); \$221,800 for India: national apprenticeship scheme (see document DP/SF/R.4/Add.18); and \$429,900 for Iran: feasibility studies for the establishment of an industrial estate (see document SF/R.7/Add.19).

c/ Includes supplementary earmarkings as follows: \$150,100 for Ecuador: National Polytechnic School, Quito (see document SF/R.3/Add.10); \$179,400 for Jamaica: assistance to the Survey Department of Jamaica (see document SF/R.10/Add.29); and \$324,700 for Peru: forestry research and training project of the Universidad Agraria (see document SF/R.5/Add.26).

d/ Includes a supplementary earmarking of \$536,400 for Cyprus: vocational training and management development, Nicosia (see document SF/R.9/Add.3).



(b) Referring to the number of requests for supplementary assistance in the programme, it was pointed out that these were often caused by delays incurred in the initial phases of project implementation, resulting in discrepancies between stated project objectives and the results actually achieved. A majority of the requests were thus designed to permit completion of the project's initial objectives, the training of counterparts or to reinforce some of the project's approved activities.

(c) Phase II projects, on the other hand, were requested when new and additional needs were revealed, within the general field of activity of a project, in the course of its implementation. Examples of Phase II projects included in the programme were water supply and mineral survey schemes in Morocco and Panama, as well as educational centres in Colombia and Liberia in the fields of agriculture and forestry and in general and financial administration.

(d) Provision for a detailed assessment of work carried out during the initial phases of project implementation, to be undertaken jointly by UNDP, the Government and the participating and executing agencies involved, was included in a majority of new projects in the programme. Moreover, a relatively short initiation phase was being recommended for an increasing number of projects, in order to permit evaluation studies by the Administrator prior to the endorsement of long-term commitments and the earmarking of large sums. Two major schemes involving a joint effort by UNDP and bilateral and other sources of assistance - the centre for health sciences in Cameroon and the teacher training institute in the Ivory Coast - were illustrative of this two-stage approach. In both instances, an initial phase was considered a necessary first step for the careful preparation and integration of large programmes of activities involving several sources of support.

(e) Concentrated UNDP support in well-defined sectors, with a view to achieving a rapid breakthrough in the solution of a given problem, was reflected in major transportation schemes in Indonesia and the Democratic Republic of the Congo as well as in a power and water administration project in Pakistan. This did not exclude aid to other sectors, however, as illustrated by the large programme of rehabilitation and development of the agricultural sector planned for various regions of the Democratic Republic of the Congo.

(f) Examples of major co-ordination efforts involving interdisciplinary approaches and inter-agency collaboration were projects aimed at the integrated development of rural areas in Burundi and Mexico and two regional projects in Latin America, namely the development and integration of the Guajira Peninsula and the modernization of rural life in the Andes. In this connexion, it was expected that these projects would provide, at an early stage of their implementation, a solid basis for an intensive joint evaluation.

(g) The continued interest of Governments in developing their industrial manpower was reflected in the large number of projects for industrial vocational training in Ecuador, France, Iraq, Jamaica, Malaysia, the Philippines, Tunisia, and Non-Self-Governing Territories administered by the United Kingdom. A new emphasis on in-plant training which formed the substance of a training scheme in Chile was also discernible in several of these projects.

(h) In response to the need of many developing countries to strengthen their postal services, an inter-regional project for the training of postal workers was included for the first time in the recommendations of the Administrator and it was anticipated that additional projects of a similar nature would be included in forthcoming programmes.

(i) A growing interest in the development of training schemes to provide personnel for the hotel and catering industries was illustrated by two projects in this field in Singapore and Tunisia.

(j) In the field of agricultural training, projects ranged from training of upper and middle-level agricultural cadres in Iraq and Brazil, through the training, by means of technical radio broadcasts, of adult farmers in India in the use of improved seeds and equipment, to the basic reorganization and "ruralization" of curricula at the post-primary school level in Guinea.

(k) The training of teachers continued to receive attention, as reflected in projects in Guatemala, Kenya, Morocco and Nigeria, as well as the regional science teacher training programme of the University of Botswana.

(l) Examples of projects designed to develop skilled personnel in statistical techniques were the statistical training institutes in Cameroon and Uganda and a regional project, the Asian Institute for Training and Research in Statistics.

(m) Within the field of natural resources development, projects in Cuba, Nepal, Peru and Yugoslavia would assist in preserving, expanding and developing forest resources, while the survey, development and use of water resources were the subjects of projects in Lesotho, Mauritania, Paraguay and Spain. Groundwater studies to be carried out under a project in Upper Volta were directly related to the potential exploitation of extensive manganese deposits. Further support for the exploration of national mineral potential was reflected in projects in Honduras, Liberia, Mauritania, and Turkey, and a project in Indonesia was directly related to attempts at reactivating the exploitation of tin deposits.

(n) In the general area of industrial development, the programme included the provision of high-level technical and managerial expertise to industrial and other enterprises in Ghana and Mali, highly specialized advisory services at the factory level in Tunisia and Pakistan and assistance in carrying out basic industrial research in Chile and Trinidad and Tobago. In the field of management and productivity, three projects designed to assist small entrepreneurs and to further the growth of local, nationally owned enterprises were proposed in Cameroon, Iran and Uruguay. Seven of these projects were to be executed by UNIDO.

(o) Applied, production-oriented agricultural research, designed to assist Governments in increasing local production of food-stuffs and the production of export agricultural commodities, was represented in the programme by a number of projects, including those in the Democratic Republic of the Congo and in Western Samoa. Of special note were projects aimed at increasing wheat production in Brazil, raising production of beans, oils and other local food-stuffs in the Dominican Republic and increasing sheep production in Algeria. With respect to export crops, initial support was proposed for the tobacco institute in Syria, with a view towards improving its tobacco crop.

(p) In view of the continuing world protein shortage, increased support was also proposed for projects aimed at increasing meat and dairy production in China and Pakistan. For both of these projects, close working relationships would be developed with the complementary activities of the World Food Programme. Additional efforts to provide assistance for increased protein production were reflected in fishery projects in Malawi and Peru, and a regional project for the development of lagoon and reef fisheries in the South Pacific. Of particular significance was a project in India designed to exploit the relatively untouched pelagic fishery in the Goa-Cochin area in close association with Swedish and Norwegian bilateral assistance efforts.

(q) Regarding efforts to improve animal production, a co-ordinated group of animal health institutes and services in the Middle East, to which UNDP had been providing support since 1960, was being further extended in the new programme to include activities designed to increase production of foot-and-mouth disease vaccines and to strengthen veterinary services in Afghanistan, Cyprus, Pakistan and Turkey.

#### Participating and executing agency overhead costs

17. A tabular summary of overhead costs, by participating and executing agency, both for the present and previous programmes, was submitted to the Council (see table 7 below).

#### Preparatory assistance

18. For 65 of the 104 projects and 19 supplementary earmarkings being recommended, the Administrator made use of preparatory assistance funds for revision, reformulation or evaluation of the requests, either by sending expert or consultant missions to the field or by referring the request to a consultant for opinion.

#### Cancellation of projects

19. With the concurrence of the Governments concerned, the Administrator recommended to the Governing Council the cancellation of the following projects: Costa Rica (mineral survey in the Northwest), Costa Rica (transport study of the metropolitan region of San José), Mexico (National Institute of Forest Investigations), and Sudan (feasibility survey for the development of agricultural production in Western Equatoria). Uncommitted earmarkings for these projects amounted to \$4,710,454 and the corresponding reserve for the Administrator's contingency authority to \$376,836.

#### Surrender of earmarkings resulting from project modification

20. The Administrator recommended that, in accordance with project reformulation in agreement with the Governments concerned, the Governing Council reduce the sum earmarked for Tunisia (training of farm managers and farm accountants) from \$1,601,400 to \$1,162,500 and that for India (grassland and fodder development) from \$1,557,900 to \$391,500.

Table 7

## Participating and executing agency overhead costs

Agency	Previous programmes		Present programme		Cumulative	
	Project costs a/	Participating and executing agency overhead costs	Project costs a/	Participating and executing agency overhead costs	Project costs a/	Participating and executing agency overhead costs
			(United States dollars)			
United Nations	153,852,045	14,928,450	17,116,800	1,876,400	170,968,845	16,804,850
ILO	89,438,702	9,287,200	14,437,400	1,585,400	103,876,102	10,872,600
FAO	315,425,958	32,219,375	32,871,300	3,598,200	348,297,258	35,817,575
UNESCO	136,068,772	12,980,150	6,704,200	727,100	142,772,972	13,707,250
WHO	20,912,900	2,133,400	1,766,800	193,300	22,679,700	2,326,700
IBRD	36,963,861	550,585	9,982,700	143,000	46,946,561	693,585
ICAO	12,785,876	937,900	2,238,300	245,600	15,024,176	1,183,500
ITU	22,203,084	2,248,600	-	-	22,203,084	2,248,600
WMO	15,647,229	1,536,900	1,187,300	130,400	16,834,529	1,667,300
IAEA	3,525,900	352,400	-	-	3,525,900	352,400
UNIDO	21,165,600	2,241,200	3,794,700	416,300	24,960,300	2,657,500
Inter-American Development Bank b/	860,800	94,600	-	-	860,800	94,600
African Development Bank b/	268,300	29,500	-	-	268,300	29,500
UPU	-	-	665,900	73,200	665,900	73,200
TOTAL	829,119,027	79,540,260	90,765,400	8,988,900	919,884,427	88,529,160

a/ Includes UNDP (Special Fund) direct costs.

b/ An executing agency.

### Summary of discussion

21. In introducing the programme, the Administrator observed that although progress had been achieved over the past ten years, the current programme, which was the largest to date, was only one half of what it should be. If the flow of investment capital to developing countries and local investment within those countries were to be doubled, external assistance for technical assistance and pre-investment projects must also be doubled. In addition, Governments of developing countries must display greater imagination and creativity in seeking projects for financing which would lead to full utilization of their own human and material resources. In conclusion he stated that the momentum which would be generated by approval and implementation of the current programme should be maintained and, if possible, even doubled.

22. Many members commented favourably on the growth in the volume and quality of the programme. Others expressed satisfaction at the diversity and balanced distribution of the programme as between economic sectors and geographic areas.

23. Several members noted the number of integrated development schemes which would require interdisciplinary, multisectoral approaches and would encourage greater inter-agency collaboration and better co-ordination of programme activities. In this connexion, one member noted that, in addition to co-operation with agencies, it would be useful if UNDP could find means of increasing its use of consulting firms and non-governmental institutions in the implementation of projects. Other members encouraged joint financing between multilateral and bilateral programmes of assistance as a means of supplementing the resources of the programme, while still others favoured the concept of joint programming of activities which would involve several sources of assistance and minimize duplication. One member said that if joint multilateral and bilateral financing proved necessary, UNDP should make contact with the other sources of finance from the preliminary stage and should not take any action of importance without holding consultations with them.

24. The application of the multistage approach to large, long-term projects, particularly those in fields requiring large amounts of funds, was favoured by a number of members. Others noted the increased attention being given, in the initial phase of project implementation, to fact-finding analyses and evaluation and welcomed the possibility of a more realistic definition of project targets resulting in prevention of duplication in the field. In this connexion, some members looked forward with interest to the Administrator's report, to be presented to the Council in 1970, which would be based on joint evaluations of projects and deal with questions of interagency collaboration and interdisciplinary approach. In addition, one member suggested that it might be useful for the Administrator to circulate to interested parties appraisals of groups of projects in a specific sector of economic activity, the results of which were of particular value to the recipient countries and had a high development effect. The same member also stressed the importance of continuous evaluation and said that he would welcome reports, at intervals, analysing the results and experiences gained from projects completed during the period of review.

25. Satisfaction was expressed at the increased participation of UNIDO in the programme. Attention was drawn to the fact that even though approximately 23 per cent of the programme was devoted to the industrial sector, UNIDO had

been entrusted with the execution of only seven projects, accounting for only 4.7 per cent of the resources of the programme. The central role of UNIDO in the co-ordination of activities in the field of industrial development was stressed by many members, who expressed the hope that in future UNIDO would be entrusted with greater responsibility for project execution in the industrial field. One member noted that the number and type of industrial projects being undertaken reflected the number and type of requests for such projects put forward by developing countries. Moreover, other specialized agencies such as the ILO and FAO had developed expertise in the industrial sector and were executing projects in this sector.

26. Several members welcomed the addition of UNCTAD to the growing number of participating and executing agencies of UNDP. One member noted with regret, however, that there were no projects in the current programme in the field of trade, and another looked forward to the future participation of UNCTAD as an executing agency for projects related not only to trade promotion, but to trade in general.

27. While several members expressed general satisfaction at the inclusion of a number of projects in the agricultural sector, some of which had been designed to take full advantage of recent technological advances in agricultural development, others regretted the relatively small number of projects in the fields of education and power development. One member expressed particular surprise that no projects in the field of population had been included in the programme, despite the high priority assigned to this field in the development plans of many countries. He indicated, however, that, since family planning activities represented a comparatively new field, some Governments might be unaware of the possibilities of obtaining international assistance in this field and should be informed of the assistance available through UNDP.

28. Two members, noting the importance of human relations in programme activities, emphasized the need to consider the social implications of economic development in the early planning stages of assistance projects.

29. One member commended the increased number of projects in Asia. Another expressed strong reservations regarding the proposed project for Cuba since the Government of that country had created an atmosphere which was inhospitable to the utilization of its own human and technical resources.

30. With regard to contributions by countries receiving assistance, it was suggested that recipient countries which were relatively more developed should endeavour to increase their contributions to UNDP projects, including, where appropriate, contributions in foreign exchange, whereas contributions from more needy countries should be kept at a minimum. In appropriate cases, local cost requirements should be reduced or waived. A flexible approach should be maintained in this regard, and continuous attention should be given to the assessment of changing needs and priorities for assistance in developing countries. One member expressed interest in the report by the Administrator regarding guidelines for cost-sharing, to be presented to the Council at a future session.

31. One member expressed the view that with the building of basic and simple infrastructure of development, there would be a greater need for pre-investment projects of an increasingly sophisticated nature, particularly for eliminating

bottle-necks in particular sectors and for the transfer of advanced technology to developing countries. In adapting itself to the evolving needs of the developing countries, UNDP would be required to concern itself increasingly with projects of a somewhat different nature and size, both unconventional and ambitious.

32. Some members commented favourably on the quickening pace at which Government requests were being submitted, and suggested that this demonstrated the growing capacity of developing countries to absorb pre-investment assistance, due, in part, to more sophisticated planning techniques. One member, however, questioned the desirability of spending large sums of money on, for example, the training of personnel in countries where there was no immediate hope of employing them and emphasized the significance of relating projects to the absorptive capacity of requesting countries.

33. While several members commented on the low level of resources available for earmarking at the June 1969 session, one member stated that the momentum of the programme must be maintained at all costs, that it was not essential to strike an equal balance between the January and June programmes, and that the Council should approve projects as soon as they were ready. Other members indicated that ways and means of financing the June programme would have to be examined if deceleration in the activities of UNDP was to be avoided. Expressing concern at the inadequacy of UNDP financial resources in relation to the important role UNDP would play in the Second United Nations Development Decade, one member emphasized that the desired rate of economic growth, higher than the 4.5 per cent increase achieved during the present decade, could only be met if there was a corresponding increase in pre-investment activity. It was recalled that in the UNDP Pledging Conference in October 1968 the Administrator, while indicating the need for twice the resources available to the Programme at present, had called for a real breakthrough in 1970.

#### Observations of the Administration

34. The Assistant Administrator and Associate Director of the Bureau of Operations and Programming, replying to the comments made with respect to the role of UNIDO, recalled that eight projects, totalling approximately \$7 million, had been approved in 1968 for execution by UNIDO. In addition, UNIDO and UNDP had approved Special Industrial Services projects amounting to about \$4.7 million, financed from government voluntary contributions for Special Industrial Services, and other projects were under study. Apart from projects executed by UNIDO, there were a number of projects relating to industrialization involving the United Nations and other participating and executing agencies, with whom UNIDO, in its co-ordinating role, was in continuous contact.

35. Concerning the preparatory stage of programming, he emphasized the importance of exploratory work carried out by the Resident Representatives or special missions in examining the general objectives of projects and assessing the capacity and intention of Governments to ensure implementation. Preparatory assistance missions were also an essential part of programming, to ensure, for example, the availability of counterpart personnel, the necessary buildings, and in many cases special legislative action by the Government concerned. Methods of accelerating

the preparation of projects and of including tentative work plans in the project request were currently being reviewed in consultation with the participating and executing agencies.

36. In response to the concern expressed at the absence of any projects in the field of population, the Assistant Administrator and Director of the Bureau of Operations and Programming, assured the Council that the Administration had a positive interest in family planning and wished to use its resources in that field. He stated that, in response to a memorandum circulated by the Administrator in May 1968, which requested an indication of Governments' interest in the field of family planning, thirty positive replies had been received but were expressed in terms too general to warrant the development of projects. He also noted that the Administrator had drawn the attention of Governments to the possibility of considerable funds-in-trust becoming available for this purpose, and in response to the requests which had been received, a training programme for ten family planning officers was being launched under the United Nations regular programme and several missions had been sent to the field, or were under consideration, by UNDP.

37. In conclusion, the Administrator stated that he favoured the most rapid industrialization that could be carried out in developing countries, but he cautioned against the creation of projects which were bound to be failures. He noted, however, that, as more and more manpower would be released from the agricultural sector as a result of improved technology in that field, the number of projects in the industrial sector must increase at a steady rate in order to prevent serious problems of urban unemployment. In this connexion, he informed the Council that by the end of 1969, ten industrial advisers would be added to the UNDP staff.

#### Decision of the Governing Council

38. At its 138th meeting, following the discussion under item 4 (b) of its agenda, the Council, subject to the observations and reservations expressed on some projects decided:

(a) To approve the proposed programme (see annex II below);

(b) To earmark for each of the projects listed in annex II the sums shown in that annex under the heading "Governing Council earmarking";

(c) To authorize the Administrator to make the appropriate arrangements with Governments and participating and executing agencies for the execution of these projects;

(d) To earmark an additional \$7,980,334 (equivalent to 3 per cent of the total Governing Council earmarkings for the present programme) as a reserve for the Administrator's contingency authority;

(e) To earmark the sum of \$130,000 to cover the cost in 1969 of financing preparatory assistance or preliminary operations in connexion with projects which are not approved by the Governing Council;



(f) To earmark the sum of \$12,996,490 for the Special Fund share of the UNDP administrative budget;

(g) To cancel uncommitted earmarkings in the amount of \$3,105,154 and the corresponding reserve for the Administrator's contingency authority in the amount of \$243,412 for the projects recommended for cancellation in paragraph 19 above;

(h) To cancel uncommitted earmarkings in the amount of \$1,605,300 and the corresponding reserve for the Administrator's authority in the amount of \$128,424 for the projects recommended for modification in paragraph 20 above.

#### Preliminary operations

39. Under item 4 (c) of its agenda, the Council considered the Administrator's report on proposals for preliminary operations on two projects which had been approved by him between the sixth and seventh sessions of the Governing Council (DP/L.93).

#### Summary of discussion

40. Although both members who spoke on item 4 (c) supported the Administrator's recommendations, one member requested that, in future, more specific information be given to Council members with regard to the kind of assistance to be provided and the proposed duration of preliminary operations.

41. Another member stated that, since the criterion of urgency, as the basis for the Administrator's authority to approve preliminary operations, could not be precisely defined, each case should be considered on its own merits. The two projects for which preliminary operations were being proposed were urgent because of the seasonal factor. He also noted with satisfaction that the reduction in the number of preliminary operations being proposed by the Administrator reflected improved planning processes in the initial stages of project formulation.

#### Decision of the Governing Council

42. At its 139th meeting, the Council took note of the proposals for preliminary operations authorized by the Administrator between the sixth and seventh sessions of the Council on the following two projects:

(US dollars)

BOLIVIA	- Establishment of a pilot demonstration farm and preparation of a feasibility study for the agro-industrial development of the Abopo-Izozog region	- 53,000
GHANA	- Cotton production, development and training	- 78,400

### CHAPTER III

#### UNDP TECHNICAL ASSISTANCE PROGRAMME

43. Under item 5 of its agenda, the Council considered:

(a) A report on new arrangements proposed for regional and inter-regional projects (DP/TA/L.21);

(b) Revised estimates of resources and earmarkings for 1969 and initial estimates of resources for 1970 and their distribution, including country and regional targets (DP/TA/R.2 and Corr.1);

(c) Recommendations of the Administrator for regional and inter-regional projects (DP/TA/L.19/Rev.1 and Rev.1/Add.1) and for additional projects to be financed from the Danish restricted contribution (DP/TA/L.20 and Add.1);

(d) A report by the Administrator on country programmes (DP/TA/P/L.1 and Add.1, Add.1/Corr.1, Add.2, Add.3, Add.3/Corr.1, Add.4 and 5).

#### A. New arrangements proposed for regional and inter-regional projects

##### Report by the Administrator

44. At its sixth session, the Council proposed new arrangements for regional and inter-regional projects for the operational year 1970. <sup>3/</sup> These included the elimination of agency target figures, with the funds normally reserved for this purpose to be retained by the Administrator, and the delegation of project approval to the Administrator for projects having a cumulative value of less than \$200,000 over their anticipated duration. Pending the establishment of new procedures, the Council decided to approve new regional and inter-regional project proposals submitted to it at its seventh session for 1969 only. The Council had requested the Administrator to consider the various implications and modalities of operation of the new arrangements, including a re-examination of the current system of specific allocation of controlled currencies to participating and executing agencies, together with any necessary transitional measures, and, after consulting IACB, report to the Council at its seventh session on the procedure for the implementation of the new arrangements.

45. The Assistant Administrator and Director of the Bureau of Operations and Programming introduced the Administrator's report (DP/TA/L.21). He explained that the Administrator had held detailed discussions with the participating and executing agencies in October 1968, both before and during the IACB meetings, on the new arrangements proposed for regional and inter-regional projects. Although the participating and executing agencies respected and appreciated the views of the Council, it was pointed out in the course of the consultations that

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<sup>3/</sup> See Official Records of the Economic and Social Council, Forty-fifth Session, Supplement No. 6A (E/4545), para. 83.

real constitutional, financial and management problems existed which required time for their resolution: UNESCO, which spread its programming over two years, found itself with a conflict between decisions already taken by its governing body and the new arrangements proposed by the Governing Council, as the Executive Board of UNESCO had already approved a series of regional and inter-regional projects for 1969 and 1970 to be financed jointly out of the UNESCO regular budget and anticipated UNDP resources.

46. After thorough consideration of the problems encountered in the course of consultations with the participating and executing agencies, the Administrator recommended that the Council agree to the postponement of the introduction of the new arrangements for one year. The Assistant Administrator and Director of the Bureau of Operations and Programming indicated that this interim period would be used by UNDP, the participating and executing agencies and the Governments involved to examine, and where necessary renegotiate, the regional and inter-regional projects extending beyond 1970. He indicated that the Administrator would submit a report on this matter to the Council at its eighth session.

#### Summary of discussion

47. Members of the Council strongly endorsed the new arrangements for regional and inter-regional projects proposed at the sixth session. However, they accepted the recommendation of the Administrator for a postponement of not more than one year in the implementation of the new arrangements. One member considered that several years might be needed before the new arrangements could be fully applied. While two members appreciated the difficulties of the participating and executing agencies in making needed adjustments in the relatively short time allotted at the Council's sixth session, several others questioned the validity of these difficulties, and wondered why they had not been foreseen and expressed at the Council's sixth session. One member added that it should not be forgotten that whatever the solution finally adopted, regional projects could only be based on the needs of the developing countries and the requests made by their own Governments.

48. Two members queried whether UNESCO had been the only participating and executing agency with programming difficulties, and showed concern over the apparent rigidity of the programming arrangements of UNESCO. Several members emphasized that all the participating and executing agencies should make serious efforts to resolve as quickly as possible all problems engendered by the new arrangements for regional and inter-regional projects. While some members of the Council proposed that the difficulties in applying the new arrangements be examined by the Commissioner for the Capacity Study, others suggested that the Administrator review the possible preliminary steps which would assure smooth implementation of the new arrangements, and report to the Council at its eighth session.

49. Several members felt that no over-all delay in implementation was necessary, and proposed a transitional period during which a step-by-step implementation of the new arrangements for regional and inter-regional projects would be carried out. There was no reason to defer the delegation of authority to the Administrator for the approval of projects under \$200,000.

50. With regard to the difficulties of currency management engendered by the new arrangements, several members considered that more information was needed on the use of both convertible and non-convertible currencies by UNDP and the participating and executing agencies. Many members stated that the difficulties of currency management were far from insurmountable and mainly of a technical nature. One member indicated that, as a general policy, regional and inter-regional projects should be determined by worth-while existing development needs, rather than by the needs of currency utilization.

51. Two members considered that problems relating to the utilization of non-convertible currencies would be avoided if member Governments made greater efforts to make their contributions to UNDP in convertible currencies. If this were not possible, special agreements would be needed to secure the most efficient use of non-convertible currencies.

52. Two members objected to the sentence in paragraph 6 of document DP/TA/L.21 concerning a confirmation by the Council of its previously taken decision. Decision on this matter having already been taken at the sixth session, there was no need for the Council to reiterate it.

#### Observations of the Administration

53. The Assistant Administrator and Director of the Bureau of Operations and Programming thanked the members of the Council for their understanding of the difficulties encountered by UNDP and the participating and executing agencies in the implementation of the new arrangements for regional and inter-regional projects. He stated that step-by-step implementation was planned. It was not suggested that the Council reconsider the new arrangements, but only that their full implementation be deferred. He confirmed that UNESCO had been the only participating and executing agency which had brought constitutional problems to the attention of the Administrator.

54. Replying to the observations on currency management, the Director of the Division of Financial Management and Administrative Policy acknowledged that the technical problems arising in that connexion were of a secondary nature and he assured the Council that efforts to use non-convertible currencies would not affect programme policy. He explained that UNDP had faced currency utilization difficulties in the past and had found that the system of agency regional targets was helpful in dealing with them. The participating and executing agencies were co-operating closely with UNDP to improve currency utilization and a one-year postponement in the implementation of the new arrangements would permit UNDP and the agencies to engage in further constructive reviews of the problem.

#### Decision of the Governing Council

55. At its 140th meeting, the Governing Council took the following decision:

##### "The Governing Council

"(a) Considers that the difficulties pointed out by the Administrator in his report on new arrangements proposed for regional and inter-regional projects (DP/TA/L.21) are essentially of a transitional character;

"(b) Confirms the new arrangements proposed at its sixth session for regional and inter-regional projects, subject to the postponement of the elimination of agency targets to a date not later than the operational year 1971;

"(c) Requests the Administrator to consult further with IACB, taking into account the comments and observations of members of the Council, including those relating to the desirability of obtaining full utilization of all currencies made available to UNDP, and to prepare for consideration by the Council at its eighth session revised procedures to be recommended for approval by the Economic and Social Council and the General Assembly for the implementation of the new arrangements, in view of their resolutions 1250 (XLIII) and 2279 (XXII), respectively."

B. Revised estimates of resources and earmarkings for 1969 and initial estimates of resources for 1970 and their distribution

56. The Administrator informed the Council (DP/TA/R.2 and Corr.1) that the initial estimates of resources for the Technical Assistance component for 1970 (\$34,997,000), assumed an increase of approximately 8 per cent in the level of voluntary contributions for 1970 as compared with 1969, and that he intended to continue to take advantage in 1969 of the flexibility arising from the action of a number of the principal contributors which made their pledges in a single amount undivided by component. He also drew attention to the fact that the residual balance of \$1,062,000 remaining in the Technical Assistance component from the former Working Capital and Reserve Fund of the Expanded Programme of Technical Assistance was included in the total of the estimated resources for 1970.

57. With regard to the distribution of resources for 1970, the Administrator recommended that the level of the planning reserve be continued at 6 per cent of the resources available for the field programme, and that the proportion of funds devoted to regional and inter-regional projects for the year 1970 be increased to 13 per cent of the resources available for the field programme (17 per cent plus 1 per cent for the smaller agencies). This increase would facilitate the absorption of projects which before 1969 were financed separately from the Danish restricted contribution within the established targets for regional and inter-regional projects.

58. Concerning country targets prepared for review and approval by the Council for 1970, the increase in the over-all level (including the Administrator's planning reserve) from \$47,070,000 in 1969 to \$53,140,000 in 1970 was likely to be largely offset by upward adjustments in the salary scales of international personnel and other increases in the costs of experts' services. Consequently, in terms of units of assistance, the 1970 country targets remained at approximately the same level as the programme approved for 1969.

59. In the case of the agency targets for regional and inter-regional projects proposed for approval for 1970, it was explained that these would later have to be adjusted in the light of the decision of the General Assembly to designate UNCTAD as a participating and executing agency of UNDP. Consequential adjustments would therefore be made by the Administrator in the distribution of agency shares and in the distribution of the additional percentage for small agencies.

60. The Administrator recommended that the earmarkings for overhead costs in 1970 be approved at the same level proposed for 1969. For both years, this included increases requested by IMCO and UPU, under the flexibility provision of Economic and Social Council resolution 1060 (XXXIX), to bring earmarkings for their overhead costs to the same annual amounts approved for the 1967-1968 biennium, namely, \$65,000 for IMCO and \$90,000 for UPU.

61. The Council was also informed that the earmarking for the Technical Assistance share of the UNDP administrative budget recommended for approval by the Council reflected the increase in staff emoluments approved by the United Nations General Assembly at its twenty-third session.

#### Summary of discussion

62. Two members expressed concern at the level of country targets proposed for 1970 which showed no real increase over the targets for 1969. They noted that if the proposed target figures for 1970 were to be taken as indication of the probable distribution of resources for the period 1971-1973, the shares of individual countries would remain static. Three members proposed that this very important question of targets be carefully examined by the Commissioner for the Capacity Study.

63. One member suggested that those countries with funds-in-trust arrangements should use them more intensively, so as to permit resources allocated to the Technical Assistance component to be distributed to other countries.

64. Several members expressed their concern over the fact that a very high proportion of the available resources was pre-empted for continuing projects. Such a situation not only entailed limits on the size of projects, but deprived some countries of the possibility of requesting new projects and of choosing among participating and executing agencies. In the opinion of one member, this situation underlined the importance of undertaking a comprehensive review of projects to ensure that Technical Assistance funds are concentrated on projects of high priority. Two members considered that regional and inter-regional activities should not be increased, since developing countries did not seem to set a high priority on such projects.

65. One member stated that his Government had been impressed by the manner in which the Administrator had taken advantage of the flexibility arising from the fact that certain pledges to UNDP central resources were not divided by component. He announced that his Government would follow this practice in the future, and asked what long-term effects would ensue if all countries pledged their contributions in an undivided manner.

#### Observations of the Administrator

66. In reply to the question concerning the long-term effects on the Programme of voluntary contributions undivided by component, the Administrator indicated that such a practice would enable UNDP to relate more closely to the needs of the developing countries, since there would be no fixed proportion of resources allocated annually to the two components. On the evidence of current trends in

requests, he did not consider that there would be any substantial change in the near future in the proportion of resources allocated to each of the two components of UNDP.

### Decision of the Governing Council

67. At its 140th meeting, the Council decided to:

(a) Take note of the revised estimates of resources for 1969 (\$80,067,000) and initial estimates of resources for 1970 (\$84,997,000);

(b) Maintain the level of the planning reserve for the year 1970 at 6 per cent of the resources available for the field programme;

(c) Increase the proportion of funds devoted to regional and inter-regional projects for the year 1970 to 18 per cent of the resources available for the field programme (17 per cent plus 1 per cent for the smaller agencies);

(d) Earmark funds for the 1969 Technical Assistance programme as follows:

	<u>(US dollars)</u>
(i) Country projects . . . . .	47,070,000
(ii) Regional and inter-regional projects . . . . .	11,934,855
(iii) Agencies' overhead costs . . . . .	8,627,151
(iv) Technical Assistance share of the UNDP administrative budget . . . . .	6,998,110
(v) Repayment to the UNDP Revolving Fund for contingency allocations issued in 1968 . . . . .	<u>4,350,000</u>
TOTAL	<u><u>78,980,116</u></u>

(e) Approve the distribution of the estimated resources for 1970 as follows:

	<u>(US dollars)</u>
(i) Field programme:	
Country targets . . . . .	49,260,000
Planning reserve . . . . .	3,888,000
Regional and inter-regional targets . . . . .	<u>11,667,000</u>
	64,815,000
(ii) Agencies' overhead costs . . . . .	8,582,000
(iii) Technical Assistance share of the UNDP administrative budget . . . . .	7,250,000
(iv) Repayment to the UNDP Revolving Fund for contingency allocations issued in 1969 . . . . .	<u>4,350,000</u>
TOTAL	<u><u>84,997,000</u></u>

C. Recommendations of the Administrator for regional and inter-regional projects and for additional projects to be financed from the Danish restricted contribution

68. In submitting his recommendations for regional and inter-regional projects for review and approval by the Council (DP/TA/L.19/Rev.1 and Rev.1/Add.1), the Administrator indicated that the total cost of the projects approved by the Council at its sixth session, together with those recommended to the seventh session, was at or near the target level - 17 per cent (16 per cent plus 1 per cent for smaller agencies) of resources available for the field programme - approved by the Council at its fourth session for 1969. This left almost no margin for the scheduling of additional activity in 1969.

69. In view of the fact that the inclusion of additional projects financed by the Danish restricted contribution within this 17 per cent global limit of resources, amounting to \$9,640,000 for 1969, would result in a retrenchment in the over-all level of regional activities in 1969, the Administrator recommended to the Council, as an exceptional measure applying only to 1969, that projects to be financed by the Danish restricted contribution, at a cost of \$2,294,355 (DP/TA/L.20 and Add.1), be approved separately from and in addition to the normal 1969 regional and inter-regional programme. These projects were also recommended for review and approval by the Council for 1969 only. As reported above (see para. 57 above), the Administrator also recommended that for the year 1970 the Council increase the proportion of funds devoted to regional and inter-regional projects to 18 per cent to facilitate the absorption of projects, which before 1969 were financed separately from the Danish restricted contribution, within the established targets for regional and inter-regional projects. In this connexion, the Administrator informed the Council that negotiations were under way with the Danish authorities concerning the utilization of their 1970 contribution within the framework of the new programming arrangements without having to resort to the ad hoc arrangements recommended for 1969.

Summary of discussion

70. While the Council generally endorsed the Administrator's recommendations for regional and inter-regional projects, including those to be financed from the Danish restricted contribution, many members expressed concern with regard to the substance, type, and presentation of the projects. One member noted that 75 per cent of the regional and inter-regional projects submitted by the Administrator for the Council's approval were short-term study tours, the actual validity of which had often been questioned by members at previous sessions of the Council. Several members expressed concern at the lack of information on the nature, quantity and destination of equipment provided, and on the dates and destinations of study tours. Such information would permit the Council to comment constructively on the projects. A few members voiced disappointment at not finding a sufficiently clear exposition of the general principles which guided the Administrator in his recommendations. One member wondered why UNIDO had so many more inter-regional than regional projects. He suggested, in this connexion, that the Administrator take into consideration the particular difficulties involved in the implementation of inter-regional projects in the industrial sector.



71. While one member proposed that regional and inter-regional projects be entrusted to the regional economic commissions, another considered that the preparation of these types of projects should be examined by the Commissioner for the Capacity Study.

72. A few members expressed concern at the number of regional projects which seemed to be sponsored by the participating and executing agencies rather than by Governments. They suggested that Governments participating in regional and inter-regional projects be mentioned in the relevant documents, and that recipient countries represented in the Council might be invited to submit details of the projects undertaken in their regions.

73. Several members commented on the importance of evaluation studies for regional and inter-regional projects and hoped that, by 1970, the conclusions of the studies on various types of continuing projects would be made available to the Council. One member attached special significance to the evaluation of regional and inter-regional projects because of the source from which such projects emanated and also because, unlike country projects, the Governments concerned were not normally expected to make their own arrangements for evaluation. Another member wondered whether some provision might be made for a system of built-in evaluation of projects to be approved for 1970. Information on the evaluation of completed non-continuing projects would also be welcomed.

74. One member expressed appreciation of the extremely fruitful use that had been made of the Danish restricted contribution. He noted, however, that only five participating and executing agencies had so far used these funds and that UNIDO was not among them. He considered that the unique experience which Denmark had acquired in the industrialization process should be of particular interest to UNIDO.

#### Decision of the Governing Council

75. At its 140th meeting, the Council approved the regional and inter-regional project recommendations of the Administrator (DP/TA/L.19/Rev.1 and Rev.1/Add.1) and the recommendations of the Administrator covering additional projects to be financed from the Danish restricted contribution (DP/TA/L.20 and Add.1).

#### D. Report by the Administrator on country programmes

76. Under the new Technical Assistance programming procedures approved in 1967 by the Governing Council, the Economic and Social Council and the General Assembly for 1969 and future years, the Administrator was authorized to review and approve projects submitted by recipient Governments within the limits of their country targets.

77. The Council had before it at its seventh session a report submitted by the Administrator covering the continuing country projects approved by him as of 15 September 1968 for 1969 through 1972 (DP/TA/P/L.1). Information concerning the approved projects by country was included in five regional addenda for Africa (DP/TA/P/L.1/Add.1 and Corr.1), the Americas (DP/TA/P/L.1/Add.2), Asia and the Far East (DP/TA/P/L.1/Add.3 and Corr.1), Europe (DP/TA/P/L.1/Add.4), and the Middle East (DP/TA/P/L.1/Add.5).

78. In the case of the following countries and territories, the Administrator indicated that official requests had either not been received, or had arrived too late for inclusion in the report: Albania, Bulgaria, the Comoro Islands, the French Antilles, Hungary, Libya, Mongolia, the New Hebrides, Poland, the Republic of Viet-Nam, Romania, the Seychelles, Southern Yemen and Yemen.

#### Summary of discussion

79. Two members considered that the country programme continued to be too dispersed, while another indicated that priority should be given to projects related to pre-investment activities.

80. The Council discussed the increasing volume of documentation pertaining to the Technical Assistance country programme. It was generally felt that the Council's need for information in respect of the programme could be adequately served for the operational year 1969 and thereafter by a single document presented annually which would comprise a statement by the Administrator commenting upon the programme of the previous year and a concise tabulation of its content with a single-line entry for each recipient country. In the event that further information was needed by members of the Council, it was understood that the details of the Technical Assistance projects would be kept by the Administrator in a state of ready availability for that purpose.

81. The Administrator took note of the request made by one member that information on projects not approved and on the number of projects withdrawn by Governments should be made available, together with the related reasons.

#### Decision of the Governing Council

82. At its 140th meeting, the Council took note of the report by the Administrator (DP/TA/P/L.1 and Add.1, Add.1/Corr.1, Add.2, Add.3, Add.3/Corr.1, Add.4 and 5).

## CHAPTER IV

### ADMINISTRATIVE AND BUDGETARY MATTERS

83. Under items 7 and 8 of its agenda, the Governing Council considered:

(a) Budget estimates for the administrative and programme support services of UNDP for the year 1969 (DP/L.89 and Add.1);

(b) A progress report on the Capacity Study (DP/L.91 and Add.1);

(c) A report on technical field advisers (DP/L.95);

(d) A report on the question of data storage and retrieval (DP/L.99).

84. The consideration of these matters by the Governing Council, and the conclusions reached by it, are dealt with in the following sections of the report.

A. Budget estimates for the administrative and programme support services of UNDP for the year 1969

Report by the Administrator

85. For its consideration of item 7 (a) of its agenda, the Governing Council had before it the Administrator's budget estimates for the administrative and programme support services of UNDP for the year 1969 (DP/L.89 and Add.1) and the related report of the Advisory Committee on Administrative and Budgetary Questions. 4/

86. The 1969 estimates, amounting to a total of \$19,994,600 net, represented an increase of \$2,354,700, or about 16.6 per cent, over the approved budget for 1968. More than one half of this increase resulted from the additional cost of maintaining staff resources and supporting services and facilities in 1969 at their 1968 levels. The further implementation of approved arrangements to attach agricultural advisers and industrial development advisers to selected UNDP field offices accounted for an increase of \$396,000 and the Capacity Study authorized by the Governing Council entailed an increase of \$195,000. Expansion of staff resources and supporting services, almost wholly in the field including the opening of four new field offices, accounted for about \$634,000, or a 4 per cent increase over the 1968 budget.

87. In introducing the item to the Council, the Administrator stated that the budget exercise for 1969 had been a difficult one. The Administrator had before him the exhortation of the Council 5/ and the Advisory Committee on Administrative

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4/ Official Records of the General Assembly, Twenty-third Session, Annexes, agenda item 44, document A/7453.

5/ See Official Records of the Economic and Social Council, Forty-fifth Session, Supplement No. 6 (E/4451), para. 250.

and Budgetary Questions 6/ that before any further expansion at Headquarters was considered, he should examine the present Headquarters establishment and procedures and regard 1969 as a year of consolidation. At the same time the Council had also urged him to expand and intensify financial advisory services, project support information work and evaluation activities. The Council had also consistently asked for a strong and effective field organization. Furthermore, the number of new requests and the volume of projects being handled continued to grow steadily, giving rise to a substantial increase in workload both at Headquarters and in the field. Despite these difficulties the complement of staff in the professional and higher categories at Headquarters had been held, without increase, at the 1968 level. This had been facilitated by the introduction, in the light of a careful review, of a number of structural and procedural improvements at Headquarters. The Administrator recognized that the decisions to be taken as a result of the Capacity Study might have a considerable bearing on this matter and had therefore not made any changes that would prevent his taking advantage of recommendations that might come out of that Study. At the same time certain improvements had been sought which could be implemented without prejudice to, or waiting for, the results of the Capacity Study. The Administrator assured the Council that every effort would be made to keep the establishment at the 1968 level although it might be necessary to review the situation during the year.

88. The Administrator, in referring to other factors contributing to a budgetary increase, including new field offices, the further implementation of the Agreements with FAO and UNIDO, and the requirements for the Capacity Study, emphasized the fact that the major part of the increase arose from the additional costs in 1969 for merely maintaining the same level of staff and facilities as that of 1968.

#### Summary of discussion

89. Members of the Council welcomed the clear presentation of the budget proposals and were particularly appreciative of the Administrator's comprehensive foreword to the budget estimates (DP/L.39). There was also general recognition of the unavoidable factors in the budget situation for 1969 and of the genuine efforts made by the UNDP administration, which were reflected in the budget, to improve organization and procedures not through expansion but through a redeployment of resources. The Administrator's review of Headquarters organization constituted a helpful element for the Capacity Study itself. It was further recognized that the Administrator had responded positively to the hope expressed by the Council in January 1968 5/ that 1969 would be regarded as a year of consolidation at Headquarters.

90. At the same time many members shared the concern of the Advisory Committee on Administrative and Budgetary Questions that the "administrative" expenses of UNDP remained high. They joined the Advisory Committee in its hope that "the conclusions and results to be drawn from phase three of the Capacity Study relating to organizational structure and administrative arrangements of UNDP,

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6/ See Official Records of the General Assembly, Twenty-second Session, Annexes, agenda item 46, document A/6979, para. 16.

will make it possible to reduce the ratio of administrative to operational expenses". 7/ It was held in this regard that the average growth of the budget over the last three years had been about 14 per cent, a rate which was high in relation to the annual increase in voluntary contributions of some 9 per cent.

91. Furthermore, it was argued, the budget of the UNDP secretariat should be viewed together with the overhead allocations which were made to the executing agencies and which would total some \$17 million in 1969. The total pattern of expenses for operating the Programme should therefore be reviewed.

92. Other members, while emphasizing their concern for economy, pointed out that an approach purely in terms of a ratio of what was generally termed "overhead" to operational expenses had limitations. Often modest funds spent wisely on "overhead" meant better planning, supervision and follow-up of operational activities resulting in over-all economy and increased effectiveness of the Programme.

93. A number of members also expressed reservations about the possibility of a supplementary request being presented to the June 1969 session of the Council. In this regard the remarks of the Advisory Committee on Administrative and Budgetary Questions 8/ were noted, and members expressed the hope that the Administrator would not find it necessary to ask for supplementary appropriations in June 1969. If any such request was made, it would be related clearly to an unforeseen and essential requirement.

94. It was also suggested that a manpower utilization survey should be conducted in the UNDP secretariat. In this respect some members observed that the Joint Inspection Unit could undertake this task. However, in view of the impending report on the Capacity Study which would become available towards the end of 1969, it was felt that the suggestion should be considered in the light of the conclusions and results of the Capacity Study.

95. Reference was made during the discussion to the arrangements in respect of the UNDP office in Geneva, and the need to continue the strengthening of that office was emphasized. Paragraphs 46 and 47 of the budget estimates (DP/L.89) appeared to indicate a lull in that situation, although it was noted that the question of further strengthening the Geneva office would be examined further in the light of the Capacity Study.

96. One member expressed misgivings about the regrading of posts as reflected in the budget estimates, and its impact on the over-all structure of the United Nations system as a whole. Special attention was drawn in this regard to the Advisory Committee's observation that future proposals for upgrading the levels of posts at the Professional and higher levels should await completion of the Capacity Study. 8/

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7/ Ibid., Twenty-third Session, Annexes, agenda item 44, document A/7453, para. 24.

8/ Ibid., para. 18.

### Observations of the Administration

97. Responding to points raised in the discussion, the Administrator emphasized that a simplified relationship between "administrative" costs and "project" costs was at best an uncertain yardstick since it depended on ill-defined concepts and could vary enormously as it was based not on actual patterns of utilization of resources but on methods of accounting and reporting. Some 60 per cent of the UNDP budget was spent on field offices and their operations; without the essential activities of those offices substantial waste of resources could occur in the total programme. The issue therefore was one of making the most effective and economical arrangements to secure the most development per dollar of resources expended.

98. The Administrator shared the concern of members for wise economy and assured the Council that Headquarters expenditure was kept under the closest scrutiny. Items of work which were non-essential or unproductive should be eliminated; this was a matter which would continue to be watched carefully.

99. Replying to specific questions, the Administrator said that the proposed ad hoc arrangement in Copenhagen - and this was indicated in the budget as administratively with the Geneva office - would facilitate a more effective utilization of the substantial contributions from that region. The Administrator reiterated that merit alone would be the criterion for awarding UNDP contracts, but it was healthy to broaden the area of competition giving consideration also to countries whose currency contributions were sometimes difficult to use.

100. The Director of the Bureau of Administrative Management and Budget, replying to other questions, shared the view that every increase in activity should not lead automatically to a proportionate addition of staff or other resources. Indeed the 1969 budget estimates reflected that view since, despite the steady growth in project caseload and the accretion of expanded work programmes, the Administrator sought to accomplish the new work without increasing the professional staff at Headquarters.

### Decision of the Governing Council

101. At its 142nd meeting, in the light of the discussion, the following decision was taken by the Council:

#### "The Governing Council

"(a) Approves the budget estimates for administrative and programme support services of UNDP for the year 1969 (DP/L.89 and Add.1) in a total amount of \$19,994,600 net comprising the following sections:

	(US dollars)
Section 1. Salaries and wages . . . . .	11,236,900
Section 2. Common staff costs . . . . .	4,653,400
Section 3. Travel and transportation . . . . .	851,200
Section 4. Permanent equipment . . . . .	361,100
Section 5. Other general expenses . . . . .	2,323,600
Section 6. Subvention to the United Nations . . . . .	220,000
Sub-total	19,696,200
Section 7. Capacity Study . . . . .	298,400
Total	19,994,600

"(b) Decides that the Administrator may transfer credits between sections only with the authorization of the Governing Council, such authorization to be obtained, if necessary, by canvassing members through correspondence;

"(c) In order to finance these requirements, authorizes allocations in amounts of \$12,996,490 and \$6,998,110 respectively from the resources of the Special Fund and Technical Assistance components of the Programme."

#### B. Progress report on the Capacity Study

##### Report by the Commissioner for the Capacity Study

102. The Council had before it a progress report on the Capacity Study (DP/L.91 and Add.1) in which the Commissioner outlined the steps taken to prepare his report and recommendations and in which he identified controlling factors, such as the scope and complexity of the inquiry, the time element and the nature of the consultations required at various levels.

103. In introducing the item, the Commissioner pointed out that the report covered the period of July to mid-November 1968 and needed updating. He stressed that he had received complete and frank co-operation from all concerned in the United Nations system as well as from Governments and outside organizations. Though material for the Study was still being collected, some general comments could already be made: the Study would pay proper tribute to the results achieved but would also recognize shortcomings; and it should indicate the limits of the capacity of present operations and advance proposals for the modifications required to carry out an appreciably larger programme efficiently. However, there was some difficulty in defining capacity; while current performance could be assessed in quantitative terms, qualitative evaluation required sophisticated policies and procedures which were not part of present operations. Referring to the scope of the Study and its complexity, the Commissioner stressed the importance of holding consultations with Governments and with organizations within and outside the United Nations system. In this connexion, he remarked that the Capacity Study seemed to have become something of a focal point for everyone dealing with United Nations development work. These consultations were time-consuming but essential to avoid duplication and to adjust the programme of work, whenever individual problems were being competently examined by other groups or bodies. A number of subjects were thus under study, for example, evaluation, use of computers, mechanized methods of auditing, and automatic data retrieval.

He stressed, however, that in his view such problems could not be fully resolved unless they were analysed as parts of a well thought out and integrated system for handling development within the United Nations and then correctly related to that system.

104. The Commissioner warned against a possible tendency to burden the Study unduly with a large number of valid but loosely related problems which would tend to lead to a hotch-potch of unrelated proposals instead of the comprehensive framework which would be a prerequisite for future action.

105. As regards the time factor, the Commissioner reported that several members of the Panel of Consultants had recently expressed concern at the speed at which the inquiry had to be carried out. In this connexion, he showed to the Council members a "network analysis" of the steps to be taken and the work programme involved if the report was to be available by the end of November 1969 for presentation to the Governing Council at its ninth session. In view of the importance of the issues and recommendations to be contained in the report, he suggested that the members might consider holding a special session of the Governing Council in the spring of 1970 and thus have more time to examine and discuss the report. The criss-crossing of consultations at various levels throughout the inquiry was, in his view, an essential element of the Study as no significant progress could be achieved in improving the current framework unless both the agencies and a considerable number of Governments were simultaneously in broad agreement. The Commissioner explained that it would not be possible to go into every problem in depth but that he hoped to submit an outline of two or three possible systems for United Nations development activities, describing that system which he found likely to be more effective in more detail. Governments could then decide whether to accept this model or whether they wished any of the other alternatives to be examined more thoroughly. He added that, although money was an essential factor, the availability of qualified management at all levels would finally determine the future expansion of the programme and should therefore be carefully examined.

106. Finally, the Commissioner referred to what he felt were some of the major issues facing the international organizations today and in this connexion mentioned the difficulties involved in constitutionally independent organizations becoming part of a genuinely integrated system. He also indicated the need for Governments to adhere to consistent policies in dealing with different international bodies and the ability of Governments to control and influences these international organizations collectively. In concluding, he stated that unless such questions were resolved, the multilateral system of development had virtually reached the limit of its effectiveness and the international institutions would have failed to reflect the extraordinary scientific and social progress made in recent years.

#### Summary of discussion

107. Members welcomed the Commissioner's progress report as supplemented by his introductory statement and stressed the importance which they attached to the Capacity Study. Some members felt, however, that too much emphasis had been placed in the written report on the procedural aspects of the inquiry, while little information was given on the substance of the Study, but this had been



covered to a greater extent in the Commissioner's oral statement. One member however felt that mention should at least have been made of the questions for which the Study was seeking answers. In connexion with the use of the word "capacité" in the French text, several members stressed the hope that the Study would not be limited to a description of the present ability of the United Nations system to handle assistance but would deal also with measures leading to a more efficient use of all available resources. One member stated that the capacity depended critically upon the availability of additional resources and expressed the hope that the Study would emphasize both the quantitative and qualitative aspects of capacity. One member, stressing that the objective of the Study was to improve the over-all efficiency of the system, feared that expectations would not be fulfilled unless the final report was really able to show the ways and means of gearing the system to the requirements of the Second United Nations Development Decade. Another member remarked that the United Nations system had potentialities which were not yet being fully realized, and he looked forward to the conclusion of the Study to help increase utilization of that potential.

108. Most members who spoke referred to issues which they considered of main interest for the Commissioner's Study. Among them, mention was made of the need to examine new types, fields or trends in the assistance provided to recipient Governments, the role and relative sizes of pre-investment and investment activities, the problems of follow-up investment for technical assistance and pre-investment activities, the relations between bilateral and multilateral aid, their respective importance and role and their co-ordination to achieve the best results, the influence of the complexity of the present system for multilateral aid on its practical efficiency, the modifications required in the structure of the different parts of the present system to improve efficiency, the procedures for handling project requests within UNDP and the agencies, with a view to improving efficiency, problems of staff reassignment should savings be obtained by improved organization, machinery for continuous co-ordination between the long and short-term objectives of the assistance provided, definition of an ideal multilateral system and description of the practical steps required to achieve such objectives, the problems encountered with centralization and decentralization of the present structures and their advantages and drawbacks, methods of evaluation of the programmes to avoid duplication or lacunae between various undertakings, the question of quantitative evaluation of the assistance given, in terms of the ratio between project costs and overheads, the methods and rationale used in determining satisfactorily the overhead costs to be allocated to the UNDP secretariat and to the agencies, recommendations on the United Nations bodies best suited for such a study, the possibility for the present system of carrying out increased assistance without significant increases in overheads, the question of an integrated approach for developing and implementing projects in which several agencies are involved, the role of the Resident Representatives in programme planning and co-ordination, so as to offset the dangers of duplication inherent in the overlapping fields of competence of the agencies, the system of technical field advisers in relation to that of agency field representation, and the over-all costs involved, and the means of attracting and retaining qualified people to enable the system to provide efficient assistance.

109. Most members, while welcoming a broad review of multilateral aid, expressed concern at the number of questions referred to the Study and welcomed the Commissioner's statement that he would concentrate on priority matters, giving only general outlines for some of the items which could be further studied by

competent bodies. Mention was also made that the Study should not attempt to embark upon an examination of the theories of development or of the administrative and political structures of the recipient countries, nor should it make recommendations on sectoral activities and government priorities, but should concentrate on the bottle-necks which impede the best utilization of limited resources and should review any former decisions, regulations and rules of governing bodies affecting in practice the desirable flexibility in operations.

110. Most members stressed the importance which they attached to the consultations undertaken by the Commissioner. They considered them an essential requirement if the Study was to be carried out satisfactorily within the complex of the United Nations system of organizations. In this connexion, one member referred to the very close relations in the terms of reference of the Enlarged Committee for Programme and Co-ordination and the Capacity Study as their mutual preoccupations were to increase the volume and efficiency of the assistance provided to developing countries. Describing the items which were now being examined by the inter-sessional working group of the Enlarged Committee, he emphasized that they were the results of prolonged and careful studies and should be of direct importance to the Capacity Study. He therefore welcomed the Commissioner's participation in the Enlarged Committee's session in March and stressed that the Enlarged Committee should receive his report at the earliest possible time.

111. Several members, while noting that the Commissioner had consulted various Governments individually, felt that recipient countries should be more broadly and systematically consulted. In particular one member felt that recipient Governments should be given an opportunity of commenting on bilateral as well as multilateral aid and another member mentioned that the consultations should include the ways and means of co-ordinating these various forms of aid. One member inquired about the possibility of expanding the Panel of Consultants so as to be more representative of all spectrums of development in the developing world.

112. Several members remarked that the present exercise had the effect of suspending a number of decisions on important questions, so as not to prejudge the Commissioner's conclusions, and should not be unduly extended. The general consensus was that, even if consideration of the report were to be postponed by a month or two, the Commissioner's Study should be available by the end of the year.

113. Several members emphasized the importance which they attached to the independence of the report and stressed that recommendations were to be submitted by the Commissioner under his own responsibility. They expressed the hope that the final report would not merely reflect proposals acceptable by all concerned, that is, the lowest common denominator, but would respond to the bold spirit which inspired the original decision to undertake this independent and comprehensive study. In this connexion, several members mentioned that they looked forward to a broad and frank exchange of views on multilateral aid as this would lead to a better understanding of the complexity of the current arrangements as well as shed light on problems encountered by both bilateral and multilateral assistance in the past years. It was generally felt that, while the various bodies and organizations concerned with the study should be able to present their

views, these should be clearly separated from the Commissioner's report and conclusions. Several members noted with satisfaction that it was the Commissioner's intention to include in his report an examination of the present structures, procedures and methods of operations of international technical assistance and pre-investment and to suggest various alternatives to improve efficiency, refining those of the proposals which he would recommend.

114. Replying to questions raised during the discussion, the Commissioner stated that there should be no fear of his report lacking boldness or independence, but that the test would be the implementation of comprehensive recommendations. As to the scope of the study, it was generally defined in the terms of reference given to him. However, time was a major factor in the amount of material which could be handled through a study of this type. In his view, it was essential to provide a sense of direction and perspective and to propose the means of achieving maximum results within the resources available. Responding to the comments of some members on the methods followed to collect basic data, the Commissioner explained that while some of the material lent itself to interpretation by computers, most of the data required detailed analysis by his staff. Resident Representatives and senior UNDP and agency staff had been consulted on a personal basis; while there was no question of circulating their comments, they constituted an essential element in the development of his own recommendations. In response to a query, the Commissioner explained that he had proceeded with a number of consultations with officials of developing countries and that he welcomed further comments and suggestions from recipient countries. He also hoped that members of the Governing Council would themselves let him have any comments or information which they would like him to consider. He added that the members of the Panel of Consultants had been in touch with the officials of other Governments and had provided him with much useful information and guidance during their recent meeting; the extent of such consultations, he concluded, were only limited by the time factor. Regarding the size of the Panel of Consultants, the Commissioner explained that it would be preferable to maintain it at its present size; in order to reflect all experience and existing economic, social and political factors, the number of members would have to be so large as to render expeditious consultations difficult. The Commissioner added that some questions not mentioned during the Council discussion, such as the role of the regional structure in the United Nations system, needed further consideration, and further thought should also be given to new forms or field of assistance, a matter only mentioned during the discussion. As for the staff and cost of the study, he estimated that the expenditure which was set forth in the revision to the budget estimates for the administrative and programme support services of UNDP for the year 1969 (DP/L.89/Add.1) corresponded to the minimum requirements for a study of this nature, whether undertaken by a private firm or public institution. He also indicated that the report would be made available to all concerned at the same time and explained, in this connexion, that he had deliberately refrained in his progress report from dealing with substantive items in order to avoid the risk of hasty, piece-meal, or even erroneous interpretation of his future report and recommendations. In conclusion, the Commissioner expressed his thanks for the support and guidance given him by members of the Council.

#### Decision of the Governing Council

115. At its 148th meeting, the Governing Council noted the progress report on the Capacity Study (DP/L.91 and Add.1) and the statement of the Commissioner for

the Capacity Study (DP/SR.147) and invited the Commissioner to take into account, in the further work of the Study, the views expressed by members of the Council during the discussion at its seventh session.

#### C. Report on technical field advisers

116. The Administrator's factual report (DP/L.95), submitted to the Council in response to wishes expressed at the sixth session, gave information on the number and annual cost of technical field advisers financed by UNDP under the agreements with FAO and UNIDO.

117. In his introductory statement to the Council on the 1969 budget estimates, the Administrator emphasized that the continued implementation of the agreements with FAO and UNIDO was a step in the right direction and that those agreements provided the basis for the most effective and economical way of achieving real co-ordination at the country level. It might be necessary to review the detailed arrangements in the light of the findings and recommendations resulting from the Capacity Study.

#### Summary of discussion

118. The concept of integrating technical field advisers from the agencies into the offices of Resident Representatives was strongly endorsed in the Council. The prime need in the operation of development programmes was for co-ordination at the country level in the evolution, development and execution of plans. The integration sought would in the long run also be economical for the United Nations system as a whole. One member expressed the belief that the arrangements would bring about further reductions in project costs. The arrangements now in force with FAO and UNIDO augured well for the achievement of that important aim; however, success depended not only on satisfactory financing arrangements but on the political will of the people involved in the system. Questions were raised about whether this political will was forthcoming from the specialized agencies, and whether the terms of reference for specialist advisers were clear and satisfactory as they related to their dual role of representatives of specialized agencies on the one hand and advisers to UNDP Resident Representatives on the other. In this connexion, information was sought on the outcome of recent consultations between the Administrator and the Director-General of FAO. The Administrator was asked why different treatment was given to agricultural and industrial field advisers with regard to travel expenses and whether, with the increase in the number of field advisers, new arrangements could be envisaged.

119. In response to the discussion the Administrator said that on the whole the present system was working well and, following discussions with FAO, certain procedural inadequacies had been remedied. The Director-General of FAO and the Administrator had agreed that, subject to review in the light of the recommendations of the Capacity Study, present arrangements should continue without any basic changes through 1969. More generally, the Administrator said that the central question facing the UNDP system was how to obtain the best possible technical advice at the country level at the lowest possible cost to the system in order to ensure that properly co-ordinated advice on development could be made available to the recipient Government through the Resident Representative.

120. As regards agricultural advisers, the Director of the Bureau of Administrative Management and Budget stated that the implementation of the agreement with FAO meant, in most cases, UNDP taking over posts which previously had been carried as expert posts in the Technical Assistance programme. The agricultural adviser normally covered only one country and costs of his travel within that country formed part of the expenses of the UNDP field office concerned. In the case of industrial development advisers, present arrangements provided for each adviser to cover a number of countries and it had been agreed that UNIDO would continue to pay for inter-country travel of these advisers.

#### Decision of the Governing Council

121. Following the discussion, the Council, at its 142nd meeting, took note of the report of the Administrator on technical field advisers (DP/L.95).

#### D. Question of data storage and retrieval

##### Report by the Administrator

122. Under item 8 of its agenda, the Council considered a progress report by the Administrator on the question of data storage and retrieval (DP/L.99).

123. The Assistant Administrator and Director of the Bureau of External Relations, Evaluation and Reports introduced the Administrator's progress report on the study of the feasibility of setting up and operating a system of automatic data storage, processing and retrieval of information of relevance to UNDP. This study had been requested by the Council at its sixth session for submission to its eighth session.

124. The Assistant Administrator informed the Council that UNDP had conducted a considerable amount of preparatory research for this study. The proposed study had also been discussed by IACB, at meetings of the Administrative Committee on Co-ordination in October 1968 and in informal consultations with senior officials of the United Nations. From this initial exercise, a number of significant findings and conclusions had emerged which the Administrator wished to bring to the attention of the Council and on which he sought its views and guidance.

125. The findings established that while considerable efforts were being made by the various organizations to come to grips with the problem, they were for the most part of a piece-meal nature, focusing on particular data problems of special and immediate concern to the individual organizations. For this reason, together with the fact that the volume of development information being generated by the United Nations organizations continued to grow progressively, there was a need for a more rigorous selection of data and a more efficient means for storing and retrieving the data.

126. Furthermore, the findings pointed to the need for the establishment and implementation of a single integrated information system for all United Nations organizations, or at least an information framework that could accommodate the different information systems that exist or were under consideration. Moreover, the information system to be selected should be geared to and in support of the planning and management needs of the participating organizations.

127. In the light of the above considerations, the Administrator proposed that the feasibility study requested by the Governing Council at its sixth session should be reformulated to yield a detailed conceptual design for a development information system. He furthermore proposed that the study be carried out as an extension of the Capacity Study in view of its close relationship to the parent study.

#### Summary of discussion

128. Members generally expressed appreciation of the Administrator's progress report (DP/L.99), which, in their view, provided a succinct and informative analysis of the important but complex problem of data storage and retrieval.

129. There was general agreement that the fragmentary approach to the study of this problem in United Nations organizations should be replaced by a thorough and systematic study of the problem as a whole. There were considerable differences of opinion among the members, however, as to how quickly the various questions should be examined and as to what the mechanism for the examination should be.

130. A number of members supported the proposals of the Administrator that the study should produce a conceptual design of an information storage and retrieval system, and that it should be carried out as an extension of the Capacity Study in view of its close relationship to an over-all system for development planning and management. In this context, one member was pleased to note that this additional assignment would not necessarily overload the existing work programme of the Capacity Study. Another member also recognized the advantages of the study being carried out as an extension of the Capacity Study but hoped that it would not delay the completion of the latter. He suggested that the submission of the data storage and retrieval study might therefore be postponed to the ninth session of the Council.

131. Some members felt that the problem would become increasingly difficult to solve as the volume of information continued to mount. One member felt that in this field greater co-ordination was needed among agencies and hoped that the work of the Computer Users Committee would yield useful results. Another member felt that the ultimate usefulness of a unified information system for the United Nations organizations would greatly outweigh the initial and even subsequent costs of the study.

132. Several members who participated in the discussion expressed reservations on the Administrator's proposals. One member in fact expressed grave reservations about the way in which the problem was being approached. In his view the study should proceed more gradually to ensure that answers could be found for a number of very difficult questions. The difficulty of the Administrator's proposal, in the opinion of this member, was that the study would seek to obtain answers to the problems of technique before a thorough examination was carried out regarding the information needs of the system. He suggested therefore that a thorough "in-house" examination should be made of the needs of the United Nations organizations in the three broad categories of information - economic and social data at the country level, technical and scientific information, and management information. He felt that this could best be carried out by the practitioners

in the United Nations organizations rather than by a separate team. The study could appropriately be carried out under the auspices of the Administrative Committee on Co-ordination and intergovernmental support could be sought from the Economic and Social Council utilizing the services of its Enlarged Committee for Programme and Co-ordination. He was also concerned that the Capacity Study was already being over-extended with investigations which were of tangential value.

133. Another member shared the view that the identification of the most urgent development information needs of the United Nations organizations (the first phase of the proposed study) could be carried out without the services of outside consultants. He appreciated, however, that the other two phases of the study leading to the preparation of a selected conceptual design, would require specialized skills which might not be readily available for the study within the United Nations organizations. He suggested accordingly that the study should be confined to the question of information needs at this stage and that the other two more technical phases should be deferred until the Capacity Study had been completed.

134. One member, on the other hand, questioned the need for a detailed study of information needs since in his view the organizations in fact possessed or should have possessed the information necessary for management purposes.

135. Another member wondered whether the proposed information system would fit into the United Nations system and, if so, whether UNDP was the appropriate organization to undertake and finance the study. As several possible over-all concepts of development planning and management might be proposed in the Capacity Study, he felt that it would be premature to proceed with the design of a supporting information system before the over-all concept had been accepted by the Council.

136. Several members felt that the proposed study focused too much on techniques and computers and that it should be guided by practical considerations, including the possible use of non-computer methods of information storage and retrieval.

137. It was also stated that if the proposed study was carried out, it would be useful for it to be extended beyond development information needs to cover other important activities of United Nations organizations as well. Furthermore, if the study should recommend a common information system, current and capital outlays to operate it should be financed on a cost-sharing basis among the organizations.

138. Members urged that UNDP and other United Nations organizations should provide the services of qualified personnel to carry out the study.

139. In replying to the various comments and observations made in the course of the discussion, the Administrator stated that his major concern was to obtain as quickly as possible better management information and he assured the Council that the study would concentrate first on the identification of these information needs. He observed that the success of the study depended on the full co-operation of the agencies in regard to the provision of personnel and other support and if this were not forthcoming it would be fruitless to pursue the study. The Commissioner for the Capacity Study observed that the Capacity Study

was not seeking additional work but it would obviously have to consider in general terms the information needs of any planning and management systems that it might recommend. The question was raised by several members about whether the information needs and the supporting information system should be examined in greater depth while the Capacity Study itself was being prepared. The Commissioner felt that there were obvious advantages in having the information study carried out parallel to the Capacity Study itself, but the information study could not be undertaken without the provision of additional resources as requested by the Administrator. He assured the Council that regardless of the over-all planning and management system he would recommend, the design of the information system would certainly be appropriate for it.

#### Decision of the Governing Council

140. At its 149th meeting, following the discussion, the Council decided:

(a) To take note of the progress report of the Administrator on the question of data storage and retrieval (DP/L.99);

(b) To approve the proposals contained in paragraph 12 of document DP/L.99;

(c) To authorize accordingly a supplementary allocation in the amount of \$64,000 under Section 7 (Capacity Study) of the administrative and programme support services budget for 1969, to be financed to the extent of 65 per cent, or \$41,600, from the resources of the Special Fund component, and 35 per cent, or \$22,400, from the resources of the Technical Assistance component.



CHAPTER V  
FINANCIAL MATTERS

141. Under item 6 of its agenda, the Governing Council considered:

(a) The statements, as at 30 November 1968, of contributions pledged and paid to the Special Fund component of UNDP for the year 1968 (DP/SF/C/L.59 and Corr.1), and of contributions outstanding for the years 1959, 1960, 1964, 1965, 1966 and 1967 (DP/SF/C/L.60); the statements as at 30 November 1968, of contributions pledged and paid to the Technical Assistance component of UNDP for the year 1968 (DP/TA/C/L.59 and Corr.1), and of contributions outstanding for the years 1957, 1958, 1959, 1964, 1965, 1966 and 1967 (DP/TA/C/L.60); and a note by the Administrator submitting a current statement of contributions pledged to UNDP for 1969 as at 31 December 1968 (DP/L.98).

(b) A financial report on the Revolving Fund (DP/L.38 and Corr.1);

(c) A note by the Administrator on UNDP financial regulations and rules (DP/L.90 and Add.1) and the comments of the Advisory Committee on Administrative and Budgetary Questions thereon (DP/L.90/Add.2);

(d) Local costs of Special Industrial Services projects;

(e) The financial report and accounts for the year ended 31 December 1967 and the report of the Board of Auditors relating to UNDP 9/ together with the relevant comments of the Advisory Committee on Administrative and Budgetary Questions 10/ and resolution 2380 (XXIII) thereon adopted by the General Assembly; the audit reports for the year ended 31 December 1967 relating to expenditure by participating and executing agencies of funds allocated from the Technical Assistance account of UNDP 11/ and of funds allocated from the Special Fund account of UNDP 12/ together with the relevant comments of the Advisory Committee on Administrative and Budgetary Questions 13/ and resolution 2473 (XXIII) thereon adopted by the General Assembly;

(f) A note by the Administrator on the effect of revised salary scales for professional staff (DP/L.100).

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9/ Ibid., Twenty-third Session, Supplement No. 6A (A/7206/Add.1 and Corr.1).

10/ Ibid., Twenty-third Session, Annexes, agenda item 72, document A/7219.

11/ Ibid., Twenty-third Session, agenda item 73 (a), document A/7321.

12/ Ibid., agenda item 73 (b), document A/7322.

13/ Ibid., Twenty-third Session, Annexes, agenda item 73, documents A/7437 and A/7438.

## A. Contributions

142. The Administrator drew the particular attention of members to the current statement of contributions pledged to UNDP for 1969 as at 31 December 1968 (DP/L.98), in which it was indicated that eleven countries which pledged for 1968 had not yet announced their 1969 pledges. He understood that some of these countries intended to increase their contributions for 1969. If they did so, it was likely that the total pledges would exceed the amount of \$200 million, a gratifying result.

### Summary of discussion

143. The representative of Japan announced that his Government would contribute to UNDP, subject to parliamentary approval, an amount equivalent to \$4 million for 1969. This represented an increase of \$350,000, or almost 10 per cent, over the 1968 pledge. The distribution of the pledge between the two components of the Programme would be communicated to the Administrator at a later stage.

144. The representative of Sweden stated that his Government had previously announced a pledge of \$17.5 million for 1969, representing an increase of \$2 million over the 1968 figure. He was glad to inform the Council that parliamentary approval was now being sought for a further increase of \$1 million in the 1969 pledge, for an increase of \$1 million in the previously announced advance pledge of \$20 million for 1970, and for an advance pledge of \$22 million for 1971. The Swedish pledges would not in the future be divided between the two components of the Programme.

145. The President thanked the delegations of Japan and Sweden, on behalf of the Council and the Administrator, for their generous responses to the appeal for increased contributions.

### Decision of the Governing Council

146. At its 143rd meeting, the Council took note of the statement on the status of the contributions pledged to UNDP for 1969 as at 31 December 1968 (DP/L.98), as modified by the additional contributions just announced by the representatives of Japan and Sweden.

## B. Financial report on the Revolving Fund

### Decision of the Governing Council

147. At its 142nd meeting, the Council took note of the financial report of the Administrator on the Revolving Fund (DP/L.88 and Corr.1).

C. UNDP financial regulations and rules

Report by the Administrator

148. In accordance with the request of the Governing Council and the interpretation by the General Assembly 14/ of its merger resolution 2029 (XX), the Administrator presented in two documents (DP/L.90 and Add.1) a consolidation of the draft UNDP financial regulations covering all sectors of UNDP operations, and draft financial rules which he would propose to issue upon adoption by the Council of the draft UNDP financial regulations. The draft texts were prepared in consultation with the United Nations Controller, the Legal Counsel, the internal and external auditors of UNDP, and the participating and executing agencies. Comments of the Advisory Committee on Administrative and Budgetary Questions were also submitted for the information of the Council (DP/L.90/Add.2).

149. The Director of the Division of Financial Management and Administrative Policy indicated that, prior to the session, and on their own initiative, various members of the Council had put forward suggested improvements to the texts. These resulted in the acceptance by the Administrator of the following changes in the draft regulations: in regulation 4.3, the words "consistent with the need for efficiency and economy of operations" to be added after the word "endeavour"; in regulation 5.2, the existing text to be replaced by that of rule 105.2; and in regulation 6.6, the word "annually" to be inserted after the word "report".

Summary of discussion

150. General satisfaction was expressed by members concerning the completion of the draft regulations and rules. There was also general support for the amendments proposed to draft regulations 4.3, 5.2, and 6.6. Much of the discussion centred on article V of the Regulations and reflected the concern of members regarding policies governing the investment of funds. The Council recalled its prior authorization to the Administrator to invest up to \$40 million in the form of participation in economic development loans by international or regional development banks or in loans to assist Governments in the construction of housing for experts. Although reconfirming their approval of these particular special-purpose investments, several members emphasized that there should be definite limitations on the types of loans which might be envisaged without the specific sanction of the Council. As a result of the suggestions and comments of members, a revised version of article V was formulated as follows:

"ARTICLE V. INVESTMENT OF FUNDS

"Regulation 5.1: Account being taken of the objectives of UNDP and the special requirements of its operations, moneys not required immediately may be invested by the Secretary-General in a manner consistent with the financial regulations and policies of the United Nations.

"Regulation 5.2: Within limits and under terms established by the Governing Council, investments may be made in the form of participation

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14/ Ibid., Twenty-first Session, Supplement No. 16 (A/6316), p. 94.

in development loans by international or regional development banks or in loans to assist Governments in the construction of housing for experts.

"Regulation 5.3: The specific advance approval of the Governing Council shall be required for any loan not clearly authorized under the provisions of Regulations 5.1 and 5.2.

"Regulation 5.4: Income derived from investments shall be credited to the UNDP Account.

"Rule 105.1

"On behalf of the Secretary-General, the Controller may make investments of UNDP moneys, which are not immediately required to finance UNDP activities, in accordance with the relevant financial regulations and rules of the United Nations and in consultation with the Administrator, as appropriate."

151. The Council reviewed the comments of the Advisory Committee on Administrative and Budgetary Questions on the proposed methods of dealing with staff assessment and income tax reimbursement and was informed of the Administrator's intention to continue consultations with the Controller and the Legal Counsel on these matters. In the absence of definite recommendations for a change in practice, there was general agreement that present procedures, as expressed in draft financial rule 111.19, should continue in force for the time being.

152. Several members expressed the view that the financial rules should provide for submission of the budget estimates for administrative and programme support services annually at the June session of the Governing Council. The Administrator indicated that the proposed change in procedure was under study; if found practicable, it would be reflected as a future amendment to the UNDP financial rules after further consultation with the Council.

153. Some members of the Council considered that the draft text of regulation 6.1, covering voluntary contributions, as well as the definition of "Government" in draft financial rule 101.1 (e), were unnecessarily restrictive. They considered that it was illogical and not in accord with the principle of the desired universality of membership to exclude other Governments who were ready to contribute to UNDP from doing so for political or for formal reasons.

154. One member questioned whether the definition of a "participating and executing agency" in draft rule 101.1 (f) would cover UNCTAD and UNIDO. The Director of the Division of Financial Management and Administrative Policy indicated that the Legal Counsel would be consulted on this point and, if necessary, the rule would be amended.

155. The amendment of draft rule 111.23 replacing the words "whenever necessary" by "in exceptional circumstances" was proposed by one member and accepted by the Administrator.

156. Two members expressed satisfaction with draft regulation 14.3 since they considered that under its terms the participating and executing agencies could be required to submit detailed accounting statements covering the usage of.

overhead allocations. The Director of the Division of Financial Management and Administrative Policy agreed that the draft regulations and rules would permit the progression of efforts to secure greater rationalization in the system of overhead cost reimbursements.

157. One member indicated that draft rule 107.6 was apparently more restrictive than the corresponding draft regulation 7.3 and should be amended to make it conform more closely. This suggestion was accepted by the Administrator.

#### Decision of the Governing Council

158. At its 143rd meeting, the Governing Council approved the text of the UNDP financial regulations (DP/L.90 and Add.1) with the amendments agreed upon during the discussion affecting Article V and regulations 4.3 and 6.6. The Council took note of the financial rules to be promulgated by the Administrator, it being understood that these would be amended to reflect changes agreed during the discussion.

#### D. Local costs of Special Industrial Services projects

159. The Director of the Division of Financial Management and Administrative Policy explained that this item was before the Council in accordance with a decision taken by the Council at its sixth session. <sup>15/</sup> No document was submitted by the Administrator since the position, as reviewed at the sixth session, remained unchanged. The Administrator maintained that it would be illogical and impracticable to apply a formula for Special Industrial Services local costs which varied from the standard for UNDP projects. The Executive Director of UNIDO took a different view, contending that assistance provided under the Special Industrial Services arrangements had certain special characteristics which demanded a more flexible method of assessing local costs.

#### Summary of discussion

160. The discussion revealed that the future Special Industrial Services programme had become a source of concern to many members and that there was a general desire for a co-operative review to be undertaken jointly by the Administrator of UNDP and the Executive Director of UNIDO. Suggestions were advanced by several members concerning the scope of this review and the questions with which it might deal. These included, in the opinion of a number of members, the manner in which the Special Industrial Services type of operations might be continued on a more permanent basis. Other members considered that the utilization of new UNDP technical assistance procedures for the Special Industrial Services type of operations needed to be investigated. Other questions raised included the possible relationship with the UNDP Revolving Fund and the formula for assessment of local costs.

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<sup>15/</sup> Official Records of the Economic and Social Council, Forty-fifth Session, Supplement No. 6A (E/4545), para. 347.

### Decision of the Governing Council

161. At its 145th meeting, the Governing Council recommended that the Administrator of UNDP and the Executive Director of UNIDO undertake a joint study of the problem of financing future projects of the Special Industrial Services type, taking into account the views expressed on this subject during the seventh session of the Council and the report being prepared by the Administrator on the future operation of the Revolving Fund.

#### E. Audit reports

##### Summary of discussion

162. One member expressed the view that the audit process could be more rewarding and useful to Governments if the auditors went beyond narrow accounting questions and dealt with broad administrative and management matters as well. This would be in line with the recommendations of the Ad Hoc Committee of Experts to Examine the Finances of the United Nations and the Specialized Agencies. It was to be hoped that the Administrator would co-operate in the development of the auditing process along these lines.

### Decision of the Governing Council

163. At its 142nd meeting, the Governing Council took note of the audited financial reports and accounts of UNDP for the year ended 31 December 1967 16/ and the audit reports for the year ended 31 December 1967 relating to expenditure by participating and executing agencies under the Technical Assistance 17/ and Special Fund 18/ programmes. It also noted the relevant comments of the Advisory Committee on Administrative and Budgetary Questions 19/ and General Assembly resolutions 2380 (XXIII) and 2473 (XXIII).

#### F. Effect of revised scales for Professional staff

164. The Director of the Division of Financial Management and Administrative Policy introduced this sub-item, which the Council had agreed to add to its agenda as a result of action taken by the General Assembly in December 1968, during its recently concluded twenty-third session. By resolution 2485 (XXIII), the General Assembly had approved a revision of base salary scales and of post adjustments for staff of the United Nations in the professional and higher categories. Since all other organizations in the United Nations common system could be expected to take similar action with effect from the same date, 1 January 1969, provision had to be made for necessary adjustments in expert costs and overhead charges with respect to both components of the Programme. The

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16/ See footnote 9.

17/ See footnote 11.

18/ See footnote 12.

19/ See footnotes 10 and 13.

document before the Council on the effect of revised salary scales for Professional staff (DP/L.100) described the impact of the changes and requested the Council to approve the various financial adjustments required.

#### Summary of discussion

165. Two members questioned whether the salaries of experts employed under the two components of UNDP should necessarily be affected on each occasion that changes were made in the salaries of regular United Nations staff. They were concerned over the unfavourable effects on the volume of assistance which the Programme would be able to deliver. They considered that the salaries of experts should be adapted to the standards of living in the countries in which they were employed.

166. Another member thought that the increasing costs of individual experts made it essential to give increasing attention to the possibilities of using contractual services of one kind and another. He asked whether an analysis had been made of the cost-benefit ratio between individual expert employment, on the one hand, and contractual services, on the other.

167. In reply, the Director of the Division of Financial Management and Administrative Policy pointed out that, for reasons of staff inter-change and mobility, comparable treatment, and universal recruitment needs, the United Nations organizations had developed a single system of remuneration for all professional staff. Cost-of-living differentials between duty stations were reflected in post adjustments, so that actual compensation varied from one location to another. However, it was considered essential to maintain a common system of base salaries.

168. The question of contractual services versus individual employment had been under steady review for some time. It was difficult to generalize, although it was clear that certain custodial and other services could be accomplished satisfactorily by contract. A great deal of experimentation was being undertaken by the participating and executing agencies and the Administrator was fully encouraging this. Sufficient experience might be developed within two or three years to permit conclusions to be reached with more assurance.

#### Decision of the Governing Council

169. At its 143rd meeting, the Governing Council decided:

(a) To take note of the document in the report on the effect of revised salary scales for Professional staff (DP/L.100);

(b) That the 25 per cent limitation on the excess of project allocations over earmarkings should not apply to projects approved at the seventh and prior sessions of the Governing Council to the extent that the increased allocations were made necessary by the salary increases approved by the General Assembly in resolution 2485 (XXIII);

(c) To authorize an increase of 3 per cent in the amount calculated for overhead reimbursement of agencies for the years 1969 and 1970 and to earmark an additional amount of \$258,815 for that purpose in 1969.

## CHAPTER VI

### UNITED NATIONS REGULAR PROGRAMME OF TECHNICAL CO-OPERATION

170. Under item 10 of its agenda, the Governing Council considered a report, submitted by the Secretary-General, on the purposes and objectives of the United Nations regular programme of technical co-operation and its relationship to the programmes of UNDP, together with recommendations of the Secretary-General (DP/RP/6 and Add.1). The report, which dealt with policies and procedures, was introduced to the Council by the Commissioner for Technical Co-operation.

#### Summary of discussion

171. During the general discussion of the report of the Secretary-General, a majority of the speakers recognized the role of the regular programme of technical co-operation and its relationship to the programmes of UNDP. They took note of its role in the financing of projects carried out at the inter-regional, regional and sub-regional levels, thereby supporting United Nations efforts in promoting regional co-operation and global economic and social development. The useful role played by inter-regional and regional advisers in providing short-term assistance to individual countries, in promoting regional co-operation and other United Nations policies was also noted. One member underlined its importance in planning, programming and evaluation and in the social sector. Several members also underlined the flexibility of the United Nations regular programme which enabled it to respond promptly to new requests for assistance, as well as its use as "seed money" in the initiation of new projects of relatively short duration which ultimately would be financed from the Technical Assistance component of UNDP. Several members noted the value of programming missions which were assisting Governments, at their request, in obtaining concise and long-term views of their needs for assistance in relation to the financial resources which might be available from all sources to meet their development needs.

172. One member observed that the scope and nature of the regular programme were determined by a number of General Assembly resolutions adopted in response to specific needs of the moment. An examination of the statistics of the regular programme did not support the contention that it had a special or individual identity. The only exceptions to this were in the fields of narcotic drugs control and human rights, but these accounted for only a very small proportion, less than 5 per cent, of the total programme. It had also been suggested that the regular programme was more flexible than the UNDP programme but this claim had not been substantiated or documented. Even if the regular programme were more flexible, it had not been made clear how or why such flexibility would warrant concentration in such sectors as social development. In fact it appeared that the main difference between the regular programme and the UNDP programme was the method of financing. Although the regular programme had not developed a separate or special identity, he agreed with the importance of establishing policy guidelines so that the programme could concentrate on particular areas to avoid duplication of effort. In this connexion it was essential to maintain close



liaison between the regular programme and UNDP, and the Governing Council should continue to review the policies and procedures underlying the regular programme. Another member thought that it was not necessary to establish a philosophy for the United Nations regular programme. Its justification lay in the fact that it had accumulated valuable expertise and contacts at the national, regional and international level and that over the years it had fulfilled the felt needs of many developing countries and had become an important adjunct to development activities. He also did not agree that one of the distinctive features of the programme was to enable the developing countries to identify their long-term needs. The identification of long-term needs was not peculiar to any particular sector but was a function of the stage of development and economic structure of the country concerned.

173. Other members, on the other hand, said that they had not been entirely convinced by the arguments put forward in support of special characteristics such as flexibility, speed of action and priority for countries and sectors less favoured by other programmes. While noting its unique qualities, they felt that the United Nations regular programme must be reviewed in the context of UNDP, in the light of the conclusions of the Capacity Study and those of the Committee for Programme and Co-ordination concerning the possible merger of the two programmes. They further doubted whether there was a different rationale for establishing priorities under the United Nations regular programme from under UNDP.

174. It was pointed out that when the Governing Council considered the regular programme of the United Nations, it was reviewing approximately one fifth of the technical co-operation activities of the United Nations system and that its review afforded the Council a valuable opportunity of examining this sector of the programme from the viewpoint of an operational agency rather than a financing agency. There was support for the guidelines which the Secretary-General had proposed for the general direction of the United Nations regular programme, which, it was felt, took into account those activities for which it was best suited. The desirability of indicating the length of time a project would be financed under the regular programme before shifting to other possibilities of financing, either under UNDP or bilateral sources, was also mentioned.

175. A few members restated their basic position that all United Nations technical co-operation activities should be financed from voluntary sources, and thus should not be a charge against the United Nations budget. Some of these members also noted that it barred non-members of the United Nations from contributing to the support of the United Nations technical co-operation activities or receiving assistance. On the other hand, several members felt that the regular programme represented a recognition of the obligation of all Members under the United Nations Charter to provide assistance for the promotion of economic and social development and considered that the acceptance of the objectives of the Charter implied a responsibility in this connexion. One representative expressed the hope that greater use be made of his Government's contributions to the regular programme.

176. Several members commented on the level of appropriation for the regular programme in the United Nations budget. They referred to the Secretary-General's report to the Governing Council's fifth session (DP/RP/4), in which it was pointed out that the regular programme had been stabilized since 1962

and that an increase in its resources would merely have enabled the Secretary-General to provide to developing countries approximately the same number of units of assistance as in 1962. These members, in referring to the special role of the regular programme, and its usefulness and identity, stressed the fact that newly independent countries require every possible assistance in order to bring them into the mainstream of multilateral technical co-operation activities. They felt that this justified increased resources for the regular programme.

177. It was noted that the report of the Secretary-General contained several proposals with respect to programming and budgeting procedures designed to facilitate the arrangements for review and approval of the United Nations regular programme. The Secretary-General proposed that he should exercise a co-ordinating role in harmonizing the views of the interested programme-formulating bodies with respect to the level of the programme. The expressed needs of the developing countries and regions would be assessed by the Secretary-General taking into account the recommendations of the intergovernmental bodies concerned. He also recommended that the current system of separate section appropriation requests should be converted to a chapter approach in the form of targets to be applied to the major fields of activity, including industrial development. Also, the approval of individual projects based on governmental requests to be financed under the regular programme would be left to the Secretary-General, and the continuous programming approach in use under the UNDP Technical Assistance component, but without country and regional target figures, would be extended to the United Nations regular programme.

178. The Secretary-General's proposals received general approval from the majority of members participating in the discussion. It was felt that they represented a practical solution to the necessity of continually improving the services being provided to developing countries, and increased the flexibility of the regular programme. It was assumed that the Secretary-General would carry out his co-ordination responsibilities in a manner which would ensure the most effective and efficient use of the resources, taking into account the views of the programme-formulating bodies. It was understood that the proposed breakdown in the initial estimates between chapters of Part V (Technical programmes) of the budget would be brought to the attention of the Governing Council for its consideration. The Secretary-General would report annually on programme implementation to the Governing Council and the Industrial Development Board as appropriate. Transfers of funds between chapters would be reflected in these reports as well as in the financial reports of the Secretary-General to the General Assembly.

179. One representative expressed doubts with regard to authorizing the Secretary-General to transfer funds between chapters in Part V (Technical programmes) of the United Nations budget and also on the feasibility of a continuous programming approach in view of the fact that no country targets were to be established.

180. Several members raised the question of the role of the Governing Council enquiring whether the Secretary-General's proposals would diminish the role of the Council in relation to the regular programme. The Commissioner for Technical Co-operation indicated that the Governing Council's policy-determining role would be enhanced and that guidelines would be frequently

reviewed in order to ensure the dynamic quality of the United Nations regular programme.

Decision of the Governing Council

181. At its 146th meeting, at the conclusion of its consideration of item 10 of the agenda, the Governing Council took the following action:

"The Governing Council

"(a) Takes note of the report of the Secretary-General on the United Nations regular programme of technical co-operation (DP/RP/6 and Add.1) and of the views expressed by members of the Council during the discussion;

"(b) Endorses the recommendations of the Secretary-General regarding the future character and role of the United Nations regular programme of technical co-operation (DP/RP/6, para. 8);

"(c) Stresses the importance of ensuring that regular programme resources fulfil, to the extent possible, requests for assistance from Governments for which the programme is particularly suited;

"(d) Recommends that the Economic and Social Council should propose to the General Assembly the adoption of the following programming and budgeting procedures for Part V (Technical programmes) of the United Nations budget:

"(i) That the Secretary-General frame his annual budget estimates for Part V taking into account the expressed needs of the developing countries and regions together with the recommendations of the various programme-formulating bodies of the United Nations, including the Governing Council and the Industrial Development Board;

"(ii) That the current system of separate section appropriations requested under Part V be replaced by chapters reflecting targets to be applied to the major fields of activity: economic development, industrial development, social development, public administration, human rights advisory services and narcotics drugs control;

"(iii) That the Secretary-General approve individual projects based on Government requests to be financed under the regular programme;

"(iv) That annual reports on the programme and projects implemented be submitted as appropriate to the Governing Council and the Industrial Development Board."

## CHAPTER VII

### UNITED NATIONS CAPITAL DEVELOPMENT FUND

182. Under item 11 of its agenda, the Governing Council had before it a report by the Administrator on the United Nations Capital Development Fund (DP/L.96 and Corr.1) pursuant to General Assembly resolutions 2321 (XXII) and 2410 (XXIII). Under these resolutions, the Administrator performs on a provisional basis the functions of the Managing Director of the Fund, as set forth in article IX of General Assembly resolution 2186 (XXI), and the Governing Council performs, as appropriate, the functions of the Executive Board of the Fund as set forth in article VIII of that resolution.

183. Following the discussion at its sixth session, at which time total pledges to the Fund amounted to the equivalent of \$1,296,542, the Governing Council took note of the Administrator's report on this matter (DP/L.82) and, subject to decisions to be taken by the General Assembly at its twenty-third session on the future institutional arrangements for the Fund, it requested the Administrator, bearing in mind the views expressed on the subject during its sixth session, to continue his efforts, including the examination of further possibilities to enable the Fund to commence operations, and to report thereon to the seventh session of the Governing Council. 20/

184. The matter was subsequently discussed at the forty-fifth session of the Economic and Social Council and at the twenty-third session of the General Assembly in December 1968. On the latter occasion, the General Assembly adopted resolution 2410 (XXIII) in which it took note of the above-mentioned decision of the Governing Council, endorsed Economic and Social Council resolution 1350 (XLV) in which the Council, inter alia, requested the Administrator to identify specific projects which could benefit from investment within the scope of the existing resources of the Fund and decided to continue the provisional arrangements for the administration of the Fund by UNDP as set forth in General Assembly resolution 2321 (XXII).

185. In his report, the Administrator informed the Governing Council that, taking into account the results of the second annual pledging conference on 18 November 1968, total pledges to the Fund, as reported by the Secretary-General, amounted to \$2,676,726, of which \$107,000 had been paid. There had subsequently been two additional pledges, from Afghanistan and Cameroon.

186. The report outlined four different types of activity for the proposed provisional operations of the Fund: (a) the use of Fund resources to soften the interest rates of regional bank loans; (b) to finance industrial or agricultural pilot plants or schemes; (c) to supply "follow-up" investment for UNDP-assisted projects; (d) to supply supplementary assistance in conjunction with UNDP-assisted projects.

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20/ For a summary of the relevant discussions and decisions of the Governing Council at its sixth session, see Official Records of the Economic and Social Council, Forty-fifth Session, Supplement No. 6A (E/4545), paras. 249-268.

187. The Administrator drew attention to the need to approve interim financial regulations to permit the initiation of such operations. He also reported the views of the Advisory Committee on Administrative and Budgetary Questions, 21/ which expressed the hope that the Governing Council and the Administrator would find it possible to agree to undertake their respective interim responsibilities for administering the Fund in 1969 without the need for a lump-sum subvention from the regular budget of the United Nations in 1969. In these circumstances, and in view of the need to confine the use of UNDP resources for the purposes for which they were contributed, the Administrator suggested that the only way UNDP could legitimately absorb any administrative and financial implications for the provisional administration of the Fund would be by giving special priority to the type of operations in which UNDP assistance was already directly involved.

188. In introducing the report to the Council, the Assistant Administrator and Associate Director of the Bureau of Operations and Programming drew attention to the special relevance of the concept of the Fund as described in the French text of General Assembly resolution 2186 (XXI), namely, "Fonds d'équipement", in view of the present level and composition of the resources of the Fund. Participating countries were entitled under the resolution to contribute either in cash or in kind, the latter to include contributions of equipment, machinery, and other materials which might be readily useable for the implementation of the purposes of the Fund. If the Council were to instruct the Administrator to proceed with preparatory work for the initiation of operations of the Fund, the limited resources currently available or in sight, whether pledged in cash or in kind, would for practical and other reasons need to be associated as closely as possible with the implementation or follow-up of UNDP-assisted pre-investment projects. It was in this spirit and in accordance with previous discussions and decisions in the Council that the Administrator had examined the various possibilities and types of operation outlined in his report.

#### Summary of discussion

189. The President of the Council pointed out that when considering the report by the Administrator, the Council would, under the terms of General Assembly resolutions 2321 (XXII) and 2410 (XXIII), be performing the functions of the Executive Board of the Fund, as set forth in article VIII of General Assembly resolution 2186 (XXI).

190. Most members who participated in the discussion expressed regret at the continuing low level of the resources of the Fund and the fact that the sole source of contributions to date was from the developing countries themselves. None of the most developed or capital exporting countries had so far seen fit to contribute to the Fund or, with one or two exceptions, to participate in the discussions on the subject held by various organs of the United Nations including the Governing Council. One member felt that it was important to start a constructive dialogue between the developing and the developed countries regarding the continuing gap, both qualitative and quantitative, in the flow of development finance. Other members suggested that the Council should request the Secretary-General, as custodian of the resources of the Fund, to invite Governments, especially from the developed countries, which had not yet made pledges to the Fund to do so.

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21/ Official Records of the General Assembly, Twenty-third Session, Annexes, agenda item 36, document A/7407.

191. Although the current level of its resources was deemed inadequate to fulfil the basic objectives for which the Fund had been created, a number of members were of the view that the prospects for an eventual solution to this problem would be enhanced if the Fund were to commence operations, however modest, at an early date. It would meet a part, however small, of the investment needs of the developing countries and demonstrate once again that they are prepared to do their part in helping themselves and each other. However, two members expressed the view that such action would be unrealistic and premature and that it would be better for the Governing Council to defer a decision until the basic problem of securing the active participation of the developed countries had been resolved and the contributions increased. One of them felt that it would not be advisable to initiate operations while the Fund's resources were less than \$10 million. In this connexion he recalled the studied and concerted unwillingness of the vast majority of developed countries to contribute to and support any institution or organ created for the development of developing countries established under the aegis of the United Nations and consequently the refusal to make pledges to the Fund. Two members who had supported the establishment of the Fund requested that the report should record their disagreement with the proposal to commence operations of the Fund with the resources currently available. One of them added that commencement of operations had to wait until the developing countries had had the opportunity of reconsidering the objectives, machinery, and entire structural framework of the Fund within the perspectives of a new development strategy directed at the achievement of the objectives of a new Development Decade.

192. One member who favoured the early initiation of the operations of the Fund under the provisional administration of UNDP advocated the beginning of the gradual transformation of UNDP in such a manner as to enable it to finance investment proper as well as pre-investment. He contended that UNDP was in fact no longer limited to purely pre-investment and technical assistance activities, as was reflected in financial regulation 5.2 recently approved by the Council which authorized the utilization of UNDP cash reserves for investments in carrying out programmes of economic development. This member was in favour of a reallocation of a greater proportion of funds from certain types of low priority pre-investment or technical assistance activities such as seminars, to certain high priority investment needs. Moreover, he called upon developed market economy countries to translate part of their efforts to achieve the accepted 1 per cent target of gross national product in the form of additional contributions to UNDP. Another member who agreed with the objective of the gradual transformation of UNDP felt that this should not, however, be considered with the level of resources currently available but only when those resources were substantially enlarged. He and other members of the Council expressed the view that the initiation of operations of the Fund this year, whether or not it was viewed as opening a third or investment "window" in UNDP itself, would permit the General Assembly to review at its next session the possible role and activities of the Fund as part of the strategy for the Second United Nations Development Decade.

193. Another member, recalling his Government's opposition to the resolution of the General Assembly establishing the Fund, said that he was in favour of the principle of "additionality" of resources and the need to mobilize a greater flow of development finance in the developing countries. However, the Fund would only add to the proliferation of existing institutions and increase administrative overheads at the expense of funds for development. Its operations would clearly duplicate activities of existing bodies such as the International

Development Association and the regional development banks, which had fully demonstrated their capability to respond in a flexible and diversified manner to the needs of the developing countries. It had not been demonstrated that there was a financial gap either in the type or size of projects that it would be expected to finance, since it was well known that the regional banks, both directly and indirectly through loans to national development banks, were financing small-scale projects of all types in the developing countries. The Programme had been asked to assume only initial and provisional custodial responsibilities for the Fund, but it was apparent that there was now a trend to devolve full administrative and financial responsibilities for the operation of the Fund on a permanent basis onto UNDP itself. This trend could seriously undermine the existing concentration on pre-investment and technical assistance activities which was the primary and unique function of UNDP. For these reasons he could not support the proposed action for the initiation of the operations of the Fund along the lines outlined in the Administrator's report, nor agree that the administrative costs of such operations could appropriately be charged to UNDP funds. Indeed, his Government would not agree to the use of its contribution to UNDP for this purpose and requested a separate accounting for the administrative costs of the operation of the Fund. A number of members drew attention to the hope expressed by the General Assembly, at its twenty-third session, that the Governing Council and the Administrator of UNDP, in these early formative years of the Fund, would find it possible to agree to undertake their respective interim responsibilities for administering the Fund in 1969 without the need for a lump sum subvention from the regular budget of the United Nations, and also to the remark of the Administrator that, in certain cases, UNDP could legitimately absorb any administrative and financial implications for the provisional administration of the Fund in 1969.

194. As regards the types of projects to be identified and prepared for possible financing by the Fund, most members who participated in the discussion expressed general agreement with the four types or categories of such projects outlined by the Administrator in his report. However, the nature and scope of such operations would only become clear in the light of specific projects which it was to be hoped could be prepared and submitted for approval to the next session of the Council.

195. There was also general agreement regarding the need, for purely practical reasons, to give preference to the preparation of projects in close association with or as a follow-up to UNDP pre-investment activities. Some members who shared this view were nevertheless inclined to question the extent to which such projects would fall within the statutes of the Fund or respond adequately to its objectives. Although there may be no practicable alternative for the time being, it was important to avoid going too far in the direction of the assimilation activities of UNDP and of the Fund simply on account of the size or composition of the resources now available. Bearing these factors in mind, preference should be given to genuine investment projects, including pilot plant projects. Other members, agreeing with the need to preserve the integrity and objectives of the Fund, preferred that preference be given to clear-cut cases of follow-up investment rather than to other types of projects.

196. Another member felt that the first priority should be given to joint or participation operations with the regional development banks, along the lines

suggested in the Administrator's previous report to the sixth session of the Governing Council, 22/ with second priority being given to pilot plants.

197. As regards the suggested use of Fund resources to soften the interest rates of regional development banks, one member pointed out that this possibility had not yet been fully explored with those institutions and hoped that the Administrator would do so, bearing in mind that local currency contributions might be used to soften the rate of interest on that part of the regional development bank loan which might be made in local currencies. However, another member was opposed to this proposal on the ground that such operations could not really be regarded as investment operations at all and that the resources currently available were too small to be of any interest to the regional banks or of any real value to developing countries themselves.

198. The opinion was also widely expressed that, in view of the difficulties of administering a fund of such limited size and composition, the Administrator should be given full flexibility in the selection and recommendation of projects for consideration by the Council. What was important for the reasons previously given was to ensure that some such projects could be identified, prepared and submitted for approval to the eighth session of the Governing Council, which would avoid the danger of the General Assembly being placed in the same position on this issue at its next session as it was at its last. Commenting upon this suggestion, the Assistant Administrator and Associate Director of the Bureau of Operations and Programming said that every effort would be made to develop specific projects as soon as possible; however, UNDP was already at a fairly advanced stage of preparation of the programme of pre-investment projects for the June session, and it was doubtful whether it would be possible to prepare and submit well-prepared Fund projects before the ninth session of the Council, bearing in mind that the Fund was an entirely new and separate programme with its own distinctive mandate and problem of resources to which members of the Council had also attached great importance.

199. In replying to a question regarding the financial implications of the provisional administration of the Fund during the current calendar year, the Administrator pointed out that the Fund resources could not be utilized to meet administrative overhead costs and that a question of principle was involved in UNDP's absorbing such costs. However, it was possible to state that the administrative costs to UNDP in the current calendar year would be extremely low.

#### Decision of the Governing Council

200. At its 150th meeting, the Governing Council decided:

(a) To proceed with the initiation of the Fund's operations on a provisional basis with the level of resources currently pledged;

(b) To request the Secretary-General of the United Nations to invite the pledging countries to make appropriate arrangements to pay their contributions

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22/ See Official Records of the Economic and Social Council, Forty-fifth Session, Supplement No. 6A (E/4545), para. 255.



in cash or kind if they so desire, to invite other Governments which have promised to announce their pledges at a later date to do so, and also to invite other Governments, members of the United Nations and specialized agencies which have not yet pledged to do so;

(c) To approve the interim financial regulations of the Fund in accordance with the arrangements set forth in chapter VIII of the report of the Administrator to the sixth session (DP/L.82);

(d) To request the Administrator to consult Governments and international organizations concerned on the type of operations indicated in paragraphs 14 to 17 of the report by the Administrator (DP/L.96 and Corr.1) and to report to the Council thereon with specific project recommendations for approval, if possible, at its eighth session, and not later than at its ninth session.

201. The representatives of the United Republic of Tanzania and Venezuela expressly indicated that they did not wish to be associated with the decision taken because it represented an unrealistic and premature action on the part of the Council.

202. The representatives of Belgium, the Federal Republic of Germany, France, Japan, Switzerland, the United Kingdom and the United States indicated that for reasons which had been made known on previous occasions, they did not wish their Governments to be associated with the above decision. The representatives of Austria, Italy and Sweden, the latter speaking on behalf of the Nordic Governments, asked to be dissociated from that part of the decision which called upon the Secretary-General to request Governments which had not yet made pledges to the Fund to do so. The representative of the Netherlands indicated that his delegation supported the decision of the Council.

203. The representative of Canada, in dissociating his delegation from the decision, requested that separate financial records be kept for the operations related to the Fund including any administrative costs directly attributed to the operation of the Fund.

## CHAPTER VIII

### ACTION TAKEN IN 1968 BY ORGANS OF THE UNITED NATIONS AND RELATED AGENCIES ON MATTERS RELATING TO UNDP

204. Under item 9 of its agenda, the Governing Council had before it a note by the Administrator (DP/L.97 and Add.1) drawing its attention to resolutions adopted by the General Assembly, the Economic and Social Council, and by other organs and agencies of the United Nations in 1968 relating to UNDP. In this note, the Administrator informed the Council that due account would be taken of the views expressed in these resolutions in carrying out the activities of UNDP.

#### Summary of discussion

205. During the discussion of this item attention was drawn to part I, paragraph 26, of the note by the Administrator (DP/L.97) which referred to resolution 2456 A (XXIII) of the General Assembly, inter alia, inviting UNDP and IAEA to continue, in consultation with their member States, the study of the recommendations of concern to these organizations, contained in resolution J of the Conference of Non-Nuclear-Weapon States. <sup>23/</sup> Resolution J of the Conference, inter alia, requested the General Assembly to consider at its twenty-third session the establishment, within UNDP, of a nuclear technology research and development programme to be executed as a matter of priority with the co-operation of IAEA for the benefit of developing countries.

206. Members were aware of the views of the Administrator, as put forward in his letter of 25 November 1968 to the Secretary-General. <sup>24/</sup> The importance of establishing such a programme was emphasized by some members, who suggested that such a programme should be initiated through the creation, as soon as possible, of regional centres for training and research within the context of UNDP and in collaboration with IAEA. They noted that the Administrator in his introductory note had stated, inter alia, that "due account will be taken of the views expressed in these resolutions in carrying out the activities of UNDP in accordance with its legislative directives" (see DP/L.97). They expressed the hope that due study would be undertaken in accordance with General Assembly resolution 2456 A (XXIII) of the recommendation made to UNDP in resolution J of the Conference of Non-Nuclear-Weapon States and that the proposed programme would be implemented at an early date.

#### Decision of the Governing Council

207. At its 146th meeting, the Council took note of the action taken by organs of the United Nations and related agencies in 1968 on matters relating to UNDP (DP/L.97 and Add.1).

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<sup>23/</sup> See Official Records of the General Assembly, Twenty-third Session, agenda item 96, documents A/7277 and Corr.1 and 2, p. 13.

<sup>24/</sup> Ibid., Twenty-third Session, Annexes, agenda items 27, 23, 29, 94 and 96, document A/7364.

CHAPTER IX  
OTHER MATTERS

208. Under item 13 of its agenda, the Governing Council considered separately two documents seeking the Council's views on questions involving the potential use of UNDP funds for special purposes as follows:

(a) A note by the Administrator (DP/L.92) dealing with the construction of common premises for the United Nations organizations in India, which could involve use of UNDP funds, mainly in Indian rupees, to cover up to 50 per cent of the total costs;

(b) A note by the Administrator (DP/L.94) submitting a request from UNESCO for a further interest-bearing loan from UNDP resources, similar to one arranged in 1967, to assist UNESCO in meeting the costs of extension of its headquarters premises.

A. Common premises for the United Nations organizations in India

209. The Director of the Division of Financial Management and Administrative Policy introduced the sub-item with the explanation that the Administrator had come to the Council for guidance in this unusual case, since all other practical approaches had been tried over a number of years without success. There was no doubt that the need for common premises existed in an urgent way, and the offer of the Government of India to provide the land and to pay half the construction costs represented the most advantageous arrangement in the circumstances. In the knowledge that UNDP has a central role in the international activities in India and that the programme holds large amounts of non-convertible Indian rupees surplus to current needs, the Secretary-General of the United Nations had asked the Administrator to explore ways in which UNDP could provide necessary financing. The paper before the Council sought authority only to undertake detailed studies, but the Secretary-General and the Administrator were anxious to know the Council's views before embarking on time-consuming and difficult negotiations and analyses. The eventual payment arrangements could not be envisaged at this stage, but it was to be expected that a large portion of the eventual cost on the United Nations side would eventually fall to UNDP in the form of a subsidy of one type or another.

Summary of discussion

210. Discussion by the Council revealed that there was no objection to further study of the problem but that several members had serious reservations regarding the role of UNDP in a project of this kind and, in particular, concerning the use of UNDP funds on a non-reimbursable basis. One member, supported by others, considered that any study and eventual solution should not be linked to UNDP resources alone and that the problem should be looked at in a much wider context, involving perhaps the Economic and Social Council, the Fifth Committee of the General Assembly and the Advisory Committee on Administrative and Budgetary

Questions. Several members emphasized that it was not normal or generally desirable for funds destined for development purposes to be used for building construction of this kind. One member cautioned that the subsidization by UNDP of a United Nations building in New Delhi would become a precedent which could be followed elsewhere as, for example, in Bangkok.

211. In reply, the Administrator noted that the purpose of the discussion had been to ascertain whether the Council wished UNDP funds to be used on a non-reimbursable basis for the construction of office premises. Since it was evident from the discussion that the Council did not look with favour on such an approach, it would be necessary to examine other possibilities in co-operation with the Secretary General of the United Nations and the Government of India. A report on these negotiations could be submitted to the Council in due course.

#### Decision of the Governing Council

212. At its 146th meeting, the Council, having discussed the report by the Administrator concerning common premises for the United Nations organizations in India, authorized the Administrator to examine the matter further and to report to the Council at the earliest practicable date, keeping in mind the views expressed by members of the Council.

#### B. Investment of funds: cash advance to UNESCO

##### Summary of discussion

213. Several members expressed the view that a loan for building purposes to a specialized agency at a relatively low rate of interest would not best serve the purpose of UNDP and the contributing Governments. They considered that UNDP resources should be used as far as possible to assist directly in development activities and that factors of security and rate of return should otherwise govern in investment decision-making. They recalled that the previous loan to UNESCO, authorized by the Council in 1967, had been granted on the clear understanding that no precedent was involved; a further loan to UNESCO would probably give rise to pressures from other sources for similar loans. These members felt that if a loan were to be made at all, it should be on terms which would produce a very satisfactory rate of return within a comparatively short period. One of these members specified that UNDP policy should be to retain a high proportion of reserves in liquid short-term holdings and the proposal showed a tendency to go in the other direction. The same member urged that if the loan were made, the interest rate charged should be higher than the lending rate of the International Bank for Reconstruction and Development: i.e. at a reasonable commercial rate.

214. Another member considered that the host Government should have major responsibility for providing financial assistance to a specialized agency in the form of subsidies or low-interest loans to meet heavy costs of headquarters construction. Another member, emphasizing that contributions to UNDP were made for development operations and not for building purposes, urged that the problem should be examined from a new standpoint.

215. One member supported the loan provided it were made on the same basis as the previous loan. Other members, while not objecting to the proposed loan in general,

indicated that the conditions of such a loan should be carefully fixed in order to protect the interests of UNDP.

216. The Administrator stated that three criteria had to be met generally by any loan made by UNDP: security, satisfactory interest rate and marginal advantages. He considered that the proposed UNESCO loan could meet these requirements, particularly since special care would be taken, following the discussion in the Council, to ensure a fair rate of return to UNDP.

#### Decision of the Governing Council

217. At its 146th meeting, as an exceptional measure not involving any precedent, the Council authorized a further loan to UNESCO in the amount of \$1.5 million, under terms and conditions to be determined by the Administrator in the light of the views expressed by members of the Council during the discussion.

## CHAPTER X

### DATE AND PROVISIONAL AGENDA OF THE EIGHTH SESSION

218. The Council agreed to accept the kind invitation of WHO to hold its eighth session on the premises of that organization in Geneva. The Council also agreed that the eighth session would be held from 16 June to 3 July 1969.

219. At its 150th meeting, the Council, in accordance with rule 8 of the rules of procedure and under item 12 of its agenda, considered the draft provisional agenda for the eighth session.

220. The draft provisional agenda which was before the Council for consideration read as follows:

1. Opening of the session.
2. Adoption of the agenda.
3. UNDP(SF) programme recommendations of the Administrator:
  - (a) Consideration of individual projects of the UNDP(SF) programme in private meetings;
  - (b) Approval of UNDP(SF) programme recommendations;
  - (c) Proposals for preliminary operations.
4. UNDP(TA) programme:
  - (a) Procedures for the implementation of the new arrangements for regional and inter-regional projects;
  - (b) Approval of the regional and inter-regional project recommendations of the Administrator.
5. General debate (statements by the Administrator and members of the Council on issues before the Council): report on the activities of UNDP in 1968 with relevant supplementary reports.
6. Progress report on the Capacity Study.
7. Study relating to the establishment of an information storage and retrieval system.
8. Financial matters:
  - (a) Comprehensive statement on the financial position of UNDP;

- (b) Report on the Revolving Fund including reporting on the problem of financing future projects of the Special Industrial Services type.

9. Administrative and budgetary matters:

- (a) General policies in respect of budget estimates for the administrative and programme support services of UNDP for 1970;
- (b) Question of the timing of the presentation to the Council of budget estimates for the administrative and programme support services of UNDP.

10. United Nations regular programme of technical co-operation.

11. United Nations Capital Development Fund.

12. Information papers on the regular programme of technical assistance in 1963 of the specialized agencies and IAEA.

13. Date and provisional agenda for the ninth session of the Governing Council.

14. Other matters.

15. Draft report of the Governing Council to the forty-seventh session of the Economic and Social Council.

221. At the 150th meeting, following observations made by members of the Council, it was agreed that the Administrator would issue a revised provisional agenda which would take into account the following changes to the draft contained in paragraph 220 above:

(a) Item 7 would be deleted;

(b) Item 8 (b) would be redrafted to read as follows: "Proposals concerning the Revolving Fund, including a review of the problem of financing future projects of the Special Industrial Services type".

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ANNEXES

ANNEX I

List of delegations

MEMBERS OF THE GOVERNING COUNCIL

Algeria

Mr. Amar Dahmouche,\* Mr. Mohamed Berrezoug\*\*

Austria

Mrs. Erna Sailer,\* Mr. Wolfgang Wolte,\*\* Mr. Gregor Woschnagg\*\*

Belgium

Mr. Edouard Decastiaux,\* Mr. Willy Bittremieux,\*\* Mrs. Sonia Gerlo\*\*\*

Brazil

Mr. Antonio Patriota (Second Vice-President),\* Mr. Bernardo Pericas Neto\*\*

Cameroon

Mr. Michel Njine,\* Mr. Salomon Bakoto,\*\* Mr. Guy L. Sao\*\*\*

Canada

Mr. Harry J. Hodder,\* Mr. Dudley C. Bignell,\*\* Mr. Raymond D. Lucas\*\*\*  
Mr. Frederick G. Livingston,\*\*\* Mr. I.B. Robertson\*\*\*

Chile

Mr. José Piñera,\* Mr. Uldaricio Figueroa,\*\* Mr. Jaime Donoso\*\*

Congo (Brazzaville)

Mr. Ekondy-Akala\*

Czechoslovakia

Mr. M. Kadlec,\* Mr. Jan Můzik\*\*

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\* Representative.

\*\* Alternate Representative.

\*\*\* Adviser.

Federal Republic of Germany

Mr. Herbert Schwoerbel,\* Mr. Hansheinrich Kruse,\*\* Mr. Hofmann,\*\*  
Mr. Kurth,\*\*\* Mr. Schmidt\*\*\*

Finland

Mr. Jaakko Iloniemi (First Vice-President),\* Mr. Matti Kahiluoto,\*\*  
Mr. Tapani Brotherus\*\*\*

France

Mr. Maurice Viaud,\* Mr. Daniel George,\*\* Mr. Jean-Claude Guisset,\*\*  
Mr. Jean Bidaut,\*\*\* Miss Nicole Courson\*\*\*

India

Mr. B.C. Mishra,\* Mr. M. Dubey,\*\* Mr. L.N. Piparsania\*\*\*

Italy

Mr. Mario Franzì,\* Mr. Franco Ferretti,\*\* Mr. Giovanni Scolamiero\*\*

Japan

Mr. Isao Abe,\* Mr. Takeshi Naito,\*\* Mr. Eiichi Uchida,\*\*\*  
Mr. Michihiko Ikeda,\*\*\* Mr. Tadayuki Nonoyama\*\*\*

Jordan

Mr. Muhammad H. El-Farra,\* Mr. Khalil I. Othman,\*\* Mr. Farouk A. Kasrawi\*\*

Malaysia

Mr. Noor Adlan bin Yahayauddin\*

Mauritania

Mr. Taki Ould Sidi\*

Netherlands

Mr. Jan H. Lubbers,\* Mr. R.M.H. Koesoemo Joedo,\*\*  
Mr. J.F. Boddens Hosang,\*\* Mr. J.E. Budelman\*\*\*

Norway

Mr. Kjell K. Christiansen,\* Mr. Haakon B. Hjelde\*\*

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\* Representative.

\*\* Alternate Representative.

\*\*\* Adviser.

Pakistan

Mr. Agha Shahi (President),\* Mr. Mohammed Yunus,\*\* Mr. Inam-ul Haque\*\*\*

Panama

Mr. Aquilino E. Boyd,\* Mr. Didimo Rios\*\*

Paraguay

Mr. Miguel Solano Lopez,\* Mr. Víctor Manuel Jara Recalde\*\*

Peru

Mr. José de la Puente,\* Mr. Jaime Cáceres,\*\* Mr. Alvaro de Soto\*\*\*

Poland

Mr. Leszek Kasprzyk,\* Mr. Zbigniew Dembowski\*\*

Romania

Mr. Gheorghe Diaconescu,\* Mr. Constantin Ene (Third Vice-President),\*\*  
Mr. Gheorghe Popa,\*\* Mr. Nita Constantin\*\*

Senegal

Mr. Moustaphe Blondin Boye\*

Sweden

Mr. Ernst Michanek,\* Mr. Börje Billner,\*\* Mr. Curt Lidgard,\*\*  
Mr. Håkan Granqvist,\*\*\* Mr. Carl Schönmeyr,\*\*\* Mr. Frank Belfrage,\*\*\*  
Mr. Thorbjörn Carlsson,\*\*\* Mr. Göran Engblom\*\*\*

Switzerland

Mr. Sigismond Marcuard,\* Mr. Charles Steinhauslin,\*\*  
Mr. Jean Philippe Monnier\*\*\*

Syria

Mr. George J. Tomeh,\* Mr. Mohamad El-Attrash,\*\* Mr. Abdallah El-Attrash\*\*

Thailand

Mr. Anand Panyarachun,\* Mr. Klos Visessurakarn\*\*

\* Representative.

\*\* Alternate Representative

\*\*\* Adviser.

Union of Soviet Socialist Republics

Mr. Dmitri Degtiar,\* Mr. A.V. Zakharov,\*\* Mr. A.P. Kovalev,\*\*  
Mr. A.C. Malikov,\*\* Mr. Ivan Gritsounov,\*\* Mr. N.I. Alenochkin\*\*\*

United Arab Republic

Mr. Abdel-Hamid Badawi (Rapporteur),\* Mr. M. Gobba,\*\*  
Mr. Mohamed M. El Baradei\*\*

United Kingdom of Great Britain and Northern Ireland

Mr. M.E. Allen,\* Mr. R.N. Posnett,\*\* Mr. B.T. Jordan,\*\*  
Mrs. M.B. Chitty,\*\*\* Miss Janet H. Mather\*\*\*

United Republic of Tanzania

Mr. Akili B.C. Danieli,\* Mr. Waldo E. Waldron-Ramsey,\*\* Mr. M.A. Foum,\*\*  
Mrs. Dorah N.J. Danieli\*\*

United States of America

Mr. Arthur E. Goldschmidt,\* Mr. Clarence I. Blau\*\*  
Mr. William M. Kerrigan,\*\* Mr. Harry L. Coburn,\*\*\* Mr. James Connell,\*\*\*  
Mr. Richard D. Harding,\*\*\* Mr. Robert W. Kitchen, Jr.,\*\*\*  
Mr. Arnold Nestel\*\*\*

Venezuela

Mr. Manuel Pérez Guerrero,\* Mr. Reinaldo Figueredo Planchart,\*\*  
Mr. Freddy Christians,\*\*\* Mr. Hernani Escobar Cabrera\*\*\*

OBSERVERS FROM MEMBER STATES

Australia

Mr. J.R. Kelso, Mr. J.A. Benson

Bulgaria

Mr. Stefan Todorov

Byelorussian Soviet Socialist Republic

Mr. O.M. Pashkevich

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\* Representative.

\*\* Alternate Representative.

\*\*\* Adviser.

China

Mr. Sheldon S.D. Cheng

Cuba

Mrs. Esperanza Ballester, Mr. Jesus Escobar

Denmark

Mr. Bjørn Olsen, Mr. Henrik Schmiegelow

Ghana

Mr. E. Sam, Mrs. A.Y. Aggrey-Orleans

Hungary

Mr. Miklos Endreffy

Iraq

Mr. Riyadh T. Ali

Mongolia

Mr. Ludevordorjhun Khashbat

Sudan

Mr. M.I. Hassan

Tunisia

Mr. Ahmed Chtourou, Mr. Hichem Ayoub

Turkey

Mr. Mustafa Aksin

Yugoslavia

Mr. Ante Skataretiko

SPECIALIZED AGENCIES

International Labour Organisation

Mr. H.W. Quednau, Mr. R.F. Jonker, Miss Delia Garcia-Daireaux

Food and Agriculture Organization of the United Nations

Mr. P. Terver, Mr. D.W. Woodward, Mr. Thomas E. Ritchie, Mr. Morris A. Greene

United Nations Educational, Scientific and Cultural Organization

Mr. A. de Silva, Mr. A. Varchaver

International Civil Aviation Organization

Mr. Helio Costa

World Health Organization

Dr. A. Bellerive, Dr. A. Mochi, Miss B. Newton, Dr. R.H. Malan

International Bank for Reconstruction and Development

Mr. Federico Consolo, Mr. Vincent J. Riley, Mr. Lewis Perinam

International Monetary Fund

Mr. Gordon Williams

Universal Postal Union

Mr. Louis Lachaize

\* \* \*

INTERNATIONAL ATOMIC ENERGY AGENCY

Mr. Robert Najjar

\* \* \*

UNITED NATIONS CONFERENCE ON TRADE AND DEVELOPMENT

Mr. P. Berthoud

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

Mr. A.J. Aizenstat, Mr. E.G. Hernried

UNITED NATIONS CHILDREN'S FUND

Mr. Sherwood Moe, Mr. Fred Hamilton, Mr. Victor Beerman

OFFICE OF THE UNITED NATIONS HIGH COMMISSIONER FOR REFUGEES

Mr. Albert F. Bender, Jr., Mr. Virendra Dayal

UNITED NATIONS INSTITUTE FOR TRAINING AND RESEARCH

Mr. S.O. Adebo, Mr. W. Leonard

\* \* \*

INTER-AMERICAN DEVELOPMENT BANK

Mr. Cecilio Morales, Mrs. Beatriz de Harretche

SECRETARIAT

United Nations Development Programme

Mr. Paul G. Hoffman, Administrator;  
Mr. David Owen, Deputy Administrator;  
Mr. Myer Cohen, Assistant Administrator and Director,  
Bureau of Operations and Programming;  
Mr. Rajendra Coomaraswamy, Assistant Administrator and Director,  
Bureau of External Relations, Evaluation and Reports;  
Mr. Paul-Marc Henry, Assistant Administrator and Associate Director,  
Bureau of Operations and Programming;  
Mr. A. Vaidyanathan, Director, Bureau of Administrative Management  
and Budget;  
Mr. John A. Olver, Director, Division of Financial Management and  
Administrative Policy, Bureau of Operations and Programming;  
Mr. Georges Dumontet, Secretary of the Governing Council.

Commissioner for the Capacity Study: Sir Robert Jackson

Department of Economic and Social Affairs

Mr. Victor Hoo, Commissioner for Technical Co-operation;  
Miss Julia Henderson, Associate Commissioner for Technical  
Co-operation and Director, Office of Technical Co-operation;  
Mr. J. Reedman; Mr. W. Goodkind; Mr. B. Kofsky.

ANNEX II

LIST OF UNDP (SPECIAL FUND) PROJECTS APPROVED BY THE GOVERNING COUNCIL AT ITS SEVENTH SESSION

DP/SF/R.7/1 Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution) (United States dollars) <sup>a/</sup>	(III) Governing Council earmarking	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Governing Council earmarking (col. III)
1	Afghanistan	Assistance to the Afghan Air Authority (AFG 22)	ICAO	1,896,000	1,109,900	3,005,900	76,700
2	Afghanistan	Supplementary Assistance to Training and Demonstration in Animal Health and Animal Husbandry (AFG 11)	FAO	438,000	426,100 <sup>b/</sup>	864,100	39,800
3	Algeria	Development of Pasture Lands and Fodder Crops, Silakhdad and BouSaada-Ojelfa Areas (ALG 16)	FAO	4,924,000	1,304,500 <sup>c/</sup>	6,228,500	120,200
4	Algeria	Hydrometeorological Institute for Training and Research (ALG 17)	WMO	2,825,000	1,317,700	4,142,700	64,600
5	Algeria	Supplementary Assistance to Technical Service and Instructor Training Centre for Adult Vocational Training, Algiers (ALG 4)	ILO	2,343,000	275,500 <sup>d/</sup>	2,618,500	11,100
6	Bolivia	Feasibility Study and Demonstration of Agro-Industrial Development in the Abapo-Izozog Region (BOL 16)	FAO	1,268,000	1,391,100	2,659,100	105,000
7	Brazil	Agricultural Education and Research at the Federal University of Santa Maria, Rio Grande do Sul (BRA 35)	FAO	4,871,000	1,729,900	6,600,900	157,400
8	Brazil	Increase and Development of Wheat Production (BRA 35)	FAO	1,658,000	1,065,100	2,723,100	96,800
9	Burundi	Integrated Rural Development Project (BDI 7)	FAO	350,000	1,433,100 <sup>e/</sup>	1,783,100	6,600
10	Cameroon	Centre of Assistance to Small Industries, Douala (CAMR 12)	ILO	359,000	336,800	695,800	37,300
11	Cameroon	Centre for Health Sciences (CAMR 15)	WHO	910,000	210,500	1,120,500	14,200

a/ Includes an amount of \$49,100 for preliminary operations under the Revolving Fund approved by the Governing Council at its sixth session in June 1968.

b/ An allocation of \$1,041,000 for this project was originally approved by the UNDP's Governing Council at its first session in January 1966 (see document DP/SF/R.1/Add.1.).

c/ Includes an amount of \$167,300 for preliminary operations under the Revolving Fund reported to the Governing Council at its fifth session in January 1968.

d/ An allocation of \$1,075,500 for this project was originally approved by the Special Fund's Governing Council at its twelfth session in June 1964 (see document SF/R.9/Add.3.).

e/ Includes an amount of \$200,000 for preliminary operations under the Revolving Fund reported to the Governing Council at its sixth session in June 1968.



DP/SF/R.7/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Governing Council earmarking	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Governing Council earmarking (col. III)
				(United States dollars)			
12	Cameroon	Statistics Training Institute (CAMR 10)	United Nations	425,000	405,200	830,200	33,000
13	Central African Republic	Rinderpest and Rinderpest-like Diseases Survey and Control, Ndele (CAF 13)	FAO	29,000	83,400	112,400	6,200
14	Central African Republic	Sanitation and Drainage, Bangui (CAF 6)	WHO	252,000	476,700	728,700	39,000
15	Ceylon	Agrarian Research and Training Institute, Peradeniya (CEY 14)	FAO	643,000	882,600	1,525,600	93,600
16	Chile	Development of the Services and Facilities for Civil Aviation (CHI 30)	ICAO	2,062,000	1,374,000	3,436,000	123,600
17	Chile	Establishment of an In-Plant Training Scheme (CHI 38)	ILO	1,682,000	783,500	2,465,500	81,200
18	Chile	Metalworking Industry Testing Centre, Santiago (CHI 39)	UNIDO	816,000	589,400 <sup>f/</sup>	1,405,400	29,500
19	China	Swine Science Institute, Tapu (CHA 31)	FAO	1,513,000	804,500	2,317,500	69,000
20	Colombia	Institutes of General and Financial Administration, Bogota (Phase II) (COL 38)	United Nations	311,000	469,000	780,000	51,300
21	Congo (Democratic Republic of)	Assistance to Yangambi Agronomic Centre to Restore and Promote Agricultural Production (CON(K) 7)	FAO	1,131,000	1,034,600	2,165,600	88,000
22	Congo (Democratic Republic of)	National Highway Administration (CON(K) 29)	IBRD	335,000	1,662,500	1,997,500	123,300
23	Congo (Democratic Republic of)	Promotion of Agricultural Production in the Ruzizi Plain (CON(K) 19)	FAO	274,000	609,100	883,100	62,300
24	Congo (Democratic Republic of)	River Transport Study (CON(K) 30)	IBRD	101,000	867,000	968,000	61,300
25	Cuba	Forestry Research and Training Centre (CUB 3)	FAO	1,634,000	992,800	2,626,800	89,000
26	Cyprus	Supplementary Assistance for Vocational Training and Management Development, Nicosia (CYP 4)	ILO	368,000	536,400 <sup>f/</sup>	904,400	58,100
27	Cyprus	Strengthening of Veterinary Services (CYP 7)	FAO	460,000	448,400	908,400	43,100
28	Dominican Republic	Crops Diversification and Increased Production, Cibao Valley (DOM 9)	FAO	1,028,000	1,127,000	2,155,000	120,200

<sup>f/</sup> Includes an amount of \$36,100 for preliminary operations under the Revolving Fund approved by the Governing Council at its sixth session in June 1968.

<sup>g/</sup> An allocation of \$740,900 for this project was originally approved by the Special Fund's Governing Council at its tenth session in June 1963 (see document SF/R.7/Add.13).

DP/SF/R.7/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)  (United States dollars)	(III) Governing Council earmarking	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Governing Council earmarking (col. III)
29	Ecuador	Industrial Vocational Training Programme (ECU 21)	ILO	773,000	359,500	1,132,500	36,800
30	Ecuador	Supplementary Assistance to the Mechanical Engineering Department, National Polytechnic School, Quito (ECU 8)	UNESCO	375,000	150,100 <sup>b/</sup>	525,100	17,000
31	Ethiopia	Supplementary Assistance in Strengthening the Awash Valley Authority (ETH 11)	FAO	47,000	92,800 <sup>c/</sup>	139,800	11,800
32	France (New Caledonia)	Training of Mechanics for Marine Diesel Engines and other Related Equipment (FRA 3)	ILO	406,000	207,700	613,700	20,300
33	Ghana	Assistance to the Ghana Industrial Holding Corporation (GHA 28)	UNIDO	852,000	753,600	1,605,600	85,000
34	Greece	Research on the Control of Olive Pests and Diseases in Athens, Crete and Corfu (GRE 25)	FAO	1,135,000	1,192,100	2,327,100	106,800
35	Guatemala	Secondary School Teacher Training College, Guatemala City (GUA 11)	UNESCO	4,233,000	1,566,700	5,799,700	156,300
36	Guinea	Rural Polytechnic Teacher Training College (GUI 11)	ILO	2,151,000	1,622,000	3,773,000	173,400
37	Honduras	Investigation of Mineral Resources in Selected Areas (HON 1)	United Nations	371,000	562,900	933,900	45,500
38	India	Farmer Training and Functional Literacy (IND 82)	FAO	5,795,000	1,502,400 <sup>d/</sup>	7,297,400	72,000
39	India	Supplementary Assistance to the National Apprenticeship Scheme (IND 87)	ILO	887,000	221,800 <sup>e/</sup>	1,108,800	14,400
40	India	Pelagic Fishery Investigation on the Southwest Coast (IND 93)	FAO	932,000	2,018,800	2,950,800	126,000
41	India	Supplementary Assistance to the Power Engineering Research Organization, Bhopal (IND 3)	UNESCO	206,000	265,300 <sup>f/</sup>	471,300	- <sup>g/</sup>

<sup>b/</sup> An allocation of \$1,321,400 for this project was originally approved by the Special Fund's Governing Council at its sixth session in May 1961 (see document SF/R.3/Add.10).

<sup>c/</sup> An allocation of \$466,700 for this project was originally approved by the Special Fund's Governing Council at its fourteenth session in June 1965 (see document SF/R.11/Add.12).

<sup>d/</sup> Includes an amount of \$135,000 for preliminary operations under the Revolving Fund approved by the Governing Council at its sixth session in June 1968.

<sup>e/</sup> An allocation of \$1,140,500 for this project was originally approved by the UNDP's Governing Council at its fourth session in June 1967 (see document DP/SF/R.4/Add.18).

<sup>f/</sup> An allocation of \$1,981,500 for this project was originally approved by the Special Fund's Governing Council at its third session in December 1959 (see document SF/L.26/Add.16).

<sup>g/</sup> The payment towards local operating costs is included in the Government's counterpart contribution.

DP/SF/R.7/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Governing Council earmarking	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Governing Council earmarking (col.III)
				(United States dollars)			
42	Indonesia	Aerial Photography Project (INS 22)	FAO	25,000	424,200	449,200	14,100
43	Indonesia	Highway Assistance and Transport Co-ordination Study (INS 19)	IBRD	410,000	3,555,000 <sup>u/</sup>	3,965,000	242,900
44	Indonesia	Offshore Exploration for Tin and Tin Ore-dressing Research (INS 21)	United Nations	1,231,000	1,103,800	2,334,800	53,900
45	Iran	Institute for Hydro-Sciences and Water Resources Technology (IRA 27)	UNESCO	86,000	169,300	255,300	17,200
46	Iran	Management Development and Supervisory Training in Provincial Centres (IRA 30)	ILO	825,000	740,500	1,565,500	88,600
47	Iran	Supplementary Assistance to the Establishment of the Industrial Estate, Ahwaz, and the Development of Small- scale Industries (IRA 11)					
48	Iraq	College of Agriculture, Mosul University (IRQ 15)	UNIDO	803,000	429,900 <sup>d/</sup>	1,232,900	51,700
49	Iraq	Institute of Agricultural Technology, University of Baghdad (IRQ 25)	FAO	3,578,000	1,105,600	4,683,600	107,000
50	Iraq	National Industrial Vocational Training Programme (IRQ 20)	FAO	3,357,000	1,006,700	4,363,700	103,300
51	Israel	National Science Teaching Centre (ISR 18)	ILO	200,000	202,500	402,500	22,100
52	Ivory Coast	Assistance to the Cartographic Service (IVC 14)	UNESCO	585,000	369,900	954,900	28,600
53	Ivory Coast	Programme of Training for Primary School Teachers, Bouaké (IVC 12)	United Nations	659,000	600,500	1,259,500	40,100
54	Ivory Coast	Supplementary Assistance to the Secondary School Teacher Training Institute, Abidjan (IVC 2)	UNESCO	5,805,000	1,203,600	7,008,600	131,200
55	Jamaica	National Industrial Vocational Training Programme (JAM 11)		24,000	72,000 <sup>d/</sup>	96,000	9,200
56	Jamaica	Supplementary Assistance to the Survey Department (JAM 4)	ILO	391,000	667,300	1,058,300	59,000
			United Nations	239,000	179,400 <sup>d/</sup>	418,400	14,800

<sup>u/</sup> Includes an amount of \$159,000 for preliminary operations under the Revolving Fund approved by the Governing Council at its sixth session in June 1968.

<sup>d/</sup> An allocation of \$637,500 for this project was originally approved by the Special Fund's Governing Council at its tenth session in June 1963 (see document SF/R.7/Add.19).

<sup>p/</sup> An allocation of \$1,034,800 for this project was originally approved by the Special Fund's Governing Council at its sixth session in May 1961 (see document SF/R.3/Add.20).

<sup>q/</sup> An allocation of \$349,400 for this project was originally approved by the Special Fund's Governing Council at its thirteenth session in January 1965 (see document SF/R.10/Add.29).

UN/3F/R.7 / Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Governing Council earmarking	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Governing Council earmarking (col. III)
				(United States dollars)			
57	Jordan	Dryland Farming (JOR 18)	FAO	262,000	1,068,600	1,330,600	99,400
58	Kenya	Supplementary Assistance to the Faculty of Engineering, University College, Nairobi (KEN 1)	UNESCO	2,686,000	793,500 <sup>f/</sup>	3,479,500	70,100
59	Lesotho	Feasibility Study of the Oxbow Complex (LES 1)	IBRD	836,000	1,625,900	2,461,900	- <sup>g/</sup>
60	Liberia	College of Agriculture and Forestry, Monrovia (Phase II) (LIR 6)	FAO	1,718,000	1,336,200	3,054,200	126,500
61	Liberia	Mineral Survey in the Central and Western Regions (LIR 9)	United Nations	344,000	979,400	1,323,400	71,700
62	Liberia	Supplementary Assistance to the Department of Planning and Economic Affairs (LIR 3)	United Nations	96,000	543,900 <sup>h/</sup>	639,900	48,200
63	Madagascar	Work-oriented Literacy Pilot Project (MAG 13)	UNESCO	1,164,000	876,300 <sup>i/</sup>	2,040,300	75,200
64	Madagascar	A Study of Ports for the Northwest and at Maroantsetra (MAG 18)	United Nations	150,000	742,900	892,900	78,000
65	Malawi	Fishermen's Training Project (MLW 7)	FAO	150,000	375,200	525,200	6,300
66	Malaysia	Industrial and Trade Instructor Training Programme (MAL 21)	ILO	1,090,000	1,148,700	2,238,700	128,500
67	Mali	Assistance to State-owned Enterprises (MLI 11)	ILO	147,000	876,900	1,023,900	104,700
68	Mali	Supplementary Assistance to the Secondary School Teacher Training Institute (MLI 1)	UNESCO	280,000	279,700 <sup>j/</sup>	559,700	31,600
69	Mauritania	Strengthening of the Geological Service and Mineral Exploration (MAU 4)	United Nations	125,000	291,300	416,300	14,800
70	Mauritania	Studies for the Development of the Gorgol Valley (MAU 3)	FAO	198,000	1,071,100	1,269,100	62,000
71	Mexico	Regional Development of the Lerma Zone (MEX 28)	United Nations	667,000	1,124,800	1,791,800	126,300
72	Morocco	Water Supply Study (Phase II) (MOR 30)	WHO	658,000	1,272,900 <sup>k/</sup>	1,930,900	103,600

<sup>f/</sup> An allocation of \$832,600 for this project was originally approved by the Special Fund's Governing Council at its eighth session in May 1962 (see document SF/R.5/Add.35).

<sup>g/</sup> The Administrator recommends, as an exceptional measure, that the Government's obligation to make a cash contribution towards local operating costs for this project should be waived.

<sup>h/</sup> An allocation of \$431,700 for this project was originally approved by the Special Fund's Governing Council at its twelfth session in June 1964 (see document SF/R.9/Add.22) and \$677,800 was approved by the UNDP's Governing Council at its second session in June 1966 (see document DP/3F/a.2/Add.26).

<sup>i/</sup> Includes an amount of \$25,000 for preliminary operations under the Revolving Fund approved by the Governing Council at its sixth session in June 1968.

<sup>j/</sup> An allocation of \$1,019,900 for this project was originally approved by the Special Fund's Governing Council at its seventh session in January 1962 (see document SF/R.4/Add.18).

<sup>k/</sup> Includes an amount of \$149,000 for preliminary operations under the Revolving Fund reported to the Governing Council at its fifth session in January 1968.

DP/SF/R.7/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Governing Council earmarking	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Governing Council earmarking (col. III)
73	Morocco	Supplementary Assistance for Selected Feasibility Studies in the Sebou Basin and Western Rif Region (MOR 15)	FAO	300,000	252,600 <sup>x/</sup>	552,600	27,000
74	Morocco	Supplementary Assistance to the Secondary School Teacher Training Institute, Rabat (MOR 7)	UNESCO	2,665,000	797,900 <sup>y/</sup>	3,462,900	86,400
75	Nepal	Forest Development (NEP 13)	FAO	345,000	1,014,400	1,359,400	116,700
76	Nepal	Road Feasibility Studies (NEP 16)	United Nations	109,700	996,300	1,106,000	87,100
77	Nigeria	Pilot Project for Rural Employment Promotion in the Western State (NIR 36)	ILO	550,000	598,500	1,148,500	60,200
78	Nigeria	Supplementary Assistance to the Secondary School Teacher Training College, Zaria (NIR 8)	UNESCO	190,000	417,500 <sup>z/</sup>	607,500	45,600
79	Pakistan	Assistance to the East Pakistan Water and Power Development Authority (PAK 50)	IBRD	684,000	1,974,300	2,658,300	- <sup>aa/</sup>
80	Pakistan	Centre for the Organization and Development of the Jute Industry, Dacca (PAK 48)	UNIDO	481,000	599,000	1,080,000	56,500
81	Pakistan	Strengthening of the West Pakistan Veterinary Research Institute, Lahore (PAK 46)	FAO	662,000	948,200	1,610,200	93,000
82	Pakistan	Poultry Production Institute, Malir (PAK 45)	FAO	1,259,000	1,246,000	2,505,000	106,600
83	Panama	Mineral Survey (Phase II) (PAN 17)	United Nations	496,000	633,500	1,129,500	52,700
84	Paraguay	Investigation of Groundwater Resources in Central and Northwestern Chaco (PAR 16)	United Nations	562,000	999,700 <sup>bb/</sup>	1,561,700	41,700
85	Peru	Fish Marketing and Utilization Project (PER 35)	FAO	1,339,000	1,147,500	2,486,500	124,700
86	Peru	Supplementary Assistance to Forestry Research and Training (PER 20)	FAO	297,000	324,700 <sup>cc/</sup>	621,700	33,500

<sup>x/</sup> An allocation of \$793,700 for this project was originally approved by the UNDP's Governing Council at its second session in June 1966 (see document DP/SF/R.2/Add.30).

<sup>y/</sup> An allocation of \$884,900 for this project was originally approved by the Special Fund's Governing Council at its eighth session in May 1962 (see document SF/R.5/Add.20).

<sup>z/</sup> An allocation of \$930,200 for this project was originally approved by the Special Fund's Governing Council at its seventh session in January 1962 (see document SF/R.4/Add.21).

<sup>aa/</sup> The payment towards local operating costs is included in the Government's counterpart contribution.

<sup>bb/</sup> Includes an amount of \$200,000 for preliminary operations under the Revolving Fund approved by the Governing Council at its sixth session in June 1968.

<sup>cc/</sup> An allocation of \$751,800 for this project was originally approved by the Special Fund's Governing Council at its eighth session in May 1962 (see document SF/R.5/Add.26).

DP/SF/R.7/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Governing Council earmarking	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Governing Council earmarking (col. III)
				(United States dollars)			
87	Philippines	National Industrial Vocational Training Programme (PHI 33)	ILO	1,350,000	585,400	1,935,400	41,600
88	Rwanda	Mineral Survey (RWA 6)	United Nations	371,000	1,273,200	1,644,200	80,500
89	Saudi Arabia	Regional and National Physical Planning (SAU 24)	United Nations	1,355,000	763,600	2,118,600	85,400
90	Sierra Leone	Strengthening of the Sierra Leone Electricity Corporation (SL 9)	United Nations	184,000	597,400	781,400	46,300
91	Singapore	Expansion of the Hotel and Catering Centre (SIN 11)	ILO	574,000	444,700	1,018,700	36,000
92	Somalia	Supplementary Assistance to Highway Development Programme (SOM 8)	IBRD	48,000	441,000 <sup>dd/</sup>	489,000	26,000
93	Spain	Pilot Project of Groundwater Utilization for Agricultural Development in the Guadalquivir River Basin (Phase II) (SPA 16)	FAO	1,663,000	791,400	2,454,400	63,800
94	Syria	Institute for Rural and Co-operative Development, Aleppo (SYR 30)	ILO	1,008,000	1,050,700	2,058,700	120,400
95	Syria	Strengthening of the Tobacco Institute and Research Centre at Jub-Hassan (Lattakia) (SYR 29)	FAO	725,000	386,700	1,111,700	35,400
96	Syria	Training Programme for the Directorate of Bridges and Roads (SYR 27)	ILO	525,000	684,400	1,209,400	56,600
97	Tanzania (United Republic of)	Improvement of Tick Control Methods, Mwanza (TAN 25)	FAO	341,000	531,100	872,100	48,000
98	Tanzania (United Republic of)	Supplementary Assistance to Industrial Studies and Development Centre, Dar es Salaam (TAN 10)	UNIDO	120,000	516,600 <sup>ee/</sup>	636,600	62,700
99	Thailand	National Service for Technical Skill Promotion and Job-Entry Training for Industry (THA 29)	ILO	2,547,000	1,089,500	3,636,500	100,600
100	Togo	Assistance to the Development Agency of the Kara Region (TOG 15)	FAO	1,513,000	758,500	2,271,500	54,900
101	Trinidad and Tobago	Caribbean Industrial Research Institute, Port of Spain (TRI 5)	UNIDO	966,000	640,900	1,606,900	55,800
102	Tunisia	Intensification of Groundwater Exploitation in Northern and Central Tunisia (TUN 28)	United Nations	621,000	319,300	940,300	27,000

<sup>dd/</sup> An allocation of \$2,095,000 for this project was originally approved by the Special Fund's Governing Council at its thirteenth session in January 1965 (see document SF/R.10/Add.49).

<sup>ee/</sup> An allocation of \$483,400 for this project was originally approved by the Special Fund's Governing Council at its thirteenth session in January 1965 (see document SF/R.10/Add.59).

		Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution) (United States dollars)	(III) Governing Council earmarking	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Governing Council earmarking (col. III)
DP/CF/R.7/ Add.								
103		Tunisia	Centre for the Development of Prototype Tools, Sousse (TUN 27)	UNIDO	746,000	681,600	1,427,600	50,300
104		Tunisia	North African College of Agricultural Engineering, Medjex-el-Bab (TUN 30)	FAO	1,045,000	348,800	1,393,800	38,300
105		Tunisia	Institute for the Training of Personnel for the Hotel and Tourist Industries, Monastir (TUN 21)	ILO	2,100,000	1,044,800	3,144,800	97,200
106		Tunisia	Human Resources Development and Employment Promotion (TUN 23)	ILO	996,000	476,500	1,472,500	46,400
107		Turkey	Assistance to the Foot-and-Mouth Disease Institute, Ankara, for the Production of Vaccine and the Training of Personnel (TUR 33)	FAO	547,000	553,300	1,100,300	37,300
108		Turkey	Mineral Exploration in Two Areas (TUR 32)	United Nations	2,678,000	1,041,700	3,719,700	75,600
109		Uganda	Institute of Statistics and Applied Economics (UGA 12)	United Nations	961,000	1,069,200	2,030,200	103,400
110		United Kingdom (British Solomon Islands Protectorate)	Marine Engineering and Trade Training Programmes (UK 56)	ILO	603,000	365,600	968,600	32,400
111		Upper Volta	Hydrological and Railway Studies in connexion with Mineral Development in the Northeast (UPV 10)	United Nations	567,000	1,068,800	1,635,800	47,400
112		Uruguay	Productivity Centre (URU 12)	ILO	429,000	407,700	836,700	46,000
113		Western Samoa	Agricultural Development (WES 2)	FAO	378,000	876,500	1,254,500	65,100
114		Yugoslavia	Development of Forestry and Forest Industries (YUG 10)	FAO	1,331,000	983,200	2,314,200	88,200
115		Zambia	National Food and Nutrition Commission, Lusaka (ZAM 12)	FAO	571,000	646,500	1,217,500	64,300
116		Regional (Botswana, Lesotho and Swaziland)	Regional Science Teacher Training Programme of the University of Botswana, Lesotho and Swaziland (REG 93)	UNESCO	488,000	469,500	957,500	36,700

ff / Non-Self-Governing Territory administered by the United Kingdom.

DP/SF/R.7/ Add.	Country	Project title	(I) Participating and Executing Agency	(II) Estimate of Government participation (counterpart contribution)	(III) Governing Council earmarking	(IV) Estimated total cost of project	(V) Estimate of local operating costs to be paid by Government(s) and included in Governing Council earmarking (col.III)
					(United States dollars)		
117	Regional (Cameroon, Central African Republic, Chad, Congo (Brazza- ville), Congo (Demo- cratic Republic of), Dahomey, Gambia, Ghana, Kenya, Ivory Coast, Mali, Mauri- tania, Niger, Nigeria, Sierra Leone, Senegal, Sudan, Uganda, United Republic of Tanzania, and Upper Volta)	Research on African Migratory Locusts (REG 146)	FAO	525,000	656,500	1,181,500	59,900
118	Regional (Colombia and Venezuela)	Development and Integration of the Guajira Peninsula (REG 144)	ILO	1,450,000	780,200	2,230,200	76,700
119	Regional (Bolivia, Ecuador and Peru)	Modernization of Rural Life in the Andes (REG 157)	ILO	300,000	515,700	815,700	54,700
120	Regional (Ceylon, China, Iran, Laos, Malaysia, Nepal, Republic of Korea and Republic of Viet-Nam)	Asian Institute for Training and Research in Statistics (REG 108)	United Nations	1,404,000	2,411,600	3,815,600	213,000
121	Regional (South Pacific - Australia, France, New Zealand, United Kingdom, United States, and Western Samoa)	Fisheries Development Agency (REG 102)	FAO	410,000	477,700	887,700	51,000
122	Inter-Regional (Jordan, Kuwait, Libya, Sudan, Syrian Arab Republic, United Arab Republic and the Emirates of Abu Dhabi and Qatar)	Higher Arab Postal Institute, Damascus (INT-REG 6)	UPU	1,011,000	739,100	1,750,100	72,500
123	Saudi Arabia	Centre for Training and Applied Research in Community Development (SAU 19)	United Nations	2,825,000	815,800	3,640,800	94,900
			TOTAL	127,073,700	99,754,300	226,828,000	8,221,300



# ANNEX III

## UNDP TECHNICAL ASSISTANCE PROGRAMME: COUNTRY AND REGIONAL TARGETS APPROVED BY THE GOVERNING COUNCIL AT ITS SEVENTH SESSION

### A. Country and territory targets approved for 1970 and final targets for 1969

<u>Country</u>	<u>Final targets for 1969</u>	<u>Approved targets for 1970</u>
	(United States dollars)	
Afghanistan	945,000	970,000
Albania	60,000	65,000
Algeria	775,000	815,000
Antigua	46,000	50,000
Argentina	500,000	475,000
Bahamas	50,000	55,000
Barbados	95,000	100,000
Bolivia	606,000	630,000
Botswana	250,000	260,000
Brazil	850,000	890,000
British Honduras	100,000	105,000
British Virgin Islands	25,000	30,000
Bulgaria	200,000	210,000
Burma	850,000	890,000
Burundi	410,000	430,000
Cambodia	500,000	525,000
Cameroon	490,000	515,000
Cayman Islands	25,000	30,000
Central African Republic	310,000	325,000
Ceylon	635,000	665,000
Chad	385,000	405,000
Chile	500,000	525,000
China (Republic of)	300,000	315,000
Colombia	525,000	550,000
Comoro Islands	45,000	-
Congo (Brazzaville)	300,000	315,000
Congo (Democratic Republic of)	775,000	815,000
Costa Rica	175,000	185,000
Cuba	350,000	365,000
Cyprus	125,000	130,000
Dahomey	335,000	350,000
Dominica	35,000	40,000
Dominican Republic	405,000	425,000
East African community	225,000	235,000
Ecuador	535,000	560,000
El Salvador	220,000	230,000
Ethiopia	750,000	790,000

Country	Final targets for 1969	Approved targets for 1970
	(United States dollars)	
Fiji	100,000	105,000
French Antilles	25,000	
French Territories		100,000
Gabon	215,000	225,000
Gambia	150,000	160,000
Ghana	565,000	595,000
Gilbert and Ellice Islands	45,000	50,000
Greece	260,000	240,000
Grenada	36,000	40,000
Guatemala	275,000	290,000
Guinea	450,000	475,000
Guyana	225,000	235,000
Haiti	200,000	210,000
Honduras	265,000	275,000
Hungary	125,000	130,000
India	2,530,000	2,730,000
Indonesia	1,300,000	1,365,000
Iran	850,000	870,000
Iraq	550,000	575,000
Israel	120,000	125,000
Ivory Coast	325,000	340,000
Jamaica	225,000	240,000
Jordan	425,000	445,000
Kenya	550,000	530,000
Korea (Republic of)	275,000	290,000
Kuwait	50,000	55,000
Laos	435,000	510,000
Lebanon	275,000	290,000
Lesotho	250,000	260,000
Liberia	275,000	290,000
Libya	400,000	390,000
Madagascar	451,000	475,000
Malawi	425,000	450,000
Malaysia	600,000	630,000
Maldives Islands	50,000	55,000
Mali	450,000	475,000
Malta	125,000	130,000
Mauritania	225,000	235,000
Mauritius	275,000	235,000
Mexico	575,000	525,000
Mongolia	255,000	265,000
Montserrat	35,000	40,000
Morocco	625,000	655,000
Nepal	600,000	630,000
Netherlands Antilles	25,000	30,000
New Hebrides	30,000	35,000
Nicaragua	210,000	220,000
Niger	375,000	395,000
Nigeria	1,250,000	1,310,000

<u>Country</u>	<u>Final targets for 1969</u>	<u>Approved targets for 1970</u>
	(United States dollars)	
Pakistan	1,440,000	1,520,000
Panama	190,000	200,000
Papua and New Guinea	200,000	210,000
Paraguay	375,000	390,000
Peru	500,000	525,000
Philippines	600,000	630,000
Poland	200,000	210,000
Romania	200,000	210,000
Rwanda	375,000	395,000
Saudi Arabia	270,000	285,000
Senegal	385,000	405,000
Seychelles	40,000	45,000
Sierra Leone	285,000	300,000
Singapore	200,000	210,000
Solomon Islands	75,000	80,000
Somalia	730,000	750,000
Southern Yemen	215,000	225,000
St. Kitts	35,000	40,000
St. Lucia	37,000	40,000
St. Vincent	36,000	40,000
Sudan	585,000	615,000
Surinam	53,000	55,000
Swaziland	225,000	235,000
Syria	550,000	575,000
Thailand	720,000	755,000
Togo	385,000	405,000
Tonga	35,000	40,000
Trinidad and Tobago	215,000	225,000
Tunisia	485,000	510,000
Turkey	650,000	685,000
Uganda	460,000	475,000
United Arab Republic	825,000	865,000
United Republic of Tanzania	780,000	820,000
Upper Volta	410,000	430,000
Uruguay	225,000	235,000
Venezuela	350,000	370,000
Viet-Nam (Republic of)	362,500	380,000
Western Samoa	125,000	130,000
Yemen	362,500	380,000
Yugoslavia	325,000	340,000
Zambia	395,000	430,000
TOTAL	<u>47,070,000</u>	<u>49,260,000</u>

B. Regional and inter-regional targets approved for 1970<sup>a/</sup>

	<u>United States dollars</u>		<u>United States dollars</u>
United Nations	1,840,000	UPU	112,000
ILO	1,146,000	ITU	481,000
FAO	2,689,000	WMO	415,000
UNESCO	1,829,000	IMCO	80,000
ICAO	672,000	IAEA	320,000
WHO	1,537,000	UNIDO	<u>496,000</u>
	TOTAL		<u>11,667,000</u>

a/ Subject to adjustment following the determination of the target for UNCTAD.

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