



CONTENTS

Page

Agenda item 17:

Reports of the Governing Council of the United Nations Development Programme

(a) United Nations Development Programme

(b) Technical co-operation activities undertaken by the Secretary-General 113

President: Mr. PÉREZ GUERRERO (Venezuela).

AGENDA ITEM 17

Reports of the Governing Council of the United Nations Development Programme (E/4451, E/4545)

(a) United Nations Development Programme

(b) Technical co-operation activities undertaken by the Secretary-General

1. Mr. COOMARASWAMY (Assistant Administrator, United Nations Development Programme), introducing the reports of the fifth and sixth sessions of the Governing Council of UNDP (E/4451, E/4545), said that the improvement and expansion of UNDP's work was highly relevant to the international development strategy under consideration by the Council. UNDP was increasing its ability to help Governments to terminate the current United Nations Development Decade in a strong position for further economic development and was considering ways and means of meeting the far greater challenges of the second Decade.

2. Total expenditure under the Programme during 1967 had amounted to \$144 million, of which \$93 million had been for the Special Fund component and \$51 million for the Technical Assistance component, an over-all increase of 7 per cent over 1966. Nearly 33 per cent of the total sum had been spent on agriculture, 22 per cent on industry, 13 per cent on public utilities, 12 per cent on education and science, 7 per cent on health and social welfare, and 13 per cent on activities in other sectors. Six thousand nine hundred experts, 4,543 fellowships and \$23 million worth of equipment and supplies had been provided, and thousands of nationals of developing countries had received advanced training.

3. In the Special Fund component, the Governing Council had approved 151 new projects, bringing the total cost of all approved projects to \$2,226 million, \$909 million of which was contributed by UNDP. Of the 198 projects completed by 31 May 1968, 117 were for resource surveys and feasibility studies, 52 for advanced technical education and training, and 29 for applied research.

4. By the end of 1967, the total follow-up investment related directly to survey projects had amounted to approximately \$1,019 million and investment in harmony with UNDP project recommendations had been of the

order of \$863 million. The work done in the applied research field under three completed and one continuing project had produced investment of over \$200 million, and some 217 completed or continuing projects had provided specialist instruction for approximately 230,000 nationals of developing countries.

5. At its fifth session, the Governing Council had earmarked \$65 million for the 1968 Technical Assistance programme and approved preliminary targets for 1969 amounting to \$45.4 million and \$9.6 million for country and regional projects respectively, and \$8.5 million for agency overhead costs. At its sixth session, the Governing Council had earmarked \$5.8 million for 143 regional and inter-regional projects for 1969.

6. Reviewing some highlights of the policy decisions taken or considered, he said that the Governing Council had decided that for new projects of technical assistance for the operational year 1970 and thereafter, the agency target figures for regional and inter-regional projects should be eliminated and that applications for approval on a project-by-project basis should be made through appropriate channels to the Administrator. After examining the question of local operating costs of recipient Governments, the Governing Council had decided to apply new arrangements for their assessment and collection under the Technical Assistance component for the year 1969 and thereafter (see E/4545, para. 60).

7. Following consideration of a special study and evaluation of technical assistance in the form of operational, executive and administrative personnel, the Governing Council had decided to propose to the Economic and Social Council that it invite the General Assembly, at its next regular session, to authorize UNDP to provide operational personnel, on the request of Governments, as an integral part of its normal assistance, thus continuing the practice of offering them the option of requesting operational or advisory experts in their country programmes.

8. With regard to the criteria for determining eligibility for UNDP assistance, the Governing Council considered that the Programme should remain a broad undertaking of international co-operation, that factors used for the Technical Assistance component should be taken into account, as appropriate, for the Programme as a whole, that relatively more advanced countries should endeavour to increase their share of the cost of assistance provided to them, and that counterpart contributions should be kept as low as possible in the case of the most needy countries.

9. Continuing attention had been given to priorities in the selection of projects in key areas of development, such as agriculture, industry, export promotion, science and technology, education and training, employment, population control and mobilization of finance. At the same time, the Governing Council had recognized that

balanced economic development was essential for most of the low income countries.

10. The Governing Council had urged that efforts be made to improve methods of recruiting experts, and recognized that the question of the desirability of establishing a common recruitment service needed further study. It had considered the general principle of using subcontracts. The question of geographical distribution had been examined in relation to subcontracts, the recruitment of experts and the purchase of equipment.

11. At its sixth session, the Governing Council had endorsed a progress report on the evaluation of the Programme being carried out in UNDP itself, recognizing that the Administrator should have his own means of obtaining as independent as possible a continuing evaluation of the effectiveness of individual projects, categories of projects and total UNDP country programmes, in consultation with the agencies and the Governments concerned.

12. In continuing its efforts to promote follow-up investment the Governing Council had decided to appoint, in close consultation with the Presidents of IBRD and the three regional development banks, a small panel of senior financial advisers to rationalize and systematize the financial advisory services provided by UNDP. It had also recommended, in compliance with General Assembly resolution 2280 (XXII), that the Economic and Social Council should draw the attention of the Assembly to that decision.

13. In response to requests made at earlier sessions, the Administrator had informed the Governing Council at the fifth session that he assessed the needs of the developing countries over the period 1968-1970 as far in excess of the international and counterpart resources likely to be available. The cost to UNDP alone would be nearly \$1,500 million. At its sixth session, the Governing Council had considered the objectives, scope and organization of a proposed study of the capacity of the United Nations system to deliver out an expanded development programme and had expressed its views on the organization of the study and the method of reporting to be adopted. It had also expressed appreciation of the support offered by the participating and executing organizations and had agreed on the bodies to be consulted in connexion with the preparation of the study.

14. At the fifth session, the Governing Council had endorsed the recommendation of the Advisory Committee on Administration and Budgetary Questions (ACABQ) that before any further expansion in headquarters staff resources was contemplated, the Administrator should evaluate the performance of the present establishment and organizational arrangements, with particular reference to the avoidance of duplication in new areas of activity.¹ The Administrator had indicated that in preparing the 1969 budget estimates, he would follow that recommendation closely and would regard 1969 as a year of consolidation for headquarters.

15. By resolution 2321 (XXII) the General Assembly had entrusted the Governing Council with carrying out in 1968 the appropriate functions of the Executive Board of the United Nations Capital Development Fund (UNCDF). The Secretary-General, to whom responsibilities for fund-raising and the organization of the pledging conferences had been entrusted, had invited the Administrator to perform the functions of Managing Director of UNCDF on a provisional basis. At its fifth and sixth sessions, the Governing Council had considered various matters relating to UNCDF—whose resources consisted of pledges amounting to some \$1.3 million—and had requested the Administrator to continue his efforts to enable UNCDF to commence operations, subject to the decision to be taken by the General Assembly at its twenty-third session under operative paragraph 2 of its resolution 2321 (XXII) and bearing in mind the views expressed during the sixth session of the Governing Council. Several members had stated that they did not wish to be associated with that decision.

16. The Administrator and his staff derived much encouragement from the confidence placed in UNDP, but they were convinced that its full potential as a catalyst in the development process could only be realized if it was provided with resources much closer to the target of \$350 million for 1970 proposed by the Secretary-General.

17. Mr. HOO (Commissioner for Technical Co-operation) said that the eighth chapters of the reports on the fifth and sixth sessions of the UNDP Governing Council related to its role as the body responsible for reviewing both the activities of the United Nations as a participating and executing agency of UNDP and its activities under its regular programme.

18. He wished to draw attention to certain background documents to the decisions taken by the Governing Council. At its fifth session, the Governing Council had had before it a report by the Secretary-General on the planning level for 1969 of the United Nations regular programme of technical co-operation.² In the absence of a consensus, the Governing Council had agreed to recommend a provisional planning level for that year of \$6.4 million, subject to review by the General Assembly. A report by the Secretary-General,³ submitted to the Governing Council's sixth session, summarized the main developments in the growth of the United Nations technical co-operation activities through 1967. It also outlined the organizational and operational arrangements decided upon for the Office of Technical Co-operation, in pursuance of Council resolution 1263 II (XLIII). Addenda to the report contained detailed statistical tables relating to United Nations technical co-operation activities in 1967; the United Nations regular programme proposals for 1969; the initial budget request for part V (Technical Programmes) of the 1969 regular budget estimates; and programme recommendations emanating from other United Nations bodies which could affect the use of technical assistance resources.

¹ *Official Records of the General Assembly, Twenty-second session, Annexes, agenda item 46, document A/6979.*

² Document DP/RP/4.

³ Document DP/RP/5 and Add.1-4.

19. In view of the fact that the Secretary-General was to submit to the Governing Council at its seventh session a comprehensive study of the purposes and objectives of the regular programme, the establishment of the provisional planning level for 1970 had been postponed until that session.

20. The reports indicated that obligations for 1967 totalled \$46.6 million, the highest ever, but that was due to the continuing increase in expenditure on Special Fund projects for which the United Nations served as an executing agency. As in previous years, the whole of the \$6.4 million appropriated for the regular programme had been spent, and the same figure had been used provisionally for planning purposes for 1969, less \$991,400, the amount allocated for industrial development in 1968. It had also been necessary to place projects of a total value of \$3.8 million in Category II for 1969. Slightly more than half of the regular programme obligations had been spent on economic development activities, slightly over a quarter on social development activities, and the balance on public administration, human rights and narcotic drugs control activities.

21. Programme obligations under the Technical Assistance component had totalled \$11.1 million for 1967, almost \$900,000 less than in the previous year. Seventy-five per cent of those resources had been spent on economic development activities, 16 per cent on social development, and the remainder on public administration and narcotic drugs control projects, the slight decreases in some of those fields being normal for the first year of a new biennium.

22. Turning to the role of the United Nations as an executing agency for Special Fund projects, he said that obligations in 1967 had totalled \$23.3 million, an increase of \$5.5 million over 1966 and \$9.2 million over 1965. The United Nations was executing agency for 164 approved projects, Governing Council earmarkings for which totalled \$169.5 million. Over 91 per cent of the expenditures were on economic development activities, 5 per cent on social development activities, and 4 per cent on public administration activities.

23. The number of newly assigned experts in 1967 had been 1,336, the total of those assigned to Special Fund projects being considerably higher than in the two preceding years; 1,728 fellowships had been awarded, and 1,016 individuals had participated in group training programmes.

24. Some of the many problems which had had to be faced concerned the availability of national counterparts, currency control and relationships with other agencies. The problem of the recruitment of experts also continued to cause great concern, particularly in such fields as economic planning and population; it was often difficult to find persons with the right combination of technical qualifications, management capabilities and skill in training counterparts. The practice of sub-contracting had given quite satisfactory results. At the same time, there had been an increase in technical personnel at Headquarters and in the regional economic commissions, the role of regional and inter-regional advisers being particularly significant, as was recognized by the executive

secretaries of the commissions in the report on their joint meetings (E/4560).

25. The regular programme proposals for 1969 gave special prominence to regional and inter-regional projects to be carried out under the mandates of the regional economic functional commissions. The priority programme, including country projects, had been limited to \$5,408,000, as in 1968. Under the new mandate given to it by General Assembly resolution 2298 (XXII), the Industrial Development Board had approved projects to the value of \$1.5 million. The problem created by the fact that the two parts of the regular programme would exceed the provisional level of \$6.4 million set for 1969 by the Governing Council could only be resolved by the General Assembly, and commitments against anticipated regular programme resources under all sections of Part V of the budget had been limited for the time being to current levels.

26. The terms of reference of the evaluation missions sent to Ecuador and Iran had been revised in the light of the experience gained with those earlier sent to Chile, Thailand and Tunisia. The reports of the two recent missions would be submitted to the Council at its forty-seventh session, in accordance with part III of Council resolution 1263 (XLIII).

27. Information on the detailed arrangements decided upon for the Office of Technical Co-operation, requested by part II of the same resolution, had been included in the Secretary-General's report on the 1967 technical co-operation activities. The most important change was that on 1 June 1967 the former Bureau of Technical Assistance Operations and the Office of Special Fund Operations had been merged in the Office of Technical Co-operation. As a result of the consequent staff economies it had been possible to establish a planning and evaluation unit and a small operational standards unit.

28. Mr. VIAUD (France) said that the annual reports of the Governing Council of UNDP were of great value to the Economic and Social Council in its consideration of a number of questions relating to development. They were particularly relevant to preparations for the second Development Decade, and it was from that point of view that he would discuss the reports of the fifth and sixth sessions.

29. The working out of a global development strategy was a collective task to which each participating body must take its appropriate contribution. While it was true that the major problems facing the Programme, such as food production, rural development, employment and industrialization, called for action going far beyond what UNDP itself could undertake, it was nevertheless essential that UNDP should be associated with all other members of the United Nations family in preparatory work for the new Decade in order to give it the concrete, realistic element which had so often been lacking in the decisions taken by larger bodies. By virtue of its knowledge of national problems and the experience of its resident representatives UNDP was better qualified than any other organization in the United Nations system to help set reasonable targets, particularly for investment.

30. UNDP was also in a position to help implement the global development strategy. So far, it had tried to apply a strategy without having the necessary guidelines. At each session, the Governing Council considered which fields of action should be given priority, but its instructions to the Administrator were limited to UNDP's sphere of action and were not based on the decisions of the regional economic commissions, the Economic and Social Council, the General Assembly and their subsidiary organs. However, UNDP's activities must be based on the same principles as those of other United Nations bodies if they were to be incorporated into the joint efforts of the United Nations system and attain the necessary degree of coherence and efficiency. The Economic and Social Council should therefore state which fields of activity it considered strategically most important.

31. His delegation, for its part, favoured an intensification of UNDP education and vocational training activities, which not only ensured the replacement of foreign experts by national staff, but provided a solid basis for all other assistance activities. Priority should also be given to increasing food production and to rural development. Pending the elimination of the food shortage through increased agricultural productivity, land reform and mass rural education, UNDP should continue its work on the increased production and use of proteins. His delegation favoured an increase in pre-investment or pilot industrial projects, provided they took due account of local resources, available manpower and potential markets. UNDP should avoid undertaking industrial projects which failed to take account of the relevant economic and social conditions and might thus be ill adapted to the needs and means of the region concerned. The priorities to be accorded to the activities he had mentioned would, of course, vary from region to region.

32. His delegation would hesitate to recommend that UNDP should engage in demographic activities or activities relating to the transfer of operative technology, which fell within the fields of competence of UNESCO, UNIDO, ILO and FAO. Furthermore, it would be unwise for the UNDP to finance investment projects (with the exception of carefully chosen pilot projects), in view of the inadequacy of its resources and the existence of the necessary financing bodies.

33. Since UNDP was called upon to play an advisory and operative role, it should continually seek to become more efficient. Over the years, a complex administration had been created, and it was clearly necessary to review structures, procedures and methods. There was a growing confusion between the functions of UNDP and those of the executing agencies, which might eventually overlap. His delegation fully approved the basic principle underlying the current study of the administrative capacity of UNDP and its executing agencies, but had serious reservations about its scope and the methods used (see E/4545, paras. 178-188). The cost of the study seemed out of proportion to the expected results, and its scope would be limited unless the experts and consultants who carried it out had the responsibilities of government experts. In his view, the Administrator of UNDP could himself have made the study, in consultation with the Inter-Agency Consultative Board.

34. UNDP could play an important role in international co-operation, by reason of its position in the United Nations system and the volume of resources at its disposal. As the source of funds which sometimes constituted the basic component of the technical assistance programmes of some specialized agencies, UNDP had already done much to improve co-ordination between executing agencies. The most successful results had been obtained in the case of pre-investment activities, but much remained to be done in co-ordinating the activities of UNDP, which was responsible for pre-investment, and those of the World Bank group and the regional development banks, which were responsible for investment.

35. Attention should also be focused on UNDP's relations with Governments which provided bilateral aid. The co-ordination of multilateral and bilateral assistance was the responsibility of recipient Governments, but co-operation between donor Governments was undoubtedly necessary. The considerable progress achieved in that regard had often made it possible to avoid duplication and in some cases had permitted a rational division of labour. The Administrator had submitted to the Governing Council at its sixth session a report on association of assistance from other sources during 1967,⁴ which showed that in 1967 such assistance had amounted to \$27 million. France had contributed about one-third of that total, i.e. approximately \$9 million, an amount greatly exceeding its direct contribution to UNDP. That showed that co-operation between UNDP and other sources of assistance was a reality and should be encouraged, for it made it possible to undertake complex or large-scale projects which could not otherwise be financed.

36. UNDP could play a useful role in preparing and putting into effect the plans for the second Development Decade. Unlike many other organizations of the United Nations system, UNDP was concerned essentially with practical activities, which were based on the real needs of Governments. The Council should ask UNDP to continue its pragmatic programmes and to help developing countries to draw up and implement their national development plans. In that way, UNDP could help the Council to define feasible, realistic objectives for the second Development Decade.

37. Mr. ÅSTRÖM (Sweden) agreed with the French representative that UNDP's realistic and practical activities should enable it to play a useful role in formulating a strategy for the second Development Decade.

38. The reports before the Council gave a clear and encouraging picture of the progress made by UNDP on all fronts. The years 1967 and 1968 had been years of consolidation following the marked expansion of new earmarkings for Special Fund projects during 1965 and 1966.

39. The work at the fifth and sixth session had been carried out in a spirit of cautious optimism regarding prospects for a further increase in UNDP resources. It was quite possible that UNDP funds would continue to increase, and one of the main themes discussed at those

⁴ Document DP/L.67/Add.4.

sessions had quite rightly been future need for UNDP technical and pre-investment assistance and the capacity of the UNDP system of executing agencies to undertake a considerably expanded programme. His delegation regarded the decision to undertake a special study of that problem as one of the most important taken in recent years. It was confident that the UNDP Administration had made a wise choice in asking Sir Robert Jackson to prepare the study and welcomed the Governing Council's decision to make his terms of reference wider and more flexible (E/4545, para. 187 (d)). His delegation assumed that the terms of reference did not exclude the study of other measures that might increase the capacity of the UNDP system to undertake a much larger programme, in addition to those specifically mentioned. For example, the study was supposed to investigate the possible "use of inter governmental organizations not only within but also outside the United Nations family for project execution" (E/4545, para. 187 (d) (ii)), which presumably would not preclude consideration of the merits and disadvantages of using other international and national bodies for the same purpose. He had reason to believe that some members of the Governing Council had accepted the wording used in that paragraph on that understanding.

40. On the threshold of the second Development Decade, he wished to stress UNDP's role as the major United Nations pre-investment body and the importance of maintaining a rational division of labour within the United Nations system with regard to assistance to developing countries. His delegation would have reservations about the possibility of any other member of the United Nations system entering the field of pre-investment financing on a major scale.

41. Mr. BITTREMIEUX (Belgium) said that the reports before the Council bore witness to the increasing scope and efficiency of UNDP activities. It was encouraging to see that UNDP was continually modifying its resources, its fields of action and its procedures, so as to be in a better position to meet the requests submitted to it. His country was a member of the UNDP Governing Council and had taken an active part in the work of the fifth and sixth sessions. He would not repeat the comments his delegation had made on those occasions—which would, he was sure, be taken into account by the UNDP Administration—but would confine himself to a number of problems to which his delegation attached particular importance.

42. With regard to financing, his delegation realized that requests exceeded available resources. However, those resources were increasing each year and it was questionable whether the participating agencies would be able to absorb a sudden substantial increase in the number of projects entrusted to them. The problem of resources could not be dissociated from that of absorptive capacity if UNDP was to maintain its present efficiency. His Government regularly increased its contribution to UNDP and made an ever-increasing number of experts and young administrators available to the participating agencies and the UNDP Administration.

43. His Government was concerned about the problem of financial participation by recipient countries, whether in the form of counterpart or local costs contributions. The contribution of countries in the earlier stages of development should be as small as possible, while those of developing countries which had attained a higher level of development should be larger.

44. His delegation was also worried about the lack of information on the way in which participating agencies spent the funds allocated to them for overhead costs, and hoped that such information would be provided so that the Governing Council could, if it wished, review the bases on which those costs were calculated.

45. His delegation considered that it was for recipient countries alone to decide what requests they would submit to UNDP. The participating agencies and the resident representatives of UNDP could and should advise and help recipient countries, but in the final analysis, it was for the Governments of those countries to take the necessary decisions, in conformity with the priorities established in their national development programmes.

46. His Government continued to think that the resident representatives could play an essential role in co-ordination in the field and was happy to note that agricultural and industrial advisers were gradually being added to the UNDP field offices. He hoped that that practice would be pursued and expanded and that any resulting financial problems would be solved, for it would facilitate concerted international action at the operational level and promote the global approach required by many development problems.

47. His delegation had noted that although follow-up investment was far from negligible, the sources of finance and the sectors in which such investment had occurred were fairly limited. It would therefore be desirable to help Governments, at their request, to find possible sources of finance, to draw the attention of financing sources to UNDP pre-investment activities, and to study the reasons why follow-up investment had not taken place in certain sectors. UNDP and the participating agencies had an important role to play in promoting follow-up investment, but the basic responsibility in that sphere lay with the recipient Governments, which must establish and maintain a climate and conditions which would encourage such investment.

48. The many constructive achievements of UNDP showed that it could make an increasing contribution to the developing countries' economic and social progress, both directly and by catalytic action. His Government would continue to support UNDP, not only through financial contributions but also by providing the participating agencies with training facilities and the services of experts or consulting firms needed for project execution. The Governing Council's importance would grow as UNDP activities became more numerous and diversified, for it was the Governing Council's task to guide the Programme, supervise its management and evaluate its achievements.

49. His delegation followed with interest the activities of the regular technical assistance programme of the

United Nations but felt that that programme should be re-examined in the context of United Nations co-operation programmes as a whole. It would therefore study with interest the report which the Secretary-General was to submit to the Governing Council at its seventh session on the regular programme's role and its relation to UNDP.

50. Mr. FIGUEREDO-PLANCHART (Venezuela) said that in general his delegation was satisfied with the results of the fifth and sixth sessions of the Governing Council of UNDP. At the sixth session, the Governing Council had approved a number of Special Fund projects involving a total expenditure of \$127 million, \$50 million of which would be provided by UNDP. That represented a considerable effort on behalf of the developing countries, but UNDP's resources were still insufficient and he hoped that the target of \$350 million set in General Assembly resolution 2280 (XXII) would be attained by 1970.

51. His delegation had noted the action taken at the sixth session on the study of the administrative capacity of UNDP, and was particularly pleased that consultants from developing countries would participate in its preparation. Sir Robert Jackson could certainly count on the co-operation of the relevant organizations of the United Nations system in carrying out the study, whose conclusions would make it possible to improve preparations for the second Development Decade in the fields of technical assistance and multilateral pre-investment.

52. The Governing Council had been informed at its sixth session that systematic evaluations of technical assistance and pre-investment needs for the next five years were now being carried out in two countries. If such evaluations were undertaken in more countries a clearer idea could be obtained of the developing countries' probable needs in those fields in the 1970s.

53. His delegation supported the independent UNDP evaluation machinery, which was essential for the success of UNDP activities, and felt that the machinery should be made even more efficient in the case of preliminary operations.

54. Inter-disciplinary activities were becoming more and more important, owing to the increasing complexity of technical assistance programmes. It was therefore essential to achieve greater co-ordination between the organizations providing technical assistance, not only in order to avoid duplication and overlapping but also in order to achieve the best possible results. His delegation had often stressed the need for co-ordination with the regional economic commissions and the United Nations Economic and Social Office in Beirut, which were familiar with the needs of their respective areas.

55. At its sixth session the Governing Council had asked the Administrator "to study, in close co-operation with appropriate organs of the United Nations Secretariat and in particular the United Nations Centre for Development Planning, Projections and Policies, the feasibility of setting up and operating a system of automatic data storage, processing and retrieval" (E/4545, para. 331). His delegation had been impressed by the statements on that subject made at the current session of the Economic and Social Council by the representatives of the special-

ized agencies, particularly the Director-General of the ILO (1532nd meeting) and was considering the possibility of submitting a draft resolution on the matter, after informal consultations with other delegations.

56. It was regrettable that at the sixth session some of the Governing Council's traditions had been ignored, leading to a deterioration in the harmonious atmosphere which was particularly necessary in UNDP, a body whose activities benefited the international community as a whole.

57. Mr. AL-SABAH (Kuwait) said it was encouraging to note that UNDP's field of activity was gradually expanding in response to government requests. That expansion naturally implied close co-operation between UNDP and the specialized agencies, and his delegation attached special importance to close co-operation between UNDP and UNIDO. The latter was the youngest member of the United Nations family and its programme deserved special support at the present stage, for industrialization was the keystone of economic and social progress. The projects financed by UNDP, which covered a wide range of subjects, would help the developing countries to escape from the narrow scope of bilateral agreements and benefit from the broader prospects offered by international co-operation. In that connexion, he wished to thank UNDP for its continuing interest in the desalination project in Kuwait. At its fifth session, the Governing Council had approved the project relating to the Water Resources Centre at Kuwait City, which would encourage Kuwait to continue its substantial efforts in the field of desalination research.

58. His delegation supported the Governing Council's decisions regarding criteria for determining eligibility for UNDP assistance (E/4451, para. 94).

59. The disparity between the resources available and the developing countries' needs was obvious, but the developed countries should have no difficulty in increasing their contribution to UNDP. The modest amount of international assistance now given was merely a cheap way of enabling the rich countries to escape their obligation to help the poor countries. No matter how carefully distributed, it was insufficient to solve the developing countries' problems, which resulted from long years of foreign domination.

60. Certain activities were essential for the future prosperity and welfare of the developing countries. Surveys of natural resources should be undertaken as a first step towards industrialization. The training of skilled personnel would help to eliminate unemployment, facilitate industrialization and enable the developing countries progressively to dispense with technical assistance. Pre-investment and investment projects in the developing countries were needed to attract foreign investment. Priority should be given to export industries, which generated foreign exchange and thus freed developing countries from their dependence on external assistance. Those countries should also be given technical assistance in order to help them find foreign markets for their products.

61. Mr. KADLEC (Czechoslovakia) said that Czechoslovakia's election to the Governing Council of UNDP at the forty-fourth session of the Economic and Social Council would increase its involvement in UNDP activities. A better understanding had recently developed between UNDP and his Government. At the latest pledging conference, Czechoslovakia had raised its contribution by 160 per cent which had led to expanded co-operation between it and the Programme. Czechoslovakia's contribution was made in its national currency. Doubts had frequently been voiced as to the effectiveness of contributions in national currencies and criticisms had also been made of the way such contributions were used. His Government's experience showed that with goodwill and mutual understanding, ways and means could be found by the Administrator of making full use of them. He believed that his Government's co-operation with UNDP would have fruitful results, even in the field of follow-up investment. As a member of the Governing Council, his country would do its utmost to put its experience at the disposal of the developing countries and to help remedy possible shortcomings in UNDP's work.

62. His delegation's position with regard to financing technical assistance from the United Nations regular budget remained unchanged.

63. Mr. VARELA (Panama) said that if it was not for the activities of UNDP, the majority of people in the developing countries, and particularly those in the rural areas, would not even realize that the United Nations existed and was trying to do something to improve their standards of living. In 1966 he had stressed the need for evaluation units to determine the effectiveness of UNDP's work and he was therefore pleased to see that such a unit had been set up. At that time, he had also emphasized the importance his Government attached to the work of the resident representatives of UNDP in co-ordinating the activities of the United Nations in the field. While it might not be possible, for constitutional reasons, for the resident representatives to co-ordinate the work of the specialized agencies, the more the agencies did to co-ordinate their work in the field, the more effective the results would be.

64. The developed countries contributed large sums to UNDP, but it was possible that their representatives did not have first-hand knowledge of how programmes actually operated in the developing countries and how one project related to another. In that connexion, he described the assistance received from UNDP by his country for a rural handicrafts project and noted that it was backed up by the provision of national credit facilities. International finance was also easier to obtain following the intervention of UNDP, from such bodies as IDB, IDA and IBRD. Governments benefited greatly from UNDP advice in the determination of their priorities. UNDP had advised the Panamanian Government to put special emphasis on the agricultural sector and as a result, projects had been elaborated to demonstrate how farmers could provide fodder for their livestock during the annual four-month dry season. That had led to financial assistance from IDA. Another project was

being studied for making use of two river basins for irrigation purposes and would open up possibilities for productive investment.

65. Great care was always taken to ensure that the results of pre-investment projects were utilized so as to produce the maximum benefit. Thus, prospecting for natural ores had been carried out in Panama with UNDP assistance and valuable copper deposits had been found. UNDP had advised the Government not to grant any concessions to foreign firms for their exploitation until appropriate mining legislation had been drawn up which would enable Panama to benefit to the maximum from its own natural resources. The Government had already asked UNDP informally for the assistance of an expert to prepare such legislation and would shortly submit a formal request.

66. He shared the doubts expressed by the French representative concerning the financing by UNDP of family-planning activities. Such activities could not be classed either as pre-investment or as should not be financed by UNDP. Any expenditure on such activities should be borne by Governments themselves.

67. Mr. KOROLEV (Union of Soviet Socialist Republics) said that his delegation had noted from the reports of the fifth and sixth sessions of the Governing Council of UNDP that some progress had been made concerning the choice and evaluation of projects and their effect on the fundamental economic and social problems of the developing countries.

68. His delegation was aware of the importance for many developing countries of improving agriculture and increasing food production. UNDP's work in that sphere was welcome. But agricultural development depended directly on more rapid industrialization and not enough attention was being paid to industrialization in the Programme.

69. The majority of approved projects were still related to the pre-investment stage while pilot projects, despite their obvious interest, were only being studied. The procedure for studying Governments' requests was very slow. The USSR delegation, amongst others, had expressed the wish at the Governing Council's sixth session that ways should be found of speeding up the preparation, approval and implementation of projects, and he hoped that those wishes would be taken into account by the Administration.

70. The training of personnel was given an important place in the reports, as was the provision of experts. The problem of meeting the developing countries' requirements in that respect would remain in the 1970s. Its solution would depend to a considerable extent on whether the potential of all industrialized countries was utilized. That was not the case at present. Little use had been made of USSR experts on a multilateral basis in UNDP projects in spite of the fact that their work was highly valued in many countries. No use was made of the experts of such an advanced country as the German Democratic Republic, which was being needlessly prevented from taking part in the UNDP as it sincerely wanted to do.

That was all the more incomprehensible in that other countries were participating in the Programme, countries which were directing their efforts to aggression and which, therefore, in accordance with the spirit of the Charter, should not receive assistance. His delegation would continue to oppose the approval of assistance for those countries.

71. His Government's position regarding the regular programme of technical assistance was unchanged. The programme should be removed completely from the United Nations budget and brought under the control of the Governing Council of UNDP. It should be financed from voluntary contributions by Governments. In that connexion, the Soviet Union agreed entirely with the view of the Enlarged Committee on Programme and Co-ordination as reflected in paragraph 20 of the report on its first session.⁵

72. His Government attached great importance to the work of UNDP in giving technical assistance to developing countries and took an active part in it. Such assistance was in keeping with the principles of the United Nations and was an important factor in strengthening peace and promoting co-operation between all States.

73. Mr. GOLDSCHMIDT (United States of America) said it was clear from the reports of the Governing Council that UNDP programmes were well oriented to the needs of the developing countries and to sectors requiring action. They should, of course, also be designed ultimately to eliminate the need for technical assistance. From the various reports before the Council in connexion with different items of the agenda, it could be seen that co-ordination was not only necessary at the inter-agency and regional levels, but also on a sectoral basis. He had already stated his belief that during the current Development Decade the different organizations of the United Nations system had learnt to work together, and that was why he had a cautious optimism about the growth of UNDP work. The Governing Council's two reports showed evidence of a trend towards the linking of sectoral programmes, and that trend would provide opportunities for the introduction of new ideas and initiatives on behalf of the developing countries.

74. His delegation welcomed the new guidelines adopted by the Governing Council for future technical assistance regional and inter-regional programmes (E/4545, para. 83). It also welcomed the new procedure for operating costs and the maintenance of OPEX programmes for those countries wanting them (E/4545, para. 60; E/4451, para. 164).

75. On the question of criteria for eligibility for UNDP assistance, his delegation continued to believe that eligi-

bility should depend solely on membership of the United Nations or the specialized agencies. It considered, however, that the question of criteria was in fact one of cost-sharing, and that the approach to distributing the resources available to UNDP should be flexible, so that governments which could afford it should pay what they could and the poorest countries could be given most help. In that connexion, the remarks of the USSR representative were out of place; the Governments to which he had referred were fully eligible for assistance. His remarks about East Germany were likewise out of place.

76. The United States delegation was also interested in the emphasis placed on the importance of follow-up investment. Its impression was, however, that the Administrator had reported on large projects in which follow-up investment could be easily distinguished; no mention had been made of follow-up investment at the local level, especially for agricultural projects. Such local follow-up investment might be small in scale, but it was of importance when planning co-operation with the World Bank group and in the development of relations with regional development banks. It was worth keeping such investment constantly under review.

77. UNDP would be one of the most important tools for the new Development Decade, and for that reason his delegation welcomed the study on the capacity of the United Nations system of organizations to operate an expanded programme of technical co-operation. The study should also deal with the ability of the United Nations system of organizations to work together on multi-disciplinary projects. His delegation was also looking forward to the report on the United Nations regular programme of technical assistance. That programme required examination in the light of such developments as the initiation of continuous programming in UNDP, because it must be a practical tool for development.

78. Many previous speakers had spoken of priorities. His delegation agreed on the symbiosis between agriculture and industry; priorities began at home and the developing countries must decide priorities themselves, but the United Nations and the specialized agencies could at the country level help them identify and decide what their priorities should be. For example, although the importance of export promotion was known to the Council, very few requests for assistance in that field were made by the government units of developing countries responsible for planning the UNDP country programmes. There should not be two levels of priority, one theoretical in the Council and another in the developing country. Thus, he would like to see the new Development Decade introduce a new emphasis in co-ordination, to ensure co-ordination of the priorities recognized in the Council with priorities as determined at the developing country level.

The meeting rose at 1.5 p.m.

⁵ *Official Records of the Economic and Social Council, Forty-third session, Supplement No. 10.*